

Bedrock – City of Cleveland
TIF Agreement - DRAFT Terms Outline – Subject to Future Negotiation

41 Project TIF

- City will implement a 45-year Project TIF (Bedrock Project TIF) on all parcels within the project area starting in 2027 and ending in 2071.
 - Bedrock Project TIF proceeds from land value will flow to the Shore-to-Core-to-Shore TIF District for the initial 30-year duration of the TIF District
 - Once the “41 Parcel Conditions” set forth below are satisfied for a project or redevelopment, the TIF proceeds from the new development or from the buildings subject to redevelopment will flow to the Bedrock Project TIF for the duration of the Bedrock TIF
- Revenue from Bedrock Project TIF subject to following “41 Parcel Considerations”:
 - Developer warrants that it has financing sufficient to substantially complete improvements and provides a completion guarantee to a “core and shell” condition for the parcel
 - Developer records public parking covenants if structured parking is on the parcel
 - The improvements proposed for the site comply with the Master Development Plan
 - No uncured monetary defaults under the Community Benefits Agreement and no uncured defaults under the TIF Agreement or the Master Development Agreement
- In the event parcels are undeveloped in 2057, then the City and Developer must renegotiate the TIF Agreement in order for Developer to access the Bedrock Project TIF Revenues for the undeveloped parcels.
- In the event of project abandonment, the City has the right to reconsider the pledge of Bedrock Project TIF Revenue for any parcel for which the 41 Parcel Considerations have not yet been satisfied.

40 TIF District

- City will commit 40% of TIF District Revenue (on a cumulative basis) for public improvements for all phases of project until all reimbursement costs and accrued interest (subject to caps as described below) have been reimbursed to the Developer. The City may (subject to City Council approval), but shall not be required to, pledge or use additional City funds beyond the committed percentage of TIF District Revenue
- City’s commitment to the public improvements is capped at \$400M plus interest
 - If Bedrock fronts funding for public improvements, then the City will pay interest at a rate to be agreed upon by the City and Developer and subject to a cap to be agreed upon by the City and Developer [current term sheet proposes the lesser of \$100M or 25% of City’s share of approved public improvement costs].
 - The unallocated portion of the City’s \$400M public infrastructure cap will increase by 2% each year to account for inflation
 - City may make additional “pay as we go” payments to reimburse costs to Developer from TIF revenue not committed to other projects, as reasonably determined by the City.

- City could, subject to approval by Council, allocate more than 40% of the TIF District proceeds to Developer if no other project is currently ready for funding. Conversely, starting in 2027, the City could allocate a portion of Bedrock's 40% to another project if Bedrock does not have a project ready for funding and the City does not owe interest payments.
- City will act to cause the issuance of bonds or debt backed by TIF District revenues as soon as commercially feasible. Each issuance of Bonds would be subject to approval of the City Council with notice provided to the Developer.
- Developer will be required to satisfy the following before costs of a public improvement becomes payable (on a reimbursement basis) from TIF District Revenue:
 - Developer and City approval of plans and construction schedule for the improvements, each in their discretion, including identification of property to be dedicated to City as right of way and future operation and maintenance responsibilities.
 - Developer shall have spent [+/- \$75M] (final number currently under discussion based on expenses to date) on public improvements and acquisition, which shall not be payable or reimbursed from TIF District Revenue
 - Developer and City approval of the budget for the improvements, each in their reasonable discretion, subject to the caps set forth herein.
 - Satisfaction of NEPA requirements (except for Phase 1A).
 - Execution of any necessary construction agreements between City and Developer for the applicable phase of improvements.
 - Receipt by City of any upfront contribution of funds from Developer for any improvements to be made by City (both parties acknowledge that under the Master Development Agreement, the Developer is expected to undertake the construction of all improvements).
 - City acceptance of operations and maintenance of the public infrastructure or the execution of an operations and maintenance agreement relating to the public infrastructure.
 - No uncured defaults or notices of default under the Master Development Agreement, the TIF Agreement or the Community Benefits Agreement.
 - Completion of the applicable components of public improvement, subject to progress payments from bond proceeds as set forth in an approved budget.
 - Completion of any necessary dedications or easements to assure public use of improvements.
- Developer will cooperate with the City on requests for federal and state grants for the public improvements and shall keep City informed as to all applications and requests for same. The project anticipates \$55M in grants – excess or shortfall will be split 50/50 between parties
- City will cooperate with the Developer on requests for federal and state grants for the public improvements and shall keep Developer informed as to all applications and request for the same for the Shore to Core to Shore initiatives.
- Community Benefits Agreement – the City shall have a right to set off any TIF District Revenue payments otherwise payable to the Developer in the event of a payment default by the Developer under the Community Benefits Agreement.