



AGENDA ITEM # 4D  
July 12, 2016

**Consent: Terrace Redevelopment TIF District – Term Sheet**

**Background**

At the July 5, 2016 meeting, REDA adopted a resolution authorizing preparation of a program and TIF plan for the Terrace Redevelopment Area TIF District.

**Analysis**

Attachment 1 is the preliminary term sheet. Although the detail will evolve as the TIF Plan is developed, this document helps to confirm the expectations of the parties at the start of the plan creation.

**RECOMMENDATION:**

By motion, authorize the Executive Director to execute the term sheet shown in Attachment 1.

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Marcia Glick, Executive Director

This Term Sheet is executed as of this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between the Developer and the Robbinsdale Economic Development Authority ("REDA") and is intended to set forth the general terms upon which the parties hereto may be willing to enter into a Development Agreement. Except for Section 9 below (which shall be binding upon the Developer), this Term Sheet shall not be deemed conclusive or legally binding upon either party and neither party shall have any obligations regarding the property defined below unless and until a definitive Development Agreement is approved by REDA and executed by both parties.

1. Developer: Inland Development Partners
2. Property: 3501 West Broadway (portion) – PID: 08-029-24-22-0026  
3508 France Avenue N – PID: 08-029-24-22-0027  
3435 west Broadway (portion) – PID: 08-029-24-22-0028
3. Key Business Terms – Developer:
  - a. Execution of Development Agreement
  - b. Acquisition of Property
  - c. Preparation and Submittal of Construction Plans
4. Key Business Terms – REDA:
  - a. Creation of a Redevelopment Tax Increment Financing District
  - b. Approval of Construction Plans
  - c. Execution of Development Agreement
  - d. Determination that Developer has sufficient financial means to construct Minimum Improvements
5. Minimum Improvements: Construction of a 91,500 square foot grocery store with 4,500 square feet of gas/convenience retail.
6. Construction Schedule: Commence construction by September 30, 2016, and complete by January 1, 2018. For the purpose hereof, "Commence" shall mean beginning of physical improvement to the Property, including demolition, grading, excavation, or other physical site preparation work. "Complete" shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy.
7. Public Assistance: Subject to all terms and conditions of the Development Agreement, REDA will reimburse the Developer through tax increment financing for up to a total of \$2,060,000 (Present Value) of Qualified Costs related to the Minimum Improvements (out of an estimated total of \$8,100,000). "Qualified Costs" shall mean acquisition, site improvement and infrastructure costs incurred in connection with the construction of the Minimum Improvements. Payments will be made through a Note issued on a pay-as-you-go basis over the twenty-six year term of the district with interest at a rate of 5.5% per annum.
8. Building Value: The buildings to be constructed upon the Property are anticipated to have an assessed value of approximately \$10,140,000.

9. Fees: REDA acknowledges that the Developer submitted a \$10,000 deposit to pay for the preliminary investigation regarding the viability of the project (which sum has been fully expended) and recently made an additional \$10,000 deposit for future reasonable out-of-pocket expenses for legal and financial consultant services related to TIF district creation, drafting the Development Agreement, and administrative fees associated with this transaction.

The Developer will be required to deposit additional funds if the initial deposit is fully drawn. Any funds deposited by Developer and not expended by REDA for its legal, financial advisor, or other consultant fees on or before the date of execution of the Development Agreement will be returned to the Developer without interest. The Developer shall pay all other normal and customary REDA fees and expenses, unless otherwise specified in the Development Agreement, for the approval and construction of the Minimum Improvements.

10. Miscellaneous:
- a. No transfer of Property or Development Agreement without REDA consent.
  - b. Developer covenants to pay property taxes and maintain customary insurance.

IN WITNESS WHEREOF, the parties have executed this Term Sheet as of the date first set forth above.

INLAND DEVELOPMENT PARTNERS

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ROBBINSDALE ECONOMIC  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Marcia Glick, Executive Director