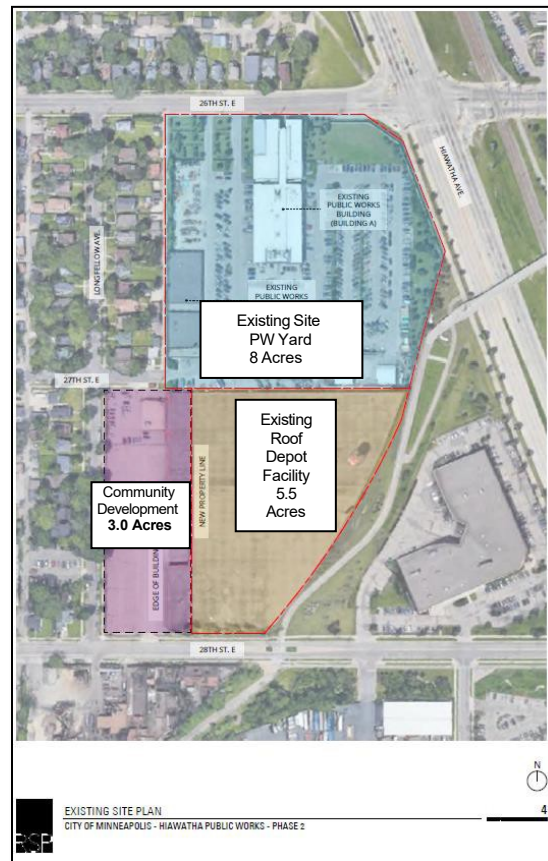


AMENDED MOU/SETTLEMENT AGREEMENT TERM SHEET

Recitals:

- A. The City of Minneapolis (“**City**”) owns the property depicted below, commonly referred to as the Hiawatha Public Works Campus (the “**Campus**”), and intends to construct a water department facility on it (the “**Expansion Project**”).
- B. East Phillips Neighborhood Institute (“**EPNI**”) has sued the City regarding the adequacy of its environmental assessment of the Expansion Project.
- C. The City and EPNI desire to enter into an agreement by which EPNI will release all pending and potential environmental claims against the City and the City will (i) grant EPNI exclusive development rights to the 3-acre portion of the Campus pictured below (the “**Community Site**”) at no cost to EPNI; (ii) add an Outreach and Training Facility to the 8-acre portion of the Campus pictured below (the “**Existing Site**”); and (iii) use good faith efforts to incorporate certain sustainability and community benefits into the Expansion Project to be constructed on the 5.5-acre remainder of the site (the “**Roof Depot Site**”), all as further described below.



I. GRANT OF EXCLUSIVE DEVELOPMENT RIGHTS

1. Consistent with the City's Disposition Policy, the City's Public Works Director has determined the Community Site is not needed for operations purposes and it will be transferred to the City's development property inventory for redevelopment purposes.
2. EPNI has expressed interest in redeveloping the Community Site for community-directed uses such as affordable housing and urban agriculture (the "**Project Concept**") and needs time to develop viable plans for the Project Concept.
3. The City hereby grants EPNI exclusive development rights to the Community Site for a period of 24 months, commencing on July 1, 2022, with no fee. Upon request from EPNI, the City's Director of Community Planning and Economic Development ("**CPED**") may extend the exclusive development rights period up to 12 additional months provided EPNI is making reasonable progress. Further extensions may be granted by the City Council.
4. Prior to expiration of the exclusive development rights period, EPNI shall submit the following to CPED for review:
 - A. A narrative description of the redevelopment proposal
 - B. A project schedule including key activities and milestones such as community engagement, land use approvals, financial closing, construction start and project completion.
 - C. The development costs for the redevelopment proposal.
 - D. A statement of capital funding sources and uses.
 - E. A description of the operational plan for the development project including a financial operating pro forma.
 - F. Documentation that EPNI has secured commitments for project financing.
 - G. The amounts and types of public subsidy or other public assistance secured or being pursued to support the redevelopment project, including documentation of any sources already secured.
 - H. Evidence that EPNI has obtained or is pursuing all necessary and required governmental approvals for the redevelopment project, including but not limited to land use approvals.
5. Upon receipt of the foregoing documents and information, CPED staff shall review and evaluate EPNI's redevelopment proposal in accordance with the following evaluation criteria:
 - A. The redevelopment proposal is an eligible activity and achieves a public purpose as defined in Minnesota Statutes, chapter 469.
 - B. The redevelopment proposal is consistent with City development ordinances and policies, such as the Zoning Code and Minneapolis 2040 Comprehensive Plan.
 - C. The financing plan for the redevelopment proposal is feasible, based on financial commitments from public and private sources.
 - D. Construction of the redevelopment will be completed within a reasonable timeframe.
 - E. The redevelopment proposal does not contain unusual, unconventional, or risky development or financing conditions that would place unreasonable financial, legal liability or other risks for the City.
 - F. The estimated impact of the redevelopment proposal on City budgets and revenue collections is reasonable and acceptable to the City Council.
 - G. The redevelopment proposal is a significant national, state, regional or City development project and/or it provides significant opportunities for public facilities, economic development, affordable housing, historic preservation or transit-oriented development.
 - H. The redevelopment proposal provides needed facilities, services and/or job opportunities to the City's low-income and BIPOC communities and residents.

