

#### REGULAR CITY COUNCIL MEETING VIRTUAL MEETING HELD VIA WEBEX JANUARY 26, 2021 7:00 PM

#### INTRODUCTORY PROCEEDINGS

Call to order

Pledge of Allegiance

Open forum

Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council may call 612-861-0651 during the open forum portion of the meeting. Individuals may also call 612-861-9711 or email kwynn@richfieldmn.gov prior to the meeting.

Approval of the Minutes of the (1) City Council Work Session January 12, 2021; and (2) City Council Meeting of January 12, 2021.

#### **PRESENTATIONS**

1. Richfield Foundation awarding of grants presentation.

#### 2. Approval of the Agenda

#### **AGENDA APPROVAL**

- 3. Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.
  - A. Consider the adoption of resolutions authorizing the:
    - 1. Joint Powers Agreement between the Metropolitan Airports Commission and the City of Richfield for the ownership and maintenance of 77th Street Underpass improvements; and
    - 2. Temporary Easement Agreement between the Metropolitan Airports Commission and the City of Richfield for property located near 77th Street and Longfellow Avenue.

#### Staff Report No. 10

B. Consider the approval of the purchase of a 2021 Versa-Vac 1000PD Trailer Mounted Vacuum/Hydro Excavation Unit from Flexible Pipe Tool Company in the sum of \$162,610.00 (including trade-in).

#### Staff Report No. 11

C. Consider approval of a resolution approving a Joint Powers Agreement for Distracted Driving Vehicle Program.

Staff Report No. 12

D. Consider the approval of a second reading of an ordinance amending City Code Subsection 721.03 related to connections and discharges to the stormwater system and approval of a resolution authorizing summary publication.

Staff Report No. 13

E. Consider a resolution designating an official newspaper for 2021.

Staff Report No. 14

4. Consideration of items, if any, removed from Consent Calendar

#### **PUBLIC HEARINGS**

5. Public hearing and consider the approval of a noise variance permit for Wood Lake dewatering as part of the Wood Lake Lift Station Improvement Project.

Staff Report No. 15

6. Public hearing to consider approval of a modification to the Redevelopment Plan and approval of a Tax Increment Financing Plan for the 2020-2 Tax Increment Finance District: Emi.

Staff Report No. 16

#### **RESOLUTIONS**

7. Consideration of the approval of a resolution pertaining to filing of the Pay Equity Report with the Minnesota Management and Budget Department.

Staff Report No. 18

#### **OTHER BUSINESS**

8. Consider representatives to serve as the 2021 liaisons to various local, regional and state organizations, and City boards and commissions.

Staff Report No. 17

#### **CITY MANAGER'S REPORT**

9. City Manager's Report

#### **CLAIMS AND PAYROLLS**

10. Claims and Payroll

#### **COUNCIL DISCUSSION**

- 11. Hats Off to Hometown Hits
- 12. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



# CITY COUNCIL MEETING MINUTES Richfield, Minnesota

### Talentia, ministra

### January 12, 2021

**City Council Work Session** 

#### **CALL TO ORDER**

The meeting was called to order by Mayor Regan Gonzalez at 5:45 p.m. virtually via WebEx.

**Council Members** 

Maria Regan Gonzalez, Mayor; Ben Whalen; Mary Supple; Simon

Present: Trautmann; and Sean Hayford Oleary

Staff Present: Katie Rodriguez, City Manager; Chris Regis, Finance Director; Amy Markle,

Recreation Services Director; John Stark, Community Development Director; Mary Tietjen, City Attorney; Blanca Martinez Gavina, Executive Analyst; and

Kelly Wynn, Senior Office Assistant.

Others Present: Rebecca Kurtz, Ehlers; Peter Coyle, Co-Counsel Post 435 Attorney; Glen

McClusky, Co-Counsel Post 435 Attorney; and Diane Miller, Post 435

Controller

Item #1

#### COMMUNITY CENTER FEASIBILITY AT THE AMERICAN LEGION PROPERTY

City Manager Rodriguez introduced the item and provided an overview of the property, described a plan provided by staff and thanked staff for their time putting the plan together.

Director Markle provided a historical background of the current Richfield Community Center; the Parks Master Plan; results from a 2020 community survey; considerations noted from other communities; factors associated with costs; assessing needs; meeting needs in the short, medium and long term; and planning for the future.

Director Regis described the range of estimated costs to construct a new community center; project funding options; impact on the tax levy; tax levy impact on residents; estimated annual operations; and impact with a \$1millio subsidy.

Director Markle spoke of Richfield's current socioeconomics.

Director Regis discussed other considerations such as the impact on debt limit, future facility capital maintenance and impact on the bond rating.

Director Markle spoke of moving forward which included recovering from the pandemic.

Council Member Hayford Oleary asked about buying the land now with the possibility of not building on it or building at a later date.

City Manager Rodriguez explained neither of those options would meet the needs of Post 435.

Attorney Coyle stated he supported staff recommendation but believed Post 435 will need to be a private sale. Post 435 wanted to be clear with their intentions and forward with the future of its members.

Council Member Whalen wanted to discuss the pertinent need for a new nature center and options at the current site.

Director Markle explained how the previous Recreation Services Director was strategic in the maintenance of the current community center but it is a dated building. She spoke of how it could be earmarked for future construction as it has a good location and is easily accessible. However, Wood Lake Nature Center is in desperate need of improvements and is currently about a new or renovated community center at this current time.

Council Member Supple reiterated that it does not seem financially possible to construct a brand new community center but would like to see a possible partnership with Wood Lake Nature Center and a facilities assessment.

Council Member Trautmann thanked staff for the hours spent and for the thorough presentation. He assumed with such a high cost to construct a new community center that it would require a bond and that is not currently a high priority. He then asked about a possible partnership with the school district.

Director Markle stated that has not yet been discussed with the schools but is an avenue worth pursuing. She spoke of high schoolers that have reached out about wanting an indoor space to play and work out.

City Manager Rodriguez stated she would like to set expectations that this would not be an immediate item but would look more into 2022.

Council Member Whalen echoed that the financial piece is clear but also stated that raising taxes is not always a bad thing as it invests in things the community needs. However, raising taxes 25% or more is not an option. He spoke of the need for banquet and meeting spaces in the community but with the pandemic it is unclear when large indoor gatherings could resume. He asked about what Post 435 would like to see in the new development including Veteran's housing, meeting space, etc.

Attorney McClusky spoke of how Post 435 would be more than happy to continue discussions around making space available to the community.

Mayor Regan Gonzalez explained the immediate issue concerns the small area plan and long term planning and it is not financially responsible for the city to purchase this area. She spoke of how things have changed due to the pandemic and created drastic challenges. This project is an example of just how tough things are right now and how this could put a lot of burden on city staff during an already challenging pandemic. She also spoke of how this is an item that needs to be addressed now for the community and unfortunately the answer can't always be 'yes.'

Council Member Hayford Oleary appreciated the information and spoke of how this will be a good way to build the tax base and create discussions with the community of why the city shouldn't borrow to build a new community center right now.

Council Member Trautmann echoed comments from Mayor Regan Gonzalez and Council Member Hayford Oleary in that the capacity staff can efficiently work at and the city tax base are both extremely important.

Mayor Regan Gonzalez expressed her excitement with the presentation provided and to be able to plan a future for the community.

Council Member Supple stated she is looking forward to going into the ice arena to see the renovations when tours become possible.

Director Markle spoke of the renovations wrapping up and staff will look into providing a virtual tour of the renovations.

City Manager Rodriguez gave a recap of discussion from the work session in that the city will not pursue buying the Post 435 property; more research will be done to follow Director Markle's direction provided in the presentation; and avenues will be explored in partnering with the school district in possibility of a new community center.

Director Stark explained how in initial conversations, the location at Veteran's Park has been eluded to a 'campus' with both private and public amenities. He spoke of looking at the whole site as a puzzle in that all the smaller pieces need to fit together which includes both Veteran's Park and the surrounding buildings. He stated public engagement is extremely important but will be very difficult due to the pandemic. Most engagements will need to be virtual and that does not fit the needs of all the community members. He asked for ideas from staff and Council on how to be inclusive for as many residents as possible.

Mayor Regan Gonzalez asked about Post 435 working with a potential developer to meet the needs of the members.

Director Stark stated potential developers would like to see it as a cohesive picture. He spoke of the desire to have the park amenities to be as or more available to residents and not have private structures hinder that access.

Mayor Regan Gonzalez thanked everyone for attending and for the robust discussion regarding the future of the community.

#### ADJOURNMENT

The work session was adjourned by unanimous consent at 6:47 p.m.

Maria Regan Gonzalez Mayor	
Katie Rodriguez	
	Mayor



### **CITY COUNCIL MEETING MINUTES**

Richfield, Minnesota

# Regular Council Meeting Virtual Meeting held via WebEx

**January 12, 2021** 

#### CALL TO ORDER

The meeting was called to order by Mayor Maria Regan Gonzalez at 7:00 p.m. via WebEx.

Council Members

Maria Regan Gonzalez, Mayor; Ben Whalen; Mary Supple; Simon Trautmann;

Present:

and Sean Hayford Oleary

Staff Present:

Katie Rodriguez, City Manager; Pam Dmytrenko, Assistant City Manager; Mary Tietjen, City Attorney; Chris Regis, Finance Director; Wayne Kewitsch, Fire Chief; Mike Dobesh, Assistant Fire Chief; Jenell Wood, Battalion Fire Chief; Jane Skov, IT Manager; Blanca Martinez Gavina, Executive Analyst; and Kelly Wynn,

Senior Office Assistant

Others Present:

Heather Eastlund, Human Rights Commission Chair

#### PLEDGE OF ALLEGIANCE

Mayor Regan Gonzalez led the Pledge of Allegiance

#### **OPEN FORUM**

Senior Office Assistant Wynn reviewed the options to participate:

- Participate live by calling 612-861-0651 during the open forum portion
- Call prior to meeting 612-861-9711
- Email prior to meeting kwynn@richfielmn.gov

Senior Office Assistant Wynn stated there were no comments or callers.

#### APPROVAL OF MINUTES

M/Supple, S/Whalen to approve the minutes of the (1) Special City Council Meeting of November 30, 2020; (2) City Council Work Session of December 8, 2020; and (3) City Council Meeting of December 8, 2020.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE Trautmann: AYE Hayford Oleary: AYE

Whalen: AYE

Motion carried 5-0

Item #1

#### PRESENTATION OF THE HUMAN RIGHTS COMMISSION ANNUAL REPORT

Chair Eastlund explained how the pandemic impacted many of their events including but not limited to the cancellation of Penn Fest and delay of the Citizen Award. She spoke of being hopeful to seeing somewhat of a more normal scene in 2021. The commission worked with Richfield Towers to do outreach where they were able to cater in food and spoke about the Census and other resources for residents. They also put together three proclamations recognized by Council (1) LGTBQIA; (2) Americans with Disabilities Act; and (3) 100<sup>th</sup> Anniversary of the 19<sup>th</sup> Amendment. She stated the commission is looking forward to working with the new Equity and Inclusion Administrator as they spend much of their time around diversity, equity and inclusion.

Council Member Supple thanked Chair Eastlund and all the commission members for their passion and enthusiasm.

Council Member Whalen clarified William Green will be the new Equity and Inclusion Administrator starting in January. He expressed gratitude to see the commission already gearing up for his arrival. He stated appreciation to the commission for asking the hard questions and the willingness to dive in.

Mayor Regan Gonzalez spoke of how thankful she was to see the commission adapting to the change and show such leadership during this time. She will be looking to all the commission to be bridge between community, Council and staff. She believed the commission is building strong foundations and is helping lead into the future.

Item #2

PRESENTATION OF SWEARING-IN OF COUNCIL MEMBERS ON JANUARY 11, 2021

A video was played containing the swearing-in of Council Member Whalen, Trautmann and Hayford Oleary that took place on Monday, January 11, 2021 in Council Chambers.

Council Member Trautmann stated how it is a privilege to serve the city, take an oath to support the constitution and have a common cause even when opinions are so different. He also encouraged residents to reach out to their Council Members anytime.

Council Member Whalen welcomed Council Member Hayford Oleary and thanked residents for their support in re-electing him. He spoke of the importance to uphold the constitution and democracy. He appreciated everyone who continues to recognize the importance of democracy even in troubling times.

Council Member Hayford Oleary stated he is excited to serve Richfield and be able to engage more with residents.

Council Member Supple congratulated everyone.

### Item #3 FIRE CHIEF WAYNE KEWITSCH CAREER RECOGNITION

City Manager Rodriguez spoke of the small ceremony the Richfield Fire Department put on to recognize badging's of new firefighters, promotions and honoring the career of Chief Kewitsch. She explained what a legacy Chief Kewitsch is leaving and personally thanked him for his leadership and friendship.

Assistant City Manager Dmytrenko expressed gratitude for over twenty years of work from Chief Kewitsch and what a wonderful person and leader he was for the city. She wished him happiness and health going forward.

Fire Chief Kewitsch thanked staff and Council for all the support. He stated how firefighters are in the business of being with people on the worst day of their life and the mission comes first.

Senior Assistant Wynn expressed her gratitude for being able to work with Chief Kewitsch and the amazing team he has built.

A video was played containing clips from the badging ceremony and recognition of Fire Chief Wayne Kewitsch's career from Monday, January 11, 2021 as he is leaving the Fire Department.

Council Member Supple gave best wishes and thanked Chief Kewitsch for everything he has done for the community and how he had always been the calm voice of reason.

Council Member Whalen spoke of Chief Kewitsch's reliable leadership for the city and wished him well for whatever comes next.

Council Member Trautmann thanked Chief Kewitsch and wished him blessings on his life. He expressed gratitude for him and all the firefighters. He stated Chief Kewitsch was a leader among leaders due to his integrity and ability to communicate essentials with grace and humility.

Chief Kewitsch stated he was truly blessed to work for the City of Richfield for over twenty years. He spoke of how much he loved his job and was so fortunate to feel this way while leaving a job.

Council Member Trautmann explained how the Richfield Fire Department has been an instrumental part of his life and how they bring health, life and safety every day to the community. He stated how Chief Kewitsch's body of work can literally be translated into lives saved.

Mayor Regan Gonzalez spoke of how fortunate she was to be able to attend the ceremony. She stated what an incredible foundation Chief Kewitsch had built over the years and how he is absolutely one of Richfield's biggest heroes. He has been a shining example of steady leadership and guidance.

Item #4

#### APPROVAL OF THE AGENDA

M/Whalen, S/Trautmann to approve the agenda

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE Trautmann: AYE Hayford Oleary: AYE

Whalen: AYE

Motion carried 5-0

Item #5

#### **CONSENT CALENDAR**

City Manager Rodriguez presented the consent calendar.

A. Continue a public hearing to consider the approval of a resolution regarding the modification of the Redevelopment Plan for the Richfield Redevelopment Project Area, the establishment of the 2020-2 Tax Increment Financing District: Emi (a redevelopment tax increment financing district), and the proposed adoption of a Tax Increment Financing Plan. Staff Report No. 01

B. Consider approval of a Joint Powers Agreement between the City of Richfield and the Metropolitan Council (Metro Transit) for construction of the D Line Bus Rapid Transit Project. Staff Report No. 02

#### **RESOLUTION NO. 11812**

### RESOLUTION AUTHORIZING JOINT POWERS AGREEMENT FOR THE METRO TRANSIT D LINE PROJECT

- C. Consider the first reading of an ordinance amending City Code Subsection 721.03 related to connections and discharges to the stormwater system and schedule a second reading for January 26, 2021. Staff Report No. 03
- D. Consider resolutions designating official depositories for the City of Richfield for 2021, including the approval of collateral. Staff Report No. 04

#### **RESOLUTION NO. 11813**

# RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF CITY OF RICHFIELD FUNDS IN 2021

#### **RESOLUTION NO. 11814**

#### RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE DEPOSIT AND INVESTMENT OF CITY FUNDS IN 2021

#### **RESOLUTION NO. 11815**

# RESOLUTION DESIGNATING U.S. BANK A DEPOSITORY OF FUNDS OF THE CITY OF RICHFIELD FOR THE YEAR 2021

E. Consider a resolution authorizing the use of credit cards by City employees otherwise authorized to make purchases on behalf of the City. Staff Report No. 05

#### **RESOLUTION NO. 11816**

# RESOLUTION AUTHORIZING THE USE OF CREDIT CARDS BY CITY EMPLOYEES OTHERWISE AUTHORIZED TO MAKE PURCHASES ON BEHALF OF THE CITY OF RICHFIELD FOR THE YEAR 2021

F. Consider approval to designate an Acting City Manager for 2021. Staff Report No. 06

M/Supple, S/Whalen to approve the consent calendar.

Council Member Whalen encouraged residents to listen to the work session from December about the D-line transit. He stated it is the most highly used bus routes and is excited to see that improved through Richfield.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE Trautmann: AYE Hayford Oleary: AYE

Whalen: AYE

Motion carried 5-0

Item #6

CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR

None

Item #7

CONSIDER THE DESIGNATION OF A MAYOR PRO TEMPORE FOR 2021. STAFF REPORT NO. 08

Mayor Regan Gonzalez read staff report 08 and thanked Council Member Trautmann for performing as the 2020 Mayor Pro Tempore and appointed Council Member Supple to resume duties for 2021.

Council Member Trautmann thanked Mayor Regan Gonzalez for her continued leadership and was grateful to have the opportunity to serve as Mayor Pro Tempore.

Mayor Regan Gonzalez expressed the importance of rotating the position through Council.

M/Regan Gonzalez, S/Whalen to approve the City Council designation of a Mayor Pro Tempore for 2021 as Council Member Mary Supple.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE Trautmann: AYE Hayford Oleary: AYE

Whalen: AYE

Motion carried 5-0

Item #8

CONSIDER CONFIRMATION OF THE APPOINTMENT OF MIKE DOBESH TO FIRE CHIEF/FIRE SERVICES DIRECTOR FOR THE CITY OF RICHFIELD. STAFF REPORT NO. 09

Council Member Whalen read staff report 09.

M/Whalen, S/Supple to confirm the appointment of Mike Dobesh to Fire Chief/Fire Services Director for the City of Richfield.

Mayor Regan Gonzalez stated how lucky the city and department are to have Assistant Fire Chief Mike Dobesh.

Council Member Trautmann spoke of how Assistant Chief Dobesh could be chief in a lot of cities and how fortunate Richfield is to have him.

Assistant Chief Dobesh thanked everyone for the support.

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE Trautmann: AYE Hayford Oleary: AYE

Whalen: AYE

Motion carried 5-0

Item #9 CITY MANAGER REPORT

City Manager Rodriguez stated the city is implementing a new process of answering questions or concerns brought forth in the previous open forum. Questions were brought up about the 2021 budget from Richfield resident Kathleen Balaban. The city responded how staff tries very hard to balance a strong budget. The expenditures that were in question were deemed essential as a truck at Public Works needed replacement and renovations to the Wood Lake Lift Station will assist with the constant flooding. Other expenditures regarding employee reimbursement for cell phone use is a new normal with remote working. She then provided a brief COVID update including a drop in cases and deaths along with vaccines being rolled out to front line works and first responders. The city will be in contact when vaccines are available for the general public. She also spoke of the new Equity and Inclusion Administrator, William Green, starting January 19<sup>th</sup>.

Item #10 CLAIMS AND PAYROLL

M/Supple, S/Trautmann that the following claims and payrolls be approved:

U.S. Bank	12/22/2020
A/P Checks 293025 - 293437	\$ 1,635,486.53
Payroll: 158675 – 158950 43269 - 43390	 686,632.50
TOTAL	\$ 2,322,119.03
U.S. Bank	01/12/2021
A/P Checks 293438 - 293910	\$ 2,227,727.76
Payroll: 158951 - 159502	1,346,960.68
1 ayloli. 100001 - 100002	 1,0-0,000.00

Executive Analyst Martinez Gavina took roll call vote:

Regan Gonzalez: AYE

Supple: AYE
Trautmann: AYE
Hayford Oleary: AYE

Whalen: AYE

#### Motion carried 5-0

Item #11	HATS OFF TO HOMETOWN HITS
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Council Member Hayford Oleary spoke of seeing on social media how residents are supporting each other and local businesses and sharing good experiences.

Council Member Trautmann reminded residents Wood Lake Nature Center is offering cross country skiing rentals via reservation. He again thanked Chief Kewitsch for his service and welcomed Chief Dobesh to his new role.

Council Member Whalen spoke of the meeting from Monday, January 11, 2021 where Council met virtually with Legislators to discuss city priorities. He congratulated Representative Emma Greenman on her appointment.

Council Member Supple thanked the community for continuing to wear masks along with staff for pivoting and being able to provide services for residents and for Public Works keeping the streets clear. She encouraged residents

Mayor Regan Gonzalez expressed excitement to see the transition in leadership at the Richfield Fire Department and how grateful the department has been to have Chief Kewitsch. She also stated the Richfield Ice Arena is open by reservation and encouraged residents to get over and skate.

Item #12	ADJOURNMENT		
The r	neeting was adjourned by una	nimous consent at 8:18 p.m.	
Date Approv	ed: January 26, 2021		
		Maria Regan Gonzalez Mayor	
Kelly Wynn Senior Office	e Assistant	Katie Rodriguez City Manager	

AGENDA SECTION: AGENDA ITEM# CONSENT CALENDAR

3.A.



### STAFF REPORT NO. 10 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Scott Kulzer, Administrative Aide/Analyst

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director

1/19/2021

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

#### ITEM FOR COUNCIL CONSIDERATION:

Consider the adoption of resolutions authorizing the:

- 1. Joint Powers Agreement between the Metropolitan Airports Commission and the City of Richfield for the ownership and maintenance of 77th Street Underpass improvements; and
- 2. Temporary Easement Agreement between the Metropolitan Airports Commission and the City of Richfield for property located near 77th Street and Longfellow Avenue.

#### **EXECUTIVE SUMMARY:**

As part of the 77th Street Underpass project, certain joint powers agreements and temporary easements must be entered into for purposes of infrastructure ownership and construction.

#### **Joint Powers Agreement**

The Joint Powers Agreement clearly states the ownership and maintenance responsibilities of each party as it relates to the 77th Street Underpass project. Generally speaking, the agreement provides for:

- Richfield procuring plans and specifications for the project:
- Richfield letting the project, entering into the construction contract, and paying the contractor; and
- Richfield constructing the project with MnDOT coordination.

#### **Maintenance**

Maintenance duties are as follows:

- MAC will assume maintenance responsibilities for the portion of roadway and utility improvements that fall on their property as detailed in Exhibit D;
- MAC will pay all monthly electrical service expenses necessary to operate the lighting facilities on their property;
- Richfield will assume maintenance responsibilities for the portion of roadway and utility improvements that fall West of MAC property as detailed in Exhibit D; and
- Richfield will pay all monthly electrical service expenses necessary to operate the lighting facilities West of MAC property.

#### **Temporary Easement**

Temporary easements are often needed in order to implement major infrastructure projects and facilitate the construction thereof. This temporary easement will allow for the construction of the 77th Street Underpass by permitting the City and its employees, agents, and contractors, to enter the

Temporary Easement upon the MAC property and to build the project.

The language in the Temporary Easement is pretty standard with the exception of Richfield being responsible for any environmental remediation needed on MAC property due to the project. Staff intends to negotiate to share this responsibility with MnDOT via the future cooperative construction agreement before the project begins.

#### RECOMMENDED ACTION:

By motion: Adopt the resolutions authorizing the:

- 1. Joint Powers Agreement between the Metropolitan Airports Commission and the City of Richfield for the ownership and maintenance of 77th Street Underpass improvements; and
- 2. Temporary Easement Agreement between the Metropolitan Airports Commission and the City of Richfield for property located near 77th Street and Longfellow Avenue.

#### **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

See executive summary.

#### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Minnesota Statutes, section 471.59 authorizes governmental units to enter into Joint Power Agreements.
- These agreements must be in place as we move towards the letting phase of the project this spring.

#### C. CRITICAL TIMING ISSUES:

- Adoption of the JPA and Temporary Easements at the January 26, 2021 Council meeting will keep the project on track for letting in early 2021 and the commencement of construction in Spring 2021.
- Technical edits or corrections to the JPA and temporary easement being considered are possible due to minor differences in language between Richfield's versions and MAC's versions.
- All substantive provisions of these agreements have been negotiated and are agreed upon by both parties but the City and MAC are working towards the final "clean" versions of the agreements.

#### D. FINANCIAL IMPACT:

The City will pay the Metropolitan Airports Commission \$50,000 for the temporary easement.

#### E. **LEGAL CONSIDERATION:**

The City Attorney will be available at the meeting to answer questions.

#### <u>ALTERNATIVE RECOMMENDATION(S):</u>

None

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

None

#### **ATTACHMENTS:**

	Description	Туре
D	Richfield - MAC Joint Powers Agreement	Contract/Agreement
D	JPA Exhibit A Final Layout	Exhibit
D	JPA Exhibit B	Exhibit
D	JPA Exhibit C	Exhibit
D	JPA Exhibit D Maintenance Responsibilities	Exhibit
D	Joint Powers Agreement Resolution	Resolution Letter
D	Temporary Easement Agreement	Contract/Agreement

- ☐ Temporary Easement Exhibit A
- □ Temporary Easement Resolution

Exhibit

Resolution Letter

# JOINT POWERS AGREEMENT BETWEEN THE METROPOLITAN AIRPORTS COMMISSION AND THE CITY OF RICHFIELD FOR THE OWNERSHIP AND MAINTENANCE OF 77<sup>TH</sup> STREET UNDERPASS IMPROVEMENTS

THIS JOINT POWERS AGREEMENT ("Agreement") is made this \_\_\_ day of \_\_\_\_\_, 2021 by and between the Metropolitan Airports Commission, a public corporation of the State of Minnesota organized and existing under Minnesota Statutes, section 473.601, et seq. ("MAC"), and the City of Richfield, a Minnesota municipal corporation ("Richfield"), pursuant to Minnesota Statutes, section 471.59. MAC and Richfield are collectively referred to as the "Parties."

