

ATTACHMENT 5

TERM SHEET

Between the City of Minneapolis and Mark Orfield (or an affiliate)
for 628 Franklin Avenue East

I. Property

The parcel is located at 628 Franklin Avenue East , Minneapolis, Minnesota.

II. Developer

Mark Orfield (or an affiliate) will be the General Contractor and developer.

III. Ownership

Mark Orfield (or an affiliate) will be the owner.

IV. Minimum Improvements

The redevelopment of the vacant building at 628 Franklin Avenue East into fourteen (14) residential rental units (three (3) one bedroom units and eleven (11) two bedroom units).

V. Minimum Improvement Cost

The total direct construction costs of the Minimum Improvements shall be no less than \$750,000.

VI. Purchase Price and Good Faith Deposit

The Purchase price of \$75,000 is due to the City of the Closing Date. At the time of execution of the Redevelopment Contract, Developer must pay to the City a good faith deposit in cash or acceptable letter of credit equal to 10% of the total Project Purchase Price to secure construction performance of the full project. The good faith deposit will be returned, exclusive of any interest earnings, at the time the City issues a Certificate of Completion on the development.

VII. Design and Uses

The building will be redeveloped for residential rental use as proposed. (See ATTACHMENT 6 Design Schematics). All units must be substantially consistent with the plans presented by the Developer in its Proposal ("Proposal Plans"). The CPED Director may, in his discretion, approve plans that deviate from the Proposal Plans if the CPED Director determines such plans are generally consistent with the quality and character of the Proposal Plans and the development objectives of the City.

VIII. Timeline

Closing is required within 90 days of Mayor approval.

Construction is required within 30 days of closing.

Construction is required to be complete within twelve months of closing.

IX. Standard Redevelopment Contract Terms

The City's standard redevelopment contract provisions shall apply to this Project, including, but not limited to:

- A. Developer shall pay all closing costs and fees.
- B. Developer shall comply with all City of Minneapolis regulatory and permitting requirements related to construction of the Improvements.
- C. "AS IS" sales.
- D. Prohibition against transfer of property prior to completion of the redevelopment.
- E. The Developer will not construct any building or other structures on, over or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.
- F. The Developer will be responsible for the payment of all sewer availability charges, including all SAC or WAC charges that may be assessed against a project parcel.
- G. The Developer, at its own expense, will replace any public facilities and public utilities damaged by Developer or its agents, employees, or contractors during the construction of the Project in accordance with the technical specifications, standards and practices of the owner thereof.
- H. To the extent necessary to satisfy City requirements, if any, the Developer will install public sidewalks along the street frontage of all project parcels in accordance with the technical specifications, standards and practices of the City. The Developer will obtain any required permit for any new curb cuts necessary to provide for ingress and egress to the project parcels. The Developer will install, construct or replace all necessary curb cuts and driveways and shall replace any abandoned curb cuts with new curb and gutter. All such work shall be done in accordance with the technical specifications, standards and practices of the City at the expense of the Developer.