6. Per state law and City policies, sales of City property are subject to prior review by the City Planning Commission for a determination of consistency with the City's comprehensive plan. Sale of City property is also subject to a public hearing duly noticed in a newspaper of general circulation and a 2/3 affirmative vote of the City Council. After completing its review of EPNI's redevelopment proposal as described herein, CPED staff shall submit a report to the City Council that includes the following:
 - A. Describes the redevelopment proposal.
 - B. Summarizes City staff's findings and determination regarding the review and evaluation criteria.
 - C. Makes a recommendation regarding the redevelopment proposal and states the basis the basis for it.
 - D. Describes the type and amount of any public subsidy or other public assistance, including consideration of a write-down of the sale price for the Community Site to \$1.00 to support public purpose if a write-down is necessary for the financial viability of the redevelopment proposal.
7. The exclusive development rights granted to EPNI shall automatically terminate, expire or become null and void upon the earliest to occur of the following: (i) the date EPNI gives the City a written termination notice; or (ii) the date the City and EPNI enter into a redevelopment contract for the sale and redevelopment of the Community Site pursuant to City Council approval and authorization; or (iii) the 24-month or extended expiration date of the exclusive development rights period.
8. If the City Council authorizes a land sale redevelopment contract, it will establish (i) a closing deadline; (ii) a list of all due diligence closing items; (iii) the minimum improvements to be developed on the Community Site, (iv) a deadline for construction commencement; and (v) a deadline for construction completion. Due diligence closing items may include, but are not limited to construction plans, financing commitments, zoning approvals, insurance, payment and performance bonds, affirmative action and SUBP approvals, prevailing wage documentation, building permits, authorizing resolutions.
9. Conveyance and/or community garden interim use of the Community Site by EPNI shall not occur prior to completion of environmental remediation and installation of stormwater infrastructure.

II. OTHER COMMUNITY BENEFITS

1. Expansion Project. The City will use good faith efforts to incorporate the following sustainability and community benefits into the Expansion Project on the Roof Depot Site.
 - A. The project will remediate and/or encapsulate contamination, including arsenic in the soil from the former CMC Heartland Partners Lite Yard, on the Campus, including the Community Site, in accordance with the remediation plan approved by the Minnesota Pollution Control Agency and the Minnesota Department of Agriculture (the "**Remediation Plan**").
 - B. The completed project will meet or exceed regulatory requirements and improve water quality in the watershed.
 - C. The buildings will be built solar-ready, with the potential ability to be future community solar gardens.
 - D. The project will include electric vehicle infrastructure to support the City's green fleet policy and vehicle electrification.
 - E. The City will increase small and underutilized business program participation through use of Best Value Contracting for the construction bid.
 - F. The project will include a community bicycle repair station within the overall city campus plan.
 - G. The City will appoint a community-based steering committee to lead the public art commissioning and engagement process for the project. The steering committee will also be involved in selecting the artists and the art location, and the selected artist will be required to engage the community in developing the design concept for the work.
 - H. The City will work with the MPCA to prepare a "Cumulative Levels and Effects" analysis per

Minnesota Statutes, section 116.07, subd. 4a, prior to applying for any necessary MPCA permits.

