

**Bedrock – City of Cleveland
Community Benefits Agreement
DRAFT Term Sheet – Subject to Future Negotiation**

Note: All funds received by the City pursuant to this agreement shall be subject to additional legislative authority

1. MBE, FBE and CSB.

(a) Developer will use good faith efforts to provide and/or enhance economic opportunities for MBEs, FBEs, and CSBs in the planning, design, and construction of the Project by meeting or exceeding the following goals:

- (i) 20% MBE participation goal (minimum 15%)
- (ii) 10% FBE participation goal (minimum 7%)
- (iii) 10% CSB participation goal (minimum 8%)

(b) If actual participation of MBEs, FBEs and CSBs fall below 15% MBE, 7% FBE, and 8% CSB on a cumulative basis as measured at agreed upon milestones, Developer and City will collaborate to determine appropriate substitutions. Good faith efforts will be documented and shared with the City.

2. Developer Contributions: As specified below, Developer will contribute at least \$25 Million to the City. The City shall have the sole discretion to determine how such funding shall be utilized subject to additional legislative authority.

3. City Residents and Low-Income Persons.

(a) Developer will use good faith efforts to provide and/or enhance economic opportunities for qualified City Residents and Low-Income Persons in the planning, design, and construction of the Project by meeting or exceeding the following goals:

(i) One or more Residents perform twenty percent (20%) of the total Construction Worker Hours with respect to any Construction Contract; and

(ii) No less than four percent (4%) of the Resident Construction Worker Hours required above are performed by a Low-Income Person.

(b) In recognition of the importance to the City having the resources to support economic opportunities for City Residents and Low-Income Persons, Developer will make contributions to a community equity fund, neighborhood investment fund or other fund designated by the City in the amount of \$1,000,000.00 in the aggregate:

(i) \$250,000 within 30 days after the first bond issuance supported by .40 Tax Increment Financing.

(ii) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$75,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iii) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$150,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iv) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$225,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

4. Mentorship and Training Programs.

(a) Developer will direct its Contractors, and require its Contractors to direct their Subcontractors, to participate in mentorship/protégé programs, as identified by the City on an approved vendor list, for MBEs, FBEs, CSBs and City Residents.

(b) Developer will support qualified (i) registered apprenticeship and internship opportunities for adult Residents and community college students that are City Residents, and (ii) Pre- Apprenticeship Programs, internships, and/or programs providing information and networking session opportunities for high school graduates and students that are City Residents. Developer also will consider ways to support and/or engage with apprenticeship programs with trade unions.

(c) Throughout the development of the Project, Developer will sponsor interns annually in its Cleveland office.

(d) Developer and the City shall work in collaboration to jointly conduct workshops to address matters related to the construction industry such as worksite safety matters, accounting procedures, legal, insurance, labor matters and other topics.

(e) In recognition of the importance to the City having the resources to support mentorship and training, Developer will make contributions to a community equity fund, neighborhood investment fund or other fund designated by the City in the amount of \$1,000,000 in the aggregate in accordance with the following schedule:

(i) \$250,000 within 30 days after the first bond issuance supported by .40 Tax Increment Financing.

(ii) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$75,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iii) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$150,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iv) \$250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$225,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

5. Community Outreach and Engagement. Throughout the Project, Developer will continue to meet with community stakeholders and host community meetings to gain input from a broad cross-section of the community - at least one community meeting a year for the first 15 years. The City and Developer collaborate on planning the approach to outreach for community meetings.

6. Reporting. Developer will provide quarterly reports to the OEO regarding compliance with the workforce, contracting and subcontracting, and community benefits commitments set forth and in coordination with the reports required by Section 187.24 of the CCO.

7. Workforce.

(a) Developer will direct its prime Contractors to participate in job fairs to market upcoming employment and contracting opportunities, and collaborate with local workforce development organizations, (e.g., Cuyahoga Community College's Adult Pre-Apprenticeship Program, Max Hayes).

(b) In recognition of the importance to the City having the resources to support workforce development, Developer will make contributions to a community equity fund, neighborhood investment fund or other fund designated by the City in the amount of \$3,000,000 in the aggregate in accordance with the following schedule:

(i) \$750,000 within 30 days after the first bond issuance supported by .40 Tax Increment Financing.

(ii) \$750,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$75,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iii) \$750,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$150,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iv) \$750,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$225,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

8. Sustainability.

(a) Developer and the City agree that incorporation of sustainability principles into the design and completion of the Project constitutes a benefit to the public. In support of the City's sustainability policies and LEED Cities Silver Certification, Developer will use good faith efforts to pursue LEED Communities Silver certification, and, where appropriate and feasible, incorporate such opportunities into the design and construction of the Project. The City will facilitate, cooperate, and offer opportunities for the Project to meet the City's sustainability and climate justice goals. Developer will use good faith efforts to consider these opportunities, and, where appropriate and feasible, incorporate such opportunities into the design and construction of the Project.