#### **RECITALS**

**WHEREAS**, under Minn. Stat. 471.59, the Parties are empowered to engage in such agreements as are necessary to exercise their powers; and

**WHEREAS**, Richfield desires to perform grading, paving, drainage, signing, lighting, retaining wall, bridge, trail and sidewalk construction and other construction associated with the improvement of existing portions of 77<sup>th</sup> Street within the corporate city limits of Richfield and upon property owned by MAC (PID's 36-028-24-33-0001, 36-028-24-33-0002 and 36-028-24-33-0003) and the establishment and construction of the 77<sup>th</sup> Street underpass connecting the existing portions of 77<sup>th</sup> Street identified above and traveling through the easement area for State Trunk Highway 77, as depicted in the 77th Street improvements layout attached hereto as Exhibit A (the "Project"); and

**WHEREAS**, MAC will issue to Richfield a Temporary Easement for construction on MAC-owned property, which outlines specific requirements and details related to the Project, a copy of which is attached as <u>Exhibit B</u>;

**WHEREAS**, Richfield and the State of Minnesota ("State") will enter into a separate Cooperative Agreement to provide for the construction of the improvements, a copy of which will be attached hereto as Exhibit C and the terms of which are incorporated herein; and

**WHEREAS**, Richfield has prepared plans and specifications with regard to the Project ("Plans"); and

WHEREAS, Richfield, MAC and the Minnesota Department of Transportation ("MnDOT") agree that there is justification and it is in the public's best interest to improve the existing portions of 77<sup>th</sup> Street and to establish and construct the 77<sup>th</sup> Street underpass in accordance with the Plans, and it is consistent with long-term plans to address regional traffic congestion near the Minneapolis - St. Paul International Airport; and

**WHEREAS**, Richfield will undertake the process of procuring the contract for the construction of the Project and subsequently paying the contractor pursuant to the awarded construction contract, and MnDOT will provide construction engineering services in accordance with the Cooperative Agreement; and

**WHEREAS**, the Parties will share in the ownership and maintenance responsibilities for the Project subsequent to the completion of construction as hereinafter set forth; and

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## ARTICLE I THE AGREEMENT

- **Section 1.1.** <u>Purposes.</u> The purpose of this Agreement is to define the ownership and maintenance responsibility of the Parties subsequent to the completion of the construction of the Project.
- **Section 1.2.** <u>Cooperation</u>. Richfield and MAC shall cooperate and use their best efforts to ensure the most expeditious implementation of this Agreement. The Parties agree in good faith to undertake resolution of disputes, if any, in an equitable and timely manner. The Project will be open to inspection by duly authorized representatives of Richfield at any time during normal business hours.
- **Section 1.3.** Recitals. The above recitals are true and correct as of the date hereof and constitute a part of this Agreement.
- **Section 1.4.** Enabling Authority. Minnesota Statutes, section 471.59, authorizes two or more governmental units to jointly exercise any power common to the contracting Parties.

#### **ARTICLE II**

#### CONSTRUCTION BY RICHFIELD

Richfield will construct the Project in accordance with the approved Plans. MAC has no monetary responsibilities with regard to construction or oversight of the Project.

Richfield shall provide MAC with plans and specifications for the Project with ample time for review by engineering, maintenance and trades staff. MAC shall have the opportunity to object to markings, details, fixtures, colors, and materials that do not match existing or do not meet MAC standards for Design and Construction.

MAC shall have the opportunity to field verify installations prior to assuming ownership on a timeline determined by MAC.

Richfield shall provide MAC with a copy of all as-builts/record drawings along with O&M manuals for all infrastructure expected to be maintained by MAC.

#### ARTICLE III

#### MAINTENANCE AND OWNERSHIP PROVISIONS

**Section 3.1.** <u>Maintenance and Ownership by MAC</u>. Upon completion of the Project, MAC shall provide for the maintenance of 77<sup>th</sup> Street, including the roadway, sidewalks, lighting, retaining walls, and all of the facilities located within the area depicted in the attached <u>Exhibit D ("MAC Maintenance Area")</u> at its own expense. Maintenance includes, but is not limited to, debris removal, resurfacing and seal coating, pavement markings and any other maintenance activities necessary to perpetuate the roadway, sidewalks, lighting, retaining walls and all other facilities a part of the roadway in a safe and usable condition.

Upon completion of the lighting facilities construction to be performed within the area depicted and identified in <a href="Exhibit D">Exhibit D</a>, MAC will become the owner of and provide for the proper maintenance of those facilities. Maintenance includes but is not limited to; replacing faulty luminaires and knocked down or otherwise damaged poles; repairing or replacing underground facilities and wiring; repairing service cabinets, photocells, and all other miscellaneous hardware to keep the lighting facilities in working order; cleaning and relamping the luminaires; and painting the lighting facilities. MAC will pay all monthly electrical service expenses necessary to operate the lighting facilities.

Richfield shall facilitate the transfer of MAC ownership and maintenance requirements for the trail to the Three Rivers Park District on behalf of MAC.

**Section 3.2.** <u>Maintenance and Ownership by Richfield</u>. Upon completion of the Project, Richfield shall provide for the maintenance of 77th Street, including the roadway, storm sewer, trails, sidewalks, lighting, retaining walls, and all of the facilities located to the west of the MAC Maintenance Area and within the city limits of Richfield, as depicted in the attached Exhibit D ("City Maintenance Area"), at its own expense. Maintenance includes, but is not limited to, snow, ice and debris removal, resurfacing and seal coating, pavement markings and any other maintenance activities necessary to perpetuate the roadway, storm sewers, trails, sidewalks, lighting, retaining walls and all other facilities a part of the roadway in a safe and usable condition.

Upon completion of the lighting facilities construction to be performed to the west of the MAC Maintenance Area and within the city limits of Richfield, Richfield will become the owner of and provide for the proper maintenance of those facilities. Maintenance includes but is not limited to; replacing faulty luminaires and knocked down or otherwise damaged poles; repairing or replacing underground facilities and wiring; repairing service cabinets, photocells, and all other miscellaneous hardware to keep the lighting facilities in working order; cleaning and relamping the luminaires; and painting the lighting facilities. Richfield will pay all monthly electrical service expenses necessary to operate the lighting facilities. Richfield will be responsible for the hook-up cost and application to secure an adequate power supply to the service pad or pole.

Section 3.3. Additional Drainage. The Parties to this Agreement shall not drain any

additional drainage into the storm sewer facilities to be constructed under the construction contract, that was not included in the drainage for which the storm sewer facilities were designed, without first obtaining written permission to do so from the other Parties.

## ARTICLE IV INDEMNIFICATION

**Section 4.1.** The Richfield hereby agrees to indemnify MAC and hold MAC harmless from any and all claims, causes of action, lawsuits, judgments, charges, demands, costs, and expenses, including, but not limited to, interest involved therein and attorneys' fees and costs and expenses connected therewith, arising out of or resulting from the failure of Richfield to satisfy the provisions of this Agreement or for damages caused to other parties as a result of the manner in which Richfield fails to perform duties imposed by the terms of this Agreement. Under no circumstance, however, shall Richfield be required to pay on behalf of itself and the other party any amounts in excess of the limits on liability established in Minnesota Statutes, Chapter 466. The limits of liability for the parties may not be added together to determine the maximum amount of liability for either party.

#### ARTICLE V AMENDMENT

**Section 5.1.** This Agreement sets forth all understandings of the Parties. All prior agreements, understandings, representations whether consistent or inconsistent, verbal or written, concerning this Agreement, are merged into and superseded by this written Agreement. No modification or amendment to the Agreement shall be binding unless all Parties agree in writing to the proposed change or amendment.

#### ARTICLE VI MISCELLANEOUS

- **Section 6.1.** <u>Data Practices.</u> The Parties agree to comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data created, collected, received, stored, used, maintained or disseminated and connected with or arising out of the Agreement. If a party receives a request to release the data referred to in this section, it must immediately notify all Parties.
- **Section 6.2.** Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- **Section 6.3.** <u>Severability</u>. In case any one or more of the provisions of this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

**Section 6.4.** Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in Minnesota state district or courts with the venue being in Hennepin County, and the Parties waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

#### ARTICLE VII TERMINATION

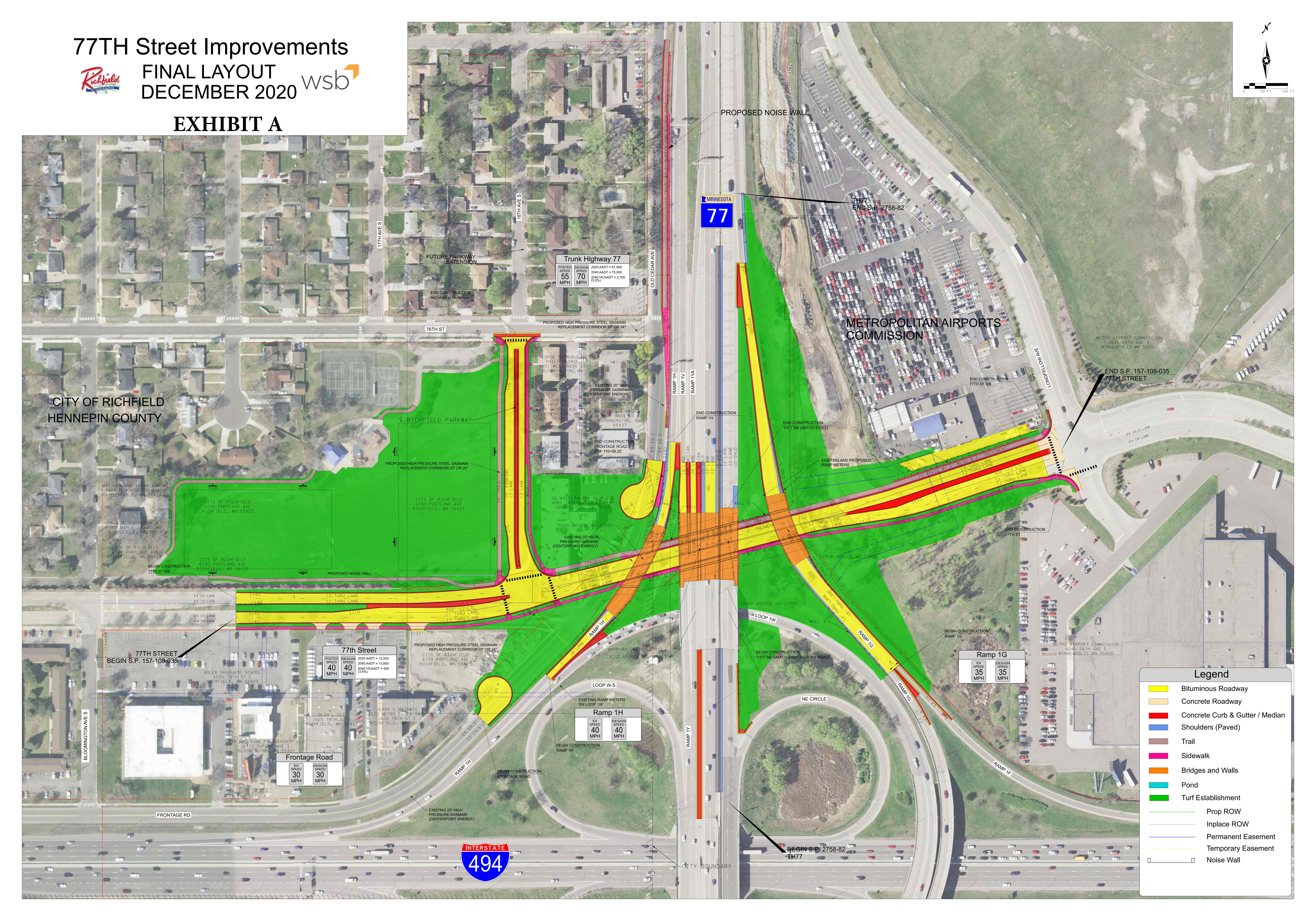
**Section 7.1.** Richfield may immediately terminate this Agreement if it does not obtain funding from the federal government, the State, the County, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered under this Agreement. Termination must be by written notice to MAC. Richfield is not obligated to pay for services performed after notice and effective date of termination.

**Section 7.2.** This Agreement may be terminated by mutual agreement of the Parties.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

#### CITY OF RICHFIELD

J ·		
Its: <u>Mayor</u>		
Dated:	, 2021	
Attest:		
Ву:		
Its: <u>City Manager</u>		
Dated:	, 2021	
WIETROPOLITAN A	IRPORTS COMMISSION	
	IRPORTS COMMISSION	
Ву:		
Ву:		
By:		
By:  Its:  Dated:  Attest:		
By:  Its:  Dated:  Attest:  By:		



# TEMPORARY EASEMENT AGREEMENT METROPOLITAN AIRPORTS COMMISSION FOR PROPERTY LOCATED NEAR 77<sup>TH</sup> STREET AND LONGFELLOW AVENUE

This Temporary Easement is granted this \_\_\_\_\_ day of \_\_\_\_\_\_, 2021, by the METROPOLITAN AIRPORTS COMMISSION, a public corporation organized and operated pursuant to the laws of the State of Minnesota, ("Grantor"), to the CITY OF RICHFIELD, a Minnesota municipal corporation ("Grantee"), in accordance with the conditions herein described.

#### (1) Recitals.

WHEREAS, Grantor is the owner of a certain tract of land located within Hennepin County in the State of Minnesota, known as Minneapolis – Saint Paul International Airport, ("MSP Airport"); and

WHEREAS, Grantee proposes to construct a 77<sup>th</sup> Street connection under Trunk Highway 77 ("Project") consistent with long-term plans to address regional traffic congestion near the MSP Airport. Portions of the Project will be located on property owned and maintained by the Metropolitan Airports Commission (MAC); and

WHEREAS, Grantor and Grantee are parties to a Joint Powers Agreement regarding the Project; and

WHEREAS, Grantee wants to begin construction of the Project as soon as possible; and

WHEREAS, Grantee has requested, and Grantor has agreed to grant this Temporary Easement over and across portions of the MSP Airport for the installation of the Project. The area in which this Temporary Easement is allowed shall be as directed by the Grantor and is generally shown on Exhibit A (the "Property"); and

WHEREAS, the Grantor has determined that the authorized uses of this Temporary Easement would not interfere with the operations at MSP Airport.

NOW, THEREFORE, for good and valuable consideration, Grantor hereby grants and conveys this Temporary Easement to the Grantee for the purposes of allowing the proposed work to be conducted on the Project. The requirements and conditions for this Temporary Easement are stated herein.

- (2) Scope and Terms of Temporary Easement.
  - (a) This Temporary Easement is granted upon receipt of \$50,000 to the Grantee.
- (b) Grantor hereby issues to the Grantee this Temporary Easement allowing the Grantee, and its employees, agents, and contractors, to enter the Temporary Easement upon the Property and to perform the Project. Grantee will be installing a roadway and improvements as part of the Project with the improvements on the Grantor's Property given to Grantor for future maintenance. Grantee will restore the remaining portions of the Property to the existing condition prior to commencement of the Project and grant of this Temporary Easement, including complete turf re-establishment, all on the terms and conditions hereinafter set forth.
  - (c) The Property over which this Temporary Easement is granted is described and graphically shown on Exhibit A.
- (d) This Temporary Easement is granted for no other purpose than for performing construction activities related to the Project, including, but not limited to, surveying, staking, operation of construction equipment for grading work, utility work, construction of the roadway connection, construction of the trail connection, and restoration of all disturbed areas of the Grantee's project. Installation of other non-Project related utilities or other use of the area is prohibited.
- (e) All costs associated with the Grantee's Project, or work as defined in this Temporary Easement, shall be borne by the Grantee.
- (f) Grantee shall be responsible for obtaining all necessary permits from all applicable agencies prior to starting any construction. Grantee shall supply Grantor with copies of all permits if requested by Grantor.
- (g) The Grantee agrees to notify Grantor at least forty-eight (48) hours prior to entering the Property for any preliminary work, start of construction, and completion of construction related to the Project. Grantee agrees to keep Grantor abreast of the construction schedule for the Project on a weekly basis. Notification shall be made to Jennifer Gora, Project Manager at 612-726-5270, or Jennifer.gora@mspmac.org.
- (h) The Grantee agrees to maintain those portions of the Property under this Temporary Easement and all improvements thereon in a neat and clean condition and in good repair, keeping the Grantor's Property area free from debris and erosion. The Grantee shall not suffer or permit any waste or nuisance on the Property and shall allow no illegal acts or conduct thereon or such as will constitute a nuisance.
- (i) The Grantee agrees that maintenance of the disturbed areas on the Property will continue until Grantor determines that the areas have been fully restored in the same or better condition for any existing pavements, fence, gravel, turf, pavement markings, or any other existing condition impacted by the Project. Grantee shall be responsible to protect any and all existing utilities.

- (j) Grantor's Property shall at all times be subject to regulations and restrictions imposed by the FAA that might interfere with safe operations at MSP Airport. Grantor may require the removal or modification of any above ground object or structure if Grantor believes that said object or structure violates applicable FAA regulations or interferes with operations at MSP.
- (k) Grantee shall provide dust control with sweeping equipment kept on site at all times, to keep the Project site and adjacent roads used for hauling materials free of debris so as to not cause impacts to MSP Operations, the traveling public or others. Grantee shall minimize queueing of Project construction vehicles on the project site and adjacent roads such that there is no impact to the MAC Operations, the traveling public or others using the roads adjacent to the Project area. Grantee shall provide access to MAC utilities at all times. If there are any issues that arise from items in this Section, the Grantee shall be notified by the Grantor and rectify the issue within 30 minutes for airfield operation impacts and within 60 minutes for landside operation impacts of being notified.

#### (3) Insurance.

Grantee shall (i) maintain insurance, a standard term policy or policies of insurance in amounts hereinafter set out against public liability and property damage, including advertising and products liability, or (ii) provide self-insurance of equivalent protection. Such policy or policies shall be in the amount of statutory limits provided by Minn. Stat. § 466.04, or as such statute may be amended or modified from time to time. Such policy or policies shall provide for a minimum of thirty (30) days written notice of cancellation.

Grantee shall cause its contractors performing work related to this Project, if any, to purchase insurance as set forth below, providing protection from claims which may arise out of or result from the contractor's operations under this Project and for which contractor may be legally liable, whether such operations be by the contractor or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

#### (a) General Liability and Umbrella Insurance

- i. Contractor shall maintain commercial general liability (CGL) on an occurrence form and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence and a general aggregate limit of not less than \$4,000,000. The general aggregate limit shall apply separately to this Project.
- ii. CGL insurance shall be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, contractual liability and Explosion, Collapse, Underground (XCU).
- iii. The Grantee, its Architect/Engineer, its officers, agents and employees, as well as the Grantor, its Commissioners, officers and employees, shall be included as an additional insured under the CGL for ongoing and completed operations, by endorsement (ISO Forms CG 20 10 07 04 and CG 20 37 07 04 or their equivalent) and under the commercial umbrella, if any. This insurance shall be primary and non-contributory by endorsement with respect to any other insurance or self-insurance programs afforded to Grantee and any

insurance or self-insurance afforded to Grantor. There shall be no endorsement or modification of the CGL to make it excess over other available insurance.

- (b) Automobile and Umbrella Liability Insurance
  - i. Contractor shall maintain Business Auto Coverage, ISO form CA 00 01 (1990 or later edition) and, if necessary, commercial umbrella liability insurance, with a limit of not less than \$1,000,000 each accident.
  - ii. Policy shall provide coverage for, without limitation, physical damage (comprehensive and collision), Liability, PIP, and UM/UIM with statutory limits, for any vehicle (including owned, hired, and non-owned).
- (c). The Grantee, its officers, agents and employees, as well as the Grantor, its Commissioners, officers and employees, shall be included as an additional insured by endorsement, ISO Form CA 20 48 02 99 or equivalent.(c) Workers' Compensation and Employers Liability
  - i. Workers' Compensation shall be pursuant to Minnesota Statutes and shall contain a waiver or subrogation against the Grantor by endorsement.
  - ii. Employers Liability with limits not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, \$1,000,000 policy limit for bodily injury by disease.
- (d) Contractor Pollution Liability

Contractor's Pollution Liability - \$2,000,000 per occurrence or per claim written on an occurrence basis. Covered damages should include bodily injury, property damage, environmental damage, loss of use of property, governmental ordered cleanup costs, completed operations and defense including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for damages. The policy or policies shall not contain dust exclusion. Coverage shall also be provided for transport of waste and non-owned disposal sites, if contractor is disposing of waste. Contractual liability shall be included. The Grantee and its officers and employees, as well as the Grantor, its Commissioners, officers, agents and employees, shall be named as Additional Insured by endorsement for ongoing and completed operations and a waiver of subrogation by endorsement will be provided in favor of the Grantee and Grantor. The policy shall contain a three year extended reporting period.

- (e) Other Insurance Provisions
  - i. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed, except after thirty days' prior written notice, has been given at the following addresses:

City of Richfield Attn: Human Resources Manager 6700 Portland Avenue South Richfield, MN 55423 Metropolitan Airports Commission Attn: Insurance Risk Management 6040 28th Avenue South Minneapolis, MN 55450

- ii. In addition to notifying its insurer(s) in accordance with the policy, contractor shall provide prompt written notice (to the address above) as soon as reasonably possible of any accident or loss relating to work performed on behalf of the Grantee. Grantee shall notify the Grantor for the same.
- iii. Each policy shall be endorsed to state that the insurer agrees to waive all rights of subrogation against the Grantee and Grantor, its members, agents and employees, for losses arising out of the performance of the Project.
- iv. Insurance is to be placed with insurers with Best's rating of no less than A: VII.
- v. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Grantee before work commences. Grantor is not obligated to review certificates or other evidence of insurance, or advise of any deficiencies in such documents. The Grantor will have the right to examine any policy required by this Temporary Easement.

#### (4) <u>Bond.</u>

Grantee shall require a payment and performance bond which shall cause its contractors performing work related to the Project to faithfully complete the construction contract according to its terms and shall save the Grantor harmless from all costs and charges that may accrue on account of the doing of the work. The bond shall pay all costs of enforcement of the terms of the bond, if action is brought thereon, including reasonable attorney's fees, costs, and disbursements, in any case in which such action is successfully maintained or successfully appealed, and shall comply with the laws of the state appertaining to such contract, then this obligation shall be void but otherwise it shall remain in full force and effect pursuant to Minnesota Statutes, Chapter 574.

#### (5) Compliance with Laws.

The Grantee shall comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, or of agencies, departments or divisions of (including but not limited to the Department of Health, Pollution Control Agency, Watershed Districts, etc.), or of the Grantor relating to the lands under this Temporary Easement and the use thereof or relating to control of ground and air traffic, aircraft operations and the general use and operation of the Airport; and the Grantee shall see to the payment of any and all taxes, assessments, fees or other charges that may be legally levied, assessed or made during the term of this Temporary Easement or any extension thereof by reason of the use hereby permitted.

#### (6) Operations at MSP Airport.

- (a) <u>Height</u>. The Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth, and other objects on the herein described real property to a height that will not constitute an obstruction as determined by the standards in Federal Aviation Regulation, Part 77. The Grantee shall submit an FAA Form 7460-1 to the FAA for airspace analysis.
- (b) <u>Lighting</u>. Grantee agrees that no lights will be permitted or installed on the Property that would interfere with aircraft or airport operations.

#### (c) Flight of Aircraft.

- (i) The Grantee expressly agrees for itself, its successors and assigns to refrain from any use of the Property which might interfere with or be a hazard to the flight of aircraft over the Property or to and from the MSP Airport, up to and including uses that attract waterfowl or other types of birds.
- (ii) Use of the Property hereunder and improvements made in furtherance of such use shall at all times comply with clearance requirements under FAA regulations and state zoning requirements.

#### (7) Environmental Responsibilities.

- (a) Grantee shall be responsible for and shall indemnify, defend and hold harmless Grantor against any environmental costs associated with Grantor's Property, which arise out of or were caused by Grantee's actions, inactions, or activities related to the Project during the term of this Temporary Easement, including but not limited to liabilities, fines, damages, injuries, response costs or claims and attorney fees. Grantee's grant of indemnity contained within this Section shall survive the termination of this Temporary Easement.
- (b) Grantee shall be responsible for removal or disposal required by federal, state, or local law of any hazardous materials encountered on the Property as a result of Grantee's activities herein. No mining of Grantor's Property will be allowed.

#### (8) Grantor's Right of Entry onto Temporary Easement.

Grantor shall at all times and through its agents and employees or contractors have a right of entry upon the Property under this Temporary Easement, as may be necessary in the development, maintenance, and operation of MSP Airport. Further, Grantor reserves the right to install and maintain under the Property of this Temporary Easement such utility lines, conduits, pipes, pavements, ditches and facilities as may be necessary to the development of MSP Airport.

#### (9) Without Prejudice.

It is understood that the granting and use of this Temporary Easement is conditioned upon and shall be without prejudice to the rights of the Grantor as owner of the property.

#### (10) Civil Rights.

Grantee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted on the Property.

#### (11) Indemnification.

Subject to the liability limits set forth in Minnesota Statutes, chapter 466, Grantee agrees to indemnify, hold harmless and defend Grantor, its Commissioners, officers, directors, agents, and employees, from any claims, losses, costs, expenses, or damages resulting from the acts or omissions of Grantee's (or transferee's) officers, agents, employees, contractors or subcontractors arising from Grantee's rights, actions and responsibilities under this Temporary Easement.

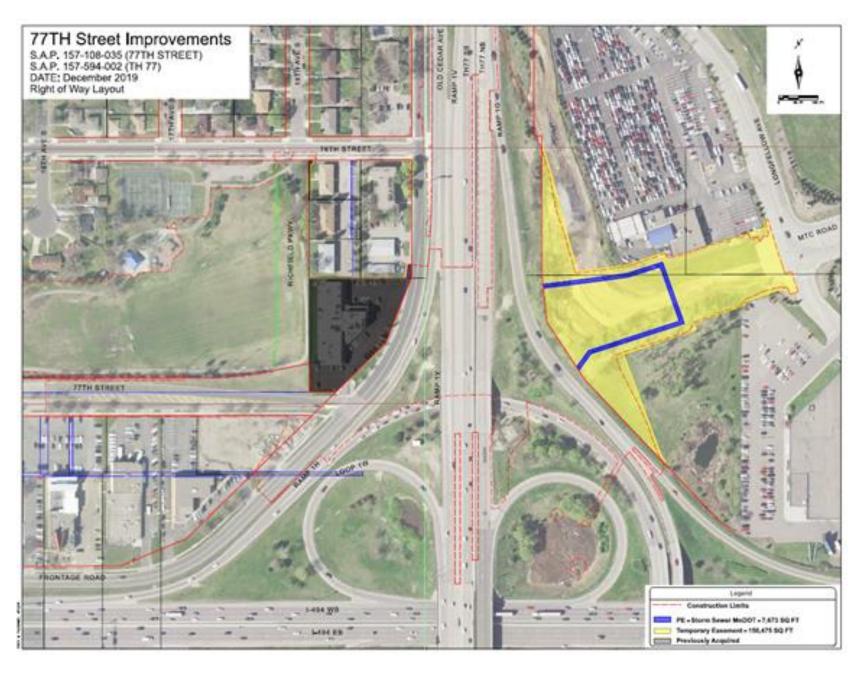
- (12) <u>Warranty of Title.</u> The Grantor warrants it is the owner of the Property and has the right, title and capacity to convey to the City the easement herein.
- (13) <u>Binding Effect.</u> The terms and conditions of this instrument shall run with the land and be binding on the Grantor, its successors and assigns.
- (14) <u>Term.</u> This Temporary Easement shall expire and be of no further force or effect on December 31, 2023.
- (15) <u>Commitments to Federal and State Agencies.</u> This Temporary Easement shall be subordinate to the provisions and requirements of any existing or future agreement between Grantor and the United States relative to the development, operation or maintenance of the MSP Airport.

