



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
JANUARY 21, 2020
7:00 PM**

Call to Order

Consider the election of officers and designation of assistant to the Secretary for the Richfield Housing and Redevelopment Authority for 2020.

Staff Report No. 1

Approval of the minutes of regular Housing and Redevelopment Authority meeting of December 16, 2019.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consider the adoption of a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority to revise the "Order of Business", including the addition of an "Open Forum."
Staff Report No. 2
 - B. Consideration of resolutions designating official depositories for the Housing and Redevelopment Authority for 2020, including the approval of collateral.
Staff Report No. 3
 - C. Designation of Community Development Director John Stark as the Executive Director of the Richfield Housing and Redevelopment Authority for 2020.
Staff Report No. 4
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consideration of a resolution approving a Preliminary Development Agreement with NorthBay for the development of the Henley II redevelopment project.
Staff Report No. 5
5. Consideration of a resolution approving a Preliminary Development Agreement with Penn Investments LLC for the development of 6501 Penn Avenue South and 6504 Oliver Avenue South.
Staff Report No. 6

6. Authorize the Housing and Redevelopment Authority Executive Director to approve expenditures and approve and execute professional service agreements/contracts in an amount up to \$50,000.

Staff Report No. 7

HRA DISCUSSION ITEMS

7. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

8. Executive Director's Report

CLAIMS

9. Claims
10. 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.



STAFF REPORT NO. 1
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: LaTonia DuBois, Administrative Assistant

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Consider the election of officers and designation of assistant to the Secretary for the Richfield Housing and Redevelopment Authority for 2020.

EXECUTIVE SUMMARY:

The bylaws of the Richfield Housing and Redevelopment Authority (HRA) provide that the HRA hold an annual meeting in January. The bylaws further provide that the Chair, Vice Chair, and Secretary of the HRA be elected at this meeting.

Officers for 2019 were:

- Mary Supple, Chair
- Pat Elliott, Vice Chair
- Erin Vrieze Daniels, Secretary

Additionally, the bylaws provide that the HRA may designate an assistant to the Secretary who shall keep the records of the HRA, act as recorder of the meetings and record all votes, keep a record of the proceedings, and perform all duties incidental to the office. It is recommended that the HRA designate Community Development Administrative Assistant LaTonia DuBois as the assistant to the Secretary.

RECOMMENDED ACTION:

By motion: Elect officers for the Richfield Housing and Redevelopment Authority for 2020 and designate Community Development Administrative Assistant LaTonia DuBois as the assistant to the Secretary.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

Provided in the Executive Summary.

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

The HRA bylaws provide for the election of officers.

C. **CRITICAL TIMING ISSUES:**

The HRA bylaws require that an election of officers be held at the annual meeting in January.

D. **FINANCIAL IMPACT:**

N/A

E. LEGAL CONSIDERATION:

None

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

December 16, 2019

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Pat Elliott; Maria Regan Gonzalez; and Erin Vrieze Daniels.

HRA Members Absent: Sue Sandahl

Staff Present: John Stark, Executive Director; and Myrt Link, Community Development Accountant.

APPROVAL OF THE MINUTES

M/Erin Vrieze Daniels, S/Elliott to approve the 1) Concurrent HRA, City Council and Planning Commission Work Session of November 18, 2019; and 2) Regular Housing and Redevelopment Authority meeting of November 18, 2019.

Motion carried 4-0.

Item #1	APPROVAL OF THE AGENDA
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M/Elliott, S/Regan Gonzalez to approve the agenda.

Motion carried 4-0.

Item #2	CONSIDERATION OF A TRANSFER OF FUNDS FROM THE HOUSING AND REDEVELOPMENT GERERAL FUND TO THE GRAMERCY TAX INCREMENT FUND AND TO THE INTERCHANGE TAX INCREMENT FUND FOR ADMINISTRATIVE PURPOSES. STAFF REPORT NO. 41
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Executive Director Stark presented the Staff Report No. 41.

Commissioner Elliott inquired about a previous Tax Increment District's tax petition, Executive Director Stark offered explanation. Community Development Accountant, Myrt Link offered further explanation regarding Tax Increments.

M/Elliott, S/Vrieze Daniels to approve the transfer of funds from the Housing and Redevelopment General Fund to the Gramercy Tax Increment Fund and to the Interchange Tax Increment Fund for administrative purposes.

Motion Carried 4-0.

Item #3	HRA DISCUSSION ITEMS
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Chair Supple spoke about future potential changes to the HRA bylaws to incorporate an open forum at the beginning of future HRA meetings.

Chair Supple spoke about the upcoming census meeting. Executive Director Stark gave an example of the importance of everyone being counted in the census.

Item #4	EXECUTIVE DIRECTOR REPORT
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Executive Director Stark gave an update on the MWF proposal for the City Garage South site and spoke of some preliminary development agreements that may be brought to the HRA in the near future.

Item #5	CLAIMS
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M/Elliott, S/Vrieze Daniels that the following claims be approved:

U.S. BANK	12/16/2019
Section 8 Checks: 131273-131349	\$158,334.10
HRA Checks: 33762-33782	\$94,057.59
TOTAL	\$252,391.69

Motion carried 5-0.

Item #8	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:18 p.m.

Date Approved: January 21, 2019

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director



STAFF REPORT NO. 2
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Consider the adoption of a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority to revise the "Order of Business", including the addition of an "Open Forum."

EXECUTIVE SUMMARY:

In staff's annual review of the Housing and Redevelopment Authority (HRA) Bylaws, it was noted that the "Order of Business" as it is currently stated does not conform to the actual practice of the HRA.

There has also been a suggestion from a member of the City Council for the HRA to include an "Open Forum" in their meetings. Both the City Council and Planning Commission currently allow for an Open Forum. As with both of those bodies, the HRA's Open Forum would be limited to items not on the current meeting's agenda.

The suggested "Order of Business" is as follows:

1. Call to Order/Noting of Attendance
2. Open Forum
3. Approval of Minutes of Previous Meeting(s)
4. Presentations
5. Approval of Agenda
6. Consent Agenda
7. Public Hearings
8. Resolutions
9. Other Business
10. HRA Discussion Items
11. Executive Director's Report
12. Approval of Claims
13. Adjournment

If, at any particular meeting, there are no items for a specific topic, that topic will be omitted from the agenda for that meeting.

The Bylaws (as suggested), in their entirety, are attached to this report.

RECOMMENDED ACTION:

By Motion: Adopt a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The HRA staff routinely reviews the HRA Bylaws to ensure that they meet both current practice and the future needs of the HRA.

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

- The amendment better reflects current practice.
- Including an "Open Forum" would make the HRA more consistent with the City Council and Planning Commission.