- I. The City will explore options to integrate resources into the surrounding community including education and programming on lead exposure, reducing air pollution that contributes to asthma, and weatherization assistance.
 - J. The City will cap the vehicle count at 888 vehicles for the life of the Expansion Project and Outreach and Training Facility. (This is 530 new vehicles allowed, including 65 parking spaces for the training facility, and currently the site has 358 vehicles at any time.)
 - K. The City will add a new traffic study after 6 months of operations and repeat the traffic study at 5 year intervals up to 20 years of operations.
2. Community Garden Interim Use. Upon completion of environmental remediation in accordance with the Remediation Plan and stormwater infrastructure installation, the City will allow EPNI to lease the Community Site for seasonal community garden use for a nominal fee of \$1 annually. To facilitate community gardens as an interim use, the City will install basic infrastructure (e.g., water access, garden shelter, lighting) on the Community Site. Until sale, the City will maintain the Community Site outside of the gardening season.
 3. Outreach and Training Facility. The City will construct an Outreach and Training Facility on the Existing Site. The objective is to place a valuable outreach, recruiting and training resource into the community. It will provide opportunities for collaboration with community and labor organizations to provide pathways to high quality jobs with the City and partner organizations.
 - A. The application process for the opportunities provided at the Outreach and Training Facility will include prioritization of applications from residents within a 2-mile radius of the location.
 - B. The City will collaborate with partners including EPNI when establishing the opportunities provided at the Outreach and Training Facility.
 4. Community Relations.
 - A. The City will support EPNI in seeking State funding allocations in the support of development at the Community Site.
 - B. The City recognizes the efforts of the Southside Green Zone, will receive the Southside Green Zone Work Plan, and will consider its recommendations when formulating plans for the Expansion Project and Outreach and Training Facility.
 - C. The Ward 9 Council Member will serve as the point of contact for the City for EPNI.
 - D. The City will conduct community education sessions for the the Expansion Project and the Outreach and Training Center.
 5. Additional Terms
 - A. Within three weeks following the Mayor's signing of a city council approved and amended MOU, the City will provide in writing (1) A detailed breakdown of the projected demolition, remediation, and estimated construction costs, as well as an explanatory outline of the campus masterplan, demonstrating complications that would be associated with a redesign of the Hiawatha Campus Expansion to reorient the placement of the Urban Farm Community Development site.; (2) A copy of the most recent remediation action plan for the Hiawatha Campus Expansion site.
 - B. The City will provide safe and dedicated access for non-motorized transportation between the Greenway and the Urban Farm Community Development site, with the goal of accommodating two lanes of bicycle, pedestrian and rolling traffic. Further, the City will meet with EPNI to discuss the access design and gather feedback before final decisions are

made so that solutions like a mid-block traffic signal, crossing arms, and other safety features can be fully considered and vetted.

- C. If funding for a City Tree Coordinator is included in the final adopted City budget, the City will dedicate at least 10% of City-controlled funds and commensurate staff time for planting and maintaining trees through this position will be allocated to the East Phillips neighborhood through calendar year 2030. Furthermore, the City will coordinate with EPNI to maximize tree planting on the designated green spaces for the expanded Hiawatha Campus and adjacent Urban Farm Community Development site.
- D. From 2024-2029, at least 10% of the City's selected traffic calming program projects shall be located in the East Phillips Neighborhood. Data and evaluation of pre- and post-implementation results will be made publicly available annually. At the end of this period, Public Works will provide a final report with recommendations on remaining traffic calming opportunities within the neighborhood and the Council shall consider extending dedication of resources.
- E. The city will utilize a third-party fleet electrification advisory service through 2030 to inform future fleet electrification. Information from this third-party program will be used to prioritize vehicle electrification at the Hiawatha Campus in implementing the city's adopted Green Fleet Policy.
- F. The City, with staff from CPED, Property Services, and Public Works will make themselves available to meet no less than quarterly with EPNI representatives, as well as the Ward 9 council member and Chair of Public Works & Infrastructure Committee, to discuss and solicit feedback on pending site design options, brainstorm solutions to site concerns, and create recommendations for future opportunities (such as, but not limited to, solar energy projects, emissions monitoring, public health initiatives, and plans for the training center). Recommendations from this working partnership will be made available for Council and Mayoral consideration. Scheduled meetings will discontinue at the completion of construction for the Hiawatha Campus expansion and urban farm site. Upon completion, City officials, staff and community members will consider an appropriate schedule for ongoing meetings pertaining to the operations and maintenance of the Hiawatha Campus and urban farm site.