IN WITNESS WHEREOF, the parties of this Agreement have hereunto set their hands on the dates written below:

## METROPOLITAN AIRPORTS COMMISSION By:\_\_\_\_\_ STATE OF \_\_\_\_\_\_) COUNTY OF \_\_\_\_\_\_) The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_\_\_, 2021, by Brian Ryks, Executive Director/Chief Executive Officer of the METROPOLITAN AIRPORTS COMMISSION, a public corporation and political subdivision of the State of Minnesota, on its behalf. Notary Public GRANTEE: CITY OF RICHFIELD By: \_\_\_\_\_ Maria Regan Gonzalez Its: Mayor Katie Rodriguez Its: City Manager

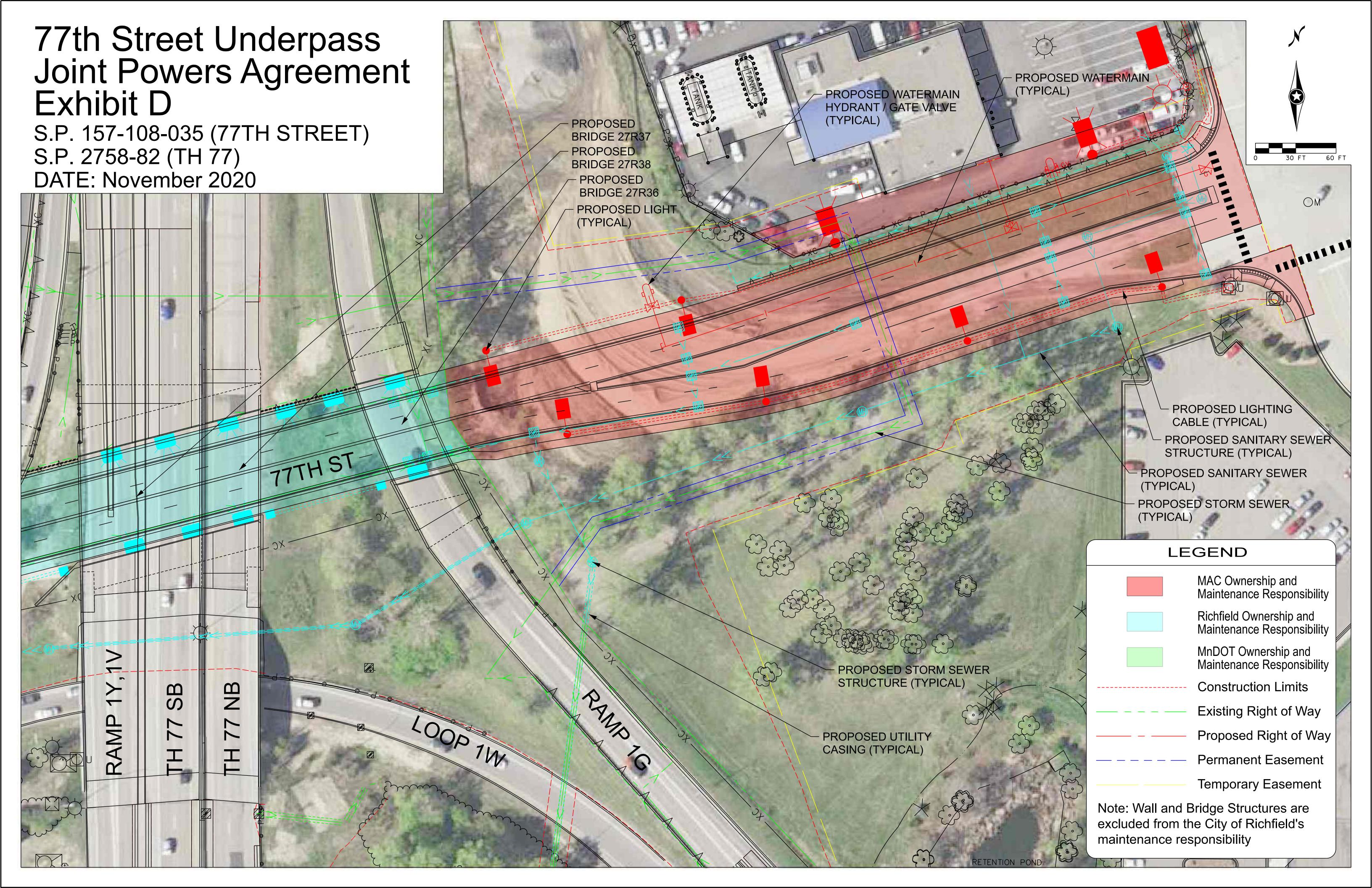
) ss. COUNTY OF HENNEPIN )	
The foregoing instrument was acknowledged before me this day of, 202 Gonzalez and Katie Rodriguez, the Mayor and City Manager, respectively, of the CITY OF RICHFIELD, a Macorporation, on its behalf.	21, by Maria Regan Iinnesota municipal
Notary Public	

EXHIBIT A
Temporary Easement Area Sketch



#### **EXHIBIT C**

## FORTHCOMING CONSTRUCTION COOPERATIVE AGREEMENT BETWEEN RICHFIELD & MNDOT



#### **RESOLUTION NO.**

# RESOLUTION APPROVING THE JOINT POWERS AGREEMENT BETWEEN THE METROPOLITAN AIRPORTS COMMISSION AND THE CITY OF RICHFIELD FOR THE OWNERSHIP AND MAINTENANCE OF 77TH STREET UNDERPASS IMPROVEMENTS

**WHEREAS**, the City Council of Richfield is the official governing body of the City of Richfield, and the Metropolitan Airports Commission (MAC), is the governing body of the Minneapolis – St. Paul International Airport. MAC and Richfield are collectively referred to as the "Parties"; and

WHEREAS, Richfield desires to perform grading, paving, drainage, signing, lighting, retaining wall, bridge, trail and sidewalk construction and other construction associated with the improvement of existing portions of 77th Street within the corporate city limits of Richfield and upon property owned by MAC and the establishment and construction of the 77th Street underpass connecting the existing portions of 77th Street identified above and traveling through the easement area for State Trunk Highway 77; and

**WHEREAS**, under Minn. Stat. 471.59, the Parties are empowered to engage in such Joint Powers Agreements as are necessary to exercise their powers; and

**WHEREAS**, the Parties will share in the ownership and maintenance responsibilities for the Project subsequent to the completion of construction as set forth in the Joint Powers Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Richfield, Minnesota that it hereby approves and adopts the Joint Powers Agreement between the Metropolitan Airports Commission and the City of Richfield for the ownership and maintenance of 77th Street Underpass Improvements.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January 2021.

	Maria Regan Gonzalez, Mayor
ATTEST:	
Elizabeth VanHoose, City Clerk	-

## TEMPORARY EASEMENT AGREEMENT METROPOLITAN AIRPORTS COMMISSION FOR PROPERTY LOCATED NEAR 77<sup>TH</sup> STREET AND LONGFELLOW AVENUE

This Temporary Easement is granted this \_\_\_\_\_ day of \_\_\_\_\_\_, 2021, by the METROPOLITAN AIRPORTS COMMISSION, a public corporation organized and operated pursuant to the laws of the State of Minnesota, ("Grantor"), to the CITY OF RICHFIELD, a Minnesota municipal corporation ("Grantee"), in accordance with the conditions herein described.

### (1) Recitals.

WHEREAS, Grantor is the owner of a certain tract of land located within Hennepin County in the State of Minnesota, known as Minneapolis – Saint Paul International Airport, ("MSP Airport"); and

WHEREAS, Grantee proposes to construct a 77<sup>th</sup> Street connection under Trunk Highway 77 ("Project") consistent with long-term plans to address regional traffic congestion near the MSP Airport. Portions of the Project will be located on property owned and maintained by the Metropolitan Airports Commission (MAC); and

WHEREAS, Grantor and Grantee are parties to a Joint Powers Agreement regarding the Project; and

WHEREAS, Grantee wants to begin construction of the Project as soon as possible; and

WHEREAS, Grantee has requested, and Grantor has agreed to grant this Temporary Easement over and across portions of the MSP Airport for the installation of the Project. The area in which this Temporary Easement is allowed shall be as directed by the Grantor and is generally shown on Exhibit A (the "Property"); and

WHEREAS, the Grantor has determined that the authorized uses of this Temporary Easement would not interfere with the operations at MSP Airport.

NOW, THEREFORE, for good and valuable consideration, Grantor hereby grants and conveys this Temporary Easement to the Grantee for the purposes of allowing the proposed work to be conducted on the Project. The requirements and conditions for this Temporary Easement are stated herein.

- (2) Scope and Terms of Temporary Easement.
  - (a) This Temporary Easement is granted upon receipt of \$50,000 to the Grantee.
- (b) Grantor hereby issues to the Grantee this Temporary Easement allowing the Grantee, and its employees, agents, and contractors, to enter the Temporary Easement upon the Property and to perform the Project. Grantee will be installing a roadway and improvements as part of the Project with the improvements on the Grantor's Property given to Grantor for future maintenance. Grantee will restore the remaining portions of the Property to the existing condition prior to commencement of the Project and grant of this Temporary Easement, including complete turf re-establishment, all on the terms and conditions hereinafter set forth.
  - (c) The Property over which this Temporary Easement is granted is described and graphically shown on Exhibit A.
- (d) This Temporary Easement is granted for no other purpose than for performing construction activities related to the Project, including, but not limited to, surveying, staking, operation of construction equipment for grading work, utility work, construction of the roadway connection, construction of the trail connection, and restoration of all disturbed areas of the Grantee's project. Installation of other non-Project related utilities or other use of the area is prohibited.
- (e) All costs associated with the Grantee's Project, or work as defined in this Temporary Easement, shall be borne by the Grantee.
- (f) Grantee shall be responsible for obtaining all necessary permits from all applicable agencies prior to starting any construction. Grantee shall supply Grantor with copies of all permits if requested by Grantor.
- (g) The Grantee agrees to notify Grantor at least forty-eight (48) hours prior to entering the Property for any preliminary work, start of construction, and completion of construction related to the Project. Grantee agrees to keep Grantor abreast of the construction schedule for the Project on a weekly basis. Notification shall be made to Jennifer Gora, Project Manager at 612-726-5270, or Jennifer.gora@mspmac.org.
- (h) The Grantee agrees to maintain those portions of the Property under this Temporary Easement and all improvements thereon in a neat and clean condition and in good repair, keeping the Grantor's Property area free from debris and erosion. The Grantee shall not suffer or permit any waste or nuisance on the Property and shall allow no illegal acts or conduct thereon or such as will constitute a nuisance.
- (i) The Grantee agrees that maintenance of the disturbed areas on the Property will continue until Grantor determines that the areas have been fully restored in the same or better condition for any existing pavements, fence, gravel, turf, pavement markings, or any other existing condition impacted by the Project. Grantee shall be responsible to protect any and all existing utilities.

- (j) Grantor's Property shall at all times be subject to regulations and restrictions imposed by the FAA that might interfere with safe operations at MSP Airport. Grantor may require the removal or modification of any above ground object or structure if Grantor believes that said object or structure violates applicable FAA regulations or interferes with operations at MSP.
- (k) Grantee shall provide dust control with sweeping equipment kept on site at all times, to keep the Project site and adjacent roads used for hauling materials free of debris so as to not cause impacts to MSP Operations, the traveling public or others. Grantee shall minimize queueing of Project construction vehicles on the project site and adjacent roads such that there is no impact to the MAC Operations, the traveling public or others using the roads adjacent to the Project area. Grantee shall provide access to MAC utilities at all times. If there are any issues that arise from items in this Section, the Grantee shall be notified by the Grantor and rectify the issue within 30 minutes for airfield operation impacts and within 60 minutes for landside operation impacts of being notified.

### (3) <u>Insurance</u>.

Grantee shall (i) maintain insurance, a standard term policy or policies of insurance in amounts hereinafter set out against public liability and property damage, including advertising and products liability, or (ii) provide self-insurance of equivalent protection. Such policy or policies shall be in the amount of statutory limits provided by Minn. Stat. § 466.04, or as such statute may be amended or modified from time to time. Such policy or policies shall provide for a minimum of thirty (30) days written notice of cancellation.

Grantee shall cause its contractors performing work related to this Project, if any, to purchase insurance as set forth below, providing protection from claims which may arise out of or result from the contractor's operations under this Project and for which contractor may be legally liable, whether such operations be by the contractor or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (a) General Liability and Umbrella Insurance
  - i. Contractor shall maintain commercial general liability (CGL) on an occurrence form and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence and a general aggregate limit of not less than \$4,000,000. The general aggregate limit shall apply separately to this Project.
  - ii. CGL insurance shall be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, contractual liability and Explosion, Collapse, Underground (XCU).
  - iii. The Grantee, its Architect/Engineer, its officers, agents and employees, as well as the Grantor, its Commissioners, officers and employees, shall be included as an additional insured under the CGL for ongoing and completed operations, by endorsement (ISO Forms CG 20 10 07 04 and CG 20 37 07 04 or their equivalent) and under the commercial umbrella, if any. This insurance shall be primary and non-contributory by endorsement with respect to any other insurance or self-insurance programs afforded to Grantee and any

insurance or self-insurance afforded to Grantor. There shall be no endorsement or modification of the CGL to make it excess over other available insurance.

- (b) Automobile and Umbrella Liability Insurance
  - i. Contractor shall maintain Business Auto Coverage, ISO form CA 00 01 (1990 or later edition) and, if necessary, commercial umbrella liability insurance, with a limit of not less than \$1,000,000 each accident.
  - ii. Policy shall provide coverage for, without limitation, physical damage (comprehensive and collision), Liability, PIP, and UM/UIM with statutory limits, for any vehicle (including owned, hired, and non-owned).
- (c). The Grantee, its officers, agents and employees, as well as the Grantor, its Commissioners, officers and employees, shall be included as an additional insured by endorsement, ISO Form CA 20 48 02 99 or equivalent.(c) Workers' Compensation and Employers Liability
  - i. Workers' Compensation shall be pursuant to Minnesota Statutes and shall contain a waiver or subrogation against the Grantor by endorsement.
  - ii. Employers Liability with limits not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, \$1,000,000 policy limit for bodily injury by disease.
- (d) Contractor Pollution Liability

Contractor's Pollution Liability - \$2,000,000 per occurrence or per claim written on an occurrence basis. Covered damages should include bodily injury, property damage, environmental damage, loss of use of property, governmental ordered cleanup costs, completed operations and defense including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for damages. The policy or policies shall not contain dust exclusion. Coverage shall also be provided for transport of waste and non-owned disposal sites, if contractor is disposing of waste. Contractual liability shall be included. The Grantee and its officers and employees, as well as the Grantor, its Commissioners, officers, agents and employees, shall be named as Additional Insured by endorsement for ongoing and completed operations and a waiver of subrogation by endorsement will be provided in favor of the Grantee and Grantor. The policy shall contain a three year extended reporting period.

- (e) Other Insurance Provisions
  - i. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed, except after thirty days' prior written notice, has been given at the following addresses:

City of Richfield Attn: Human Resources Manager 6700 Portland Avenue South Richfield, MN 55423 Metropolitan Airports Commission Attn: Insurance Risk Management 6040 28th Avenue South Minneapolis, MN 55450

- ii. In addition to notifying its insurer(s) in accordance with the policy, contractor shall provide prompt written notice (to the address above) as soon as reasonably possible of any accident or loss relating to work performed on behalf of the Grantee. Grantee shall notify the Grantor for the same.
- iii. Each policy shall be endorsed to state that the insurer agrees to waive all rights of subrogation against the Grantee and Grantor, its members, agents and employees, for losses arising out of the performance of the Project.
- iv. Insurance is to be placed with insurers with Best's rating of no less than A: VII.
- v. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Grantee before work commences. Grantor is not obligated to review certificates or other evidence of insurance, or advise of any deficiencies in such documents. The Grantor will have the right to examine any policy required by this Temporary Easement.

### (4) <u>Bond.</u>

Grantee shall require a payment and performance bond which shall cause its contractors performing work related to the Project to faithfully complete the construction contract according to its terms and shall save the Grantor harmless from all costs and charges that may accrue on account of the doing of the work. The bond shall pay all costs of enforcement of the terms of the bond, if action is brought thereon, including reasonable attorney's fees, costs, and disbursements, in any case in which such action is successfully maintained or successfully appealed, and shall comply with the laws of the state appertaining to such contract, then this obligation shall be void but otherwise it shall remain in full force and effect pursuant to Minnesota Statutes, Chapter 574.

### (5) Compliance with Laws.

The Grantee shall comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, or of agencies, departments or divisions of (including but not limited to the Department of Health, Pollution Control Agency, Watershed Districts, etc.), or of the Grantor relating to the lands under this Temporary Easement and the use thereof or relating to control of ground and air traffic, aircraft operations and the general use and operation of the Airport; and the Grantee shall see to the payment of any and all taxes, assessments, fees or other charges that may be legally levied, assessed or made during the term of this Temporary Easement or any extension thereof by reason of the use hereby permitted.

### (6) Operations at MSP Airport.

- (a) <u>Height</u>. The Grantee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth, and other objects on the herein described real property to a height that will not constitute an obstruction as determined by the standards in Federal Aviation Regulation, Part 77. The Grantee shall submit an FAA Form 7460-1 to the FAA for airspace analysis.
- (b) <u>Lighting</u>. Grantee agrees that no lights will be permitted or installed on the Property that would interfere with aircraft or airport operations.

### (c) Flight of Aircraft.

- (i) The Grantee expressly agrees for itself, its successors and assigns to refrain from any use of the Property which might interfere with or be a hazard to the flight of aircraft over the Property or to and from the MSP Airport, up to and including uses that attract waterfowl or other types of birds.
- (ii) Use of the Property hereunder and improvements made in furtherance of such use shall at all times comply with clearance requirements under FAA regulations and state zoning requirements.

### (7) Environmental Responsibilities.

- (a) Grantee shall be responsible for and shall indemnify, defend and hold harmless Grantor against any environmental costs associated with Grantor's Property, which arise out of or were caused by Grantee's actions, inactions, or activities related to the Project during the term of this Temporary Easement, including but not limited to liabilities, fines, damages, injuries, response costs or claims and attorney fees. Grantee's grant of indemnity contained within this Section shall survive the termination of this Temporary Easement.
- (b) Grantee shall be responsible for removal or disposal required by federal, state, or local law of any hazardous materials encountered on the Property as a result of Grantee's activities herein. No mining of Grantor's Property will be allowed.

### (8) Grantor's Right of Entry onto Temporary Easement.

Grantor shall at all times and through its agents and employees or contractors have a right of entry upon the Property under this Temporary Easement, as may be necessary in the development, maintenance, and operation of MSP Airport. Further, Grantor reserves the right to install and maintain under the Property of this Temporary Easement such utility lines, conduits, pipes, pavements, ditches and facilities as may be necessary to the development of MSP Airport.

### (9) Without Prejudice.

It is understood that the granting and use of this Temporary Easement is conditioned upon and shall be without prejudice to the rights of the Grantor as owner of the property.

### (10) Civil Rights.

Grantee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted on the Property.

### (11) Indemnification.

Subject to the liability limits set forth in Minnesota Statutes, chapter 466, Grantee agrees to indemnify, hold harmless and defend Grantor, its Commissioners, officers, directors, agents, and employees, from any claims, losses, costs, expenses, or damages resulting from the acts or omissions of Grantee's (or transferee's) officers, agents, employees, contractors or subcontractors arising from Grantee's rights, actions and responsibilities under this Temporary Easement.

- (12) <u>Warranty of Title.</u> The Grantor warrants it is the owner of the Property and has the right, title and capacity to convey to the City the easement herein.
- (13) <u>Binding Effect.</u> The terms and conditions of this instrument shall run with the land and be binding on the Grantor, its successors and assigns.
- (14) <u>Term.</u> This Temporary Easement shall expire and be of no further force or effect on December 31, 2023.
- (15) <u>Commitments to Federal and State Agencies.</u> This Temporary Easement shall be subordinate to the provisions and requirements of any existing or future agreement between Grantor and the United States relative to the development, operation or maintenance of the MSP Airport.

IN WITNESS WHEREOF, the parties of this Agreement have hereunto set their hands on the dates written below:

before me this day of, 2021, by Brian Ryks  ETROPOLITAN AIRPORTS COMMISSION, a public corporation and political
before me this day of, 2021, by Brian Ryks
before me this day of, 2021, by Brian Ryks ETROPOLITAN AIRPORTS COMMISSION, a public corporation and politica
before me this day of, 2021, by Brian Ryks ETROPOLITAN AIRPORTS COMMISSION, a public corporation and political
before me this day of, 2021, by Brian Ryks ETROPOLITAN AIRPORTS COMMISSION, a public corporation and political
Notary Public
GRANTEE:
CITY OF RICHFIELD
By: Maria Regan Gonzalez Its: Mayor
By: Katie Rodriguez

STATE OF MINNESOTA )

COUNTY OF HENNEPIN ) ss.	
The foregoing instrument was acknowledged before me this day of, 2 Gonzalez and Katie Rodriguez, the Mayor and City Manager, respectively, of the CITY OF RICHFIELD, a corporation, on its behalf.	2021, by Maria Regan Minnesota municipal
Notary Public	

EXHIBIT A
Temporary Easement Area Sketch

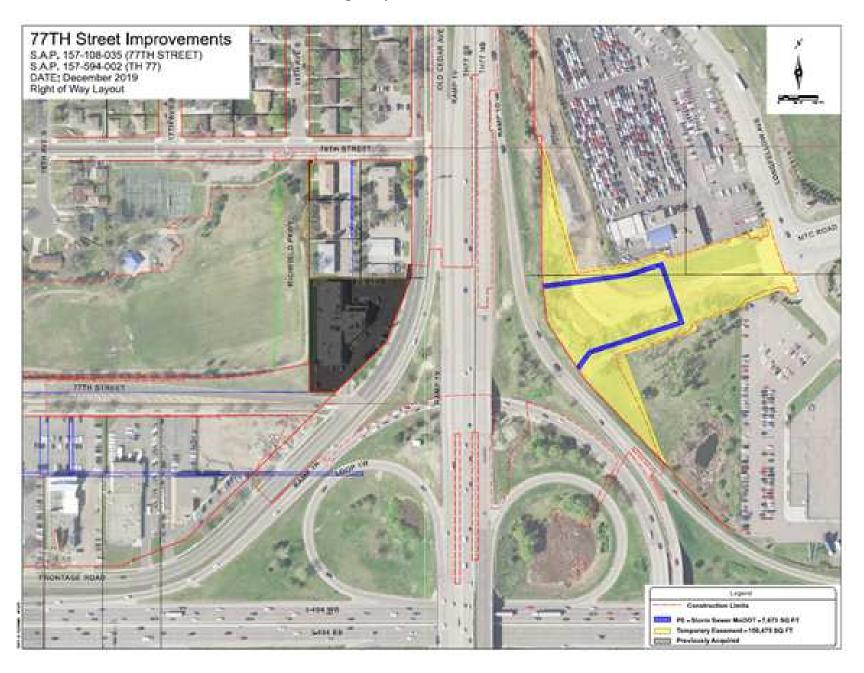
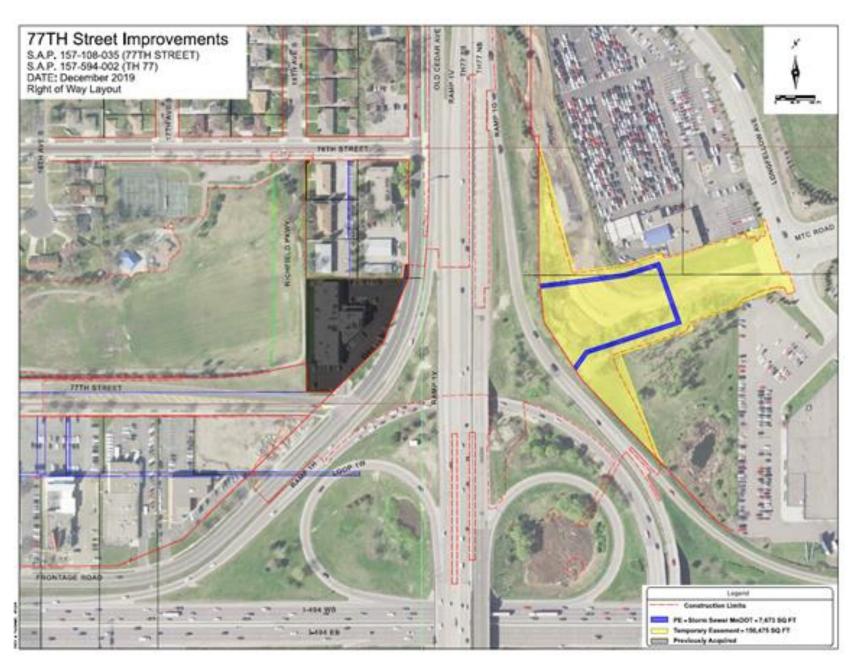


EXHIBIT A
Temporary Easement Area Sketch



### **RESOLUTION NO.**

## RESOLUTION APPROVING THE TEMPORARY EASEMENT AGREEMENT WITH THE METROPOLITAN AIRPORTS COMMISSION FOR PROPERTY LOCATED NEAR 77TH STREET AND LONGFELLOW AVENUE FOR 77TH STREET UNDERPASS IMPROVEMENTS

**WHEREAS**, the City Council of Richfield ("Grantee") is the official governing body of the City of Richfield, and the Metropolitan Airports Commission ("Grantor") is the governing body of the Minneapolis – St. Paul International Airport ("MSP Airport"); and

**WHEREAS,** Grantor is the owner of a certain tract of land located within Hennepin County in the State of Minnesota, known as the MSP Airport; and

**WHEREAS**, Grantee proposes to construct a 77th Street connection under Trunk Highway 77 ("Project") consistent with long-term plans to address regional traffic congestion near the MSP Airport. Portions of the Project will be located on property owned and maintained by the Metropolitan Airports Commission (MAC); and

**WHEREAS**, Grantor and Grantee are parties to a Joint Powers Agreement regarding the Project; and

**WHEREAS**, Grantee wants to begin construction of the Project as soon as possible; and

**WHEREAS**, Grantee has requested, and Grantor has agreed to grant this Temporary Easement over and across portions of the MSP Airport for the installation of the Project. The area in which this Temporary Easement is allowed shall be as directed by the Grantor in the Temporary Easement; and

**WHEREAS**, the Grantor has determined that the authorized uses of this Temporary Easement would not interfere with the operations at MSP Airport.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Richfield, Minnesota that it hereby approves and adopts the Temporary Easement Agreement with the Metropolitan Airports Commission for property located near 77th Street and Longfellow Avenue for 77th Street Underpass Improvements.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January 2021.