C. CRITICAL TIMING ISSUES:

N/A

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

- HRA Legal Counsel has been apprised of this recommended action.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve a resolution modifying the HRA Bylaws, or;
- Approve a modified version of the attached resolution modifying the HRA Bylaws to better reflect the direction of the Authority.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
□ Resolution Amending Bylaws	Resolution Letter

HRA RESOLUTION NO.

**RESOLUTION AMENDING THE BYLAWS OF THE HOUSING AND
REDEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD, MINNESOTA**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (Authority) has established Bylaws; and

WHEREAS, from time to time it is appropriate for the Bylaws to be amended; and

WHEREAS, in accordance with Minnesota State Statutes, the Mayor and the City Council of the City of Richfield is authorized to create a Housing and Redevelopment Authority (Authority) and to determine the composition thereof; and

WHEREAS, the bylaws of the Authority do not currently reflect or acknowledge the Composition of Membership as determined by the Mayor and City Council, nor the Manner of Voting undertaken by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota that Article I of its bylaws be augmented to include:

Section 5. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Open Forum
3. Approval of Minutes of Previous Meeting(s)
4. Presentations
5. Approval of Agenda
6. Consent Agenda
7. Public Hearings
8. Resolutions
9. Other Business
10. HRA Discussion Items
11. Executive Director's Report
12. Approval of Claims
13. Adjournment

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 21st day of January 2020.

_____, Chair

ATTEST:

_____, Secretary

**BYLAWS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY
OF RICHFIELD, MINNESOTA**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing and Redevelopment Authority of Richfield, Minnesota”.

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be at City Hall in the City of Richfield, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 4. Official Newspaper. The official newspaper shall be the official newspaper designated by the City as its official newspaper each year.

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor and City Council shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed in the manner required by law. The citizen members shall serve five-year terms, which shall be staggered.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, resolutions and other instruments made by the Authority. At each meeting the Chairperson shall submit such recommendations and information he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a new Chairperson.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority. The Secretary shall perform the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent or incapacitated.

Section 5. Executive Director. The Authority shall employ an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He or she shall be charged with the management of the housing and redevelopment projects of the Authority. Regardless of who is appointed, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when he or she is absent or incapacitated.

Section 6. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Authority may designate a Treasurer who shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Executive Director and Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall also be countersigned by the Chairperson. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his transactions and also of the financial condition of the Authority. He or she shall give such bond for the faithful performance of his duties as the Authority may determine

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the third Tuesday in January at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month, at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairperson, or two members of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Authority or may be mailed to the business or home address of each member of the Authority at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Commissioners present.

Section 5. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Open Forum
3. Approval of Minutes of Previous Meeting(s)
4. Presentations
5. Approval of Agenda
6. Consent Agenda
7. Public Hearings
8. Resolutions
9. Other Business
10. HRA Discussion Items
11. Executive Director's Report
12. Approval of Claims
13. Adjournment

All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

Section 7. Combining Administrative Offices: Compensation. The compensation of the Executive Director and other personnel of the Authority shall be determined by the Authority. Any two or more administrative offices may be combined.

Section 8. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 9. Election of Appointment. The first Chairperson shall, pursuant to this appointment, serve in the capacity of Chairperson until the expiration of his term of office as Commissioner. The Vice-Chairperson, Secretary and, except in the case of the First Chairperson, the Chairperson shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no Commissioner of the Authority shall be eligible for this office.

Section 10. Vacancies. Should the office of Chairperson, Vice-Chairperson or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Section 11. Additional Personnel. The Authority may from time to time employ or contract for such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Law of Minnesota applicable thereto. Such personnel may be employees of the Authority, employees of other governmental organizations, or independent contractors. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of Minnesota.

ARTICLE IV – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

Amended	04/21/80
Amended	01/21/86
Amended	12/15/86
Amended	08/18/03
Amended	02/18/14
Amended	09/17/18
Amended	01/15/19
Amended	01/21/20



STAFF REPORT NO. 3
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: Chris Regis, Finance Director
OTHER DEPARTMENT REVIEW: N/A.

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of resolutions designating official depositories for the Housing and Redevelopment Authority for 2020, including the approval of collateral.

EXECUTIVE SUMMARY:

In compliance with Minnesota statutes, the Housing and Redevelopment Authority of Richfield (HRA) must designate on an annual basis those financial institutions it does business with.

The following resolutions for the HRA Board's consideration, designate U.S Bank/4M Fund as a depository of HRA funds, and certain savings and loan associations, banks, credit unions and certain financial institutions as depositories for the investment of HRA funds.

RECOMMENDED ACTION:

By Motion: Adopt the attached resolutions designating official depositories, with the understanding that the HRA could not invest in any of the depositories beyond the level of insurance coverage of the pledged collateral.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

N/A.

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

In accordance with Minnesota Statutes Section 118A.01 - 118A.06, the HRA of Richfield must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.

U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M Fund. Monies received, checks written, by the HRA, flow through U.S. Bank, however, at the end of each business day, any proceeds remaining in HRA U.S. Bank accounts are swept to the 4M Fund to be invested. Therefore, at the end of the business day the HRA accounts are zero, which means the collateral requirements of Minnesota Statutes Section 118A.03 are not required. Accordingly, U.S. Bank has met all other statutory requirements and should be considered as a depository for the HRA's vendor accounts and all savings deposits.

The HRA must also designate annually, certain savings and loan associations, banks, and credit unions as official depositories for deposit and investment of certain HRA funds. With

approval of these official depositories, the HRA will be able to invest funds in these institutions, not exceeding the federal insurance of \$250,000.

Finally, a designation must be made for certain financial institutions as depositories for the investment of HRA funds for 2020. These institutions, such as investment brokerage firms, offer government securities in the manner required by law. These financial institutions include RBC Capital Markets, Raymond James & Associates, Northland Securities, Oppenheimer & Co., Wells Fargo Institutional Retirement and Trust, and the 4M Fund.

C. CRITICAL TIMING ISSUES:

N/A.

D. FINANCIAL IMPACT:

N/A.

E. LEGAL CONSIDERATION:

The HRA is required by Minnesota Statute 118A.01 - 118A.06, to designate as a depository of funds, insured banks or thrift institutions. Any collateral so deposited is accompanied by an assignment pledged to the HRA in the amount specified in the attached resolutions.

ALTERNATIVE RECOMMENDATION(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None.