(b) Developer will use good faith efforts to prioritize LEED credits and design principles that align with the City's Climate Action Plan. The City and Developer agree to collaborate to evaluate and pursue sustainable design and construction strategies to the extent that such strategies result in lower greenhouse gas emissions and do not negatively impact the cost or timing of the Project. Developer will also explore the opportunity to procure renewable energy credits and carbon offsets towards achieving a low carbon development and the City's decarbonization goals.

(c) Developer agrees to use good faith efforts to prioritize multimodal infrastructure and the transition to electric vehicles.

9. Neighborhood Infrastructure and Safety Improvements. Developer will incorporate neighborhood infrastructure and safety improvements into the Project including (a) the rehabilitation of bulkhead; (b) the relocation of Canal Road; (c) rebuilding the Eagle Avenue Ramp/Bridge; (d) the

installation of traffic controls, street landscaping, and stormwater treatment facilities; (e) the installation of public utility lines (including telecommunication facilities), and the relocation of certain utilities; (f) construction of slope protection and ground improvements; (g) the creation of approximately 12 acres of public open space, including a boardwalk along the Cuyahoga River, park and recreation areas and pedestrian access routes (h) public streets, (i) public parking facilities, (j) associated grading and site work, and (k) other appurtenant and ancillary public improvements.

10. Affordable Housing.

(a) Developer has a goal of developing up to 2,000 residential units within the City of Cleveland, twenty percent (20%) of which will be reserved for Affordable Housing (the “Affordable Housing Units”). Developer expects that approximately seventy-five percent (75%) of the Affordable Housing Units will be located within the Project Area (as such term is defined in the Development Agreement), and approximately twenty-five percent (25%) of the Affordable Housing Units may be located outside the Project Area.

(b) Developer will ensure that (i) at least forty percent (40%) of the total Affordable Housing Units developed within the Project Area will be Low-Income Housing (60% AMI or less) and sixty percent (60%) of the Affordable Housing Units developed within the Project Area will be Moderate-Income Housing (60% to 100% AMI). The Affordable Housing Units may consist of residential rental units or for-sale units.

(c) Developer may satisfy its obligations under this section by either:

(a) Acquiring, constructing, or developing Low-Income Housing and Moderate-Income Housing;

(b) Participating in a Third-Party Project by making a grant or donation of funds to a Third-Party Developer; and/or

(c) Through a Preservation Project that preserves existing affordable units with expiring affordability restrictions.

(d) For a unit located outside of the Project Area to qualify as an Affordable Housing Unit, (a) the Developer shall have submitted details of the Developer’s participation in the project to the City, and the City shall have in good faith determined that such participation provides support critical to facilitating the development of the project in which the unit is located to occur; and (b) the Chief of Integrated Development and the Chair of the Development, Planning, and Sustainability Committee shall have reviewed and approved the plans for the project in which the unit is to be located, which approval shall not be unreasonably withheld, conditioned or delayed.

11. For-Sale Housing. Developer will develop at least five percent (5%) of residential units as for-sale housing.

12. Support Cleveland Businesses and Community Programs. Developer and the City agree on the importance of creating a vibrant, mixed-use community within the City of Cleveland that is accessible to businesses of all types. In furtherance of this goal, Developer agrees to use good faith efforts to support community programming within the Project Agreement and work with local businesses and emerging entrepreneurs to provide access to retail spaces, kiosk and pop-up spaces, and events.

13. Historic Preservation. To the extent feasible, Developer will use good faith efforts to explore opportunities to preserve and protect components of the Project that have historic or cultural relevance to the community. The City acknowledges that various buildings and improvements within the Project Area have historical and community significance that may be listed on the National Register of Historic Places, and are an integral part of the historic fabric of downtown. The City also acknowledges the benefits derived from preserving and renovating these historic assets. To the extent feasible, Developer will explore opportunities, to preserve and protect components of the Project that have historic or cultural relevance to the community, and the City will cooperate and support the Developer's efforts in connection with the same.

14. Public Space Programming; Public Art. Developer and the City agree that the programming of public space is a critical part of placemaking, public realm enhancement, and ongoing economic development. Accordingly, the investment in public art, including installations, place markers, sculptures, murals, and space activations, including beautification efforts, experience installations, are a benefit to the community and broaden the urban experience for the public. Developer will use good faith efforts to explore opportunities to support the City's policies as they relate to investment in public art and public space programming and activations. Understanding the Project's central location, historical legacy, and cultural confluence, Developer will endeavor to support public space programming that aligns with the goals of local community groups, artists, and fabricators, and will invest at least One Million and No/100 Dollars (\$1,000,000.00) hiring local artists to design and create public art within the Project Area.

