

Exhibit 1



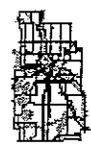
- Legend**
- Railroads
 - Street Onway
 - Light Rail Stations
 - Light Rail Line
 - Streets
 - Parcels
 - Orthophotos South
 - Orthophotos North

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**RESOLUTION ENDORSING REDEVELOPMENT FRAMEWORK FOR
'TRIANGLE PARCEL' AT HIAWATHA – LAKE**

WHEREAS, the intersection of Hiawatha Avenue and Lake Street has been a longstanding priority area of interest for the Midtown Community Works Partnership, as identified in the Partnership's Corridor Development Framework; the Hiawatha-Lake area also has been the focus of multiple planning initiatives, including the Hiawatha-Lake Station Area Master Plan and the development objectives and guidelines for Transit-Oriented Development (TOD) at the Hi-Lake Shopping Center; and

WHEREAS, on March 1, 2005, the MCW Partnership acknowledged the commitment by the McKnight Foundation to support a TOD implementation strategy for the Hiawatha-Lake Street station area, to be developed through MCW's partnership with Reconnect America; and

WHEREAS, on March 1, 2005, the MCW Partnership also acknowledged that among the identified opportunities and challenges for immediate attention are the Triangle Parcel east of Hi-Lake Shopping Center that has several potential uses ranging from transit to retail, and that this Triangle Parcel should be preserved for rail transit until after a successful connection between the Midtown Greenway proposed rail transit line and the Hiawatha LRT line is made here which will include integration of the rail transit line with surrounding development; and

WHEREAS, since March 1, various members of the MCW Partnership, including the City of Minneapolis, Hennepin County, Metro Transit, Wellington Management, Midtown Greenway Coalition, and Lake Street Council, have continued to explore the opportunities and challenges presented by the Triangle Parcel; and

WHEREAS, the successful integration of pedestrian, bicycle, transit, automobile, commercial, and public open space uses at Hiawatha – Lake requires the active coordination of multiple parties and effective leverage of available resources, including a sound plan for redevelopment of the Triangle Parcel;

THEREFORE BE IT RESOLVED, that the Midtown Community Works Partnership hereby endorses the following objectives as a framework for redevelopment of the Triangle Parcel:

1. Preserve capacity and adequate access for an integrated transportation plan that includes Midtown Greenway streetcar/rail transit connections, bus transit circulation, pedestrian and bike connections, connections to Hi-Lake and bus access onto Hiawatha off-ramp;
2. Redevelopment of the remainder of Triangle Parcel, and potentially a portion of adjoining shopping center parcel, that incorporates pedestrian and bike connections, public art, open space, and active retail/restaurant or mixed-uses;

3. Utilize Minneapolis' Hi-Lake property acquisition grant from the Metropolitan Council's Livable Communities Demonstration Account program for acquisition of a transportation corridor connection between the Hi-Lake triangle and 29th Street consistent with this framework prior to June 30, 2006;
4. Utilize the University of Minnesota Design Center for the Urban Landscape as resource to explore strong design of public spaces;
5. Develop maintenance agreements and identify dedicated funding source for public spaces; and
6. Assure strong participation of stakeholders in development of a detailed development plan prepared by the City of Minneapolis by March 30, 2006;
7. Multiparty agreement to implement detailed development plan, utilizing available resources and coordinating legal obligations, on or before May 30, 2006.

ATTEST:

Nate Garvis, Chair

DATE:

December 14, 2005

May 5, 2006

Mr. Michael Christenson
Director of Economic Development
Department of Community Planning and Economic Development
City of Minneapolis
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401

RE: Letter of Intent to Convey Easement at Hiawatha-Lake

Dear Mr. Christenson:

At your request, we have held discussions with counsel for the Midtown Community Works Partnership in order to explore an effective framework to integrate transportation, public works, and development planning for the northwest corner of Hiawatha Avenue and Lake Street. This letter is a non-binding letter of intent that reflects the discussions we have held to date, and outlines the proposed transaction. The actual terms will be more particularly set forth in a legally binding easement agreement to be developed and mutually agreed upon by the parties.

A. **Overview of Project:** The City of Minneapolis (the "City") is interested in obtaining a public transportation easement (the "Easement") from Hi-Lake LLC (the "Landowner") to secure a public access corridor to the Midtown Greenway from the property located on the northwest corner of Hiawatha and Lake Streets (the "Triangle Property" see attached map). The Triangle Property is currently owned by MnDOT/Metro Council and Metro Transit, who are in the process of determining how they will configure bus traffic in and around the Triangle Property, as the current bus routes in the subject area were initially established as "temporary." The Landowner is potentially interested in acquiring development rights over all or a portion of the Triangle Property depending on the terms and conditions of such development rights and is willing to grant to the City the Easement being sought by the City in exchange for 1) financial consideration; and 2) the City's undertaking to coordinate a process that would result in delivering to the Landowner a specific development proposal for the Triangle Property that the Landowner could either accept or reject.