ATTACHMENTS:

	Description	Type
▣	Resolution designating certain financial institutions as depositories for the investment of HRA Funds	Resolution Letter
▣	Resolution Designating Certain Savings & Loan Associations, banks, and credit unions as depositories of HRA funds	Resolution Letter
▣	Resolution designating US Bank a depository of funds for the HRA	Resolution Letter

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2020

WHEREAS, the Housing and Redevelopment Authority of Richfield has money which is available for investment; and

WHEREAS, different financial institutions offer different rates of return on investments; and

WHEREAS, the Housing and Redevelopment Authority of Richfield shall purchase U. S. Treasury Bills, U. S. Treasury Notes and other such government securities in the manner required by law from the institution offering the highest rate to the Housing and Redevelopment Authority of Richfield providing greater flexibility in the investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, in accordance with Minnesota Statutes, Sections 118A.01 – 118A.06, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority of Richfield funds that certain financial institutions be designated as additional depositories for Housing and Redevelopment Authority of Richfield funds for 2020.
2. The following financial institutions designated as depositories for the Housing and Redevelopment Authority of Richfield funds:

RBC Capital Markets.	Raymond James & Assoc.
4M Fund	Oppenheimer & Co.
Wells Fargo Institutional Retirement & Trust	
Northland Securities, Inc.	
3. The Finance Director is hereby authorized to deposit the Housing and Redevelopment Authority of Richfield funds in any or all of the depositories herein designated. Such deposits may be made and withdrawn from time to time by the Finance Director's judgment and as the interest of the Housing and Redevelopment Authority of Richfield dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies regarding the investment of these funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 21st day of January, 2020.

Chair

ATTEST:

Secretary

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2020

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota:

WHEREAS, pursuant to Minnesota Statutes, Sections 118A.01 – 118A.06, municipal funds may be deposited in any Savings and Loan Association, Bank or Credit Union which has its deposits insured by the Federal Deposit Insurance Corporation (FDIC), or National Credit Union Administration (NCUA); and

WHEREAS, the amount of said deposits may not exceed the FDIC/NCUA insurance covering such deposits which insurance amount is presently \$250,000; and

WHEREAS, the deposit of Housing and Redevelopment Authority funds in Savings and Loan Associations and Banks would provide greater flexibility in the Housing and Redevelopment Authority's investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain Savings and Loan Association and Banks be designated as additional depositories for Housing and Redevelopment Authority funds for 2020.
2. It is further found and determined that the purpose of such depository designation is to facilitate the proper and advantageous investments of Housing and Redevelopment Authority funds and that such designation is not exclusive nor does it preclude the deposit of any Housing and Redevelopment Authority funds in other officially designated depositories of the Housing and Redevelopment Authority.
3. The Finance Director is hereby authorized to deposit Housing and Redevelopment Authority funds in various depositories up to the amount of \$250,000, or such other amount as may be subsequently permitted by law, such deposits to be in the form of demand accounts, payable to the Housing and Redevelopment Authority of Richfield on the signatures of the Housing and Redevelopment Authority Finance Director. Such deposits may be made and withdrawn from time to time by the Finance Director as his best judgment and the interests of the Housing and Redevelopment Authority dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies of the Housing and Redevelopment Authority regarding the investment of Housing and Redevelopment Authority funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 21st day of January, 2020.

, Chair

ATTEST:

Secretary

RESOLUTION NO.

**RESOLUTION DESIGNATING U.S. BANK
A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD
FOR THE YEAR 2020**

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield as follows:

That, in accordance with Minnesota Statutes, Section 118A.01- 118A.06, U.S. Bank be, and hereby is designated a depository of the funds of the Housing and Redevelopment Authority of Richfield, subject to modification and revocation at any time by said Housing and Redevelopment Authority, and subject to the following terms and conditions:

The said depository shall not be required to give bonds or other securities for such deposits provided that the total sum thereof shall not at any time exceed in any depository the sums for which its deposits are insured under the Acts of Congress of the United States relating to insurance of bank deposits; but that in case such deposits in any such depository shall at any time exceed such insured sum, said depository shall immediately furnish bonds or other security for such excess according to law, approved by the Housing and Redevelopment Authority of Richfield.

That said depository shall pay on demand all deposits therein; and shall pay all time deposits, at or after the end of the period for which the same shall be deposited, on demand.

BE IT FURTHER RESOLVED, that there shall be maintained a general account in which shall be deposited all monies. The following officers or their facsimile signatures shall sign checks on this account;

, CHAIR
JOHN STARK, EXECUTIVE DIRECTOR

BE IT FURTHER RESOLVED, that all funds remaining in the account at the end of each business day will be transferred from U.S. Bank to the 4M Fund where funds deposited are invested and insured.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 21st day of January, 2020.

Chair

ATTEST:

Secretary



STAFF REPORT NO. 4
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Designation of Community Development Director John Stark as the Executive Director of the Richfield Housing and Redevelopment Authority for 2020.

EXECUTIVE SUMMARY:

In September 2018, Community Development Director John Stark was appointed by the Richfield Housing and Redevelopment Authority (HRA) to serve as its Executive Director until the first regular HRA meeting conducted in 2020.

That term has now expired and it would be appropriate for the HRA to designate an Executive Director for the year 2020.

RECOMMENDED ACTION:

By Motion: Designate Community Development Director John Stark as the Housing and Redevelopment Authority Executive Director until the first regular meeting is conducted by the HRA in 2021.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In September 2018, Community Development Director John Stark was appointed as the HRA Executive Director.
- Prior to that point, the Richfield City Manager had served as its Executive Director.

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

- The Bylaws of the Richfield HRA require the designation of an Executive Director.

C. CRITICAL TIMING ISSUES:

- The term of the current Executive Director will terminate on January 21, 2020.

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

- The Bylaws of the Richfield HRA require the designation of an Executive Director.

ALTERNATIVE RECOMMENDATION(S):

- Appoint Community Development Director John Stark as Executive Director of the Richfield HRA for a

- longer period (the HRA Bylaws do not stipulate the term of appointment).
- Appoint someone else as the HRA Executive Director.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Community Development Director John Stark



STAFF REPORT NO. 5
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/14/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution approving a Preliminary Development Agreement with NorthBay for the development of the Henley II redevelopment project.

EXECUTIVE SUMMARY:

On November 26, 2019, the development firm NorthBay presented a redevelopment concept for properties located at 6345 Lyndale Avenue South, 520/22, 600/02 and 608/10 64th Street to a joint Work Session of the Richfield City Council, HRA and Planning Commission. That proposal included the planned rehabilitation of the existing 22-unit apartment building at 6345 Lyndale Avenue South and construction of a new 5-story 90-unit building on the remainder of the property. The area in which the new building and its associated parking is proposed is currently occupied by three duplexes and a single-family home.

Due to the high cost of land assembly, structured parking and other subsurface construction costs, the Developer has determined that they would almost certainly require some degree of public financial assistance to make the project feasible. The most appropriate public funding identified by staff would be a Housing Tax Increment Financing (TIF) District. A Housing TIF District would require that either 20% of the units be affordable to households earning up to 50% of the Area Median Income (AMI) or 40% of the units to be affordable to households earning up to 60% of the AMI.

All three public bodies had a generally positive reaction to NorthBay's proposal. Staff indicated that the next steps would be to bring a Preliminary Development Agreement to the HRA for their consideration. That Agreement, which was prepared by HRA Legal Counsel Julie Eddington, is attached for consideration.

