

ATTACHMENT 2

Term Sheet

For the Phased Build Out and Funding of the Downtown East Commons

1. Parties: The City of Minneapolis, Ryan Companies US, Inc., Green Minneapolis
2. Site: Downtown East Commons, 425 Portland Ave S and 521 4th St S
3. The Fund: Green Minneapolis will establish a fund known as the Downtown East Commons Fund. The purpose of the Fund is to support the City and in particular its obligations to design, construct and operate the Commons as an urban park/plaza/green space. The assets of the Fund will be distributed for the benefit of the City for the public purpose of design, construction, and operation of the Commons.
4. Fundraising Campaign: It is the goal of the Parties to raise \$22 million to support the design, construction and initial operation of the Commons. Green Minneapolis will use best efforts to raise this amount. However, Green Minneapolis makes no representation or guarantee that any given amount will be raised during the term of this Agreement. Green Minneapolis intends to set aside 17-23% of each cash donation as a reserve for initial operations. Green Minneapolis will use a pledge agreement substantially similar to the form attached hereto as Exhibit A for gifts in support of the Commons.
5. Role of Green Minneapolis: The roles and responsibilities of Green Minneapolis with respect to the fundraising campaign, the establishment and administration of the Downtown East Commons Fund, and distributions from the Fund will be further described in the agreement consistent with Green Minneapolis' status as a nonprofit organization under section 501(c)(3) of the Internal Revenue Code.
6. Donor Recognition: The City, in its discretion, will provide recognition to donors within the parameters of the Urban Park Use Agreement. Staff will seek City Council approval of recognition that implicates design features or permanent signage such as inclusion on a commemorative monument to be placed in the Commons or signs expressing gratitude at specific features. Staff may approve other forms of recognition such as placement on the Downtown East Commons website, branded pop-up parks leading to opening, and participation with groundbreaking, opening, and other ceremonies.
7. Accept Donations: Green Minneapolis has received initial commitments to date in the amount of \$7 million, \$2 million of which will come from the City for design and other soft costs already under contract. Staff intends to return to City Council for authorization to accept future donations as made and needed.

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8. Interim Enhancements Build Out: Ryan agrees to construct a scope of improvements that begins to implement the design from the Hargreaves Associates team. These improvements will include scope from design package #1 for the underground utility and site work. Hargreaves' cost estimate for this scope based on design development documents is \$3.5 million (rounded). Ryan will complete this scope by July 1, 2016 and at a cost not to exceed the Hargreaves' cost estimate. Ryan will waive its contractor fee for this work.
9. Additional Build Out: If the fundraising campaign raises sufficient funds by December 2015 to substantially complete by July 1, 2016 the remaining scope of improvements that implement the design from the Hargreaves Associates team, staff will return to City Council for authorization to accept the additional donations and amend the agreement to incorporate the additional scope. These improvements will include scope from design packages #2 and #3, which Hargreaves still needs to complete and price. The City and Ryan will agree to a budget for these costs not to exceed the amount of fundraising pledges secured and a completion schedule as part of the turnkey improvements. Ryan will waive its contractor fee for this work.
10. Green Space Construction Loan Agreement: Ryan will complete the build out of the Commons consistent with the requirements of the Green Space Construction Loan Agreement, including the City Equity Plan. The City and Ryan will modify the Green Space Construction Loan Agreement to allow for the phased implementation of the design from the Hargreaves Associates team.
11. Disbursing Agreement: The Parties and First American Title Insurance Company will enter into an amendment to the Green Space Construction Loan Disbursing Agreement providing for disbursement of the donations. The Green Space construction loan proceeds will be disbursed in full prior to disbursement of the donations.

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EXHIBIT A

**Pledge Agreement for Gift
In Support of the Minneapolis Downtown East Commons
(Individual)**

Introduction

This Pledge Agreement is entered into by [names of donor(s) ("Donor")] and Green Minneapolis, a Minnesota nonprofit corporation that is exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code ("Green Minneapolis").

The City of Minneapolis ("City"), in furtherance of its public purposes, has entered into various agreements for the acquisition, construction and lease of a public park/plaza/green space, currently referred to as Downtown East Commons (the "Commons"), comprising approximately one and two-thirds blocks in downtown Minneapolis bounded by 4th Street, 5th Street, 5th Avenue South and Park Avenue.

Green Minneapolis has undertaken a fund raising campaign for the benefit of and in cooperation with the City seeking \$22 million to fund the design and construction of the improvements for the Commons and a reserve for operating expenses of the Commons following construction (the "Campaign"). If the Campaign raises funds in excess of \$22 million, Green Minneapolis may allocate the excess funds for operating expenses of the Commons or related public purposes of the City.

Donor's Recognition and Commitments

Donor promises and agrees to provide a gift in the amount of (\$_____) in the form of cash or marketable securities to support the Campaign.

___ A check to fulfill the \$_____ pledge, payable to Green Minneapolis, is enclosed.

___ Donor intends to fulfill the \$_____ pledge to Green Minneapolis in the following installments:

Amount: _____ Date: October 15, 2015

Amount: _____ Date: December 15, 2015

Amount: _____ Date: February 15, 2016

It is Donor's intention that this Pledge Agreement be legally binding on Donor. If there is more than one Donor, the Donors have joint and several liability for their pledge. If the Donor should die before Donor's gift is fully paid, the Donor's estate will be responsible for fulfilling Donor's obligations under

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this Pledge Agreement. Donor expects and acknowledges that City, Green Minneapolis, and other donors to Green Minneapolis for the Campaign will act in reliance on this pledge.

Recognition for Gift:

___ Please acknowledge our contribution by:

___ Listing "Jane and Jim Smith", or

___ By using the following language to acknowledge our contribution:

___ Donor requests that the gift be anonymous and that Donor be identified only to the extent necessary for Green Minneapolis' internal administrative purposes and as required by law.

Donor agrees that [__%] of the cash portion of its pledge will be allocated by Green Minneapolis to the reserve for operating expenses of the Commons following construction.

Green Minneapolis' Commitments

Upon receipt of a payment from Donor under this Pledge Agreement, Green Minneapolis will issue a gift receipt to Donor in accordance with Internal Revenue Service requirements.

The proceeds of the Campaign will be disbursed by Green Minneapolis for the purpose of construction and operation of the Commons.

Green Minneapolis will request that City, in City's sole discretion, make appropriate recognition of Donor's contribution, consistent with Donor's wishes as set forth in this Pledge Agreement.

By:

Jane Doe, Donor

_____ Date: _____, 2015

John Doe, Donor

_____ Date: _____, 2015

Address: _____

Email: _____

Phone: _____

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Green Minneapolis

By Winthrop A. Rockwell, Its Executive Director

_____ Date: _____, 2015

Please return this form to:

Winthrop A. Rockwell
Executive Director
Green Minneapolis
81 South Ninth Street
Suite 260
Minneapolis, MN 55402
o 612 656 3828

Gifts to Green Minneapolis are tax-deductible under section 501(c)(3) of the Internal Revenue Code.