Maria Regan Gonzalez, Mayor	

ATTEST:	
Elizabeth VanHoose, City Clerk	-

AGENDA SECTION: AGENDA ITEM# CONSENT CALENDAR

3.B.



## STAFF REPORT NO. 11 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Scott Kulzer, Administrative Aide/Analyst

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director

1/19/2021

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

### ITEM FOR COUNCIL CONSIDERATION:

Consider the approval of the purchase of a 2021 Versa-Vac 1000PD Trailer Mounted Vacuum/Hydro Excavation Unit from Flexible Pipe Tool Company in the sum of \$162,610.00 (including trade-in).

### **EXECUTIVE SUMMARY:**

Unit #443, a 2003 Versa-Vac 1000PD Trailer Mounted Vacuum/Hydro Excavation Unit is fully depreciated and is scheduled to be replaced in 2021. The old machine has less than 50 per cent of the suction compared to when it was new. This new unit has an estimated useful lifespan of 15 years but is expected to be effective for upward of 5 years beyond that.

Public Works crews use the Vac Trailer mainly to clean out stormwater catch basins and stormwater structures around Richfield. The Vac Trailer is also used to clean out sanitary sewer lift stations and serves a variety of purposes at the water plant. PW staff also uses the Vac Trailer for exploratory potholing to verify location of underground utilities.

Purchase of a replacement has been coordinated through the State of Minnesota Cooperative Purchasing Program. Under this program, the State of Minnesota solicits bids from a variety of dealers for specific motor pool equipment. The low bidder for certain types of equipment are then awarded a contract to supply equipment to the participating members of the Cooperative Purchasing Program at the lowest possible price. The City of Richfield participates in this program.

### **RECOMMENDED ACTION:**

By Motion: Approve the purchase of a 2021 Versa-Vac 1000PD Trailer Mounted Vacuum/Hydro Excavation Unit from Flexible Pipe Tool Company in the sum of \$162,610.00 (including trade-in).

### **BASIS OF RECOMMENDATION:**

### A. HISTORICAL CONTEXT

See executive summary.

- B. POLICIES (resolutions, ordinances, regulations, statutes, etc):
  - When the purchase of materials, merchandise, equipment or construction might exceed \$175,000, the competitive bid process must be followed.

- The City of Richfield participates in the State of Minnesota Cooperative Purchasing Program, which is a competitive bid process.
- When the purchase of materials, merchandise, equipment or construction exceeds \$175,000, authority to purchase shall be submitted to the City Council for consideration.

### C. CRITICAL TIMING ISSUES:

Approval of this purchase at the January 26, 2021 City Council meeting will allow staff to order the new equipment and take ownership in the year in which it was budgeted.

### D. FINANCIAL IMPACT:

- The total cost of the new equipment is \$162,610.00 factoring in the \$18,000.00 trade-in value for the old Versa-Vac equipment.
- Without the trade-in the new equipment would cost \$180,610.00.
- \$175,000.00 was included in the 2021 Fleet/Garage Budget for the purchase of this equipment.

### E. <u>LEGAL CONSIDERATION:</u>

None

### **ALTERNATIVE RECOMMENDATION(S):**

None

### PRINCIPAL PARTIES EXPECTED AT MEETING:

None

### **ATTACHMENTS:**

Description Type

Vac Trailer Quote Backup Material



### Sewer Cleaning and Inspection Equipment Sales and Service 22606 186th Avenue Cold Spring, MN 56320

Cell: (320)248-6338 Toll Free: 800-450-6969 Fax: 320-363-7882

To: Fawn Kinsman City of Richfield 1901 E 66th Street Richfield, MN

Date:

1/11/2021

We are pleased to submit the following quotation. All prices are subject to immediate acceptance. Clerical errors are subject to correction. All agreements are contingent upon fires, accidents, labor difficulties and causes beyond our reasonable control. No statement, contract or order will be binding on the Company unless made or approved on behalf of the Company by one of its officers.

### One (1) 2021 Versa-Vac 1000PD Trailer Mounted Vacuum/Hydro Excavation Unit including the following features/options:

1	Base unit price	\$	135,808.00
2.1	Full opening rear door		Included
2.2	Hydraulic door opener		Included
2.3	1000 gallon debris tank	\$	3,935.00
2.4	Hydraulic door latches	\$	3,072.00
3.1	Cyclone separator		Included
3.2	(2) Cartridge filter 1 Filter included	\$	447.00
3.3	Stainless steel float ball shutoff		Included
3.4	Air vacuum breaker system		Included
3.5	Roots 711 blower (1450 CFM)		Included
4.1	Front storage location		Included
4.2	Camlock hose/tube couplings (no clamps required)		Included
4.3	Full function wireless hydraulic boom	\$	23,235.00
4.6	(5) Aluminum extension tube, 6" x 6'	\$	2,295.00
4.11	(4) Aluminum Extension Tube 4"x6"	\$	952.00
4.19	2)Adaptor coupling, 6"x4"	\$	236.00
4.22	Aluminum Crown Nozzle 6"	\$	210.00
4.23	Aluminum Crown Nozzle 4"	\$	110.00
5.1	4GPM @ 3500 PSI water pump		Included
5.3	Antifreeze Protection System	\$	629.00
8.1	Front mounted tool box		Included
9.1	LED Arrow Stick	\$	1,185.00
9.11	LED strobe light (set of 2) each side of trailer	\$	1,920.00
9.12	LED strobe light (set of 2) Top	\$	722.00
9.13	Control panel light with cabinet dome light	\$	309.00
9.14	Work light on boom (2)	\$	1,112.00
9.15	Work light on rear (2)	\$	286.00
9.16	Hydraulic tongue jack	\$	2,046.00
9.2	Spare Tire and Rim	\$	1,028.00
9.26	Safety Cone holder and (6) safety cones	\$	248.00
	Add Throttle Control on Wireless Remote	\$	825.00
	Ford 3.7L Gas Engine	In	cluded
	Subtota	al: \$	180,610.00

Trade-In Allowance for Current Versa-Vac:TBD \$ (18,000.00)

Grand Total: \$162,610.00

### Presented By: Mark Brinker Flexible Pipe Tool Company

Please sign to accept Quote and Authorize Purchase.

Authorized Signature:		
	City of Richfield	

AGENDA SECTION: AGENDA ITEM# CONSENT CALENDAR

3.C.



### STAFF REPORT NO. 12 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Jay Henthorne, Director of Public Safety/Chief of Police

DEPARTMENT DIRECTOR REVIEW: Jay Henthorne, Director of Public Safety/Chief of Police

1/19/2021

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

### ITEM FOR COUNCIL CONSIDERATION:

Consider approval of a resolution approving a Joint Powers Agreement for Distracted Driving Vehicle Program.

### **EXECUTIVE SUMMARY:**

Minnesota State Statutes, Section 471.59 authorizes local government units to jointly or cooperatively exercise any power common to the contracting parties. Richfield, Bloomington, Eden Prairie, Edina, Hopkins, St. Louis Park, and MAC intend to enter into a joint powers agreement to develop a work plan and additional future work plans for the use of the Distracted Driving Vehicle for such capabilities.

### **RECOMMENDED ACTION:**

By motion approve the resolution approving a Joint Powers Agreement for Distracted Driving Vehicle Program.

### **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

The Richfield Police Department has received a vehicle from a federal grant that may be used to enhance the capabilities of police departments to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws.

According to the Minnesota Office of Traffic Safety, "[d]istracted or inattentive driving is when a driver engages in any activity that might distract them from the primary task of driving — and increases their risk of crashing;"

According to the Minnesota Office of Traffic Safety, between 2015 and 2019, more than 50,000 crashes in Minnesota were distracted driving-related, contributing to one in seven crashes in Minnesota.

According to the Minnesota Office of Traffic Safety, between 2015 and 2019, distracted driving contributed to an average of 40 deaths and 195 life-changing injuries in Minnesota per year; and

According to the Minnesota Office of Traffic Safety, in 2019, distracted driving contributed to

### 3,279 injuries and 32 deaths in Minnesota.

Minnesota's distracted driving law (commonly referred to as the "Hands-Free" law), it is illegal for drivers to read, send text messages and emails, or access the internet while the vehicle is in motion or a part of traffic; and

### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

None

### C. **CRITICAL TIMING ISSUES:**

This Agreement shall be effective retroactively to October 1, 2020, upon approval of the Parties' respective governing bodies, and shall remain in effect until September 30, 2025, or until completion by the Parties of their respective obligations under this Agreement, whichever occurs first, unless terminated by law at an earlier date or according to the provisions of this Agreement.

### D. FINANCIAL IMPACT:

There are no financial impacts.

### E. **LEGAL CONSIDERATION:**

There are no legal considerations

### **ALTERNATIVE RECOMMENDATION(S):**

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

#### **ATTACHMENTS:**

Description Type

Resolution Resolution Letter

□ Joint Powers Agreement Contract/Agreement

### **RESOLUTION NO.**

### RESOLUTION APPROVING JOINT POWERS AGREEMENT FOR DISTRACTED DRIVING VEHICLE PROGRAM BETWEEN THE CITY OF RICHFIELD AND THE CITIES OF BLOOMINGTON, EDEN PRAIRIE, EDINA, HOPKINS, ST. LOUIS PARK, AND THE METROPOLITAN AIRPORT COMMISSION

**WHEREAS**, Minnesota Statutes, Section 471.59 authorizes local governmental units to jointly or cooperatively exercise any power common to the contracting parties; and

**WHEREAS**, according to the Minnesota Office of Traffic Safety, "[d]istracted or inattentive driving is when a driver engages in any activity that might distract them from the primary task of driving — and increases their risk of crashing;" and

**WHEREAS**, pursuant to a federal grant program, the Richfield Police Department has received a vehicle (the "Distracted Driving Vehicle") that may be used to enhance the capabilities of police departments to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws; and

WHEREAS, Richfield, Bloomington, Eden Prairie, Edina, Hopkins, St. Louis Park, and MAC intend to enter into a joint powers agreement to develop a work plan and additional future work plans for the use of the Distracted Driving Vehicle for such capabilities (the "Distracted Driving Vehicle Program"); and

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Richfield, Minnesota, that it approves the Joint Powers for the Distracted Driving Vehicle Program and authorizes the Mayor and City Manager to execute the Agreement.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January 2021.

	Maria Regan Gonzalez, Mayor
ATTEST:	
Elizabeth VanHoose, City Clerk	

# JOINT POWERS AGREEMENT FOR DISTRACTED DRIVING VEHICLE PROGRAM BETWEEN THE CITY OF RICHFIELD AND THE CITIES OF BLOOMINGTON, EDEN PRAIRIE, EDINA, HOPKINS, ST. LOUIS PARK, AND THE METROPOLITAN AIRPORT COMMISSION

- **WHEREAS**, Minnesota Statutes, Section 471.59 authorizes local governmental units to jointly or cooperatively exercise any power common to the contracting parties; and
- **WHEREAS**, the City of Richfield ("Richfield") is a Minnesota municipal corporation and political subdivision of the State of Minnesota; and
- **WHEREAS**, the City of Bloomington ("Bloomington"), the City of Eden Prairie ("Eden Prairie"), the City of Edina ("Edina"), the City of Hopkins ("Hopkins"), and the City of St. Louis Park ("St. Louis Park") are also Minnesota municipal corporations and political subdivisions of the State of Minnesota;
- **WHEREAS**, the Minneapolis-St. Paul Metropolitan Airport Commission ("MAC") is a public corporation and is the owner and operator of Minneapolis-Saint Paul International Airport in Minnesota; and
- **WHEREAS**, according to the Minnesota Office of Traffic Safety, "[d]istracted or inattentive driving is when a driver engages in any activity that might distract them from the primary task of driving and increases their risk of crashing;" and
- **WHEREAS**, according to the Minnesota Office of Traffic Safety, between 2015 and 2019, more than 50,000 crashes in Minnesota were distracted driving-related, contributing to one in seven crashes in Minnesota.
- **WHEREAS**, according to the Minnesota Office of Traffic Safety, between 2015 and 2019, distracted driving contributed to an average of 40 deaths and 195 life-changing injuries in Minnesota per year; and
- **WHEREAS**, according to the Minnesota Office of Traffic Safety, in 2019, distracted driving contributed to 3,279 injuries and 32 deaths in Minnesota; and
- **WHEREAS**, pursuant to Minnesota's distracted driving law (commonly referred to as the "Hands-Free" law), it is illegal for drivers to read, send text messages and emails, or access the internet while the vehicle is in motion or a part of traffic; and
- **WHEREAS**, pursuant to a federal grant program, the Richfield Police Department has received a vehicle (the "Distracted Driving Vehicle") that may be used to enhance the capabilities of police departments to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws; and

**WHEREAS**, Richfield, Bloomington, Eden Prairie, Edina, Hopkins, St. Louis Park, and MAC intend to enter into a joint powers agreement to develop a work plan and additional future work plans for the use of the Distracted Driving Vehicle for such capabilities (the "Distracted Driving Vehicle Program"); and

**NOW, THEREFORE**, in consideration of the mutual promises and benefits that the Parties shall derive from this Agreement, the Parties each hereby enter into this Joint Powers Agreement (the "Agreement").

### ARTICLE I PURPOSE

The purpose of this Agreement is to define the Distracted Driving Vehicle Program obligations of the Parties.

### ARTICLE II PARTIES

The parties to this Agreement are Richfield, Bloomington, Eden Prairie, Edina, Hopkins, St. Louis Park, and MAC (together, the "Parties," or individually, a "Party").

### ARTICLE III TERM

This Agreement shall be effective retroactively to October 1, 2020, upon approval of the Parties' respective governing bodies, and shall remain in effect until September 30, 2025, or until completion by the Parties of their respective obligations under this Agreement, whichever occurs first, unless terminated by law at an earlier date or according to the provisions of this Agreement.

### ARTICLE IV OBLIGATIONS AND RIGHTS OF RICHFIELD

Housing and Parking the Distracted Driving Vehicle. When the Distracted Driving Vehicle is not in use, Richfield shall be responsible for housing and parking the Distracted Driving Vehicle at the Richfield Police Department garage. At the time of any check-out of the Distracted Driving Vehicle, a designated Richfield Police Department employee shall assist any Party with the check-out. Richfield shall produce and make available a form for any Party checking out the vehicle to complete at the time of check-out.

### ARTICLE V GENERAL OBLIGATIONS AND RIGHTS OF ALL PARTIES

1. Cooperation. The Parties agree to cooperate and use their reasonable efforts to ensure prompt implementation of the various provisions of this Agreement and to, in good faith, undertake resolution of any dispute in an equitable and timely manner.

- 2. Compliance with Laws. Each Party shall abide by all federal, state, or local laws, statutes, ordinances, rules, and regulations in implementing the Distracted Driving Vehicle Program and using the Distracted Driving Vehicle.
- 3. Work Plan. Each Party may check out and use the Distracted Driving Vehicle to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws (the "Work Plan"), as follows:
  - a. During annual "Toward Zero Death" (or "TZD") distracted driving enforcement dates; and
  - b. During other annual TZD enforcement dates related to DUI, seat belt, child restraint enforcement; and
  - c. For any other dates not listed in this Article V in order to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws.
- 4. *Use of Distracted Driving Vehicle*. Any Party that checks out and uses the Distracted Driving Vehicle shall adhere to the following rules for its check out and use:
  - a. Only a peace officer, as licensed by the Minnesota Board of Peace Officer Standards and Training (or "POST"), may check out and use the Distracted Driving Vehicle on behalf of any Party; and
  - b. Utilize the Real-time Officer Activity Reporting ("ROAR") program; and
  - c. Complete the form discussed under Article IV prior to check-out; and
  - d. Return the Distracted Driving Vehicle with a full tank of gas; and
  - e. Return the Distracted Driving Vehicle in a reasonably clean state and wash the Distracted Driving Vehicle if necessary.
- 5. Damage to Distracted Driving Vehicle. If the Distracted Driving Vehicle is damaged in any Party's possession, that Party shall be responsible for repairing the vehicle, at its own cost, to its original condition and returning it to Richfield following the repair. If the Distracted Driving Vehicle is unable to be repaired after it is damaged in any Party's possession, that Party shall pay the actual cash value of the Distracted Driving Vehicle to Richfield.
- 6. Publicity. Each Party may take and disclose photographs or video footage of the Distracted Driving Vehicle for use in news media, publications, print media, promotional materials, social media, television, or websites to highlight the Distracted Driving Vehicle Program. The Parties shall develop a publicity plan to educate the public on the Distracted Driving Vehicle and how it is enhances law enforcement's capabilities to enforce distracted driving laws and educate Minnesota drivers with respect to distracted driving laws. The Parties may utilize assistance from the Minnesota Office of Traffic Safety in developing such publicity plan.
- 7. Reporting. Each Party shall informally provide information on the benefits, lessons, and use of the Distracted Driving Vehicle to Sergeant Steen of the Richfield Police Department,

or any other designee of the Richfield Police Department, in order to comply with reporting requirements.

8. *Additional Work Plans*. The Parties may develop and produce additional work plans beyond the completion of the Work Plan.

### ARTICLE VI INSURANCE

Each Party shall maintain property coverage on the Distracted Driving Vehicle for its actual cash value while the Distracted Driving Vehicle is in a Party's possession. Each Party shall also maintain automobile liability coverage on the Distracted Driving Vehicle in the minimum amount of \$2,000,000 per occurrence, combined single limit, while in a Party's possession. The coverage of the party in possession of the Distracted Driving Vehicle shall be primary. If the vehicle cannot be repaired pursuant to Article V, Section 5, any proceeds received by a Party shall be paid to the City of Richfield.

### ARTICLE VII INDEMNIFICATION

Each Party agrees that they shall defend, indemnify and hold harmless each and all other Parties, their officers and employees against any and all liability, loss, costs, damages and expenses which each Party, its officers or employees may hereafter sustain, incur, or be required to pay arising out of each Party's performance or failure to adequately perform its obligations pursuant to this Agreement. Nothing in this Agreement shall be construed as a limitation or waiver by the Parties of any immunities, defenses, or other limitations on liability to which the Parties are entitled by law. The provisions of the Municipal Tort Claims Act, Minnesota Statutes, Chapter 466 and other applicable laws govern liability of the Parties. Each Party warrants that they are able to comply with the aforementioned indemnity requirements through an insurance or self-insurance program and that each has minimum coverage consistent with the liability limits contained in Minnesota Statutes, Chapter 466. In the event of any claims or actions filed against any Party, nothing in this Agreement shall be construed to allow a claimant to obtain separate judgments or separate liability caps from the individual Parties. For purposes of determining total liability for damages, the Parties are considered a single governmental unit pursuant to Minn. Stat. § 471.59, subd. 1a(b).

To the fullest extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purposes of liability, as set forth in Minnesota Statutes, Section 471.59, subdivision 1a (a); provided further that for purposes of that statute, each Party expressly declines responsibility for the acts or omissions of the other Parties. The Parties are not liable for the acts or omissions of the other Parties except to the extent to which they have agreed in writing to be responsible.

### ARTICLE VIII AUTHORIZED REPRESENTATIVES

The following named persons are designated the Authorized Representatives of the Parties for purposes of this Agreement. These Authorized Representatives have authority to bind the Party they represent and to consent to modifications, except that each Authorized Representative shall have only the authority specifically or generally granted by their respective governing boards. Notice required to be provided pursuant to this Agreement shall be provided to the following named Authorized Representatives and addresses unless otherwise stated in this Agreement, or an amendment of this Agreement:

Police Chief: Signature: Date:	Police Chief: Signature: Date:	
Bloomington Police Chief: Signature: Date:	Edina Police Chief: Signature: Date:	
Hopkins Police Chief: Signature: Date:	MAC Police Chief: Signature: Date:	
St. Louis Park Police Chief: Signature: Date:		

### ARTICLE IX MODIFICATIONS

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, approved by each Party's governing body, or as delegated by the Parties' respective governing bodies, and signed by the Authorized Representatives, or any delegated authority, of each Party.

D. 1 @ 11

### ARTICLE X TERMINATION

- 1. Termination, Generally. Any Party may terminate this Agreement for any reason by giving 30 days' prior written notice of its intent to terminate to the other Parties. All notices of termination shall be made by certified mail or personal delivery to the Authorized Representative of the other Parties. Termination of this Agreement shall not discharge any liability, responsibility or right of any Party, which arises from the performance of or failure to adequately perform the terms of this Agreement prior to the effective date of termination.
- 2. Termination for Cause. In addition, any Party may terminate this Agreement for cause by giving seven days' prior written notice of its intent to terminate the Agreement to the other Parties. Any such notice to terminate for cause shall specify the circumstances warranting such termination of the Agreement. "Cause" shall mean a material breach of this Agreement and any supplemental agreements or amendments thereto.

### ARTICLE XI GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota, without giving effect to the principles of conflict of laws. All proceedings related to any dispute arising under this Agreement shall take place in the County of Hennepin, State of Minnesota.

### ARTICLE XII MINNESOTA DATA PRACTICES LAW COMPLIANCE

The Parties shall comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided, created, collected, received, stored, used, maintained, or disseminated under this Agreement.

### ARTICLE XIII MERGER

This Agreement is the final expression of the agreement of the Parties and the complete and exclusive statement of the terms agreed upon and shall supersede all prior negotiations, understandings, or agreements.

### ARTICLE XIV SEVERABILITY

If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts that are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to any Party.

### ARTICLE XV SURVIVABILITY

The provisions of Article V, Sections 4-6 ("Damage to Distracted Driving Vehicle," "Publicity," and "Reporting"), Article VI ("Indemnification"), and Article XI ("Minnesota Data Practices Law Compliance") shall survive the expiration or termination of this Agreement.

### ARTICLE XVI FORCE MAJEURE CLAUSE

No Party shall be liable to any other Party for any loss or damage resulting from a delay or failure to perform due to unforeseeable acts or events outside the defaulting Party's reasonable control, providing the defaulting Party gives notice to the other Parties as soon as possible. Acts and events may include acts of God or nature, including but not limited to acts of terrorism, war, fires, floods, epidemics, acts of civil or military authority, and natural disasters.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the date(s) indicated below.

### RICHFIELD

Name:		Name:	
	(Mayor)	_	(City Manager)
Signature: Date:		Signature: _ Date:	
		Date.	
BLOOMINGTON			
Name:		Name:	
Signature:	(Mayor)	Signature:	(City Manager)
Date:		Date:	
EDEN PRAIRIE			
Name:	(Mayor)	Name:	(City Manager)
Signature:	(Iviayoi)	Signature: _	(City Manager)
Date:		Date:	
EDINA			
Name:		Name:	
~	(Mayor)		(City Manager)
Signature: Date:		Signature: _ Date:	
HOPKINS			
Name:	(M )	Name:	(C't M
Signature:	(Mayor)	Signature: _	(City Manager)
Date:		Date:	
ST. LOUIS PARK			
Name:		Name:	
	(Mayor)	_	(City Manager)
Signature: Date:		Signature: _ Date:	

MAC			
Name:		Name:	
_	(Mayor)		(City Manager)
Signature:		Signature:	
Date:		Date:	

AGENDA SECTION: AGENDA ITEM# CONSENT CALENDAR

3.D.



# STAFF REPORT NO. 13 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Scott Kulzer, Administrative Aide/Analyst

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director

1/19/2021

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

### ITEM FOR COUNCIL CONSIDERATION:

Consider the approval of a second reading of an ordinance amending City Code Subsection 721.03 related to connections and discharges to the stormwater system and approval of a resolution authorizing summary publication.

### **EXECUTIVE SUMMARY:**

### **Background**

- The 2019 Statewide Chloride Management Plan states that winter maintenance activities are a primary source of chloride discharges into lakes, streams, wetlands and groundwater.
- The Minnesota Pollution Control Agency (MPCA) encourages cities to evaluate which winter maintenance activities are significant contributors to chloride pollution in surface waters.
- Recently, staff have become aware of poorly maintained outdoor salt storage as well as excessive salt
  use on private property or by private entities around Richfield. These Chlorides are easily transmitted
  into lakes, streams and groundwater, threatening water supplies as well as the health of freshwater fish
  and aquatic life.
- Salt/deicers can enter the environment during storage, transport and application. It only takes one teaspoon of salt to permanently pollute five gallons of water and once in the water there is no easy way to remove the chloride.

### **Ordinance**

- This ordinance update will add salt/deicers to the list of pollutants prohibited from discharge into the stormwater system to help regulate excessive chloride discharges into our waterways.
- Adding salt/deicers to the list of pollutants would make enforcement action easier in the future when unauthorized salt storage or excessive salt use are reported or noticed.

### **RECOMMENDED ACTION:**

By Motion: Approve the second reading of an ordinance amending City Code Subsection 721.03 related to connections and discharges to the stormwater system and approve the resolution authorizing summary publication.

### **BASIS OF RECOMMENDATION:**

### A. HISTORICAL CONTEXT

• The City of Richfield has long prioritized reducing its salt/deicer application to protect our local

- and regional waterways while maintaining safe and navigable streets.
- This ordinance amendment is one additional step the City can take to further that goal of reducing salt/deicer discharge into the stormwater system.

### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The City Charter requires a first and second reading of ordinances.
- A public hearing is not required unless a separate statute, charter provision or ordinance requires it.

### C. CRITICAL TIMING ISSUES:

Approval of the second reading of this ordinance and summary publication at this meeting will ensure that it is effective for the last half of winter and for all winters to come.

#### D. FINANCIAL IMPACT:

The intent of this ordinance amendment is to give staff a mechanism for enforcement of excessive salt/deicer discharge and is not intended to generate revenue.

### E. **LEGAL CONSIDERATION:**

The City Attorney has reviewed the proposed ordinance and will be available to answer questions.

### **ALTERNATIVE RECOMMENDATION(S):**

None

### PRINCIPAL PARTIES EXPECTED AT MEETING:

None

#### **ATTACHMENTS:**

DescriptionType□ OrdinanceOrdinance□ Summary Publication ResolutionResolution Letter

## BILL NO. 2021AN ORDINANCE AMENDING CHAPTER VII OF THE RICHFIELD CODE OF ORDINANCES PERTAINING TO CONNECTIONS AND DISCHARGES TO THE STORMWATER SYSTEM

### THE CITY OF RICHFIELD DOES ORDAIN:

**Section 1.** Chapter VII, Section 721 of the Richfield Code of Ordinances is amended to amend the definition of "pollutants" at Subsection 721.03, subdivision 14 as follows:

721.03. - Definitions "Pollutant" is anything that causes or contributes to pollution. Subd. 14. Pollutants may include, but are not limited to: paints, varnishes, and solvents; oil and other automotive fluids; non-hazardous liquid and solid wastes and yard wastes; refuse, rubbish, garbage, litter, or other discarded or abandoned objects, ordinances, and accumulations, so that same may cause or contribute to pollution; floatables; pesticides, herbicides, and fertilizers; hazardous substances and wastes; sewage, fecal coliform and pathogens; dissolved and particulate metals; animal wastes; wastes and residues that result from constructing a building or structure; chloride-based deicers, including but not limited to sodium chloride (NaCl), magnesium chloride (MgCl2), and calcium chloride (CaCl2); and noxious or offensive matter of any kind. Section 2. This ordinance will be effective in accordance with Section 3.09 of the City Charter. Adopted by the City of Richfield this 26th day of January, 2021. Maria Regan Gonzalez, Mayor

Elizabeth VanHoose, City Clerk

ATTEST:

### **RESOLUTION NO.**

## RESOLUTION APPROVING SUMMARY PUBLICATION OF AN ORDINANCE AMENDMENT TO SUBSECTION 721.03 OF THE RICHFIELD CITY CODE PERTAINING TO CONNECTIONS AND DISCHARGES TO THE STORMWATER SYSTEM

**WHEREAS**, the City has adopted the above referenced amendment to the Richfield City Code; and

**WHEREAS,** the verbatim text of the ordinance is cumbersome, and the expense of publication of the complete text is not justified.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Richfield that the following summary is hereby approved for official publication:

### SUMMARY PUBLICATION BILL NO. 2021-

## AN ORDINANCE AMENDING SUBSECTION 721.03 OF THE RICHFIELD CITY CODE OF ORDINANCES PERTAINING TO CONNECTIONS AND DISCHARGES TO THE STORMWATER SYSTEM

On January 26, 2021, the Richfield City Council adopted an ordinance designated as Bill No. 2021-\_\_\_\_, the title of which is stated above. This summary of the ordinance is published pursuant to Section 3.12 of the Richfield City Charter.

The purpose of this ordinance is to protect the health of the City's stormwater infrastructure and waterways by prohibiting the illegal discharges of certain substances and pollutants into the stormwater system. This ordinance amendment adds "chloride-based deicers, including but not limited to sodium chloride (NaCl), magnesium chloride (MgCl2), and calcium chloride (CaCl2)" to the list of pollutants which are prohibited from being discharged into the stormwater system. Expanding the definition of pollutants to include deicing chemicals will allow the City to better enforce unauthorized salt storage or excessive salt use. Noncompliance with enforcement actions can result in discontinued access to the Municipal Separate Storm Sewer System (MS4) but is exceedingly rare.

**BE IT FURTHER RESOLVED,** that the City Clerk is directed to keep a copy of the Ordinance in her office at City Hall for public inspection during normal business hours and to post a full copy of the Ordinance in a public place in the City for a period of two weeks. Copies of the ordinance are also available upon request by calling the Public Works Department at (612) 861-9170.

Adopted by the City Council of the City of Richfield, Minnesota, this 26th day of January, 2021.

	Maria Regan Gonzalez, Mayor
ATTEST:	
Elizabeth VanHoose, City Clerk	<u> </u>

AGENDA SECTION: AGENDA ITEM# CONSENT CALENDAR

3.E.



# STAFF REPORT NO. 14 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Kelly Wynn, Senior Office Assistant

DEPARTMENT DIRECTOR REVIEW:

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

### ITEM FOR COUNCIL CONSIDERATION:

Consider a resolution designating an official newspaper for 2021.

### **EXECUTIVE SUMMARY:**

Section 13.01 of the Charter of the City of Richfield requires the City Council annually designate an official newspaper for the City.

The *Richfield Sun-Current* has served as the official paper for the City for many years and has proven to be a reliable and professional publication that is delivered to nearly all residences in the City. The *Richfield Sun-Current* has expressed an interest in continuing to serve as the official newspaper of the City.

### RECOMMENDED ACTION:

By motion: Adopt a resolution designating the *Richfield Sun-Current* as the official newspaper for the City of Richfield for 2021.

### **BASIS OF RECOMMENDATION:**

### A. HISTORICAL CONTEXT

This information is contained in the Executive Summary.

### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

This information is contained in the Executive Summary.

#### C. CRITICAL TIMING ISSUES:

The City Council typically considers the designation of an official newspaper at the first meeting in January of each year.

### D. FINANCIAL IMPACT:

The 2021 price quote from the Sun-Current for the publication of legal notices is reasonable and similar to the cost of publishing in the Star Tribune.

### E. LEGAL CONSIDERATION:

A newspaper must be designated each year by the City for publication of all official and legal City business.

### **ALTERNATIVE RECOMMENDATION(S):**

The City Council may choose to postpone designation of an official newspaper to a future meeting and request the City Clerk's office to gather quotes from other newspapers.

### PRINCIPAL PARTIES EXPECTED AT MEETING:

None

### **ATTACHMENTS:**

	Description	Type
ם	Resolution	Resolution Letter
D	2021 Sun Current Bid	Backup Material
D	2021 Star Tribune Bid	Backup Material

### **RESOLUTION NO.**

# RESOLUTION DESIGNATING AN OFFICIAL NEWSPAPER FOR 2021

**WHEREAS**, the Charter of the City of Richfield requires in Section 13.01 thereof that the City Council annually designate an official newspaper for the City.

**NOW, THEREFORE, BE IT RESOLVED,** that the *Richfield Sun-Current* is designated the official legal newspaper for the City of Richfield for 2021 for all publications required to be published therein.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January, 2021.

	Maria Regan Gonzalez, Mayor
ATTEST:	
Elizabeth VanHoose, City Clerk	



January 18, 2021

City of Richfield City Council 6700 Portland Avenue Richfield, MN 55423-2599

### Dear City Council Members:

Please accept the following bid from the *Richfield Sun-Current* for legal newspaper designation for the City of Richfield. This newspaper is qualified by the State of Minnesota as a legal newspaper under Minnesota Statutes Section 331A.02, Subd. 1.

The following rate structure for legals is effective January 1, 2021:

First insertion:

\$11.90 per column inch

Subsequent insertions:

\$7.00 per column inch

Characters per inch: 320

Lines per inch:

A notarized affidavit will be provided for each notice published. Additional affidavits are \$2.50 each. A \$20.00 charge will be assessed on legal notices that require typing. All published legal notices are posted on the Sun-Current website at no additional charge.

The Sun-Current is published weekly on Thursdays. The deadline is 2:00 p.m. on Thursday for publication the following Thursday. Early deadlines apply for a holiday week. Please email legal notices to publicnotice@apgecm.com.

Thank you for considering the Sun-Current as the official newspaper for the City of Richfield for the upcoming year. We appreciate the opportunity to serve the needs of your community.

Sincerely,

Tonya Orbeck

Legal Notice Manager Adams Publishing Group

763-442-9921



### **2021** Designated Legal Newspaper Rates

- \$1.31 per line per day
  - o Legal notices will also run on startribune.com at no extra charge.
- Approximately \$14.85 per column inch
  - Notices are charged per line not per column inch so you are not paying for space you are not using.

### **Deadlines (applies to placement, changes & cancellations):**

Two days prior to first publication date at 4pm CST

<b>Publication Date</b>	Deadline
Monday	Friday 4pm
Tuesday	Friday 4pm
Wednesday	Monday 4pm
Thursday	Tuesday 4pm
Friday	Wednesday 4pm
Saturday	Thursday 4pm
Sunday	Friday 4pm

Deadlines will be advanced for holidays.

### **Affidavits:**

• Emailed 24-48 business hours after last publication date

### Circulation

•	Sunday	~280,000
•	Monday	~134,000
•	Tuesday	~134,000
•	Wednesday	~134,000
•	Thursday	~134,000
•	Friday	~134,000
•	Saturday	~134,000

### Contact

Email: placeads@startribune.com

• Call: 612-673-7000

AGENDA SECTION: AGENDA ITEM# PUBLIC HEARINGS

5.



# STAFF REPORT NO. 15 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Scott Kulzer, Administrative Aide/Analyst

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director

1/19/2021

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

### ITEM FOR COUNCIL CONSIDERATION:

Public hearing and consider the approval of a noise variance permit for Wood Lake dewatering as part of the Wood Lake Lift Station Improvement Project.

### **EXECUTIVE SUMMARY:**

- The Wood Lake Lift Station Improvements Project requires the running of a generator and pumps for dewatering purposes 24 hours a day for the installation of this project's wet well.
- The wet well for this project will be installed to a depth of roughly 8 feet past the current groundwater table. These pumps will need to run all hours of the day and night to sufficiently draw the water table down to allow for a successful installation.
- A 14-day noise variance was authorized by the City Manager per City Code preceding this public hearing so the project start was not delayed.
- The Contractor expects these pumps to run for 3-4 weeks total, however, we are requesting an
  additional one month noise variance so we do not need to revisit this permit should project delays
- During these weeks there will be a little bit more noise in the area, however, this area is a commercialized area and not residential and disruptions or issues are not expected.
- To help mitigate noise, the pump subcontractor has built an enclosure around the generator to try to make it as quiet as possible.

### **RECOMMENDED ACTION:**

Conduct and close the public hearing and by motion: Approve the noise variance permit for Wood Lake dewatering as part of the Wood Lake Lift Station Improvement Project.

### **BASIS OF RECOMMENDATION:**

### A. HISTORICAL CONTEXT

- The Wood Lake lift station controls the water level in Wood Lake.
- The lift station is undersized for current and future rainfall intensities which can lead to long-term flooding of paths in the Wood Lake Nature Center.
- The new lift station will allow for better water level control of Wood Lake which will help mitigate flooding of Nature Center paths and significantly decrease the length of time the paths are underwater.

• City Council approved this project at the December 8, 2020 regular meeting.

### B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Richfield City Code section 930.35 prescribes the process for noise variance permits.
- Permit requests exceeding 15 days must be approved by the City Council after a public hearing.
- The City Manager may grant temporary variances pending action by the Council on an application for a variance.
- A temporary variance was issued for this project for the period January 12 to January 26.

### C. CRITICAL TIMING ISSUES:

The temporary noise variance will expire end of day on January 26 unless extended by City Council.

### D. FINANCIAL IMPACT:

None

### E. **LEGAL CONSIDERATION:**

None

### **ALTERNATIVE RECOMMENDATION(S):**

None

### PRINCIPAL PARTIES EXPECTED AT MEETING:

Assistant Utilities Superintendent Mike Petersen Citizens who wish to speak to the proposed noise variance permit

### **ATTACHMENTS:**

Description Type

Noise Variance Permit
 Backup Material

### CITY OF RICHFIELD

Application for Noise Ordinance Exemption

Party applying for an exemption to Richfield's Noise Ordinance Name: Scott Pelletier – Meyer Contracting Street Address: 11000 93<sup>rd</sup> Ave N City, State and ZIP \_\_Maple Grove, MN\_\_\_\_ Telephone No. <u>612-248-0639</u> FAX No. <u>N/A</u> E-mail Address SPelletier@meyerci.com Noise emanating from the project may exceed limits only with a valid permit. Construction Noise is limited to the hours of 7:00 AM to 8:00 PM Monday through Friday and 8:00 AM to 8:00 PM Saturdays. Location for which exemption is applied: Wood Lake Lift Station - South end of the Shops at Lyndale arking lot Behind Panera Bread Hours for which exemption is requested: 24 hours per day Date(s) for which exemptions are requested:

January 27 - Februay 24 Purpose of Exemption: To allow the running of a generator and pumps for dewatering purposes 24 hours a day for the installation of this project's wet well. The wet well for this project will be installed to a depth of roughly 8 feet past the current groundwater table. These pumps will need to run all hours of the day and night to sufficiently draw the water table down to allow for a successful installation Nature of the noise source: Generator and Pumps Steps taken to minimize noise level: Generator enclosure will be employed to minimize noise Fee: N/A = \$25.00 per exemption. Date: 1/26/2021 Applicant's Name Scott Pelletier Applicant's Signature \_\_\_\_\_\_Date: \_\_\_\_\_ Public Works Director City Manager Date: \_\_\_\_\_ Approved \_\_\_\_

<sup>\*</sup>Contractor must notify residents/business's within 500 feet of the construction work zone.

AGENDA SECTION: AGENDA ITEM# **PUBLIC HEARINGS** 

6.



# STAFF REPORT NO. 16 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Melissa Poehlman, Asst. Community Development Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director

1/20/2021

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/21/2021

### ITEM FOR COUNCIL CONSIDERATION:

Public hearing to consider approval of a modification to the Redevelopment Plan and approval of a Tax Increment Financing Plan for the 2020-2 Tax Increment Finance District: Emi.

### **EXECUTIVE SUMMARY:**

The Richfield Housing and Redevelopment Authority (HRA) approved a preliminary agreement with PLH & Associates - Construction Services, LLC, now PLH & Associates - 6605 1st, LLC, (Developer) to explore the redevelopment of 101 66th Street East on July 20, 2020. The HRA committed to explore the use of Tax Increment Financing (TIF) to help make the redevelopment of the blighted site financially feasible. Since approval of the preliminary development, Ehlers, Inc. has reviewed the project and found that it is not feasible without assistance, and an independent evaluation by LHB Corporation has determined that the property meets the statutory definition of a "blighted" site and thereby would qualify as a Redevelopment Tax Increment District.

On January 19, the HRA considered and approved a Contract for Private Development, a Modification to the Redevelopment Plan, and a Tax Increment Financing Plan (Plan) for the 2020-2 Tax Increment Finance (TIF) District: Emi. The approved Contract requires the Developer to make improvements totaling at least \$8,041,600. Improvements will consist of 42 apartment units and approximately 1,300 square feet of ground floor commercial space. In accordance with the City's Inclusionary Housing Policy, the Developer will reserve 20% of the apartment units for households earning 60% or less of the Area Median Income (AMI). The Contract requires that these units be distributed proportionally among the various unit types. In order to make the project financially feasible, the Contract commits the HRA to provide the Developer with a maximum of \$971,070 in Tax Increment Financing.

Tonight, the Council is asked to consider the Modification to the Redevelopment Plan and Tax Increment Plan that were approved by the HRA on January 19.

The Modification and Plan are attached to this report and contain the following:

- The Modification to the existing Richfield Redevelopment Plan, including a map update identifying the 2020-2 Emi TIF District (District) and a short text passage citing the new District;
- A summary of the HRA and City's Authority to create such a District,
- A description of its classification as a Redevelopment District (requiring that more than 50 percent of the existing buildings are structurally substandard);

- An identification of the original Net Tax Capacity that the "base" taxes will be calculated on those taxes will be distributed to all the local taxing jurisdictions (Hennepin County, Richfield Public Schools and the City of Richfield) as was the case prior to the establishment of the TIF District;
- \$5,815,545 as the maximum TIF that could theoretically be collected in the District over its maximum lifespan of 26 years;
- The types of uses eligible for expenditure (including acquisition, affordable housing and other qualifying improvements such as structured parking);
- The "But-For" analysis concluding that the resulting development "would not reasonably be expected to occur solely through private investment."

While the TIF Plan identifies the maximum amount of Tax Increment that could be generated and the maximum expenditure on certain eligible uses, it does not commit the use of those funds. That commitment is contained in the approved Contract for Private Redevelopment which sets forth the following uses of TIF funds:

- 90% of the available TIF (up to a maximum of \$971,070 to the Developer as a TIF Pay-As-You-Go Note to assist them in funding TIF qualifying expenses.
- 10% of the TIF collected will be retained by the Richfield HRA for reimbursement of expenses (including staff costs) in administering this District.
- Under current assumptions, this amount of TIF could be provided to the Developer in as little as 12 years, after which time the District could be decertified.

### **RECOMMENDED ACTION:**

Conduct and close a public hearing and by motion: Adopt a resolution approving a modification to the Redevelopment Plan for the Richfield Redevelopment Project; and approving a Tax Increment Financing Plan for the 2020-2 Tax Increment Finance District: Emi

### **BASIS OF RECOMMENDATION:**

### A. HISTORICAL CONTEXT

- June 26, 2018 City Council approves land use applications for 31-unit mixed use development.
- May 28, 2019 & May 12, 2020 City Council approves extension of land use approvals.
- June 15, 2020 Revised plans with reduced commercial space and affordable units presented to City Council and HRA.
- July 14, 2020 City Council approves application for Livable Communities Development Account grant funds (not awarded).
- July 20, 2020 HRA approved Preliminary Development Agreement.
- October 13, 2020 City Council approves revised land use application for 42-unit mixed use development.

### B. **POLICIES** (resolutions, ordinances, regulations, statutes, etc):

- In accordance with the City's Inclusionary Housing Policy, the project will reserve 20% of the units for households earning 60% or less of the Area Median Income.
- The proposed Redevelopment Area Modification and TIF Plan describes the statutory authority by which the City and HRA can create a TIF District.

### C. CRITICAL TIMING ISSUES:

• The Developer (and the neighborhood) is eager to demolish the existing structures. To ensure compliance with statutory requirements for a Redevelopment TIF District, this cannot take place until the TIF District has been established.

#### D. FINANCIAL IMPACT:

- The TIF Plan identifies the Original Net Tax Capacity that the "base" taxes will calculated on those taxes will be distributed to all the local taxing jurisdictions (Hennepin County, Richfield Public
  Schools, and the City) as was the case prior to the establishment of the TIF District.
- According to the TIF Plan, the HRA would be eligible to retain 10% of the TIF collected in the District to reimburse costs associated with the administration of the District.
- The Contract for Private Development identifies up to \$971,070 to the Developer as a TIF Pay-

As-You-Go Note; this "Pay-Go" Note obligates the HRA to make payment to the Developer only in the event that the Developer has paid adequate taxes to provide the funding for such payment.

### E. **LEGAL CONSIDERATION:**

- The City's financial advisor and HRA attorney have prepared the required documents.
- In accordance with State Statute, Hennepin County, Richfield Public Schools, and other taxing
  jurisdictions received notice of the proposed Tax Increment Plan and other information on fiscal
  impacts related to the modification/establishment of a Redevelopment Project Area and/or TIF
  District at least 30 days prior to the hearing or agreed to waive the 30-day requirement.

### **ALTERNATIVE RECOMMENDATION(S):**

• Do not approve the Modification and the TIF Plan.

### PRINCIPAL PARTIES EXPECTED AT MEETING:

Paul Lynch, PLH & Associates (Developer) Rebecca Kurtz, Ehlers, Inc.

### **ATTACHMENTS:**

Description Type

Resolution Resolution Letter

□ TIF Plan Exhibit

### CITY OF RICHFIELD, MINNESOTA

### RESOLUTION NO. \_\_\_\_\_

# RESOLUTION APPROVING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE RICHFIELD REDEVELOPMENT PROJECT; AND APPROVING A TAX INCREMENT FINANCING PLAN FOR THE 2020-2 TAX INCREMENT FINANCING DISTRICT: EMI

WHEREAS, the City of Richfield, Minnesota (the "City") and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") have established, and the Authority administers, the Richfield Redevelopment Project (the "Redevelopment Project") located within the City and have created a Redevelopment Plan (the "Redevelopment Plan") therefor, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act"); and

WHEREAS, within the Redevelopment Project the City and the Authority have created certain tax increment financing districts pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"); and

WHEREAS, the City and the Authority have determined to modify the Redevelopment Plan and approve a tax increment financing plan (the "TIF Plan") relating to the creation of a new tax increment financing district within the Redevelopment Project designated as the 2020-2 Tax Increment Financing District: Emi (the "TIF District"), a redevelopment district, all as described in a plan document presented to the City Council of the City (the "City Council") on the date hereof; and

WHEREAS, pursuant to Section 469.175, subdivision 2a of the TIF Act, notice of the proposed TIF District was provided to the county commissioner who represents the area included in the TIF District on or about October 9, 2020; and

WHEREAS, pursuant to Section 469.175, subdivision 2 of the TIF Act, the proposed TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to the Clerk of the Board of Education of Richfield Public Schools and to the Taxpayer Services Division Manager, as the County Auditor, of Hennepin County, Minnesota (the "County") on or about October 23, 2020; and

WHEREAS, on January 19, 2021, the Board of Commissioners of the Authority approved the modified Redevelopment Plan and the TIF Plan for the TIF District and referred such plans to the City Council for consideration; and

WHEREAS, on the date hereof, the City Council conducted a duly noticed public hearing relating to the approval of the modified Redevelopment Plan and the TIF Plan for the TIF District, and the views of all interested parties were heard at the public hearing; and

WHEREAS, the City Council has reviewed the contents of the modified Redevelopment Plan and the TIF Plan; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richfield, Minnesota as follows:

Section 1. <u>Findings; Redevelopment Project</u>. The City Council hereby finds that (a) the land in the Redevelopment Project would not be made available for development or redevelopment without the

use of tax increment financing; and (b) the modified Redevelopment Plan is intended to and, in the judgment of the City Council, the effect of such actions will be to (i) afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Redevelopment Project by private enterprise; and (ii) conform to the general plan for development of the City as a whole.

### Section 2. <u>Findings; TIF District.</u>

- 2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the Redevelopment Project, and for the protection and preservation of the public health, safety, and general welfare of the City and its residents, that the authority of the TIF Act be exercised by the City to provide public financial assistance to the TIF District and the Redevelopment Project.
- 2.02. It is further found and determined, and it is the reasoned opinion of the City, that the development proposed in the TIF Plan could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value expected to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.
- 2.03. The proposed public improvements to be financed in part through tax increment financing are necessary to permit the City to realize the full potential of the TIF District in terms of development of housing, renovation of substandard properties, development intensity, and tax base.
  - 2.04. The TIF Plan conforms to the general plan for development of the City as a whole.
- 2.05. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the TIF District and the Redevelopment Project by private enterprise.
- 2.06. The TIF District is a redevelopment district under Section 469.174, subdivision 10 of the TIF Act.
- 2.07. The reasons and facts supporting all the above findings are set forth in the TIF Plan and are incorporated herein by reference. The City Council has also relied upon the reports and recommendations of its staff and consultants, as well as the personal knowledge of members of the City Council, in reaching its conclusions regarding the TIF Plan.
- Section 3. <u>Public Purpose.</u> The adoption of the TIF Plan conforms in all respects to the requirements of the TIF Act. The TIF Plan will help facilitate redevelopment that will create additional rental housing, create new commercial uses, and improve the tax base. The City expressly finds that the tax increment assistance is provided solely to make the development financially feasible and thus produce the public benefits described. Therefore, the City finds that the public benefits of the TIF Plan exceed any private benefits.

### Section 4. <u>Approvals; Further Proceedings</u>

- 4.01. The modified Redevelopment Plan is hereby approved.
- 4.02. The TIF Plan for the TIF District is hereby approved and adopted in substantially the form on file at City Hall.
- 4.03. Authority staff and consultants are authorized and directed to file a request for certification of the TIF District with the Taxpayer Services Division Manager, as the County Auditor, of the County and to file a copy of the modified Redevelopment Plan and the TIF Plan with the Minnesota Commissioner of Revenue and the State Auditor as required by the TIF Act.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January, 2021.

	Maria Regan Gonzalez, Mayor	
ATTEST:		
Elizabeth VanHoose City Clerk		



# MODIFICATION TO THE REDEVELOPMENT PLAN Richfield Redevelopment Project Area

- AND -

# TAX INCREMENT FINANCING PLAN

Establishment of 2020-2 Tax Increment Financing District: Emi (a redevelopment district)

Richfield Housing and Redevelopment Authority City of Richfield, Hennepin County, Minnesota

Public Hearing: January 26, 2021









# **Table of Contents**

Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area	3
Foreword	3
Tax Increment Financing Plan for the 2020-2 Tax Increment Financing District: Emi	4
Foreword	4
Statutory Authority	4
Statement of Objectives	4
Redevelopment Plan Overview	4
Description of Property in the District and Property to be Acquired	5
Classification of the District	5
Duration and First Year of Tax Increment of the District	6
Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increased Notification of Prior Planned Improvements	
Sources of Revenue/Bonds to be Issued	7
Uses of Funds	8
Estimated Impact on Other Taxing Jurisdictions	9
Supporting Documentation	10
Administration of the District	11
Appendix A: Map of the Richfield Redevelopment Project Area and the TIF District	12
Appendix B: Estimated Cash Flow for the District	13
Appendix C: Findings Including But/For Qualifications	14
Appendix D: Redevelopment Qualifications for the District	16

# Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area

### **Foreword**

The following text represents a Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Richfield Redevelopment Project Area. Generally, the substantive changes include the establishment of the 2020-2 Tax Increment Financing District: Emi.

For further information, a review of the Redevelopment Plan for the Richfield Redevelopment Project Area, is recommended. It is available from the Community Development Director at the Richfield Housing and Redevelopment Authority. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within the Richfield Redevelopment Project Area.