Some important aspects of the Agreement include:

- The developer will investigate the feasibility of rehabilitating the existing 22-unit apartment building.
- The developer will seek City approvals for the construction of a new 90-unit apartment building.
- The developer will conform with Richfield's Inclusionary Housing Policy which requires at least 20% of the units to be affordable to households earning less than 60% of the Area Median Income (deeper affordability will likely be required as a condition of a Housing TIF District).
- The developer will provide an enhanced access to Garfield Park from 64th Street.

RECOMMENDED ACTION:

Approve a resolution granting Approval to a Preliminary Development Agreement with NorthBay.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- NorthBay presented a presentation of their proposal to a joint Work Session of the Richfield City Council, HRA and Planning Commission on November 18, 2019.

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

- This property lies within the Lakes at Lyndale (or Downtown Richfield) area that has long been considered as an appropriate area for redevelopment activities to occur.

C. CRITICAL TIMING ISSUES:

Under the terms of the Preliminary Agreement, the deadlines for the next steps are as follows:

- 2/29: submit a general development plan.
- 2/29: determine financial feasibility.
- 2/29: acquire properties.
- 3/31: negotiate a draft Development Agreement
- 3/31: negotiate terms of public access to Garfield Park.

D. FINANCIAL IMPACT:

- The Agreement calls for the Developer to reimburse the HRA for \$2,000 in staff costs and for other administrative costs incurred in meeting the terms of the Agreement.

E. LEGAL CONSIDERATION:

- HRA Legal Counsel Julie Eddington drafted the Preliminary Development Agreement with input from HRA staff and the Developer and their attorney(s).

ALTERNATIVE RECOMMENDATION(S):

- Defer consideration of the Preliminary Development Agreement to a later date;
- Approve the Preliminary Development Agreement with modifications, or;
- Do not approve the Preliminary Development Agreement.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Members of the NorthBay development team.

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter
□ Preliminary Development Agreement	Contract/Agreement

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A
PRELIMINARY DEVELOPMENT AGREEMENT WITH [NORTH BAY ENTITY]**

WHEREAS, [North Bay Entity], a Minnesota limited liability company (the “Developer”), has proposed purchasing four parcels of real property located in Richfield, Minnesota (collectively, the “Development Property”), for the purpose of developing an approximately 90-unit multi-family housing development of which twenty percent (20%) of the units will be set aside for residents whose income does not exceed fifty percent (50%) of the area median gross income, including an accessible two-bedroom unit at ground level (the “Project”); and

WHEREAS, the Developer and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “HRA”), have been engaged in informal discussion regarding the Project and the proposed creation of a housing tax increment financing district and plan including the Development Property; and

WHEREAS, the Board of Commissioners of the HRA (the “HRA Board”) has been presented with a Preliminary Development Agreement (the “Preliminary Development Agreement”) proposed to be entered into between the HRA and the Developer, which sets forth the Developer’s intentions and the conditions under which the Developer will undertake the Project; and

WHEREAS, the HRA Board has reviewed the Preliminary Development Agreement and finds that the execution thereof by the HRA and performance of the HRA’s obligations thereunder are in the best interest of the City of Richfield, Minnesota, and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Preliminary Development Agreement presented to the HRA and on file with the Executive Director is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that is approved by the Chair and Executive Director; provided that execution of such document by such officials shall be conclusive evidence of approval.

2. The Chair and Executive Director are hereby authorized to execute the Preliminary Development Agreement on behalf of the HRA and to carry out on behalf of the HRA the HRA’s obligations thereunder.

(The remainder of this page is intentionally left blank.)

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield,
Minnesota this 21st day of January, 2020.

ATTEST:

_____, Chair

_____, Secretary

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into this ____ day of _____, 2020, by and between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a Minnesota public body corporate and politic (the “HRA”), and [North Bay Entity], a Minnesota limited liability company, or one of its wholly owned affiliates (the “Developer”).

RECITALS:

First: The Developer and the HRA have been engaged in informal discussions regarding the development of four parcels of real property located in Richfield, Minnesota (the “City”), which are legally described in EXHIBIT A (collectively, the “Development Property”);

Second: The Developer is in the process of purchasing the Development Property from third party owners and intends to construct an approximately 90-unit multi-family housing development, including an accessible two-bedroom unit at ground level (the “Project”);

Third: The Project may include the acquisition and rehabilitation of the NOAH Property referenced in Section 1(g) below;

Fourth: Twenty percent (20%) of the units within the Project will be occupied by residents whose income does not exceed fifty percent (50%) of the area median gross income;

Fifth: In order to assist the Developer with the Project, the HRA is considering the establishment of a housing tax increment financing district that includes the Development Property;

Sixth: Based on initial reviews of the proposal, it appears that the Project is potentially feasible; however, further review is needed;

Seventh: The parties wish to cooperate in further analyzing the potential feasibility of the Project and are willing to proceed with such analysis as described in this Agreement;

Eighth: The parties acknowledge that the Developer will expend substantial time and effort, and incur substantial expense in pursuing the Project;

Ninth: The Developer is willing to undertake the activities described in this Agreement only with the reasonable assurance from the HRA that it will support and cooperate with the Developer in its efforts;

Tenth: The HRA and the Developer have executed this Agreement to document their understanding with respect to the proposed Project.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties contained herein, each of them does hereby represent, covenant and agree with the other as follows:

1. Statement of Intent.

It is the intention of the parties that during the term of this Agreement the following activities will take place:

- (a) Plan Review and Refinement. The Developer will complete and provide the general development plan, including parking layout and design, to the HRA for review and comment. This submission shall be made on or before February 29, 2020 as an application for sketch plan review. This review involves a staff review of the general development plan by HRA staff. Following the sketch plan review, the Developer will undertake any additional studies or refinements to the general development plan for the Project that are necessary to determine that the plan (i) complies with the City's land use requirements; and (ii) provides sufficient detail to permit the reviews described in paragraph (c) below. Upon completion of the staff-level sketch plan review, either party may request that the general development plan be brought before a work session of the City Council and/or the HRA's Board of Commissioners (the "HRA Board").
- (b) Financial Feasibility. The Developer will provide to the HRA a financial feasibility analysis of the Project, including a detailed sources and uses of all funding and all expenditures expected for the construction of the Project and a Project pro forma on or before February 29, 2020. The financial feasibility analysis should specify what financing will be obtained for the Project and from what sources and the amount of equity to be contributed to the Project.
- (c) HRA Analysis of Project. Following the receipt from the Developer of the information set forth in Section 1(a) and (b), the HRA's fiscal consultant will conduct a financial analysis of the Developer and the Project. The purpose of the HRA's analysis is to determine the Developer's ability to finance the proposed Project. The analysis will consider such factors as the Developer's capability to arrange for financing, the anticipated level of assistance available to the Project from the HRA or other sources, and the Developer's ability to provide equity to the Project.
- (d) Acquisition of Development Property by Developer. The Developer has executed a purchase agreement for each parcel of the Development Property which provides the terms and conditions necessary for the Developer to acquire the Development Property. In order for the Project to proceed, the Developer must purchase the Development Property. The Developer shall provide a copy of each of the purchase agreements to the HRA on or before February 29, 2020.
- (e) Contract Negotiation. On or before March 31, 2020, the parties will attempt in good faith to negotiate the terms of a contract for private development (the "Contract") which will provide the nature and timing of the private improvements to be constructed, the form, the amount and conditions of any economic assistance to be provided by the HRA for the Project. The Contract will contain such additional terms as either party believes are necessary for the transaction.
- (f) Access to Park; Easement. As part of the development of the Development Property, the Developer agrees to create public pedestrian access to the City's park adjacent to the

