

Proposed Term Sheet

The City of Omaha ("City") and the Metropolitan Utilities District of Omaha ("District") do hereby agree to the following terms and conditions to resolve the dispute over utility relocation costs associated with the construction of a modern streetcar in the City's urban core ("Streetcar").

The following terms and conditions ("Term Sheet") will be further defined and clarified as the Parties continue discussions. The Parties expect to further memorialize the terms and conditions described herein in greater detail as soon as possible.

1. The individuals signing this have full authority to enter into this Term Sheet. The Parties acknowledge that the design and construction of the Streetcar is the responsibility of the Omaha Streetcar Authority (OSA), and that the City will ensure the OSA complies with the terms set forth herein, and will be obligated to fulfill the provisions of any future agreement.
2. The Parties agree that time is of the essence and accordingly the City and the District shall sign and accept this Term Sheet no later than 9:30 am Tuesday, February 14, 2023.
3. The Parties agree to continue working together to design the Streetcar at the lowest, responsible cost to both parties and with the least disruption to the District's gas and water facilities.
4. The Parties agree to work together during the construction of the Streetcar in order to minimize impact to the District's water and gas facilities and control costs.
5. The City acknowledges receipt of the District's Opinion of Probable Cost ("OPC"), which details the District's current estimate of necessary costs associated with gas and water utility relocations.
6. The City and the District acknowledge that the OPC estimates such gas and water utility relocations to cost \$20,506,244. Such figure includes the District's estimation of costs to relocate, replace, abandon, encase and otherwise protect gas and water infrastructure impacted by the Streetcar.
7. The City and the District acknowledge and agree that the OPC was based on 0% design and that the impact to the District water and gas facilities, and the estimate of associated costs, will change over time.

8. The District agrees the OPC contains costs that reflect certain work within its gas and water Infrastructure Replacement program, as based on its linear asset management plan and risk model. Such District work will be funded by the District and will be absorbed through its existing infrastructure replacement program. The District will not increase gas or water rates as a result of the commitment contained within this Term Sheet.
9. The District agrees to contribute \$7,600,000 towards the actual cost of gas and water utility relocations, replacements, abandonments, encasements and other such activities the Parties agree are necessary due to the impact of the Streetcar.
10. The City agrees to allocate as an expense of the Streetcar any and all remaining costs to replace, relocate, abandon, encase or otherwise protect the District's gas and water utility infrastructure, which the Parties agree are necessary due to the impact of the Streetcar.
11. The District will request Senator Linehan withdraw LB 691 and LB 693 pending before the Nebraska Legislature. The City and District will not testify, nor seek the others to testify on these two bills. The City and the District will publicly announce that a mutually agreed upon resolution has been reached. Neither Party will be obligated as set forth herein or required to memorialize the provisions of this Term Sheet, in the event LB 691 and LB 693 are not withdrawn.
12. The Parties shall agree that any public statement on this issue made by either party on this matter shall be mutually agreed upon or no statement shall be made. This would apply to City and District employees and City and District representatives.
13. The Parties agree that neither shall publicly disparage each other.
14. The District will publicly state that any future rate increases will not be tied to the construction of the Streetcar in its current phase. The Parties agree that this provision would not apply to future additions to the Streetcar.

15. The Parties shall work together to finalize all reasonable and necessary regulations directly related to the impact of the Streetcar on the District's gas and water utility relocations, replacements, abandonments, encasements.
16. The Parties agree that this Term Sheet and any subsequent agreement concerning the allocation of costs and expenses is solely applicable to the Streetcar. The Parties agree that the terms and conditions described herein do not establish precedence, or an agreement of the proper allocation of costs and expenses, in the event the City expands the Streetcar. The Parties agree that all other interactions by and between the Parties will continue in the traditional manner.

 2/14/2023

Mayor Jean Stothert

Date

 2/13/2023

Mark Doyle

Date