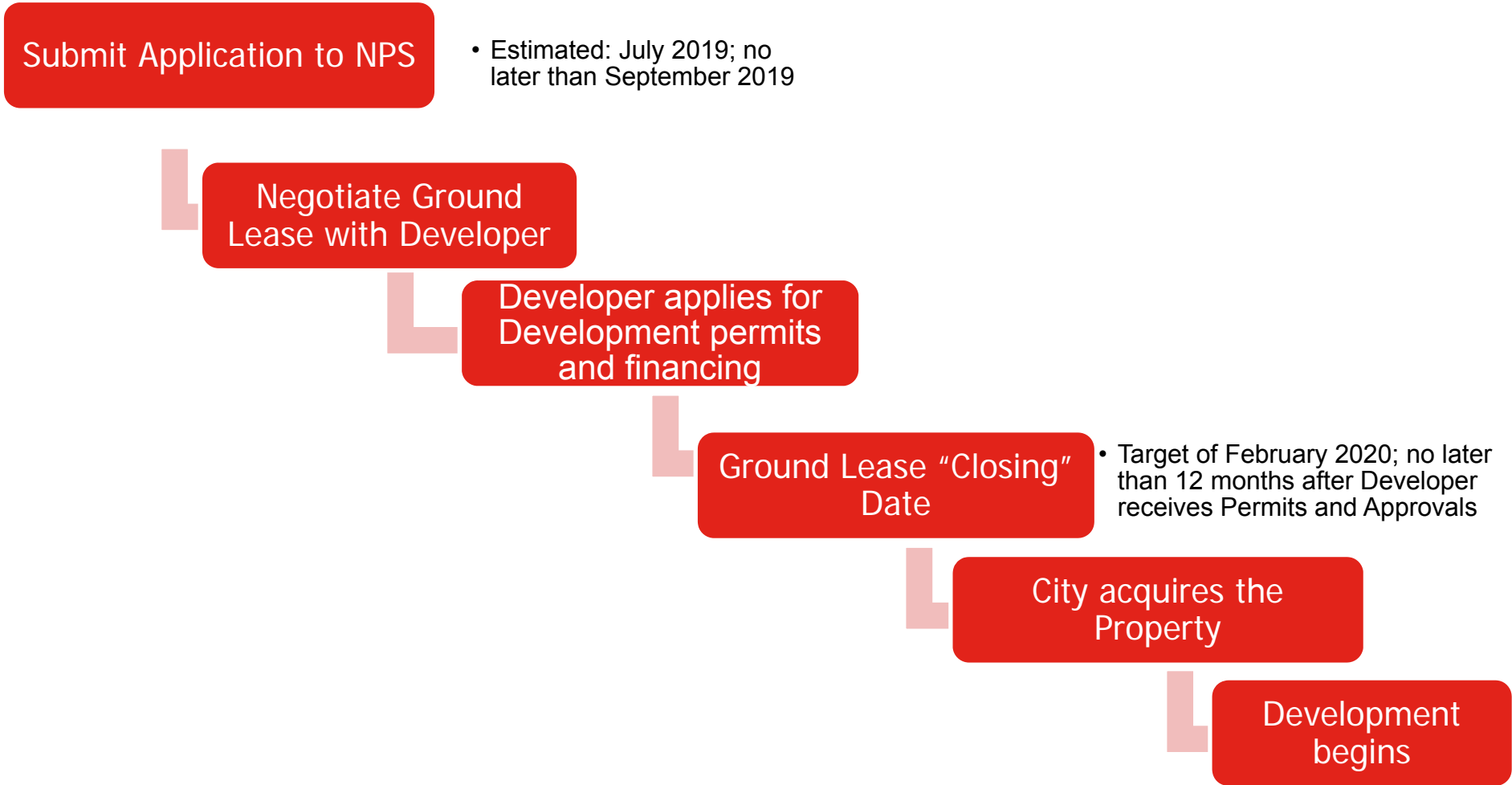


McIntyre Redevelopment Project – Overview of Development Agreement

July 1, 2019



Overview/Schedule of Project



Development Agreement – NPS Application

- ▶ Developer will cooperate with the City to prepare the NPS Application to be submitted by the City.
- ▶ The parties will submit the proposed form of Ground Lease with the Application.
- ▶ Ground Lease will contain agreed-upon methodology for calculating the various components of all income paid to the City.
- ▶ Specific details of the financial plan, Developer's reasonable profit, and how any "excess" funds will be spent will be negotiated by the parties prior to submitting the Application.

Development Agreement – FHSP Program

- ▶ Developer shall comply, at its sole cost and expense, with the terms and conditions of the Federal Historic Surplus Property (FHSP) Program.
- ▶ Developer will rehabilitate, continuously maintain, repair and administer the Property in accordance with the Ground Lease, the Preservation Restrictions and the Standards for Rehabilitation.

Development Agreement – Costs

- ▶ Developer is solely responsible for the cost of designing, permitting, and constructing any and all improvements to utilities, roadways, sidewalks and other public and private infrastructure and public amenities.

Development Agreement – Environmental

- ▶ Developer is responsible for the cost of any environmental remediation required for the Project and expressly agrees to release and indemnify the City from all loss, cost, expense, claims and damages associated with Environmental Conditions at the Property.
- ▶ The City will assume no responsibility or liability with respect to the asbestos at the Property. Developer assumes all responsibility for compliance with all applicable laws relating to asbestos and asbestos removal and disposal.

Development Agreement - Financing

- ▶ Developer shall diligently seek and obtain all financing (debt and equity) adequate to complete the Project in accordance with the Agreement.
- ▶ As soon as reasonably practical following the completion of permitting, design, construction plans and construction pricing for the Project and no later than sixty (60) days prior to the anticipated date of Closing, Developer shall provide the City with term sheets for such financing for review and approval by the City.

Development Agreement – Completion Bond & Guaranty

- ▶ Before beginning construction, Developer shall furnish the City with (1) payment and performance bonds assuring completion of the Project or better and (2) a completion Guaranty of the Project.

Development Agreement - Permits

- ▶ Developer agrees to use good faith and diligent efforts to apply for and obtain all required Development Permits and Approvals. Developer shall provide City with copies of all draft plans and applications for the City's review, comment and approval and in the case of applications, the City's execution as a co-applicant to the extent required, or if the City so elects.

Development Agreement - Deposit

- ▶ Upon execution of the Development Agreement, Developer will provide a Deposit of \$400,000.

Development Agreement – Developer Defaults

- ▶ If Developer defaults, the City receives the \$400,000 Deposit plus all Developer due diligence materials, plans, permits and approvals.

Development Agreement – Developer Termination Rights

- ▶ Parties fail to agree on a final form of NPS Application.
- ▶ Parties fail to agree on final form of Ground Lease.
- ▶ NPS rejects Application or imposes material, unexpected terms and conditions.
- ▶ Significant Project changes are mandated during Permitting and Approval period.
- ▶ Unanticipated environmental issues are discovered in portions of Building which are presently not accessible for inspection.
- ▶ Developer is unable to obtain required Permits and Approvals.
- ▶ Developer is unable to obtain financing.
- ▶ Fire or casualty prior to Ground Lease execution.