Development Property. The Developer will grant the City an easement for access to the park adjacent to the Development Property. On or before March 31, 2020, the parties will negotiate the terms of an easement agreement providing the nature, terms, and conditions of the easement, which will include the City's obligation to maintain the easement property on the City's behalf.

- (g) Potential Acquisition and Rehabilitation of NOAH Property. The Developer will investigate the feasibility of purchasing an existing 22-unit apartment building with naturally occurring affordable rents located adjacent to the Development Property (the "NOAH Property"). If the Developer determines it is feasible to purchase the NOAH Property, the Developer agrees to rehabilitate the existing building without displacing the NOAH Property's current tenants (other than a temporary displacement during rehabilitation of each unit, if necessary).
- (h) Developer's Compliance with City's Inclusionary Housing Policy Pursuant to the City's Inclusionary Housing policy, the Developer will be required to contribute fifteen percent (15%) of the total tax increment financing received by the Developer to the HRA's Housing and Redevelopment Fund, unless at least twenty percent (20%) of all housing units of the Project are available at sixty percent (60%) of AMI or lower. At least five (5) units in the newly constructed building must be available at sixty percent (60%) of AMI or lower.

2. Undertaking by Developer.

During the term of this Agreement, the Developer will undertake all of the activities necessary, in the Developer's discretion, to accomplish the activities described in Section 1 required to be performed by the Developer.

3. Undertaking and Agreement by HRA.

The HRA agrees to cooperate with the Developer in the Developer's undertakings, agrees to utilize its best efforts, subject to the Developer's performance, to accomplish the activities described in Section 1 above, which includes an analysis of the financial feasibility of the Project and the nature, area, and financial implications of any tax increment district which might be established.

4. Term.

This Agreement is effective from the date hereof through June 30, 2020, unless extended with approval of the HRA Board, provided, in the event either party, after consultation with the other party, determines in good faith that the other party is not diligently pursuing the Project or its obligations hereunder; or the Developer determines, in good faith, that the Project is not feasible, such determining party may terminate this Agreement upon thirty (30) days written notice to the other. The HRA may also terminate this Agreement for failure of the Developer to provide additional funds pursuant to Section 5 below. The parties each waive any claim or cause of action that they may have against the other party based upon the termination of this Agreement by such other party. The parties may, by mutual written agreement, extend this Agreement for such further periods as determined to be appropriate from time to time.

5. Administrative Costs of HRA.

The Developer agrees and understands that it is responsible for and will pay to the HRA \$2,000 in HRA staff costs, along with all out-of-pocket costs incurred by the HRA (including without limitation reasonable attorney and fiscal consultant fees) in the negotiation and preparation of this Agreement and other documents and agreements in connection with the activities and the Project contemplated hereunder (collectively, the “Administrative Costs”). Administrative Costs shall be evidenced by invoices, statements or other reasonable written evidence of the costs incurred by the HRA.

Upon execution of this Agreement, the Developer will deliver a deposit to the HRA in the amount of \$5,000 (the “Deposit”) to pay Administrative Costs. If at any time the Deposit drops below \$1,000, the Developer shall replenish the deposit to the full \$5,000 within thirty (30) days after receipt of written notice thereof from the HRA. The HRA shall provide invoices to the Developer for all payments deducted from the Deposit. At any time the Deposit is insufficient to pay invoices related to the Project, the HRA will ask for additional Deposits from the Developer. If the additional Deposit is not made within thirty (30) days following the date of such request, the HRA may elect to either suspend its performance under this Agreement or terminate this Agreement. Such suspension or termination will be effective on the date it is given in writing, or on such later date specified in the notification. Any unexpended or unencumbered portion of the Deposit shall be returned to the Developer upon the expiration or termination of this Agreement.

6. Termination of Agreement.

This Agreement may be terminated upon five (5) days written notice by a party to the other party if:

- (a) in the respective good faith judgment of any party, an impasse has been reached in the negotiation or implementation of any material term or the completion or execution of any material condition of this Agreement or the contract for private development; or
- (b) a party fails to perform any of its obligations under this Agreement.

7. Miscellaneous.

- (a) This Agreement constitutes the entire agreement between the parties relative to the proposed Project. Unless specifically described herein, no obligation shall be inferred or construed.
- (b) The development of the Development Property will be in accordance with a contract for private development or other agreements which the parties shall, in good faith, attempt to negotiate during the term of this Agreement.
- (c) The Developer understands that further and separate action, for which no obligation is created hereunder, will be required before the HRA or the Developer is obligated to take various actions with respect to the Project. Those actions may include, without limitation:
 - 1) Creation of and approval of a modification of tax increment project plan and/or tax increment district by the City Council of the City and the HRA Board;

- 2) Zoning and subdivision approvals to the extent any are required;
 - 3) Construction of public improvements to serve the Project; and
 - 4) Negotiation of and approval of a contract for private development by the HRA Board.
- (d) The Developer further understands that many of the actions which the HRA or the City may be called upon to take require the reasonable discretion and in some instances the legislative judgment of the HRA or the City, such actions may be made only following established procedures; and the HRA may not, by agreement, agree in advance to any specific decision in such matters.
- (e) Notice or demand or other communication between or among the parties shall be sufficiently given if sent by certified or registered mail, postage prepaid, return receipt requested or delivered personally:

[North Bay Entity]
c/o North Bay Companies, LLC
2316 4th Avenue South
Minneapolis, MN 55404
Attn: Daniel Oberpriller

Richfield Housing and Redevelopment Authority
in and for the City of Richfield, Minnesota
6700 Portland Avenue South
Richfield, MN 55422
Attn: John Stark, Executive Director

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Preliminary Development Agreement effective the date and year first above written.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD, MINNESOTA

[NORTH BAY ENTITY],
a Minnesota limited liability
company

By: _____

Its: Chair

By: _____

Its: _____

By: _____

John Stark
Its: Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

PARCEL 1: [insert legal description]

PARCEL 2: [insert legal description]

PARCEL 3: [insert legal description]

PARCEL 4: [insert legal description]

RC125-376(JAE)
628633v.4



STAFF REPORT NO. 6
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: Julie Urban, Housing Manager
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/14/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution approving a Preliminary Development Agreement with Penn Investments LLC for the development of 6501 Penn Avenue South and 6504 Oliver Avenue South.