15. Neighborhood Investment Fund.

(a) In recognition of the importance to the City having the resources to support investments in Cleveland's neighborhoods, Developer will make contributions to a community equity fund, neighborhood investment fund or other fund designated by the City in the amount of \$15,000,000 in the aggregate in accordance with the following schedule:

(i) \$5,000,000 within 30 days after the first bond issuance supported by .40 Tax Increment Financing.

(ii) \$5,000,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$75,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iii) \$5,000,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$150,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

16. Minority Business Credit Fund.

(a) In recognition of the importance to the City having the resources to support the development of programs focused on providing capital to construction firms owned and controlled by individuals from groups that have been historically under-represented in the construction industry, Developer will make contributions to a community equity fund, neighborhood investment fund or other fund designated by the City in the amount of \$5,000,000 in the aggregate in accordance with the following schedule:

(i) \$1,250,000 within 30 days after the first bond issuance supported by .40 Tax Increment Financing or such later date determined by the City.

(ii) \$1,250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$75,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iii) \$1,250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$150,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

(iv) \$1,250,000 (as increased by an inflation escalator) within 30 days after the issuance of an aggregate of \$225,000,000 or more in bonds supported by .40 and .41 Tax Increment Financing.

17. Equitable Development. Developer agrees to consider, where and when appropriate and feasible, reasonable requests from the City for reasonable participation in equitable development opportunities, such as the Equitable Development Ecosystem Collaborative (or similar initiatives).

18. Procurement. Developer agrees to use good faith efforts to consider and utilize, when feasible, local vendors, consultants, contractors, suppliers, and materialmen throughout all stages of the planning, design and construction of the Project.

19. Equal Opportunity. Developer will not discriminate against any Contractors, employees and/or vendors on the basis of age, gender, race and/or sexual orientation and shall comply with all resident employment laws.

20. Prevailing Wage. Developer will direct its Contractors to comply with the City's prevailing wage requirements and laws including the City of Cleveland Fair Employment Wage.

21. Project Labor Agreement and Union Requirements.

(a) Developer will consider opportunities to enter into project labor agreements with one or more unions for components of the development of the Project, where appropriate and feasible, and upon terms and conditions acceptable to the Developer.

(b) Developer will continue to use good faith efforts to engage with responsible bidders on procurement of certain services. Developer will consider opportunities to utilize union vendors in certain services, where appropriate and feasible and with a focus on City-Certified local vendors, and upon terms and conditions acceptable to the Developer. Developer shall not unlawfully or unreasonably interfere with the formation or administration of any labor organization, either representing or attempting to organize employees providing janitorial, custodial, or security services to the Project.

22. Financing. Developer will solicit financial institutions that have a CRI Agreement with the City pursuant to Section 178.08 of the CCO for financing support for financing support for the Project.

23. Dedicated Staff. Developer shall maintain a dedicated staff at Developer's sole cost and expense, for the purpose of administering the Community Benefits Agreement and implementing, monitoring, evaluating, tracking, and reporting on the community benefits provided hereunder.

24. Cleveland Public Power. Developer will consider opportunities to use Cleveland Public Power for the distribution of electricity within the Project Area (or portions thereof) and related services, to the extent appropriate and feasible, in Developer's sole discretion. In determining whether the use of Cleveland Public Power is appropriate or feasible, Developer may consider, among other things, factors such as (i) Cleveland Public Power's ability to demonstrate that it has sufficient capacity to service the Project (both currently and in the future), and if additional capacity is necessary, that it has the ability to provide or secure such additional capacity, (ii) whether capital improvements are necessary for the distribution of electricity by Cleveland Public Power, and (iii) Cleveland Public Power's demonstrated reliability and cost competitiveness as compared to other service providers.

25. Community Benefit Fellow. Developer agrees to sponsor a fellow at the City for the purpose of researching, evaluating, and presenting on creative initiatives, programs, and partnership opportunities for the Developer's consideration, provided that the Developer's obligations under shall cease upon the earlier to occur of (i) Developer has invested a total of \$300,000 in the fellowship, or (ii) Developer has sponsored the fellow for a period of five consecutive (5) years.

26. Penalties for Noncompliance. Enforcement of Codified Ordinance Section 191A.07, Penalties for Noncompliance, shall be included in the Finance Agreement.