# Tax Increment Financing Plan for the 2020-2 Tax Increment Financing District: Emi

### **Foreword**

The Richfield Housing and Redevelopment Authority (the "HRA"), the City of Richfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the 2020-2 Tax Increment Financing District: Emi (the "District"), a redevelopment tax increment financing district, located in the Richfield Redevelopment Project Area.

### **Statutory Authority**

Within City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City and HRA have certain statutory powers pursuant to *Minnesota Statutes* ("M.S."), Sections 469.001 - 469.047, inclusive, as amended, and M.S., Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Richfield Redevelopment Project Area.

### **Statement of Objectives**

The District currently consists of one parcel of land and adjacent and internal rights-of-way. The District is being created to facilitate the development of a mixed-use project including approximately 42 units of apartments and 1,358 square feet of commercial space in the City. The HRA has entered into a preliminary agreement with PLH & Associates – 6605 1st, LLC, as the developer. Development is anticipated to begin in the Spring 2021. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Richfield Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Richfield Redevelopment Project Area and the District.

## **Redevelopment Plan Overview**

Pursuant to the Redevelopment Plan and authorizing state statutes, the HRA is authorized to undertake the following activities in the District:

- 1. Property to be Acquired Selected property located within the District may be acquired by the HRA and is further described in this TIF Plan.
- 2. Relocation Relocation services, to the extent required by law, are available pursuant to *M.S.*, *Chapter 117* and other relevant state and federal laws.

- Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
- The HRA may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

## Description of Property in the District and Property to be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
27.028.24.42.0134	101-66th St. E	PLH

Please also see the map in Appendix A for further information on the location of the District.

The HRA may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the HRA only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The HRA may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

### **Classification of the District**

The City and HRA, in determining the need to create a tax increment financing district in accordance with M.S., Sections 469.174 to 469.1794, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to M.S., Section 469.174, Subd. 10(a)(1).

- The District is a redevelopment district consisting of one parcel.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District
  are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar
  structures.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

### **Duration and First Year of Tax Increment of the District**

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA (a total of 26 years of tax increment). The HRA elects to receive the first tax increment in 2023, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2048, or when the TIF Plan is satisfied. The HRA reserves the right to decertify the District prior to the legally required date.

# Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2020 for taxes payable 2021.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2022) the amount by which the original value has increased or decreased as a result of:

- 1. Change in tax exempt status of property;
- 2. Reduction or enlargement of the geographic boundaries of the district;
- 3. Change due to adjustments, negotiated or court-ordered abatements:
- 4. Change in the use of the property and classification;
- 5. Change in state law governing class rates; or
- 6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the HRA.

The original local tax rate for the District will be the local tax rate for taxes payable 2021, assuming the request for certification is made before June 30, 2021). The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Richfield Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2023. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity				
Project estimated Tax Capacity upon completion	241,211			
Original estimated Net Tax Capacity	5,860			
Fiscal Disparities	3,574			
Estimated Captured Tax Capacity	231,777			
Original Local Tax Rate	138.1810%	Pay 2020		
Estimated Annual Tax Increment	\$320,272			
Percent Retainted by the City	100%			

Note: Tax capacity includes a 3.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$115,204.

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The HRA has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

### Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$ 5,815,545
Interest	 581,554
TOTAL	\$ 6,397,099

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA and City reserve the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$4,555,058. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under

this TIF Plan as of the date of approval.

### **Uses of Funds**

Currently under consideration for the District is a proposal to facilitate the development of a mixeduse project including approximately 42 units of apartments and 1,358 square feet of commercial space. The HRA has determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ -
Site Improvements/Preparation	2,000,000
Affordable Housing	873,000
Utilities	50,000
Other Qualifying Improvements	1,050,504
Administrative Costs (up to 10%)	581,554
PROJECT COSTS TOTAL	\$ 4,555,058
Interest	 1,842,041
PROJECT AND INTEREST COSTS TOTAL	\$ 6,397,099

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S.*, *Section 469.1763*, *Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Richfield Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

## **Fiscal Disparities Election**

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA may elect one of two methods to calculate fiscal disparities.

The HRA will choose to calculate fiscal disparities by clause b (inside).

### **Estimated Impact on Other Taxing Jurisdictions**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the HRA and City have determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2019/Pay 2020 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Hennepin County City of Richfield ISD No. 280	1,941,694,561 36,111,232 50,666,987	231,777 231,777 231,777	0.0119% 0.6418% 0.4575%

Impact on Tax Rates					
Entity Pay 2020 Extension Rate		Percent of Total	стс	Potential Taxes	
Hennepin County	41.0840%	29.73%	231,777	\$ 95,223	
City of Richfield	54.7270%	39.61%	231,777	126,845	
ISD No. 280	32.6580%	23.63%	231,777	75,694	
Other	9.7120%	7.03%	231,777	22,510	
	138.1810%	100.00%		\$ 320,272	

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2020 rate. The total net capacity for the entities listed above are based on Pay 2020 figures. The District will be certified under the Pay 2021 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to M.S. Section 469.175 Subd. 2(b):

- (1) <u>Estimate of total tax increment.</u> It is estimated that the total amount of tax increment that will be generated over the life of the District is \$5,815,545;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant.

Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$104,370 in sanitary sewer (SAC) and no additional fees anticipated for water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$1,374,458;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$1,729,079;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

## **Supporting Documentation**

Pursuant to M.S. Section 469.175, Subd. 1 (a), clause 7 the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in M.S. Section 469.175, Subd. 3, clause (b)(2) and the findings are required in the resolution approving the District.

(i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's proforma; and (3)

City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.

(ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

### **Administration of the District**

Administration of the District will be handled by the Community Development Director.

Appendix A: Map o the TIF District	of the Richfield Re	edevelopment Pr	oject Area and	

# Richfield Redevelopment Project Area City of Richfield, Minnesota XERXES XERXES WASHBURN VINCENT UPTON THOMAS UPTON THOMAS SHERIDAN THOMAS SHERIDAN THOMAS SHERIDAN THOMAS SHERIDAN THOMAS SHERIDAN THOMAS SHERIDAN THOMAS COLIVER WENTYON THOMBUS COLIVER NEWTON THOMBUS COLIVER NEWTON TOLIVER NEWTON TOLIVER THOMBUS COLIVER NEWTON TOLIVER NEWTON TOLIVER THOMBUS COLIVER NEWTON TOLIVER THOMBOLD THOMBUS COLIVER NEWTON TOLIVER THOMBOLD THOMBUS COLIVER THOMBOLD THOMBUS COLIVER NEWTON TOLIVER THOMBUS TH The boundaries of the Richfield Redevelopment Project Area area are coterminous with the boundaries of the City of Richfield. 2020-3 Tax Increment Financing District: Enclave 65th 67th 2020-2 Tax Increment Financing District: Emi Legend Emi TIF District No. 2020-02 **Enclave TIF** District No. 70th 1/2 2020-03 71st Parcels 71st 1/2 72nd City Limits 73th 74th 75th 76th 77th 78th I - 494 0.5 Community Development Department

Appendix B:	: Estimated Cash Flow for the District	

10/23/2020 Base Value Assumptions - Page 1



# **Emi Development - 3% Inflation**

# City of Richfield, MN

Mixed Use Redevelopment including 42 apartment units and commercial space

# **ASSUMPTIONS AND RATES**

DistrictType: R	edevelopment		Tax Rates	
District Name/Number:	TIF 2020-2			
County District #:	TBD		Exempt Class Rate (Exempt)	0.00%
First Year Construction or Inflation on Value	2021		Commercial Industrial Preferred Class Rate (C/I Pref.)	3.3373
Existing District - Specify No. Years Remaining			First \$150,000	1.50%
Inflation Rate - Every Year:	3.00%		Over \$150,000	2.00%
Interest Rate:	4.00%		Commercial Industrial Class Rate (C/I)	2.00%
Present Value Date:	1-Feb-23		Rental Housing Class Rate (Rental)	1.25%
First Period Ending	1-Aug-23		Affordable Rental Housing Class Rate (Aff. Rental)	
Tax Year District was Certified:	Pay 2021		First \$162,000	0.75%
Cashflow Assumes First Tax Increment For Development:	2023		Over \$162,000	0.25%
Years of Tax Increment	26		Non-Homestead Residential (Non-H Res. 1 Unit)	
Assumes Last Year of Tax Increment	2048		First \$500,000	1.00%
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)		Over \$500,000	1.25%
Incremental or Total Fiscal Disparities	Incremental		Homestead Residential Class Rate (Hmstd. Res.)	
Fiscal Disparities Contribution Ratio	35.1664%	Pay 2020	First \$500,000	1.00%
Fiscal Disparities Metro-Wide Tax Rate	142.4540%	Pay 2020	Over \$500,000	1.25%
Maximum/Frozen Local Tax Rate:	138.181%	Pay 2020	Agricultural Non-Homestead	1.00%
Current Local Tax Rate: (Use lesser of Current or Max.)	138.181%	Pay 2020		
State-wide Tax Rate (Comm./Ind. only used for total taxes)	38.8460%	Pay 2020		
NA	0 4 40 400/	D 0000		

0.14849% Pay 2020

BASE VALUE INFORMATION (Original Tax Capacity)													
Building Total Percentage Tax Year Property Current Class After													
			Land	Market	Market	Of Value Used	Original	Original	Tax	Original	After	Conversion	Area/
PID	Owner	Address	Market Value	Value	Value	for District	Market Value	Market Value	Class	Tax Capacity	Conversion	Orig. Tax Cap.	Phase
27.028.24.42.0134	PLH	101-66th St. E	466,000		466,000	97%	452,020	Pay 2021	C/I Pref.	8,290	Rental	5,650	1
					466,000	3%	13,980	Pay 2021	C/I Pref.	210	C/I Pref.	210	1
			466,000	0	932,000		466,000			8,500		5,860	

### Note:

1. Base values are for pay 2021 based upon review of County website.

Market Value Tax Rate (Used for total taxes)

2. Located in SD #280 and WS #3.

10/23/2020 Base Value Assumptions - Page 2



### City of Richfield, MN

Mixed Use Redevelopment including 42 apartment units and commercial space

	PROJECT INFORMATION (Project Tax Capacity)												
		Estimated	Taxable		Total Taxable	Property			Percentage	Percentage	Percentage	Percentage	First Year
		Market Value	Market Value	Total	Market	Tax	Project	Project Tax	Completed	Completed	Completed	Completed	Full Taxes
Area/Phase	New Use	Per Sq. Ft./Unit	Per Sq. Ft./Unit	Sq. Ft./Units	Value	Class	Tax Capacity	Capacity/Unit	2021	2022	2023	2024	Payable
1	Apartment	210,000	210,000	42	8,820,000	Rental	110,250	2,625	100%	100%	100%	100%	2023
1	Commercial	210	210	1,358	285,180	C/I Pref.	4,954	4	100%	100%	100%	100%	2023
TOTAL					9,105,180		115,204						
Subtotal Residential 42				8,820,000	•	110,250							
Subtotal Comm	ercial/Ind.			1,358	285,180		4,954				•		

### Note:

1. Apartment market values are based upon estimates from the County assessor for other proposed multi-family developments. Range is \$175,000 to \$210,000/unit in September 2020.

	TAX CALCULATIONS									
	Total	Fiscal	Local	Local	Fiscal	State-wide	Market			
	Tax	Disparities	Tax	Property	Disparities	Property	Value	Total	Taxes Per	
New Use	Capacity	Tax Capacity	Capacity	Taxes	Taxes	Taxes	Taxes	Taxes	Sq. Ft./Unit	
Apartment	110,250	0	110,250	152,345	0	0	13,097	165,441	3,939.08	
Commercial	4,954	1,742	3,212	4,438	2,482	1,342	423	8,684	6.40	
TOTAL	115,204	1,742	113,462	156,782	2,482	1,342	13,520	174,126		

### Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?							
Total Property Taxes	174,126						
less State-wide Taxes	(1,342)						
less Fiscal Disp. Adj.	(2,482)						
less Market Value Taxes	(13,520)						
less Base Value Taxes	(7,995)						
Annual Gross TIF	148,787						

MARKET VALUE BUT / FOR ANALYSIS							
Current Market Value - Est.	466,000						
New Market Value - Est.	9,105,180						
Difference	8,639,180						
Present Value of Tax Increment	3,371,628						
Difference	5,267,552						
Value likely to occur without Tax Increment is less than:	5,267,552						

10/23/2020 Tax Increment Cashflow - Page 3



# **Emi Development - 3% Inflation**

## City of Richfield, MN

Mixed Use Redevelopment including 42 apartment units and commercial space

	TAX INCREMENT CASH FLOW														
	Project	Original	Fiscal	Captured	Local	Annual	Semi-Annual	State	Admin.	Pooling	Semi-Annual	Semi-Annual	PERIOD		
% of	Tax	Tax	Disparities	Tax	Tax	Gross Tax	<b>Gross Tax</b>	Auditor	at	at	Net Tax	Present	ENDING	Tax	Payment
ОТС	Capacity	Capacity	Incremental	Capacity	Rate	Increment	Increment	0.36%	10%	15%	Increment	Value	Yrs.	Year	Date
100%	115,204	(5,860)	(1,668)	107,675	138.181%	148,787	74,393	(268)	(7,413)	(11,119)	55,594	54,504	0.5	######	08/01/23
							74,393	(268)	(7,413)	(11,119)	55,594	107,940	1	2023	02/01/24
100%	118,660	(5,860)	(1,721)	111,079	138.181%	153,490	76,745	(276)	(7,647)	(11,470)	57,352	161,983	1.5		08/01/24
4000/	400.040	(F. 0CO)	(4.774)	444 505	400 4040/	450 005	76,745	(276)	(7,647)	(11,470)	57,352	214,967	2	2024	02/01/25
100%	122,219	(5,860)	(1,774)	114,585	138.181%	158,335	79,167 79,167	(285) (285)	(7,888) (7,888)	(11,832) (11,832)	59,162 59,162	268,552 321,086	2.5 3	2025 2025	08/01/25 02/01/26
100%	125,886	(5,860)	(1,830)	118,196	138.181%	163,325	81,662	(294)	(8,137)	(12,205)	61,026	374,213	3.5		08/01/26
10070	120,000	(0,000)	(1,000)	110,100	100.10170	100,020	81,662	(294)	(8,137)	(12,205)	61,026	426,299	4	2026	02/01/27
100%	129,663	(5,860)	(1,887)	121,916	138.181%	168,465	84,232	(303)	(8,393)	(12,589)	62,947	478,970	4.5		08/01/27
		,	,	·		·	84,232	(303)	(8,393)	(12,589)	62,947	530,608	5	2027	02/01/28
100%	133,553	(5,860)	(1,946)	125,747	138.181%	173,758	86,879	(313)	(8,657)	(12,985)	64,925	582,825	5.5		08/01/28
							86,879	(313)	(8,657)	(12,985)	64,925	634,017	6	2028	02/01/29
100%	137,559	(5,860)	(2,006)	129,693	138.181%	179,211	89,605	(323)	(8,928)	(13,392)	66,962	685,781	6.5		08/01/29
4000/	4.44.000	(F. 000)	(0.000)	400.757	400 4040/	404.007	89,605	(323)	(8,928)	(13,392)	66,962	736,530	7.5	2029	02/01/30
100%	141,686	(5,860)	(2,069)	133,757	138.181%	184,827	92,414	(333)	(9,208)	(13,812)	69,061	787,843 838,150	7.5 8	2030 2030	08/01/30 02/01/31
100%	145,936	(5,860)	(2,133)	137,944	138.181%	190,612	92,414 95,306	(333) (343)	(9,208) (9,496)	(13,812) (14,244)	69,061 71,222	889,014	8.5		08/01/31
10070	145,950	(3,000)	(2,133)	137,344	130.10170	190,012	95,306	(343)	(9,496)	(14,244)	71,222	938,881	9	2031	02/01/32
100%	150,315	(5,860)	(2,199)	142,255	138.181%	196,570	98,285	(354)	(9,793)	(14,690)	73,448	989,298	9.5	2032	08/01/32
	,-	(-,,	( ,,	,		/ -	98,285	(354)	(9,793)	(14,690)	73,448	1,038,727	10		02/01/33
100%	154,824	(5,860)	(2,267)	146,697	138.181%	202,707	101,353	(365)	(10,099)	(15,148)	75,741	1,088,700	10.5	2033	08/01/33
							101,353	(365)	(10,099)	(15,148)	75,741	1,137,692	11	2033	02/01/34
100%	159,469	(5,860)	(2,338)	151,271	138.181%	209,028	104,514	(376)	(10,414)	(15,621)	78,103	1,187,222	11.5		08/01/34
4000/	4040=0	(= 000)	(0.440)	4== 000	100 1010/	0.4 = = 0.0	104,514	(376)	(10,414)	(15,621)	78,103	1,235,780	12		02/01/35
100%	164,253	(5,860)	(2,410)	155,983	138.181%	215,539	107,769	(388)	(10,738)	(16,107)	80,536	1,284,869	12.5		08/01/35
100%	160 190	(F 960)	(2.494)	160 026	120 1010/	222 245	107,769 111,122	(388)	(10,738) (11,072)	(16,107)	80,536 83,042	1,332,996	13 13.5		02/01/36 08/01/36
100%	169,180	(5,860)	(2,484)	160,836	138.181%	222,245	111,122	(400) (400)	(11,072) (11,072)	(16,608) (16,608)	83,042	1,381,647 1,429,344	13.5	2036	06/01/36
100%	174,256	(5,860)	(2,561)	165,835	138.181%	229,152	114,576	(412)	(11,416)	(17,125)	85,623	1,477,559	14.5		08/01/37
10070	17 1,200	(0,000)	(2,001)	100,000	100.10170	220,102	114,576	(412)	(11,416)	(17,125)	85,623	1,524,829	15		02/01/38
100%	179,483	(5,860)	(2,640)	170,983	138.181%	236,266	118,133	(425)	(11,771)	(17,656)	88,281	1,572,611	15.5		08/01/38
	•	, ,	, ,	•		,	118,133	(425)	(11,771)	(17,656)	88,281	1,619,456	16		02/01/39
100%	184,868	(5,860)	(2,722)	176,286	138.181%	243,594	121,797	(438)	(12,136)	(18,204)	91,019	1,666,806	16.5		
							121,797	(438)	(12,136)	(18,204)	91,019	1,713,229	17	2039	02/01/40
100%	190,414	(5,860)	(2,806)	181,749	138.181%	251,142	125,571	(452)	(12,512)	(18,768)	93,839	1,760,151	17.5		08/01/40
4000/	100 100	(F. 0CO)	(0.000)	407.075	400 4040/	050.040	125,571	(452)	(12,512)	(18,768)	93,839	1,806,153	18		02/01/41
100%	196,126	(5,860)	(2,892)	187,375	138.181%	258,916	129,458 129,458	(466) (466)	(12,899) (12,899)	(19,349) (19,349)	96,744 96,744	1,852,649 1,898,234	18.5 19		08/01/41 02/01/42
100%	202,010	(5,860)	(2,981)	193,169	138.181%	266,923	133,462	(480)	(12,699)	(19,349)	99,736	1,944,306	19.5		08/01/42
. 50 /0	202,010	(0,000)	(2,501)	100,100	100.101/0	200,020	133,462	(480)	(13,298)	(19,947)	99,736	1,989,476	20		02/01/43
100%	208,071	(5,860)	(3,073)	199,138	138.181%	275,171	137,585	(495)	(13,709)	(20,564)	102,818	2,035,128	20.5		08/01/43
	,	, , ,	, , ,	•		,	137,585	(495)	(13,709)	(20,564)	102,818	2,079,885	21	2043	02/01/44
100%	214,313	(5,860)	(3,167)	205,286	138.181%	283,666	141,833	(511)	(14,132)	(21,198)	105,992	2,125,119	21.5		08/01/44
							141,833	(511)	(14,132)	(21,198)	105,992	2,169,466	22		02/01/45
100%	220,742	(5,860)	(3,264)	211,618	138.181%	292,416	146,208	(526)	(14,568)	(21,852)	109,261	2,214,285	22.5		08/01/45
40007	007.004	/F 000°	(0.00.1)	040 440	100 1010/	004 400	146,208	(526)	(14,568)	(21,852)	109,261	2,258,224	23		02/01/46
100%	227,364	(5,860)	(3,364)	218,140	138.181%	301,428	150,714	(543)	(15,017)	(22,526)	112,629	2,302,630	23.5		08/01/46
1000/	224 405	/F 000\	(0.407)	224.050	100 1010/	240 744	150,714	(543)	(15,017)	(22,526)	112,629	2,346,165	24	2046	02/01/47
100%	234,185	(5,860)	(3,467)	224,858	138.181%	310,711	155,355	(559)	(15,480)	(23,219)	116,097	2,390,161	24.5		08/01/47
1000/	2/1 211	(E 060)	(2 571)	224 777	130 1010/	220 272	155,355 160,136	(559) (576)	(15,480) (15,056)	(23,219)	116,097 119,670	2,433,295	25 25.5		02/01/48 08/01/48
100%	241,211	(5,860)	(3,574)	231,777	138.181%	320,272	160,136 160,136	(576) (576)	(15,956) (15,956)	(23,934) (23,934)	119,670	2,476,884 2,519,618	25.5 26		
	Total						5,836,556	(21,012)	(581,554)	(872,332)	4,361,658	۷,518,610	20	2040	02/01/49
		esent Value Fro	om 02/01/2023	Present Value Rate	4.00%		3,371,628	(12,138)	(335,949)	(503,924)	2,519,618				

### **Appendix C: Findings Including But/For Qualifications**

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for 2020-2 Tax Increment Financing District: Emi (the "District"), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. Finding that 2020-2 Tax Increment Financing District: Emi is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.

The District consists of one parcel and vacant right-of-way, with plans to redevelop the area for the development of a mixed-use project including approximately 42 units of apartments and 1,358 square feet of commercial space. Parcels consisting of 70 percent of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of 2020-2 Tax Increment Financing District: Emi permitted by the TIF Plan.

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a pro forma as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, construction costs, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.

- b. If the proposed development occurs, the total increase in market value will be \$8,639,180.
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$3,371,628.
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$5,267,552 (the amount in clause b less the amount in clause c) without tax increment assistance.
- 3. Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.
  - The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.
- 4. Finding that the TIF Plan for 2020-2 Tax Increment Financing District: Emi will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Richfield Redevelopment Project Area by private enterprise.

The project to be assisted by the District will result in an increase in the availability of safe and decent life-cycle housing in the City, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Appendix D:	Redevelopment Qua	lifications for the Dist	trict

REPORT OF INSPECTION PROCEDURES AND RESULTS FOR
DETERMINING QUALIFICATIONS OF A
TAX INCREMENT FINANCING DISTRICT AS A REDEVELOPMENT DISTRICT

# 101 66TH STREET EAST REDEVELOPMENT TIF DISTRICT

**RICHFIELD, MINNESOTA** 



October 20, 2020

Prepared for the

CITY OF RICHFIELD, MINNESOTA

Prepared by:

LHB, Inc. 701 Washington Avenue North, Suite 200 Minneapolis, Minnesota 55401

LHB Project No. 200617



# **Table of Contents**

Part 1: Execut	tive Summary	2
Purpose of th	ne Evaluation	2
Scope of Wor	rk	2
Conclusion		3
Part 2: Minnes	sota Statute 469.174, Subdivision 10 Requirements	3
Interior Inspe	ction	3
Exterior Inspe	ection and Other Means	3
Documentation	on	3
Qualification	Requirements	3
1. Coverage	Test	3
2. Condition	of Buildings Test	4
3. Distributio	n of Substandard Buildings	5
Part 3: Proced	dures Followed	5
Part 4: Finding	gs	5
1. Coverage	_ Test	5
_	of Building Test	
3. Distribution	n of Substandard Structures	8
Part 5: Team	Credentials	9
Appendices		9
APPENDIX A		
APPENDIX B	Building Code, Condition Deficiency and Context Analysis Reports	
APPENDIX C	Building Replacement Cost Reports	
	Code Deficiency Cost Reports	
	Photographs	

# **Part 1: Executive Summary**

### **Purpose of the Evaluation**

LHB was hired by the City of Richfield to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is bounded by 1<sup>st</sup> Avenue South, 66<sup>th</sup> Street East, and Stevens Avenue (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on one (1) parcel, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



**Diagram 1: Proposed TIF District** 

### **Scope of Work**

The proposed TIF District consists of one (1) parcel with three (3) buildings and one (1) outbuilding. Three (3) buildings were inspected on September 8, 2020. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are located in Appendix B.

### Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes*, *Section 469.174*, *Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

# Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes*, Section 469.174, Subdivision 10(c), which states:

### **Interior Inspection**

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

### **Exterior Inspection and Other Means**

"An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

### **Documentation**

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

### **Qualification Requirements**

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

### 1. COVERAGE TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a)(1) states:
  - "parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."
- b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes*, *Section* 469.174, *Subdivision* 10(e), which states:
  - "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

#### 2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:
  - "...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"
- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:
  - "For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."
  - i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes*, *Section* 469.174, *Subdivision* 10(b) defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales*, *Inc. vs. City of Richfield* case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:
  - "A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
  - 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
  - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*..."
  - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
  - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
  - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
  - 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

#### 3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district.":
  - "(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
  - (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
  - (3) tank facilities, or property whose immediately previous use was for tank facilities..."
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the Walser Auto Sales, Inc. vs. City of Richfield case filed November 13, 2001.

## Part 3: Procedures Followed

LHB inspected three (3) of the three (3) buildings during the day of September 8, 2020.

For the purposes of our work, we are defining buildings as those structures inhabited by human beings. These structures would typically include water, sewer and electricity. Barns and small storage facilities, and garages are considered "outbuildings" which are not typically considered in TIF analysis because they have very few code requirements and are not intended for human occupation.

## Part 4: Findings

### 1. Coverage Test

- a. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

#### **FINDING**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174*, *Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under Minnesota Statutes, Section 469.174, Subdivision (a) (1).



Diagram 2 - Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

### 2. Condition of Building Test

### a. BUILDING INSPECTION

i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building "appears" to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

#### b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2020.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Richfield, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

#### c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2020; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

#### **FINDING**

Three (3) out of three (3) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

### d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then in order for such building to be "structurally substandard" under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building's defects or deficiencies should be of sufficient total significance to justify "substantial renovation or clearance." Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.
- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify "substantial renovation or clearance."

#### **FINDING**

In our professional opinion, three (3) out of three (3) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

### 3. Distribution of Substandard Structures

a. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

#### **FINDING**

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings. In addition, the substandard buildings are reasonably distributed within the parcels that contain buildings.