EXECUTIVE SUMMARY:

At work sessions on September 16 and November 26, 2019, the Housing and Redevelopment Authority (HRA) reviewed development concepts for the HRA-owned property at 6501 Penn Avenue South from two development teams. Based on feedback provided at the work sessions, staff began work on a Preliminary Redevelopment Agreement (Agreement) with the development team of NHH Properties, Boisclair Corporation, and Locus Architects, doing business as Penn Investments LLC (Developer). That Agreement is attached for consideration.

The Developer is planning to explore a redevelopment concept for the property that includes the construction of a building with between 40 and 100 market-rate and affordable housing units and up to 12,000 square feet of commercial space.

Some important aspects of the Agreement include:

- The Developer will provide preliminary plans for sketch plan review and will seek neighborhood feedback.
- The Developer will explore applying for grants and tax credits, and the HRA agrees to cooperate with those applications.
- The Developer will comply with the City's Inclusionary Housing Policy, which requires at least 20% of the units to be affordable at 60%; however, based on work session discussions, the Developer is exploring funding options for deeper affordability as well as accessible units.
- Due to the high cost of land assembly, structured parking, affordable housing and other subsurface construction costs, the Developer has determined that they would likely require some degree of public financial assistance to make the project feasible. A Redevelopment or Housing Tax Increment Financing (TIF) District are both possible tools that will be explored.
- The Developer will explore future phases of the project.
- The HRA will provide right-of-entry to the property for the Developer to access the property for survey, geotechnical and marketing purposes.
- The Agreement also encompasses the HRA-owned property at 6500 Oliver Avenue South. This is a remnant parcel from a previous County road project. The Developer owns 6504 Oliver Avenue South and plans to explore options that might include both Oliver Avenue properties.

RECOMMENDED ACTION:

By Motion: Approve a resolution granting approval to a Preliminary Redevelopment Agreement and

Right of Entry Agreement with Penn Investments LLC for the redevelopment of 6501 Penn Avenue South and 6500 Oliver Avenue South.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The property at 6501 Penn Avenue South had been a Bumper to Bumper auto parts store for many years and had been for sale off and on the past couple of years. In 2018, the owner reached out to staff about purchasing the property, and the HRA purchased it in January 2019.
- Penn Investments presented a proposal for the property to joint Work Sessions of the Richfield City Council, HRA and Planning Commission on September 16 and November 18, 2019. Significant feedback was provided by policymakers at the two sessions, which will be used to further refine the Developer's proposal.
- Since the most recent work session, the Developer has purchased 6504 Oliver Avenue South, an adjacent single-family property and has begun reaching out to other adjacent owners.
- The HRA owns a remnant parcel (30 feet by 133 feet) at 6500 Oliver Avenue South, adjacent to the parcel owned by the Developer.

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

- The property is zoned and guided for Mixed Use with the Penn Avenue Overlay. The goal of the Penn Avenue Corridor District is to provide for a balanced mix of commercial, office and residential uses that together create a cohesive and pedestrian-friendly area.
- The City's Comprehensive Plan and Housing Visioning statement encourage the development of a full range of housing choices.
- The City's Inclusionary Housing Policy requires the inclusion of at least 20% of units affordable at 60% of the Area Median Income for all projects receiving city financial assistance.

C. CRITICAL TIMING ISSUES:

- The Agreement is effective through July 31, 2020, and sets an interim deadline of April 30 for the following steps: sketch plan review, financial analysis, neighborhood meeting. The deadlines are based in part, on funding deadlines for various outside funding sources.

D. FINANCIAL IMPACT:

- The Agreement calls for the Developer to reimburse the HRA for \$2,000 in staff costs and submit a deposit of \$5,000 to pay other administrative costs incurred in meeting the terms of the Agreement.

E. LEGAL CONSIDERATION:

- The HRA Attorney drafted the Preliminary Development Agreement with input from HRA staff and the Developer.

ALTERNATIVE RECOMMENDATION(S):

1. Approve the Preliminary Redevelopment Agreement with changes.
2. Decide not to approve a Preliminary Redevelopment Agreement with Penn Investments LLC.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Representatives from the development team.

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter
□ Preliminary Redevelopment Agreement	Contract/Agreement
□ Right of Entry Agreement	Contract/Agreement

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF
A PRELIMINARY REDEVELOPMENT AGREEMENT AND RIGHT
OF ENTRY AGREEMENT WITH PENN INVESTMENTS LLC**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "HRA"), owns certain real property located at 6501 Penn Avenue South and 6500 Oliver Avenue South in Richfield, Minnesota (the "Redevelopment Property"); and

WHEREAS, Penn Investments LLC, a Minnesota limited liability company (the "Redeveloper"), proposes to Redeveloper proposes to purchase the Redevelopment Property from the HRA, demolish the blighted buildings on the Redevelopment Property, and construct a building with approximately 44 to 100 market-rate and affordable housing units and up to 12,000 square feet of commercial space (the "Project"); and

WHEREAS, the Redeveloper and the HRA, have been engaged in informal discussion regarding the Project and the proposed creation of a redevelopment tax increment financing district and plan including the Redevelopment Property; and

WHEREAS, the Board of Commissioners of the HRA (the "HRA Board") has been presented with a Preliminary Redevelopment Agreement (the "Preliminary Redevelopment Agreement") proposed to be entered into between the HRA and the Redeveloper, which sets forth the Redeveloper's intentions and the conditions under which the Redeveloper will undertake the Project; and

WHEREAS, there has also been presented before the HRA Board a form of Right of Entry Agreement (the "Right of Entry Agreement") proposed to be entered into between the HRA and the Redeveloper, pursuant to which the HRA will grant the Redeveloper the right to enter the Redevelopment Property as necessary for initial testing, surveying, and studies, subject to the terms and conditions provided therein and marketing the Redevelopment Property to potential commercial tenants; and

WHEREAS, the HRA Board has reviewed the Preliminary Redevelopment Agreement and the Right of Entry Agreement and finds that the execution thereof by the HRA and performance of the HRA's obligations thereunder are in the best interest of the City of Richfield, Minnesota, and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Preliminary Redevelopment Agreement and the Right of Entry Agreement presented to the HRA and on file with the Executive Director are hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the Chair and Executive Director; provided that execution of such documents by such officials shall be conclusive evidence of approval.