B. **Proposed Transaction:** The Landowner would grant an easement to the City. The City would pay to Landowner \$100,000 for this easement. The agreement that would be used to convey the easement to the City (the "Easement") would include the following terms and conditions:

1. Term:

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The term of the Easement would be perpetual.

2. Authorized Uses:

The City's uses under the Easement would be a non-exclusive right for public access across such property to be used by buses, bicycles and pedestrian traffic, however preserving for the Landowner the right to use such property for access for delivery vehicles and trash hauling vehicles.

3. Improvements:

The Landowner would be required, after review and consultation with City, to design and construct reasonable improvements to the Easement Property in order to facilitate the authorized uses by the City, with such improvements to include lighting, paving, landscaping and other such improvements not to exceed an amount to be established by the parties in construction and design costs all of which, including any improvements in electrical service needed to operate the additional lighting would be paid for by the Landowner ("Improvement Costs"). In order to secure and preserve the value of the Easement property, Landowner would also include in the Improvement Costs such limited site improvements to the Triangle Property as sodding of grass, irrigation, and back lighting of the East Wall of the Shopping Center. Landowner will review the proposed Triangle Property improvements and consult with City prior to construction. The City will obtain such approvals as are necessary for such improvements. Landowner will contribute, outside of the Improvement Costs budget, the operating costs of electricity, water, and trash pickup related to these improvements ("Operating and Maintenance Costs").

4. Undertaking by City:

The City will be required to deliver to Landowner, within three (3) months from the grant of such Easement, a development proposal for the Triangle Property which will clearly identify the specific portions of the Triangle property and any related development rights available for purchase from the City by the Landowner. The City would utilize the Midtown Community Works Partnership as a forum to integrate planning and policy for the Metropolitan Council, Hennepin County, and City concerning the transportation and other land use issues relating to this development plan, including:

- bus transit needs;

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- future streetcar and trail connections;
- safe movements at southbound Hiawatha exit ramp;
- highest and best TOD uses;
- improved pedestrian connections and public spaces.

5. **Landowner Negotiation and Repurchase Rights:**

The Landowner will be given three (3) months from the date of receipt of the development proposal from the City to negotiate for the purchase of the property and development rights for the Triangle Property on terms and conditions acceptable to Landowner. If the City and the Landowner are not able to agree on final terms and conditions of such purchase of the property and development rights that are acceptable to Landowner, then at the end of that three month period Landowner shall have the option to re-purchase the City's rights to the Easement as set forth in the Easement Agreement for a purchase price of One Hundred Thousand Dollars (\$100,000) less any Improvement Costs incurred by the Landowner in building any improvements on the Easement and Triangle Property pursuant to Section 3 above (the "Repurchase Price"). Landowner would be required to exercise such purchase option by delivering to the City the Repurchase Price within thirty (30) days following the end of the three (3) month negotiation period described above.

6. **City's Put Rights:**

If for any the Landowner elects not to purchase the development rights on the Triangle and further elects not to exercise the option to repurchase the City's rights in the Easement Property as provided for in Section 5 above, then the City shall have the option but not the obligation to "put" its interests in the Easement Property to the Landowner and to compel the Landowner to purchase the City's interest in the Easement Property for the Repurchase Price described in Section 5 hereof. The City shall exercise its "put" right by written notice within sixty (60) days following the lapse of the Landowners option rights as described in Section 5 hereof.

7. **Escrow of Funds:**

In order to ensure a means of funding the improvements on the Easement Property and the Repurchase Price should either the Landowner or the City wish to exercise their respective option or put rights, the initial One Hundred Thousand Dollars (\$100,000) shall be deposited in an Escrow Account with an mutually acceptable Escrow Agent to be held and disbursed in a manner consistent with the terms hereof which shall be incorporated into a separate Escrow Agreement. An amount up to the agreed upon

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Improvement Costs budget of the funds deposited in said Escrow Agreement shall be available to Landowner for Improvement Costs described in Section 3 above. Landowner will submit appropriate draw requests to the Escrow agent to obtain these funds under the provisos of the Escrow Agreement. The City agrees to cooperate with Landowner in securing whatever regulatory approvals and building permits are necessary to undertake said improvements in a timely manner.

B. **Agreement to Negotiate:** Landowner and the City agree to use best efforts to negotiate the terms of a binding easement agreement for execution on or before June 30, 2006. This letter shall be construed according to its fair meaning and not strictly for or against any party. This letter does not, and is not intended to, impose any binding obligations on the parties.

If the terms of this letter are agreeable to you, please sign a copy of the Letter and return it to me at your earliest convenience. I will be out of the country until May 29, but Judd Fenlon in our office will be available to answer any questions or continue these negotiations. My thanks to you and the Midtown Community Works Partnership for your commitment to progress in this effort.

Sincerely,



Stephen B. Wellington, Jr.
President

By: 
Stephen Wellington

Its: President

City of Minneapolis

By: _____

Its: _____

Proposed
Easement

