



QUESTIONS AND ANSWERS

1. WHAT IS THE PRICE THE DEVELOPER WILL PAY?

- ANSWER: \$4,617,000. The developer will pay the purchase price in two forms of payment. First, the developer will pay cash. Second, the developer will advance the funds for and construct public improvements on behalf of the City of Dover. The combination of these two make up the full purchase price. The breakdown of the payment of the purchase price is as follows:
 - The Developer will pay \$1,000,000 in cash to the City of Dover. After its receipt, the Dover City Council will decide how to use these funds.
 - The Developer will advance funds and construct on behalf of the City a public access Waterfront Park along the water's edge expected to cost \$2,117,000. The public Waterfront Park will consist of a walkway, grassy areas, a plaza, a pier with transient boat slips, kiosks and substantial shoreline improvements. The park from Washington Street up to the pier will be constructed first in Phase I.
 - The Developer will advance funds and complete on behalf of the City the environmental clean-up of the Waterfront site estimated to be \$500,000.
 - The Developer, with approval of CWDAC, will have an allowance of up to \$800,000 to complete the following public improvements in the following priority:
 - The Developer may use this allowance with the approval of the City Manager on behalf Of the City to complete any further environmental clean-up;
 - The Developer may use funds from this allowance for the installation of odor control measures at the River Street pump station with the approval of the City Manager on behalf of the City. These measures would be completed in conjunction with the City's overhaul of the River Street Pump Station;
 - The Developer may use funds from this allowance to relocate the pedestrian bridge connecting the public Waterfront Park to the area adjacent to Young Street/Portland Ave;
 - Other improvements agreed upon by the Developer and the DHA with remaining funds.
 - The Developer will pay deposits to the DHA in accordance with the requirements of the original RFQ and RFP. The Developer will pay the deposits in three installments. The total of the deposits is One hundred forty thousand (\$140,000) dollars. In addition, the Developer will pay Sixty thousand (\$60,000) dollars to the DHA for third party costs.

2. What is the purpose of the Term Sheet?

- The Term Sheet will become a development agreement binding Dickinson Development, the City of Dover and DHA to certain expectations. Upon execution of the Term Sheet, the City will only be obligated to sell the land if all the following "pre-conditions" are met.
 - Completion of plans for the public improvements acceptable to the DHA and the approval of plans for environmental and odor control measures by city staff;

- Agreement on an estimated program of Supplemental Public Improvements acceptable to the DHA;
 - Agreement on the environmental remediation and the odor control costs acceptable to the DHA and the City Manager on behalf of the City of Dover;
 - Agreement on the cost of the Waterfront Park improvements and the costs acceptable to the DHA;
 - Loan commitment for the Developer; satisfactory evidence provided by the Developer to the DHA;
 - Construction financing for Phase I provided by the Developer;
 - General contract for the construction of the Phase I public improvements provided by the Developer;
 - All approvals and permits for the entire project secured by the Developer;
 - Performance bonds for all public improvements paid for and supplied by the Developer;
 - Guarantees by the Developer that construction will start within thirty (30) days of the closing;
 - No defaults on the terms of the LDA.
- Upon recommendation of CWDAC and approval by DHA, the City Council will be asked to ratify the provisions contained in the Term Sheet at an upcoming meeting. After Council approval and the signing of the Term Sheet, the project will move forward immediately with Dickinson performing detailed site investigations and other due diligence.
 - The signing of the Term Sheet will be the culmination of the RFP process whereby Dickinson Development was selected by the CWDAC as the preferred developer.

3. WHAT ARE THE ADDITIONAL FINANCIAL OBLIGATIONS OF THE DEVELOPER?

- ANSWER: The Developer will pay for all the streets and utilities including all the usual and customary permitting and approval fees and expenses normally paid by developers for other projects in Dover.

4. WHEN WILL THE DEVELOPER START THIS PROJECT?

- ANSWER: Allowing sufficient time for the Developer to complete due diligence, engineer and subsequently permit the project, actual construction of Phase I is likely to begin within 30-36 months. The expected schedule is:
 - Spring, 2007: Term Sheet signed; inspection period begins
 - December 2007: Land Development Agreement signed
 - 2008-09 Engineering and Permitting period
 - December, 2009 Closing date and construction within 30 days
 - If there are unexpected delays, the Outside Possession date can be extended by up to 12 additional months beyond the end of the permitting period with a \$10,000/month payment made to the City by Developer.