2. The Chair and Executive Director are hereby authorized to execute the Preliminary Redevelopment Agreement and the Right of Entry Agreement on behalf of the HRA and to carry out on behalf of the HRA the HRA's obligations thereunder.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield,
Minnesota this 21st day of January, 2020.

ATTEST:

_____, Chair

_____, Secretary

PRELIMINARY REDEVELOPMENT AGREEMENT

THIS PRELIMINARY REDEVELOPMENT AGREEMENT, made as of the ____ day of _____, 2020 (the "Agreement"), is between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a Minnesota public body corporate and politic (the "HRA"), and Penn Investments LLC, a Minnesota limited liability company, or one of its wholly owned affiliates (the "Redeveloper").

RECITALS

First: The Redeveloper and the HRA have been engaged in informal discussions regarding the redevelopment of certain real property located at 6500 Oliver Avenue South and 6501 Penn Avenue South in the City of Richfield, Minnesota (the "City"), which is legally described in EXHIBIT A attached hereto (the "Redevelopment Property");

Second: The Redeveloper proposes to purchase the Redevelopment Property from the HRA, demolish the blighted buildings on the Redevelopment Property, and construct a building with approximately 40 to 100 market-rate and affordable housing units and up to 12,000 square feet of commercial space (the "Project");

Third: In order to assist the Redeveloper with the Project, the HRA is considering the establishment of a redevelopment tax increment financing district (the "TIF District") that includes the Redevelopment Property;

Fourth: Based on initial reviews of the proposal, it appears that the Project is potentially feasible; however, further review is needed;

Fifth: The parties wish to cooperate in further analyzing the potential and feasibility of the Project and are willing to proceed with such analysis as described in this Agreement;

Sixth: The parties acknowledge that the Redeveloper will expend substantial time and effort, and incur substantial expense in pursuing the Project;

Seventh: The Redeveloper is willing to undertake the activities described in this Agreement only with the reasonable assurance from the HRA that it will support and cooperate with the Redeveloper in its efforts;

Eighth: The HRA and the Redeveloper have executed this Agreement to document their understanding with respect to the proposed Project.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties contained herein, each of them does hereby represent, covenant and agree with the other as follows:

1. Statement of Intent.

It is the intention of the parties that during the term of this agreement the following activities will take place:

- (a) Plan Review and Refinement. The Redeveloper will complete and provide a general redevelopment plan, including parking layout and design, to the HRA for review and comment. This submission shall be made on or before April 30, 2020 as an application for sketch plan review. This review involves a staff review of the general redevelopment plan by HRA staff. Following the sketch plan review, the Redeveloper will undertake any additional studies or refinements to the general redevelopment plan for the Project that are necessary to determine that the plan (i) complies with the City's land use requirements; and (ii) provides sufficient detail to permit the reviews described in Section 1(d) below. Upon completion of the staff-level sketch plan review, either party may request that the general redevelopment plan be brought before a work session of the City Council of the City (the "City Council") and/or the Board of Commissioners of the HRA (the "HRA Board").
- (b) Financial Feasibility. The Redeveloper will provide to the HRA a financial feasibility analysis of the Project, including a detailed sources and uses of all funding and all expenditures expected for the construction of the Project and a Project pro forma, on or before April 30, 2020. The financial feasibility analysis should specify what financing will be obtained for the Project and from what sources and the amount of equity to be contributed to the Project.
- (c) Neighborhood Feedback. The Redeveloper agrees to conduct one or more meetings with neighborhood residents to obtain feedback on the Project. Feedback from neighborhood residents shall be provided to the HRA on or before April 30, 2020.
- (d) HRA Analysis of Project. Following the receipt from the Redeveloper of the information set forth in Section 1(a) through (c) hereof, the HRA's fiscal consultant will conduct a financial analysis of the Redeveloper and the Project. The purpose of the HRA's analysis is to determine the Redeveloper's ability to finance the proposed Project. The analysis will consider such factors as the Redeveloper's capability to arrange for financing, the anticipated level of assistance available to the Project from the HRA or other sources, and the Redeveloper's ability to provide equity to the Project.
- (e) Acquisition of Redevelopment Property by Redeveloper. The HRA currently owns the Redevelopment Property. The HRA understands that in order for the Project to proceed, the Redeveloper must purchase the Redevelopment Property from the HRA. The HRA Board must hold a duly noticed public hearing before conveying the Redevelopment Property to the Redeveloper.
- (f) Contract Negotiation. On or before June 30, 2020, the parties will attempt in good faith to negotiate the terms of a contract for private redevelopment (the "Contract") which will provide the nature and timing of the Project and any private improvements to be constructed and the form, the amount and conditions of any economic assistance to be provided by the HRA for the Project. The Contract will contain such additional terms as either party believes are necessary for the transaction.
- (g) Right of Entry. The HRA will grant the Redeveloper a right to enter the Redevelopment Property as necessary for surveying the Redevelopment Property, geotechnical and environmental tests, marketing to potential commercial tenants, and other studies of the Redevelopment Property. The HRA will also allow the Redeveloper to post a development and/or marketing sign on the Redevelopment Property.

- (h) Cooperation with Grant Applications. The Redeveloper plans to prepare applications for various grants for the Project, including but not limited to LCDA, TOD and/or DEED grants. The Redeveloper will provide the HRA with applications for TOD and DEED grants by February 29, 2020. The Redeveloper will provide the HRA with applications for LCDA by July 31, 2020. The HRA agrees to cooperate with the Redeveloper to obtain the various grants, including supplying information for the grant applications and requesting approval from the HRA Board if necessary.
- (i) Redeveloper's Compliance with City's Inclusionary Housing Policy. Pursuant to the City's Inclusionary Housing policy, the Redeveloper understands that if a tax increment financing district is established, the Redeveloper will be required to contribute fifteen percent (15%) of the total tax increment financing received by the Redeveloper to the HRA's Housing and Redevelopment Fund, unless at least twenty percent (20%) of all housing units of the Project are available at rates of sixty percent (60%) of AMI.
- (j) Tax Increment District. The HRA has obtained a blight study for the Development Property and will consider establishing a redevelopment tax increment district based on the analysis described in Section 1(d).
- (k) Tax Credit Application. The Redeveloper may apply for tax credits for the Project on or before July 1, 2020.
- (l) Future Phase of Project. The Redeveloper may in the future consider purchasing parcels adjacent to the Redevelopment Property to construct an additional phase of the Project. If the Redeveloper determines to move forward with an additional phase of the Project, the HRA and the Redeveloper will work together to determine if subsidy is necessary and available for the future phase.
- (m) Future Phase; Relocation. For any future phase of the Project, the Developer is responsible for complying with Minn. Stat. Sections 117.50 to 117.56 (the "Minnesota Uniform Relocation Act") and providing evidence of such compliance to the HRA.