Diagram 3 - Substandard Buildings

Shaded green area depicts parcels with buildings. Shaded orange area depicts substandard buildings.

## **Part 5: Team Credentials**

### Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 32 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

### Philip Waugh - Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

### Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

## **Appendices**

**APPENDIX A** Property Condition Assessment Summary Sheet

**APPENDIX B** Building Code, Condition Deficiency and Context Analysis Reports

APPENDIX C Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

## **APPENDIX A**

Property Condition Assessment Summary Sheet

## 101 66<sup>th</sup> Street East Redevelopment TIF District

Property Condition Assessment Summary Sheet

Richfield, Minnesota

TIF Map No.	PID#	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard		
Α		101 66th St E		Exterior												
1	2702824420134	6605 1st Avenue South	Improved	- Improved	Improved	Interior/Exterior	42,823	14,977	35.0%	42,823	2	\$975,816	\$146,372	\$338,762	1	1
2	2702024420134	6600 Stevens Avenue				Interior/Exterior	42,023	14,977	35.0%	42,023	3	\$110,937	\$16,640	\$39,897	1	1
3	- <b>3</b>	6608 Stevens Avenue		Interior/Exterior						\$91,424	\$13,714	\$17,189	1	1		
TOTALS	6				42,823			42,823	3				3	3		
						Tota	l Coverage Percent:	100.0%								
Percent of buildings exceeding 15 percent code deficiency threshold: 100.0%																
https://share.ll	https://share.lhbcorp.com/PD/Spelns/PD Special Inspections/TIF Analysis Templates/[Redevelopment TIF Summary Spreadsheet Templates.xlsx]Property Info  Percent of buildings determined substandard:									100.0%						

## **APPENDIX B**

Building Code, Condition Deficiency and Context Analysis Reports

Building Code, Condition Deficiency and Context Analysis Report

Parcel A Building 1 Church / Office

Address: 6605 1st Ave South, Richfield, Minnesota 55423

Parcel ID: 27-028-24-42-0134

Inspection Date(s) & Time(s): September 8, 2020 9:30 am

Inspection Type: Interior and Exterior

Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.

- Building Code deficiencies total more than 15% of replacement cost, NOT

including energy code deficiencies.

Estimated Replacement Cost: \$975,816

Estimated Cost to Correct Building Code Deficiencies: \$338,762

Percentage of Replacement Cost for Building Code Deficiencies: 34.72%

#### **DEFECTS IN STRUCTURAL ELEMENTS**

None observed

#### **COMBINATION OF DEFICIENCIES**

- 1. Essential Utilities and Facilities
  - a. There are no code required accessible parking spaces.
  - b. There is no code compliant accessible route into the building.
  - c. There is no code required accessible route to all levels of the building.
  - d. There are no utilities connected to the building.
  - e. Drinking fountain is not accessible per code.
- 2. Light and Ventilation
  - a. The HVAC system is not code compliant.
- 3. Fire Protection/Adequate Egress
  - a. Thresholds do not comply with code for maximum height.
  - b. Exterior stairways do not comply with code.
  - c. Door hardware is not code compliant.
  - d. Emergency lighting is not code compliant.
  - e. Smoke detectors are not code compliant.
  - f. Emergency notification system is not code compliant.
  - g. There is no code required building sprinkler system in the building.
  - h. Interior stairways are not code compliant.
  - i. Flooring is damaged/missing creating an impediment to emergency egress, contrary to code.
  - j. Sidewalks are damaged, creating an impediment to emergency egress, which is contrary to code.

- 4. Layout and Condition of Interior Partitions/Materials
  - a. Walls should be repaired/repainted.
  - b. Carpeting is stained and should be replaced.
  - c. Ceilings are damaged from water intrusion from failed roofing material.
  - d. Mold is present on walls and ceilings.
- Exterior Construction
  - a. Siding is damaged, allowing for water intrusion, contrary to code.
  - b. Wood siding and trim should be repainted.
  - c. Windows have failed, allowing for water intrusion, contrary to code.
  - d. Roofing material has failed, allowing for water intrusion, contrary to code.

#### DESCRIPTION OF CODE DEFICIENCIES

- 1. Code required accessible parking spaces should be created.
- 2. A code required accessible route into the building should be created.
- 3. A code required accessible route to all levels should be created.
- 4. A code required accessible drinking fountain should be installed.
- 5. Restrooms are not accessible per code.
- 6. The HVAC system is not code compliant.
- 7. Thresholds do not comply with code for maximum height.
- 8. Exterior stairways do not comply with code.
- 9. Door hardware is not code compliant.
- 10. Emergency lighting is not code compliant.
- 11. Smoke detectors are not code compliant.
- 12. Emergency notification system is not code compliant.
- 13. There is no code required building sprinkler system.
- 14. Interior stairways are not code compliant.
- 15. Damaged/missing flooring is creating an impediment to emergency egress, contrary to code.
- 16. Damaged sidewalks are creating an impediment to emergency egress, contrary to code.
- 17. Siding is damaged allowing for water intrusion, contrary to code.
- 18. Windows have failed, allowing for water intrusion, contrary to code.
- 19. Roofing material has failed, allowing for water intrusion, contrary to code.

#### **OVERVIEW OF DEFICIENCIES**

This multi-level building most recently housed a church but is currently vacant. The building is not code compliant for accessibility. The building walls, windows and roofing material are compromised, allowing for water intrusion, contrary to code. The exterior walls and wood surfaces should be repaired/repainted. None of the life safety systems are code compliant and the building does not have a code required sprinkler system. All stairways do not comply with code. Interior walls and ceilings should be repaired/repainted. Flooring is damaged and should be replaced. The HVAC system does not comply with code.

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Building Code, Condition Deficiency and Context Analysis Report

Parcel A Building 2	Residence
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Address: 6600 Stevens Ave, Richfield, Minnesota 55423

Parcel ID: 27-028-24-42-0134

Inspection Date(s) & Time(s): September 8, 2020 10:00 am

Inspection Type: Interior and Exterior

Summary of Deficiencies: It is our professional opinion that this building is <u>Substandard</u> because:

- Substantial renovation is required to correct Conditions found.

Building Code deficiencies total more than 15% of replacement cost, NOT

including energy code deficiencies.

Estimated Replacement Cost: \$110,937

Estimated Cost to Correct Building Code Deficiencies: \$39,897

Percentage of Replacement Cost for Building Code Deficiencies: 35.96%

#### **DEFECTS IN STRUCTURAL ELEMENTS**

1. Foundation is cracked, allowing for water intrusion, contrary to code.

#### **COMBINATION OF DEFICIENCIES**

- 1. Essential Utilities and Facilities
  - a. There is no electrical connection to the building.
  - b. There is no potable water connection to the building.
- 2. Light and Ventilation
  - a. The HVAC system does not comply with code.
- 3. Fire Protection/Adequate Egress
  - a. There are no code required Ground Fault Circuit Interrupters in the building.
  - b. There are no code required Arc Fault Circuit Interrupters in the building.
  - c. Basement stairs do not comply with code.
  - d. Smoke detectors do not comply with code.
  - e. There are no code required carbon monoxide detectors in the building.
- 4. Layout and Condition of Interior Partitions/Materials
  - a. Interior walls are damaged and should be repaired/repainted.
  - b. Carpeting should be replaced.
  - c. Basement floor to ceiling height does not comply with code.

- 5. Exterior Construction
  - a. Wood siding and trim needs to be repainted.
  - b. Gutters should be cleaned of vegetation.
  - c. Windows have failed, allowing for water intrusion, contrary to code.
  - d. Wood fascia boards are rotted, allowing for water intrusion, contrary to code.
  - e. Concrete stoop is damaged and should be repaired/replaced.
  - f. Roofing material has failed, allowing for water intrusion, contrary to code.

#### **DESCRIPTION OF CODE DEFICIENCIES**

- 1. Cracked foundation is allowing water intrusion, contrary to code.
- 2. The HVAC system does not comply with code.
- 3. Code required GFCI's should be installed.
- 4. Code required AFCI's should be installed.
- 5. Basement stairs do not comply with code.
- 6. Smoke detectors do not comply with code.
- 7. There are no code required carbon monoxide detectors in the building.
- 8. Basement floor to ceiling height does not comply with code.
- 9. Windows have failed, allowing for water intrusion, contrary to code.
- 10. Replace rotted fascia to prevent water intrusion per code.
- 11. Roofing material has failed, allowing for water intrusion, contrary to code.

#### **OVERVIEW OF DEFICIENCIES**

This residential dwelling is currently vacant. All utilities have been disconnected. The concrete foundation is cracked, allowing for water intrusion, contrary to code. The roofing material, wood fascia, and windows have failed, allowing for water intrusion, contrary to code. Exterior wood trim and siding should be repainted. Interior walls are damaged and should be repaired/repainted. Carpeting should be replaced. There are no code required GFCl's and AFCl's in the building. Smoke detectors are not code compliant. There are no code required carbon monoxide detectors. Basement stairs do not comply with code. The basement floor to ceiling height does not comply with code.

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Building Code, Condition Deficiency and Context Analysis Report

### Parcel A Building 3 Residence

Address: 6608 Stevens Ave, Richfield, Minnesota 55423

Parcel ID: 27-028-24-42-0134

Inspection Date(s) & Time(s): September 8, 2020 10:30 am

Inspection Type: Interior and Exterior

Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

Substantial renovation is required to correct Conditions found.

Building Code deficiencies total more than 15% of replacement cost, NOT

including energy code deficiencies.

Estimated Replacement Cost: \$91,424

Estimated Cost to Correct Building Code Deficiencies: \$17,189

Percentage of Replacement Cost for Building Code Deficiencies: 18.80%

#### **DEFECTS IN STRUCTURAL ELEMENTS**

None observed

#### Combination of Deficiencies

- 1. Essential Utilities and Facilities
  - a. There are no utilities connected to the building.
- 2. Light and Ventilation
  - a. HVAC system does not comply with code.
- 3. Fire Protection/Adequate Egress
  - a. Basement stairway does not comply with code.
  - b. Ground Fault Circuit Interrupters are not code compliant.
  - c. There are no code required Arc Fault Circuit Interrupters in the building.
  - d. Smoke detectors are not code compliant.
  - e. There is no code required egress window in the basement.
- 4. Layout and Condition of Interior Partitions/Materials
  - a. Interior ceilings are damaged and should be repaired.
  - b. Interior walls are damaged and should be repaired/repainted.
  - c. Carpeting should be replaced.

- 5. Exterior Construction
  - a. Sidewalk is damaged and should be replaced.
  - b. Exterior steps are damaged and should be replaced.
  - c. Windows have failed, allowing for water intrusion, contrary to code.
  - d. Exterior would trim should be repainted.
  - e. Chimney is failing, allowing for water intrusion, contrary to code.
  - f. Rear concrete steps are damaged and should be repaired/replaced.

#### **DESCRIPTION OF CODE DEFICIENCIES**

- 1. The plumbing system does not comply with code.
- 2. The HVAC system does not comply with code.
- 3. Basement stairway does not comply with code.
- 4. GFCI's are not code compliant.
- 5. There are no code required AFCI's in the building.
- 6. There are no code required carbon monoxide detectors.
- 7. The smoke detectors are not code compliant.
- 8. Basement bathroom is not code compliant.
- 9. Windows have failed, allowing for water intrusion, contrary to code and should be replaced.
- 10. Chimney is failing, allowing for water intrusion, contrary to code and should be replaced.
- 11. A code required egress window should be installed in the basement.

#### **OVERVIEW OF DEFICIENCIES**

This residential dwelling is currently vacant, and all utilities are disconnected. Entrance into the building is hampered by damaged sidewalks and concrete stairs. Windows have failed, allowing for water intrusion, and should be replaced. The chimney is failing, allowing for water intrusion, contrary to code. The HVAC system does not comply with code. The basement stairway does not comply with code. The GFCl's are not code compliant and there are no code required AFCl's. Carpeting is damaged and should be replaced. Smoke detectors do not comply with code. Interior ceilings and walls are damaged and should be repaired/replaced. The basement bathroom does not comply with code.

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## **APPENDIX C**

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

Replacement Cost Report

from GORDIA	are Foot Cost Estimate Report	Date:	9/8/2020
Estimate Name:	6605 1st Ave S		
Building Type:	Church/Office, 2-4 Story with Wood Siding / Wood Frame		
Location:	RICHFIELD, MN		
Story Count:	2		
Story Height (L.F.): Floor Area (S.F.):	10 4940		
Labor Type: Basement	OPN		
Included:	Yes		
Data Release: Cost Per Square Building Cost:	Year 2019 \$197.53 \$975,815.57	Costs are derived from a building model with Scope differences and market conditions car significantly.	

		% of		
		Total	Cost Per S.F.	Cost
A	Substructure	12.80%	\$21.98	\$108,589.19
A1010	Standard Foundations		\$5.54	\$27,357.09
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		\$1.86	\$9,178.80
A10102107700	Spread footings, 3000 PSI concrete, load 200K, soil bearing capacity 6 KSF, 6' - 0" square x 20" deep		\$3.68	\$18,178.29
A1030	Slab on Grade		\$2.86	\$14,144.01
A10301202240	Slab on grade, 4" thick, non industrial, reinforced		\$2.86	\$14,144.01
A2010	Basement Excavation		\$1.98	\$9,802.49
A20101104620	Excavate and fill, 10,000 SF, 8' deep, sand, gravel, or common earth, on site storage		\$1.98	\$9,802.49
A2020	Basement Walls		\$11.60	\$57,285.60
A20201107260	Foundation wall, CIP, 12' wall height, pumped, .444 CY/LF, 21.59 PLF, 12" thick		\$11.60	\$57,285.60
В	Shell	30.68%	\$52.71	\$260,367.30
B1010	Floor Construction		\$25.94	\$128,124.89
B10102030860	Cast-in-place concrete column, 12" square, tied, 200K load, 12' story height, 142 lbs/LF, 4000PSI		\$4.05	\$19,992.42
B10102103450	Wood column, 8" x 8", 20' x 20' bay, 10' unsupported height, 133 BF/MSF, 160 PSF total allowable load		\$0.22	\$1,110.86
B10102103450	Wood column, 8" x 8", 20' x 20' bay, 10' unsupported height, 133 BF/MSF, 160 PSF total allowable load		\$0.22	\$1,110.86
B10102221720	Flat slab, concrete, with drop panels, 6" slab/2.5" panel, 12" column, 15'x15' bay, 75 PSF superimposed load, 153 PSF total load		\$7.13	\$35,211.58
B10102643050	Wood beam and joist floor, 12"x16" girder, 8"x16" beam, 2x10 joists @ 16", 20'x20' bay, 75 PSF LL, 102 PSF total load		\$8.81	\$43,541.88
B10107203700	Fireproofing, gypsum board, fire rated, 2 layer, 1" thick, 14" steel column, 3 hour rating, 22 PLF		\$5.50	\$27,157.29
B1020	Roof Construction		\$4.65	\$22,971.00

* B10201023700	Wood roof, flat rafter, 2" x 10", 12" O.C.		\$4.65	\$22,971.00
B2010	Exterior Walls		\$11.62	\$57,413.72
B20101484850	Wood siding, 2"x6" studs 16"OC, insulated wall, 8" plain vinyl siding		\$10.82	\$53,454.19
B20101907600	Insulation, fiberglass batts, 6" thick, R19		\$0.80	\$3,959.53
B2020	Exterior Windows		\$5.79	\$28,584.24
B20201066550	Windows, aluminum, awning, insulated glass, 4'-5" x 5'-3"		\$5.79	\$28,584.24
B2030	Exterior Doors		\$1.43	\$7,059.58
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening		\$0.75	\$3,688.51
B20301107300	Door, aluminum & glass, with transom, bronze finish, hardware, 3'-0" x 10'-0" opening		\$0.39	\$1,907.59
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening		\$0.30	\$1,463.48
B3010	Roof Coverings		\$3.28	\$16,213.87
* B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt,		\$3.20	\$15,808.00
B30106200100	Downspout, aluminum, rectangular, 2" x 3", embossed mill finish, .020" thick		\$0.08	\$405.87
C	Interiors	14.80%	\$25.42	\$125,597.04
C1010	Partitions		\$3.65	\$18,006.41
C10101241200	Wood partition, 5/8"fire rated gypsum board face, none base,2 x 4,@ 16" OC framing,same opposite face, 0 insul		\$1.42	\$7,009.78
C10101241425	Wood partition, 5/8" fire rated gypsum board face, 1/4"sound deadening gypsum board, 2x4 @ 16" OC framing, same opposite face, sound attenuation		\$1.05	\$5,165.36
C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"		\$0.72	\$3,532.75
C10101280960	Add for the following: taping and finishing		\$0.47	\$2,298.52
C1020	Interior Doors		\$4.01	\$19,804.22
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		\$4.01	\$19,804.22
C1030	Fittings		\$0.23	\$1,138.82
C10301100420	Toilet partitions, cubicles, ceiling hung, plastic laminate		\$0.23	\$1,138.82
C2010	Stair Construction		\$4.47	\$22,095.89
C20101100720	Stairs, steel, pan tread for conc in-fill, picket rail,12 risers w/ landing		\$4.47	\$22,095.89
C3010	Wall Finishes		\$1.36	\$6,714.08
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats		\$0.72	\$3,566.40
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats		\$0.64	\$3,147.68
C3020	Floor Finishes		\$5.26	\$25,960.59
C30204100080	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 35 oz		\$3.15	\$15,568.00
C30204101600	Vinyl, composition tile, maximum		\$0.91	\$4,506.02
C30204101720	Tile, ceramic natural clay		\$1.19	\$5,886.57
C3030	Ceiling Finishes		\$6.45	\$31,877.03
C30302106000	Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support		\$6.45	\$31,877.03
D	Services	41.72%	\$71.66	\$353,981.75
D1010	Elevators and Lifts		\$11.97	\$59,125.08
D10101108900	Hydraulic passenger elevator, 3000 lb, 3 floors,12' story height, 2 car group,125 FPM		\$11.97	\$59,125.08
D2010	Plumbing Fixtures		\$2.12	\$10,481.74
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung		\$0.86	\$4,260.32

D20102102000	Urinal, vitreous china, wall hung		\$0.14	\$686.86
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"		\$0.26	\$1,289.98
D20104404340	Service sink w/trim, PE on CI,wall hung w/rim guard, 24" x 20"		\$0.57	\$2,819.95
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		\$0.29	\$1,424.63
D2020	Domestic Water Distribution		\$0.60	\$2,952.74
D20202501860	Gas fired water heater, commercial, 100< F rise, 100 MBH input, 91 GPH		\$0.60	\$2,952.74
D3050	Terminal & Package Units		\$17.58	\$86,828.16
D30501553960	Rooftop, multizone, air conditioner, offices, 25,000 SF, 79.16 ton		\$17.58	\$86,828.16
D4010	Sprinklers		\$3.79	\$18,725.68
D40104100600	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 5000 SF		\$1.67	\$8,248.16
D40104100720	Wet pipe sprinkler systems, steel, light hazard, each additional floor, 5000 SF		\$1.85	\$9,136.46
D40104108930	Standard High Rise Accessory Package 3 story		\$0.27	\$1,341.06
D4020	Standpipes		\$1.03	\$5,106.24
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		\$0.56	\$2,763.70
D40203101560	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors		\$0.47	\$2,342.54
D5010	Electrical Service/Distribution		\$14.95	\$73,852.39
D50101200440	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 1000 A		\$3.90	\$19,267.25
D50102300440	Feeder installation 600 V, including RGS conduit and XHHW wire, 1000 A		\$4.99	\$24,648.80
D50102400320	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 1200 A		\$6.06	\$29,936.34
D5020	Lighting and Branch Wiring		\$13.34	\$65,903.23
D50201100640	Receptacles incl plate, box, conduit, wire, 16.5 per 1000 SF, 2.0 W per SF, with transformer		\$4.99	\$24,628.07
D50201350320	Miscellaneous power, 1.2 watts		\$0.34	\$1,704.20
D50201400280	Central air conditioning power, 4 watts		\$0.62	\$3,065.96
D50201452080	Motor installation, three phase, 460 V, 15 HP motor size		\$1.05	\$5,204.96
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		\$6.34	\$31,300.04
D5030	Communications and Security		\$6.28	\$31,006.49
D50303101020	Telephone wiring for offices & laboratories, 8 jacks/MSF		\$1.69	\$8,347.22
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire		\$2.10	\$10,389.31
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit		\$0.66	\$3,239.17
D50309200110	Internet wiring, 8 data/voice outlets per 1000 S.F.		\$1.83	\$9,030.79
E	Equipment & Furnishings	0.00%	\$0.00	\$0.00
E1090	Other Equipment		\$0.00	\$0.00
F	Special Construction	0.00%	\$0.00	\$0.00
G	Building Sitework	0.00%	\$0.00	\$0.00
SubTotal	(0 10 19) 0 1 10 50	100%	\$171.77	\$848,535.28
	(General Conditions,Overhead,Profit)	15.0 %	\$25.77	\$127,280.29
Architectural Fe	es	0.0 %	\$0.00	\$0.00
User Fees		0.0 %	\$0.00	\$0.00
Cost			\$197.53	\$975,815.57

Code Deficiency Cost Report

### Parcel A Building 1 - 6605 1st Ave South, Richfield, MN 55423

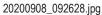
Parcel ID 27-028-24-42-0134

Church / Office

Code Related Cost Items	Uı	nit Cost	Unit Quantity	Units		Total
Accessibility Items						
Accessible Parking						
Create accessible parking spaces per code	\$	100.00	EA	2	\$	200.00
Accessible Routes	*			_	*	
Create an accessible route into the building per code	\$ 2	2,500.00	Lump	1	\$	2,500.00
Create an accessible route to all levels of the building per code	\$	11.97	SF	4,940	\$	59,131.80
Drinking Fountain						
Install an accessible drinking fountain per code	\$	0.29	SF	4,940	\$	1,432.60
Structural Elements						
					\$	-
Exiting						
Thresholds					\$	-
Modify thresholds to comply with code for maximum height	\$	100.00	EA	6	\$	600.00
Stairways						
Install code compliant exterior stairway	\$	2.23	SF	4,940	\$	11,016.20
Install code compliant interior stairways	\$	2.23	SF	4,940	\$	11,016.20
Door Hardware						
Install code compliant door hardware	\$	150.00	EA	14	\$	2,100.00
Flooring Material						
Replace damaged flooring material to create an unimpeded means for emergency egress per code	\$	3.15	SF	4,940	\$	15,561.00
Sidewalks	Ψ	5.15	Oi	4,540	Ψ	13,301.00
Repair replace damaged sidewalks to create an unimpeded means for						
emergency egress per code	\$ 5	5,000.00	Lump	1	\$	5,000.00
Fire Protection						
Emergency Lighting						
Install code compliant emergency lighting	\$	1.00	SF	4,940	\$	4,940.00
Emergency Notification System						
Install code compliant emergency notification system	\$	0.66	SF	4,940	\$	3,260.40
Smoke Detectors						
Install code compliant smoke detectors	\$	2.10	SF	4,940	\$	10,374.00
Building Sprinkler System						
Install code required building sprinkler system	\$	4.82	SF	4,940	\$	23,810.80

Code Related Cost Items	Ur	nit Cost	Unit Quantity	Units		Total
Exterior Construction						
Siding						
Replace failed siding to prevent water intrusion per code	\$	10.82	SF	4,940	\$	53,450.80
Windows						
Replace failed windows to prevent water intrusion per code	\$	5.79	SF	4,940	\$	28,602.60
Roof Construction						
Roofing Material						
Remove failed roofing material	\$	0.55	SF	4,940	\$	2,717.00
Install roofing material to prevent water intrusion per code	\$	3.28	SF	4,940	\$	16,203.20
Mechanical- Electrical						
Mechanical						
Install code compliant HVAC system	\$	17.58	SF	4,940	\$	86,845.20
		Total (	Code Impr	ovement	s \$	338,762







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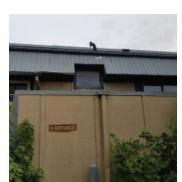
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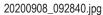


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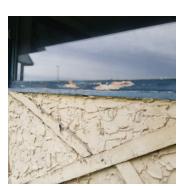
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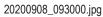


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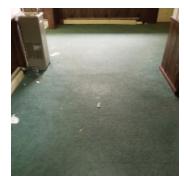
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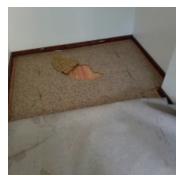
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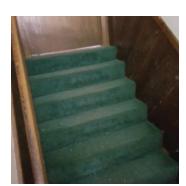
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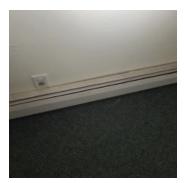
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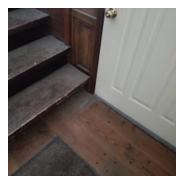
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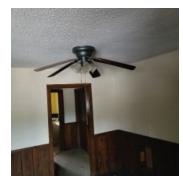
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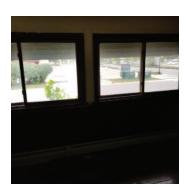
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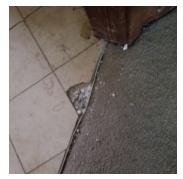
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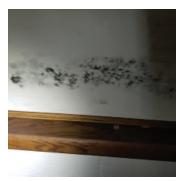
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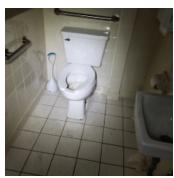
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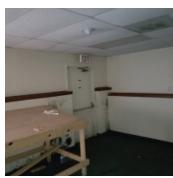
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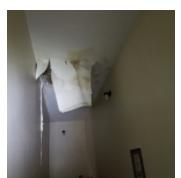
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## Replacement Cost Report

RSMeans data from GORDIAN	Square Foot Cost Estimate Report	Date: 9/8/2020
Estimate Name:	6600 Stevens Ave	
Building Type:	Economy 1 Story with Wood Siding - Wood Frame	
Location:	RICHFIELD, MN	7 A. See 7
Story Count:	1	TO THE STATE OF TH
Story Height (L.F.):	8.00	
Floor Area (S.F.):	650	
Labor Type:	RES	
Basement:	Unfinished	
Data Release:	Year 2019	Costs are derived from a building model with basic components.
Cost Per Square Foot:	\$170.67	Scope differences and market conditions can cause costs to vary significantly.
Building Cost:	\$110,936.50	

