

ROERS COMPANIES
TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 1-24 (RAINBOW VILLAGE REDEVELOPMENT PROJECT)
WITHIN DEVELOPMENT DISTRICT NO. 1
CITY OF BLAINE, MINNESOTA

Draft Term Sheet for Review and TIF Development Agreement
DRAFT DATED: NOVEMBER 28, 2022

I. Project Summary

- a. Redevelopment Project Summary
 - i. Developer: Roers Companies
 - ii. TIF District: Tax Increment Financing (Redevelopment) District No. 1-24 (Rainbow Village Redevelopment Project)
 - iii. Property:
 - 1. Parcel ID: 31-31-23-31-0016 (portion)
- b. Redevelopment of portion of existing substandard building including construction of approximately 196 units of multifamily housing units in two apartment buildings with supporting parking and building amenities
- c. Total development cost estimate: \$51,918,634
- d. Developer agrees to build the Project substantially in the form of the approved final development plan and estimated to cost \$51,918,634
 - i. Construction commences in early 2023 and completes in 2024
- e. Extraordinary costs
 - i. Site improvements include Acquisition, Site Clearance/Demolition, Earthwork and Grading and Import/Export of Sils, Environmental Remediation, Landscaping, Parking Improvements, Public Trails, Sidewalks and Pedestrian Improvements, Storm Sewers, and Stormwater System, and Other Redevelopment Costs
 - ii. Tax increment revenues generated from the Project pledged to Developer with total net present value (PV) maximum of \$8,000,000 principal amount with 4% interest rate over up to 26 years

II. City Public Investment

- a. City agrees to invest in project through
 - i. Establishment of Redevelopment TIF District
 - 1. Pledge 75% annual tax increments for up to 26 years that are generated over the life of the TIF District for reimbursement of TIF eligible costs
 - a. Developer will receive maximum \$8,000,000 Pay-As-You-Go TIF Note
 - b. 4% interest rate
 - 2. Maximum 26-year term for TIF assistance
 - a. Semi-annual payments
 - b. First payment August 1, 2025 and final payment February 1, 2051
- b. City will issue Pay-As-You-Go TIF Note to the Developer
 - i. Developer finances total upfront development costs
 - ii. TIF increment provided as reimbursement to Developer for TIF-eligible costs

- iii. Reimbursement semi-annually to Developer of tax increment revenues and Developer will use the tax increment revenues to repay TIF Mortgage

III. Agreement Summary

1. Developer: Roers Companies
2. TIF District: Tax Increment Financing (Redevelopment) District No. 1-24
(Rainbow Village Redevelopment Project)
3. Property: Parcel ID: 31-31-23-31-0016
4. Minimum Improvements: The construction of approximately 196 multifamily housing units in two apartment buildings with supporting parking and building amenities.
5. Construction Schedule: Commence construction by June 30, 2023, and, subject to unavoidable delays, 50% of construction complete by December 31, 2023 and 100% of construction completed by December 31, 2024
7. Lookback Provisions: To be determined and may include cash flow proforma performance upon stabilization, potential sale, eligible costs, and total developer investment
7. Business Subsidy Act Requirements (Minnesota Statutes, Section 116J.993 through 116J.995):
 - (a) exempt per redevelopment clause