

Development Agreement Purpose



- **Creates the Framework for City's Unprecedented and Augmented Review and Oversight**
- **Prior to Proceeding, Fufeng must:**
 - 1. Confirm all local, state, and federal governmental requirements are met**
 - 2. Confirm and verify engineering and land development standards are met**

Financial Security Provided to City

Governmental Approvals
Secured before Proceeding

Remedies for Change and
Flexibility Provided to City

Development Agreement

What does it do?



Requires 20+ conditions be satisfied before construction of City infrastructure, including but not limited to:

Plant Development Plan Review
and Approvals Required

Federal, State, and Local Permit Approvals
Obtained

Air/Odor Emissions Study Completed
(Identify and Mitigate Impacts)

Wastewater Treatment Study Completed
(Appropriate Treatment Practices to be Employed)

Traffic/Rail Study Completed
(Identify and Mitigate Impacts)

Public Safety Study Completed
(Identify and Mitigate Impacts)

Acceptable Remedies for Change in
Development Approach/Assumptions

Appropriate Financial Security Provided to City
(Escrow and Letter of Credit)

Development Agreement

What does it do?



Creates Contractual Obligation of Fufeng to Provide Financial Security to the City:

- **\$5M** Letter of Credit to cover City upfront costs should any of the 20+ conditions not be satisfied or should Fufeng default on any of its obligations under the agreement
- **\$9.2M+** cash deposit to Escrow Account to cover Primary Benefit infrastructure improvements

Primary Benefit Infrastructure = cost after outside cost-share of trunk infrastructure items City would not construct or have need for at this time:

- Wastewater Treatment Plant – Phase 4
- Industrial Wastewater Pump Station
- Raw Water Intake and Transmission Improvements

Development Agreement

What does it do?



If any of the 20+ conditions are not satisfied or if there is a default by Fufeng of any term of development agreement, then City has right to:

- Terminate all agreements
- Recover City development costs through Letter of Credit
- Retain unspent Escrow cash if any Primary Benefit Infrastructure is started for Fufeng

Development Agreement

What it does not do?



Does not obligate City to construct City infrastructure:

- Specified Pre-development/staging type of construction may occur
- Any early out construction costs are at risk for Fufeng and secured by LOC, Escrow Cash, and Special Assessments
- Costs secured by \$5M LOC, \$9.2M+ Escrow Cash, and Special Assessments

Does not grant Fufeng any permits to construct:

- Does not supersede construction and building permit review process
- All local, state and federal permits must be secured by the project outside of agreement