		% of Total	Cost Per S.F.	Cost
01	Site Work	3.10%	\$4.60	\$2,990.39
0104034	Footing excavation, building, 26' x 46', 4' deep		\$4.60	\$2,990.39
02	Foundation	21.96%	\$32.59	\$21,185.93
0204030	Footing systems, 10" thick by 20" wide footing		\$3.74	\$2,428.23
0208034	Block wall systems, 8" wall, grouted, full height		\$13.07	\$8,498.32
0208034	Block wall systems, 8" wall, grouted, full height		\$11.44	\$7,436.03
0220034	Floor slab systems, 4" thick slab		\$4.34	\$2,823.35
03	Framing	12.99%	\$19.28	\$12,534.03
0302106	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		\$2.07	\$1,344.65
0302112	Floor framing, bridging, wood 1" x 3", joists 16" OC		\$0.40	\$258.49
0302119	Box sills, #2 or better pine, 2" x 8"		\$0.31	\$202.13
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$6.15	\$3,995.93
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		\$7.21	\$4,684.16
0348026	Partition framing systems, 2" x 4", 16" OC		\$3.15	\$2,048.67
04	Exterior Walls	19.79%	\$29.36	\$19,087.23
0408034	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		\$14.35	\$9,326.02
0420043	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		\$0.99	\$645.63
0420051	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		\$1.57	\$1,023.26
0440026	Sliding window systems, builder's quality wood window, 3' x 2'		\$8.61	\$5,599.66
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		\$2.95	\$1,916.64
0460025	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		\$0.89	\$576.02
05	Roofing	3.69%	\$5.48	\$3,561.08
0504034	Gable end roofing, asphalt, roof shingles, class A		\$5.48	\$3,561.08
06	Interiors	19.80%	\$29.38	\$19,095.91
0604026	Wall system, 1/2" drywall, taped & finished		\$9.19	\$5,970.88

09	Electrical 100 amp electric service	3.21%	<b>\$4.77</b> <b>\$1.89</b>	\$3,098.63 \$1,226.27
09	Electrical	3.21%	\$4.77	\$3,098.63
0860147	Plenum, heating only, 100 MBH		\$0.27	\$175.25
0860143	Thermostat, manual, 1 set back		\$0.19	\$125.58
0860139	Return air grille, area to 1500 SF 12" x 12"		\$0.10	\$63.14
0860137	Floor registers, enameled steel w/damper, to 1500 SF		\$0.34	\$219.09
0860135	Register elbows, to 1500 SF		\$0.52	\$339.33
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		\$0.91	\$592.31
0860121	Return duct, sheet metal galvanized, to 1500 SF		\$1.02	\$665.85
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		\$0.85	\$554.63
0860109	Intermittent pilot, 100 MBH furnace		\$0.43	\$282.15
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF			\$1,196.44
	Three fixture bathroom with wall hung lavatory		\$7.33 \$1.84	\$4,766.85 \$1.106.44
0812046		9.3170	\$7.33	
0712039 08	Water heater, electric, 30 gallon  Mechanical	9.31%	\$2.12 \$13.82	\$1,377.47 \$8,980.62
0712035	Sinks, stainless steel, single bowl 16" x 20"		\$2.62	\$1,703.51
0708026	Kitchen, economy grade		\$4.39	\$2,851.72
07	Specialties	6.15%	\$9.13	\$5,932.70
0690137	Basement stairs, open risers		\$1.82	\$1,181.05
0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		\$1.08	\$699.37
0664029	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		\$1.40	\$907.26
0660038	Underlayment plywood, 1/2" thick		\$2.11	\$1,373.56
0660027	Padding, sponge rubber cushion, minimum		\$0.77	\$500.61
0660017	Carpet, Olefin, 15 oz		\$2.07	\$1,348.57
0620026	Lauan, flush door, hollow core, interior		\$8.19	\$5,326.03
	1/2" gypsum wallboard, taped & finished ceilings		\$2.75	\$1,788.58

Code Deficiency Cost Report

### Parcel A Building 2 - 6600 Stevens Ave, Richfield, MN 55423

Parcel ID 27-028-24-42-0134

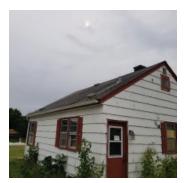
Residence

Code Related Cost Items	Uı	nit Cost	Unit Quantity	Units		Total
Accessibility Items						
•						
					\$	-
Structural Elements						
Foundation						
Repair cracked foundation to prevent water intrusion per code	\$ 1	1,000.00	Lump	1	\$	1,000.00
Exiting						
Basement Stairway						
Install code compliant basement stairway	\$	1.82	SF	650	\$	1,183.00
Basement Floor to Ceiling Height						
Modify basement floor to ceiling height to comply with code	\$	32.00	SF	650	\$	20,800.00
Fire Protection						
Ground Fault Circuit Interrupter's						
Install code required GFCI's	\$	150.00	EA	3	\$	450.00
Arc Fault Circuit Interrupter's						
Install code required AFCI's	\$	150.00	EA	8	\$	1,200.00
Smoke Detectors						
Install code compliant smoke detectors	\$	150.00	EA	3	\$	450.00
Carbon Monoxide Detectors						
Install code compliant carbon monoxide detectors	\$	150.00	EA	2	\$	300.00
Exterior Construction						
Windows						
Replace failed windows to prevent water intrusion per code	\$	8.61	SF	650	\$	5,596.50
Wood Fascia						
Replace rotted fascia to prevent water intrusion per code	\$	500.00	Lump	1	\$	500.00
Roof Construction						
Roofing Material						
Remove failed roofing material	\$	5.48	SF	650	\$	3,562.00
Install roofing material to prevent water intrusion per code	\$	1.00	SF	650	\$	650.00
Mechanical- Electrical						
Mechanical						
Install code compliant HVAC system	\$	6.47	SF	650	\$	4,205.50
	Total Code Improvemen				s \$	39,897

# **101 66th Street East Redevelopment TIF District**Photos: Parcel A Building 2 - Residence - 6600 Stevens Avenue







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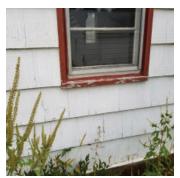
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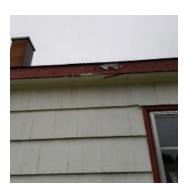
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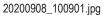
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# **101 66th Street East Redevelopment TIF District**Photos: Parcel A Building 2 - Residence - 6600 Stevens Avenue







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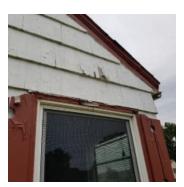
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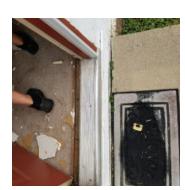
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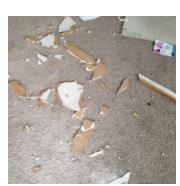
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# **101 66th Street East Redevelopment TIF District**Photos: Parcel A Building 2 - Residence - 6600 Stevens Avenue







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## Replacement Cost Report

RSMeans data	Square Foot Cost Estimate Report		Date:	9/8/2020
Estimate Name:	6608 Stevens Ave			
Building Type:	Economy 1 Story with Vinyl Siding - Wood Frame			
Location:	RICHFIELD, MN	13° & 0.39	~ ~	<u> </u>
Story Count:	1	THE CASE OF THE PARTY OF THE PA		443
Story Height (L.F.):	8.00	A TON		1 3 C
Floor Area (S.F.):	458			
Labor Type:	RES	The state of the s		
Basement:	Finished			
Data Release:	Year 2019	Cos	ts are derived from a building mod	lel with basic components.
Cost Per Square Foot:	\$199.62		pe differences and market condition	ons can cause costs to vary
Building Cost:	\$91,424.13	Sign	moanny.	

		% of Total	Cost Per S.F.	Cost
01	Site Work	3.76%	\$6.53	\$2,990.39
0104034	Footing excavation, building, 26' x 46', 4' deep		\$6.53	\$2,990.39
02	Foundation	22.03%	\$38.24	\$17,515.64
0204030	Footing systems, 10" thick by 20" wide footing		\$4.48	\$2,053.16
0208034	Block wall systems, 8" wall, grouted, full height		\$15.69	\$7,185.66
0208034	Block wall systems, 8" wall, grouted, full height		\$13.73	\$6,287.45
0220034	Floor slab systems, 4" thick slab		\$4.34	\$1,989.37
03	Framing	13.55%	\$23.52	\$10,773.02
0302106	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		\$2.07	\$947.46
0302112	Floor framing, bridging, wood 1" x 3", joists 16" OC		\$0.40	\$182.13
0302119	Box sills, #2 or better pine, 2" x 8"		\$0.31	\$142.42
0302123	Girders, including lally columns, 3 pieces spiked together, 2" x 8"		\$1.68	\$769.43
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$0.70	\$320.11
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$7.38	\$3,378.71
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		\$7.21	\$3,300.53
0348026	Partition framing systems, 2" x 4", 16" OC		\$3.78	\$1,732.23
04	Exterior Walls	14.53%	\$25.22	\$11,549.79
* 0416042	Metal & plastic siding systems, vinyl clapboard siding, 8" wide, white		\$6.67	\$3,055.50
0420043	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		\$1.19	\$545.90
0420051	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		\$1.57	\$721.00
0440026	Sliding window systems, builder's quality wood window, 3' x 2'		\$10.34	\$4,734.73
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		\$4.18	\$1,916.64
0460025	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		\$1.26	\$576.02
05	Roofing	3.16%	\$5.48	\$2,509.19
0504034	Gable end roofing, asphalt, roof shingles, class A		\$5.48	\$2,509.19

06	Interiors	21.13%	\$36.68	\$16,799.09
0604026	Wall system, 1/2" drywall, taped & finished		\$11.02	\$5,048.61
0620026	Lauan, flush door, hollow core, interior		\$10.24	\$4,691.00
0660017	Carpet, Olefin, 15 oz		\$2.07	\$950.23
0660021	Carpet, tile, foam backed, needle punch		\$5.41	\$2,475.57
0660027	Padding, sponge rubber cushion, minimum		\$0.77	\$352.74
0660038	Underlayment plywood, 1/2" thick		\$2.11	\$967.83
0664029	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		\$1.40	\$639.27
0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		\$1.08	\$492.79
0690137	Basement stairs, open risers		\$2.58	\$1,181.05
07	Specialties	7.46%	\$12.95	\$5,932.70
0708026	Kitchen, economy grade		\$6.23	\$2,851.72
0712035	Sinks, stainless steel, single bowl 16" x 20"		\$3.72	\$1,703.51
0712039	Water heater, electric, 30 gallon		\$3.01	\$1,377.47
08	Mechanical	10.39%	\$18.04	\$8,261.54
0812046	Three fixture bathroom with wall hung lavatory		\$10.41	\$4,766.85
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF		\$2.61	\$1,196.44
0860109	Intermittent pilot, 100 MBH furnace		\$0.62	\$282.15
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		\$0.85	\$390.80
0860121	Return duct, sheet metal galvanized, to 1500 SF		\$1.02	\$469.16
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		\$0.91	\$417.35
0860135	Register elbows, to 1500 SF		\$0.52	\$239.10
0860137	Floor registers, enameled steel w/damper, to 1500 SF		\$0.34	\$154.37
0860139	Return air grille, area to 1500 SF 12" x 12"		\$0.10	\$44.49
0860143	Thermostat, manual, 1 set back		\$0.27	\$125.58
0860147	Plenum, heating only, 100 MBH		\$0.38	\$175.25
09	Electrical	3.98%	\$6.92	\$3,167.88
0910036	100 amp electric service		\$2.68	\$1,226.27
0930018	Duplex receptacles using non-metallic sheathed cable		\$1.70	\$777.90
0935112	Wiring device systems, economy to 1200 S.F.		\$2.00	\$918.11
0945112	Light fixture systems, economy to 1200 S.F.		\$0.54	\$245.60
SubTotal		100%	\$173.58	\$79,499.24
Contractor Fees (General Conditions, Overhead, Profit)		15.0 %	\$26.04	\$11,924.89
Architectural Fees	1	0.0 %	\$0.00	\$0.00
User Fees		0.0 %	\$0.00	\$0.00
<b>Total Building Cos</b>	st .		\$199.62	\$91,424.13

### 101 66th Street East Redevelopment TIF District

Code Deficiency Cost Report

#### Parcel A Building 3 - 6608 Stevens Ave, Richfield, Minnesota 55423

Parcel ID 27-028-24-42-0134

Residence

Code Related Cost Items	Ur	nit Cost	Unit Quantity	Units		Total
Accessibility Items						
Bathroom						
Install code compliant basement bathroom	\$	5.20	SF	458	\$	2,381.60
Structural Elements						
					\$	-
Exiting						
Stairway						
Modify basement stairway to comply with code	\$	2.58	SF	458	\$	1,181.64
Egress Window						
Install basement egress window per code	\$ 2	2,500.00	Lump	1	\$	2,500.00
Fire Protection						
Ground Fault Circuit Interrupter's						
Install code required GFCI's	\$	150.00	EA	3	\$	450.00
Arc Fault Circuit Interrupter's						
Install code required AFCI's	\$	150.00	EA	8	\$	1,200.00
Smoke Detectors						
Install code compliant smoke detectors	\$	150.00	EA	3	\$	450.00
Carbon Monoxide Detectors						
Install code compliant carbon monoxide detectors	\$	150.00	EA	2	\$	300.00
Exterior Construction						
Windows						
Install new windows to prevent water intrusion per code	\$	10.34	SF	458	\$	4,735.72
Chimney						
Repair chimney to prevent water intrusion per code	\$	500.00	Lump	1	\$	500.00
Roof Construction						
					\$	_
					•	
Mechanical- Electrical						
Mechanical	•	7.00	05	4=0	•	0.400.00
Install code compliant HVAC system	\$	7.62	SF	458	\$	3,489.96
		Total	Code Imp	rovement	s \$	17,189

## **101 66th Street East Redevelopment TIF District** Photos: Parcel A Building 3 - Residence - 6608 Stevens Avenue







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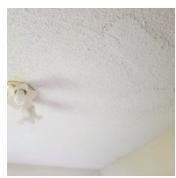
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## **101 66th Street East Redevelopment TIF District**Photos: Parcel A Building 3 - Residence - 6608 Stevens Avenue







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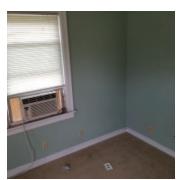
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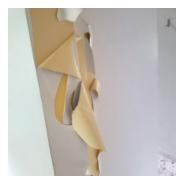
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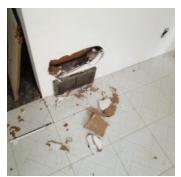


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# **101 66th Street East Redevelopment TIF District** Photos: Parcel A Building 3 - Residence - 6608 Stevens Avenue







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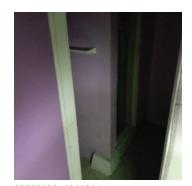
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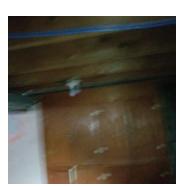
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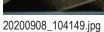
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## **101 66th Street East Redevelopment TIF District**Photos: Parcel A Building 3 - Residence - 6608 Stevens Avenue







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AGENDA SECTION: AGENDA ITEM# RESOLUTIONS



# STAFF REPORT NO. 18 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Krista Guzman, HR Manager

DEPARTMENT DIRECTOR REVIEW: Katie Rodriguez, City Manager

1/22/2021

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/22/2021

#### ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a resolution pertaining to filing of the Pay Equity Report with the Minnesota Management and Budget Department.

#### **EXECUTIVE SUMMARY:**

The City has completed its work on the Pay Equity Report for the period ending December 31, 2020 and requires the Mayor's signature before submission to the State of Minnesota. The data compiled for this report is done in accordance with strict standards determined by the Minnesota Management and Budget Department and is reported in a summary format for submission to the State. Compliance is determined on passing a underpayment ratio, salary range test, and exceptional service pay test. The preliminary results indicate that the City is in compliance with the salary range test as of 12-31-20. However, the State will make an official determination after the report is analyzed.

#### RECOMMENDED ACTION:

By motion: Adopt a resolution pertaining to filing of the Pay Equity Report with the Minnesota Management and Budget Department.

#### **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

Minnesota Statutes require that every municipality file a report with the Minnesota Management
and Budget Department, formerly the Minnesota Department of Employee Relations (DOER), to
indicate equitable pay relationships between female and male employees. The City of Richfield
filed its last Pay Equity Report in January 2018. The Minnesota Legislature requires the reporting
of Pay Equity every three years. The City's next reporting deadline will be January 31, 2024.

#### B. **POLICIES** (resolutions, ordinances, regulations, statutes, etc):

• The City of Richfield must file a Pay Equity report in order to comply with the Pay Equity Act. A Pay Equity report is filed every three years.

#### C. CRITICAL TIMING ISSUES:

 The report has been completed and, according to assessment information provided by the Minnesota Management and Budget Department, indicates that the City's male and female pay relationships are in compliance with the Pay Equity Act.

#### D. FINANCIAL IMPACT:

Any reports not received by the State of Minnesota on or before January 31, 2021 will be found
out of compliance and subject to a monetary penalty. The penalty is a 5 percent reduction in state
aid payments or \$100 per day, whichever is greater.

#### E. **LEGAL CONSIDERATION:**

• The City must file a report with the State of Minnesota on or before January 31, 2021 based on data as of December 31, 2020.

#### **ALTERNATIVE RECOMMENDATION(S):**

• Pay Equity Report: No alternative is recommended. The report is based on actual data and must be filed with the State in accordance with the statutory timeline.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

#### **ATTACHMENTS:**

DescriptionType□ResolutionResolution Letter□Compliance ReportExhibit

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## RESOLUTION PERTAINING TO FILING OF THE PAY EQUITY REPORT WITH THE MINNESOTA MANAGEMENT AND BUDGET DEPARTMENT

**WHEREAS**, State statutes require that every municipality file a report with the Minnesota Management and Budget Department once every three years to indicate equitable pay relationships between male and female employees; and

**WHEREAS**, this jurisdiction is submitting a pay equity implementation report to the Minnesota Management and Budget Department as required by the Local Government Pay Equity Act, Minnesota Statutes 471.991 to 471.999; and

**WHEREAS**, this report has been completed and seems to indicate that Richfield male and female pay relationships are in compliance with the Pay Equity Act; and

**WHEREAS**, Richfield must file a report with the State of Minnesota on or before January 31, 2021 based on data as of December 31, 2020.

**NOW, THEREFORE, BE IT RESOLVED** that the City shall accept the findings of the Pay Equity Report and forward it to the Minnesota Management and Budget Department.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of January 2021.

ATTEST:	Maria Regan Gonzalez, Mayor	_
Elizabeth VanHoose, City Clerk		



### **Compliance Report**

Jurisdiction: Richfield Report Year: 2021

6700 Portland Avenue South Case: 1 - 2020 DATA (Private (Jur

Only))

Richfield, MN 55423

Contact: Krista Guzman Phone: (612) 861-9704 E-Mail: KGuzman@richfieldmn.

gov

The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.

For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

#### I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	<b>Balanced Classes</b>	All Job Classes
# Job Classes	43	40	8	91
# Employees	138	74	115	327
Avg. Max Monthly Pay per employee	6439.99	5945.95		5710.99

#### II. STATISTICAL ANALYSIS TEST

#### A. Underpayment Ratio = 130.2326 \*

	Male Classes	Female Classes
a. # At or above Predicted Pay	22	25
b. # Below Predicted Pay	21	15
c. TOTAL	43	40
Predicted Pay (b divided by c = d)	48.84	37.50

<sup>\*(</sup>Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

#### **B.** T-test Results

d. % Below

Degrees of Freedom (DF)	= 210	Value of T = -0.241

a. Avg. diff. in pay from predicted pay for male jobs = -17

#### III. SALARY RANGE TEST = 84.00 (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 3.12

B. Avg. # of years to max salary for female jobs = 3.71

#### IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

A. % of male classes receiving ESP = 6.98 \*

B. % of female classes receiving ESP = 7.50

\*(If 20% or less, test result will be 0.00)

Page 1 of 1 1/22/2021 3:17:28 PM

b. Avg. diff. in pay from predicted pay for female jobs = 2

AGENDA SECTION: AGENDA ITEM# OTHER BUSINESS

8.



# STAFF REPORT NO. 17 CITY COUNCIL MEETING 1/26/2021

REPORT PREPARED BY: Kelly Wynn, Senior Office Assistant

DEPARTMENT DIRECTOR REVIEW:

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager

1/20/2021

#### ITEM FOR COUNCIL CONSIDERATION:

Consider representatives to serve as the 2021 liaisons to various local, regional and state organizations, and City boards and commissions.

#### **EXECUTIVE SUMMARY:**

Members of the City Council serve as the City's representatives on various local, regional and state organizations, and City boards and commissions. Each year, the City Council appoints these representatives.

#### RECOMMENDED ACTION:

By motion: Designate City Council liaison appointments to various local, regional and state organizations, and City boards and commissions.

#### **BASIS OF RECOMMENDATION:**

#### A. HISTORICAL CONTEXT

This information is contained in the Executive Summary.

#### B. **POLICIES** (resolutions, ordinances, regulations, statutes, etc):

The City Council considers the designation of liaisons at the first meeting in January of each year.

#### C. CRITICAL TIMING ISSUES:

Representation on local, regional and state organizations, and City boards and commissions is a City Goal and designations should be made at the first meeting of the year.

#### D. FINANCIAL IMPACT:

None

#### E. LEGAL CONSIDERATION:

None

#### **ALTERNATIVE RECOMMENDATION(S):**

The City Council may defer the designations to a future City Council meeting.

#### PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

#### **ATTACHMENTS:**

Description Type

2021 Council Liaisons Backup Material

<u>AGENCY</u>	2020 LIAISON/ REPRESENTATIVE	2021 LIAISON/ REPRESENTATIVE
METRO CITIES	SIMON TRAUTMANN, REP. MARIA REGAN GONZALEZ, ALT.	SEAN HAYFORLD OLEARY, REP SIMON TRAUTMANN, ALT.
LEAGUE OF MINNESOTA CITIES	BEN WHALEN, LIA. SIMON TRAUTMANN, ALT.	SIMON TRAUTMANN, REP SEAN HAYFORLD OLEARY, ALT.
NOISE OVERSIGHT COMMITTEE	PAM DMYTRENKO, REP. BEN WHALEN, ALT.	PAM DMYTRENKO, REP. BEN WHALEN, ALT.
I-35W SOLUTIONS ALLIANCE	MARIA REGAN GONZALEZ, LIA. SIMON TRAUTMANN, ALT. JOE POWERS, STAFF LIA.	MARIA REGAN GONZALEZ, REP. SIMON TRAUTMANN, ALT. JOE POWERS, STAFF LIA.
494 CORRIDOR COMMISSION	SIMON TRAUTMANN, LIA. MARIA REGAN GONZALEZ, ALT. JACK BROZ, STAFF LIA.	SEAN HAYFORD O'LEARY, REP SIMON TRAUTMANN, ALT. JACK BROZ, STAFF LIA.
RICHFIELD SCHOOL DISTRICT	MARIA REGAN GONZALEZ, LIA. MARY SUPPLE, ALT.	MARIA REGAN GONZALEZ, LIA. MARY SUPPLE, ALT.
FOWL BOARD	SIMON TRAUTMANN, LIA. BEN WHALEN, ALT.	SIMON TRAUTMANN, LIA. BEN WHALEN, ALT.
SOUTHWEST CABLE COMMISSION	MARIA REGAN GONZALEZ, REP. KATIE RODRIGUEZ, REP. EDWINA GARCIA, ALT.	MARIA REGAN GONZALEZ, REP. KATIE RODRIGUEZ, REP. SEAN HAYFORD OLEARY, ALT.
RICHFIELD COMMUNITY HUMAN SERVICES PLANNING COUNCIL	EDWINA GARCIA, REP. MARY SUPPLE, ALT.	MARY SUPPLE, REP. MARIA REGAN GONZALEZ, ALT.
ADVISORY BOARD OF HEALTH	MARIA REGAN GONZALEZ, LIA. EDWINA GARCIA, ALT	MARIA REGAN GONZALEZ, LIA. MARY SUPPLE, ALT.
ARTS COMMISSION	MARY SUPPLE, LIA. SIMON TRAUTMANN, ALT.	MARY SUPPLE, LIA. SIMON TRAUTMANN, ALT.
CIVIL SERVICE COMMISSION	MARIA REGAN GONZALEZ, LIA. KELLY WYNN, STAFF LIA.	MARIA REGAN GONZALEZ, LIA. KELLY WYNN, STAFF LIA
COMM. SERVICES COMMISSION	EDWINA GARCIA, LIA. MARY SUPPLE, ALT.	MARY SUPPLE, LIA. SEAN HAYFORD OLEARY, ALT.
FRIENDSHIP CITY COMMISSION	BEN WHALEN, LIA. EDWINA GARCIA, ALT.	BEN WHALEN, LIA. SIMON TRAUTMANN, ALT.
HUMAN RIGHTS COMMISSION	MARY SUPPLE, LIA. SIMON TRAUTMANN, ALT.	MARY SUPPLE, LIA. SIMON TRAUTMANN, ALT.
PLANNING COMMISSION	BEN WHALEN, LIA. SIMON TRAUTMANN, ALT.	SIMON TRAUTMANN, LIA. BEN WHALEN, ALT.

<u>AGENCY</u>	2020 LIAISON/ REPRESENTATIVE	<u>2021 LIAISON /</u> <u>REPRESENTATIVE</u>
TRANSPORTATION COMMISSION	SIMON TRAUTMANN, LIA. MARY SUPPLE, ALT.	SEAN HAYFORD OLEARY, LIA SIMON TRAUTMANN, ALT.
RICHFIELD HISTORICAL SOCIETY	EDWINA GARCIA, REP. MARY SUPPLE, ALT.	MARY SUPPLE, REP. BEN WHALEN, ALT.
BEYOND THE YELLOW RIBBON	MARY SUPPLE, REP. SIMON TRAUTMANN, ALT.	MARIA REGAN GONZALEZ, REP. SIMON TRAUTMANN, ALT.
SUSTAINABILITY COMMISSION	BEN WHALEN, LIA. SIMON TRAUTMANN, ALT.	BEN WHALEN, LIA. SIMON TRAUTMANN, ALT.