5. WHERE IS THE MONEY GOING?

- ANSWER: To understand the money, the figures are:
 - Purchase Price: \$4,617,000
 - Less Cash paid to the City \$1,000,000
 - Less Funds advanced for Waterfront park \$2,117,000
 - Less Funds advanced for environmental cleanup \$500,000
 - Less Allowance to Supplement Public Impr. \$800,000
 - Less deposits and third party costs \$200,000

6. WHAT ARE THE BENEFITS TO THE CITY?

- ANSWER: The benefits to the City are:
 - Property tax revenues on the residential and commercial properties;
 - Economic stimulus to the downtown and surrounding areas;
 - Waterfront Park for citizens to use with the Developer fronting the money; the park will include a pier, a plaza, a walkway along the water and other amenities
 - Environmental clean-up of a site the City is responsible for cleaning up anyway with the Developer fronting the money.

7. WHAT IF THE APPRAISALS DO NOT SUPPORT THE PURCHASE PRICE OFFERED BY THE DEVELOPER?

- ANSWER: Citizens have to decide whether to regard the waterfront as a one-time sale of property to an interested buyer or an investment that is made with a desired return benefiting Dover's future.
- The community's long held vision for the Waterfront Development cannot be realized without involvement of and partnership with the private sector.
- Securing development of the Waterfront has far reaching positive impact on Dover's economy, Dover's tax base, and Dover's downtown area.
- In addition, citizens should decide whether the monies and public improvements and the resulting development will conform with their vision of the waterfront.

8. HOW ARE WE PROTECTED IF THINGS DO NOT GO AS PLANNED?

- ANSWER: The Term Sheet has the following protections:
 - Bonding: All the public streets and utilities will be bonded which means if the Developer does not construct the streets and utilities, the City will have insurance to pay for the construction.
 - Time Limits: The Developer has to construct the waterfront park and the waterfront park retail buildings within seven years. If not, the property reserved for the waterfront park buildings comes back to the City at no charge.
 - Time Limits: The Developer has deadlines to meet within ten years or the City has the right to buy back the property at fair market value.
 - Design Standards: If Dickinson Development does not complete the project, the LDA will include comprehensive design standards concerning such matters as building design, parking requirements, building height and mass, landscaping, density of development, the relative mix of commercial, retail, and residential uses, and similar matters which will continue to control the development of the site.

9. WHAT WILL BE BUILT FIRST AT THE PROJECT?

- ANSWER: The Waterfront Park up to the pier and a portion of the buildings along the waterfront will be built first. Phase I of the project will include Buildings 5 and 13 as shown on the concept plan, plus either Building 4 (restaurant) or Buildings 6 and 7 (retail or restaurant use). Some or all of Buildings 2, 3, 6 and 7 may be constructed during Phase I, depending upon pre-sale demand. It is intended that the first floor of Buildings 2, 3, 6 and 7 be used for retail or restaurant uses.

10. WHAT WILL BE DICKINSON DEVELOPMENT'S INVOLVEMENT IN THE PROJECT?

- Dickinson Development Corp. will likely be involved throughout the entire project. It is likely Dickinson will involve other investors for the development of the site. During Phase I, Dickinson will generally be the managing member of a special purpose entity with a 50% or greater interest in the special purpose entity. If Dickinson's lender requires Dickinson to relinquish a greater than 50% interest in the special purpose entity, Dickinson will be required to guarantee the obligations contained in the Term Sheet. After Phase I, Dickinson may assign the right to develop later portions of the project, but DHA would have to approve any assignment of the developer's right to develop any portion of the project.

11. WHAT WILL BE THE CITY'S INVOLVEMENT IN THE PROJECT?

- ANSWER: Once the City Council approves the Term Sheet and confirms the authority to sign a deed transferring the property (which will be subject to the conditions of the Term Sheet and the LDA), Dickinson will undertake due diligence, engineering, permitting and pre sales activities.
- Upon closing on the property immediately prior to construction, the City Council will have full authority to appropriate and/or reserve the \$1,000,000 cash proceeds as it deems appropriate.
- DHA (with the assistance of CWDAC and City staff) will continue to be responsible for decisions as to the design and construction of the public park and public improvements; the environmental remediation; any additional work on odor control at the River Street Pump Station; any revisions to the planned public improvements; any assignment of the developer's rights to build later portions of the project; and review of the developer's financing arrangements to ensure that the project will be adequately financed.
- The Planning Board will review and will have to approve plans submitted by the developer for the proposed improvements at the site as would be the case for any other developer.
- The City will be required to follow through with completion of the Washington Street Bridge and River Station Pump Station overhaul as has already been appropriated in prior budgets.