III. EPNI RELEASE

EPNI and Cassandra Holmes, on behalf of itself and its officers, directors, successors and assigns, hereby releases, acquits and forever discharges the City of Minneapolis, and its current, former and future officers, directors, employees, agents, predecessors, successors and assigns, to the fullest extent permitted by law from and against any and all claims, actions, demands, causes of actions, appeals, obligations, rights or damages, including claims for costs or attorney's fees which it ever had, or may now have, or may have in the future outside the terms contained in

this document, whether known or unknown, on account of, or in any way related to the Roof Depot Site and/or the Expansion Project. In addition, within 7 days of the full execution of this document, EPNI and Holmes will file a stipulation of dismissal with prejudice, and without costs or attorneys' fees to either party, in the following open matters: (1) EPNI v. City of Minneapolis, Case No. A21-1297, Minnesota Court of Appeals; and (2) EPNI v. City of Minneapolis, Case No. 27-CV-20-8414, Hennepin County District Court.

- IV.** This offer will terminate 45 days after approval by the Mayor and Council, unless EPNI and Cassandra Holmes provide written notice of acceptance of the terms contained herein, without variation, and notify Judge Wahl in Case No. 27-CV-20-8414 and the Court of Appeals in Case No. A21-1297 that the parties have reached a tentative settlement.

V. COUNSEL AND MAYOR APPROVAL

The parties acknowledge that, if the terms herein are accepted by EPNI and Cassandra Holmes, a final, written, signed settlement agreement, which includes the terms above and the "Miscellaneous" terms below, must be approved by the Minneapolis City Council and the Mayor of Minneapolis before it can become final and binding.

VI. MISCELLANEOUS

1. Governing law
 - A. This Settlement Agreement is to be governed by Minnesota law.
2. Force Majeure clause
 - A. The delay or non-occurrence of any covenant or obligation under this Agreement shall not give rise to a right or remedy otherwise provided in this Agreement when such delay or non-occurrence is due to the occurrence of a Force Majeure condition and without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall be limited to the period of delay due to such cause, which period shall be deemed to commence from the time of the commencement of the cause; provided, however, that if notice by the Party claiming such extension is sent to the other Party more than thirty (30) days after the commencement of the cause, the period shall be deemed to commence thirty (30) days prior to the giving of such notice. As soon as the Party claiming a Force Majeure event is able to resume performance of its obligations excused as a result of the occurrence of Force Majeure, such Party shall give prompt notice thereof to the other Party.
 - B. For purposes of this Agreement, "Force Majeure" means acts of God, accidents, fire or other casualty, earthquake, hurricane, tornadoes, named storms, flood, war, riot, intervention by civil or military authorities of government, insurrection or other civil commotion, governmental action or inaction, material shortages, strikes, boycotts, lockouts or labor disputes, litigation commenced by third parties which by injunction or other similar judicial action directly results in delays, or any other event or occurrence beyond the reasonable control of a Party hereto, that causes such Party to be delayed or hindered in, or prevented from, the performance of any covenant or obligation hereunder.
3. Other

- A. Non-Admission. This Settlement Agreement does not constitute an admission by any Party to this Settlement Agreement of any of the allegations arising out of the Parties' respective claims or defenses. The Parties have entered into this Settlement Agreement for the purposes of resolving the aforementioned claims to avoid the burden, expense, and delay of litigation.
- B. Representations. The Parties represent and certify that they are voluntarily entering into this Settlement Agreement, that none of the Parties nor their agents, representatives, or attorneys made any representations concerning the terms or effects of the Settlement Agreement other than those contained herein. The Parties acknowledge that they understand the meaning of this Settlement Agreement and freely enter into it with authority to do so.
- C. Interpretation. This Settlement Agreement has been negotiated at arm's length and between and among persons sophisticated and knowledgeable in the matters dealt with in this Settlement Agreement. Accordingly, none of the Parties shall be presumptively entitled to have any provisions of the Settlement Agreement construed against any of the other Parties in accordance with any rule of law, legal decision, or doctrine.

4. Signature blocks

[To be added]