2. Undertaking by Redeveloper.

During the term of this Agreement, the Redeveloper will undertake all of the activities necessary, in the Redeveloper's discretion, to accomplish the activities described in Section 1 of this Agreement required to be performed by the Redeveloper.

3. Undertaking and Agreement by HRA.

The HRA agrees to cooperate with the Redeveloper in the Redeveloper's undertakings and agrees to utilize its best efforts, subject to the Redeveloper's performance, to accomplish the activities described in Section 1 of this Agreement, which includes an analysis of the financial feasibility of the Project and the nature, area, and financial implications of any tax increment financing district which might be established.

4. Term.

This Agreement is effective from the date hereof through July 31, 2020, unless extended with approval of the HRA Board, provided, in the event either party, after consultation with the other party, determines in good faith that the other party is not diligently pursuing the Project or its

obligations hereunder; or the Redeveloper determines, in good faith, that the Project is not feasible, such determining party may terminate this Agreement upon thirty (30) days' written notice to the other. The HRA may also terminate this Agreement for failure of the Redeveloper to provide additional funds pursuant to Section 5 below. The parties each waive any claim or cause of action that they may have against the other party based upon the termination of this Agreement by such other party. The parties may, by mutual written agreement, extend this Agreement for such further periods as determined to be appropriate from time to time.

5. Administrative Costs of HRA.

The Redeveloper agrees and understands that it is responsible for and will pay to the HRA \$2,000 in HRA staff costs, along with all out-of-pocket costs incurred by the HRA (including without limitation reasonable attorney and fiscal consultant fees) in the negotiation and preparation of this Agreement and other documents and agreements in connection with the activities and the Project contemplated hereunder (collectively, the "Administrative Costs"). The Administrative Costs shall be evidenced by invoices, statements or other reasonable written evidence of the costs incurred by the HRA.

Upon execution of this Agreement, the Redeveloper will deliver a deposit to the HRA in the amount of \$5,000 (the "Deposit") to pay Administrative Costs. If at any time the Deposit drops below \$1,000, the Redeveloper shall replenish the deposit to the full \$5,000 within thirty (30) days after receipt of written notice thereof from the HRA. The HRA shall provide invoices to the Redeveloper for all payments deducted from the Deposit. If at any time the Deposit is insufficient to pay invoices related to the Project, the HRA will ask for additional Deposits from the Redeveloper. If the additional Deposit is not made within thirty (30) days following the date of such request, the HRA may elect to either suspend its performance under this Agreement or terminate this Agreement. Such suspension or termination will be effective on the date it is given in writing, or on such later date specified in the notification. Any unexpended or unencumbered portion of the Deposit shall be returned to the Redeveloper upon the expiration or termination of this Agreement.

6. Termination of Agreement.

This Agreement may be terminated upon five (5) days' written notice by a party to the other party if:

- (a) in the respective good faith judgment of any party, an impasse has been reached in the negotiation or implementation of any material term or the completion or execution of any material condition of this Agreement or the Contract; or
- (b) a party fails to perform any of its obligations under this Agreement.

7. Miscellaneous.

- (a) This Agreement constitutes the entire agreement between the parties relative to the proposed Project. Unless specifically described herein, no obligation shall be inferred or construed.
- (b) The redevelopment of the Redevelopment Property will be in accordance with the Contract or other agreements which the parties shall, in good faith, attempt to negotiate during the term of this Agreement.

- (c) The Redeveloper understands that further and separate action, for which no obligation is created hereunder, will be required before the HRA or the Redeveloper is obligated to take various actions with respect to the Project. Those actions may include, without limitation:
- 1) Creation of and approval of a modification of tax increment project plan and/or the TIF District by the City Council of the City and the HRA Board;
 - 2) Zoning and subdivision approvals to the extent any are required;
 - 3) Construction of public improvements to serve the Project; and
 - 4) Negotiation of and approval of the Contract by the HRA Board.
- (d) The Redeveloper further understands that many of the actions which the HRA or the City may be called upon to take require the reasonable discretion and in some instances the legislative judgment of the HRA or the City, such actions may be made only following established procedures; and the HRA may not, by agreement, agree in advance to any specific decision in such matters.
- (e) Notice or demand or other communication between or among the parties shall be sufficiently given if sent by certified or registered mail, postage prepaid, return receipt requested or delivered personally:

Penn Investments LLC
7455 France Avenue South, Suite 351
Edina, MN 55435
Attn: Adam Seraphine

Housing and Redevelopment Authority
in and for the City of Richfield, Minnesota
6700 Portland Avenue South
Richfield, MN 55423
Attn: John Stark, Executive Director

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Preliminary Redevelopment Agreement effective the date and year first above written.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD, MINNESOTA

PENN INVESTMENTS LLC, a Minnesota
limited liability company

By: _____

Its: _____
Chair

By: _____

Its: _____

By: _____

John Stark
Its: Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT PROPERTY

Par. 1: The West $\frac{1}{2}$ of the South 109.6 feet of the North 767.2 feet of the North $\frac{3}{4}$ of the West $\frac{1}{4}$ of the Southwest Quarter of the Northwest Quarter except the North 30 feet thereof;

Par. 2: The West $\frac{1}{2}$ of the South 109.6 feet of the North 876.8 feet of the North $\frac{3}{4}$ of the West $\frac{1}{4}$ of the Southwest Quarter of the Northwest Quarter;

All in Section 28, Township 28, Range 24, in the Village of Richfield, Hennepin County, Minnesota.

Par. 3 The South 109.6 feet of the North 767.2 feet of the North $\frac{3}{4}$ of the West Quarter of the Southwest Quarter of the Northwest Quarter of Section 28, Township 28, Range 24, except the South 50 feet of the East $\frac{1}{2}$ thereof and except that part of the West $\frac{1}{2}$ lying South of the North 30 feet thereof, in the City of Richfield, Hennepin County, Minnesota.

RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT, made as of the _____ day of _____, 2020 (the “Agreement”), is between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a Minnesota public body corporate and politic (the “HRA”), and Penn Investments LLC, a Minnesota limited liability company, or one of its wholly owned affiliates (the “Redeveloper”).

RECITALS

WHEREAS, the HRA is the owner of certain real property located at 6500 Oliver Avenue South and 6501 Penn Avenue South in the City of Richfield, Minnesota (the “City”), which is legally described in EXHIBIT A attached hereto (the “Redevelopment Property”); and

WHEREAS, the Redeveloper proposes to purchase the Redevelopment Property from the HRA and redevelop it by constructing a building with up to 12,000 square feet of commercial space on the ground level and between 40 and 100 units of market-rate and affordable housing on the upper levels (the “Project”); and

WHEREAS, a Preliminary Redevelopment Agreement, dated _____, 2020 (the “Redevelopment Agreement”), between the HRA and the Redeveloper, sets forth the intentions and conditions of the Redeveloper and HRA under which the Redeveloper will undertake the Project and enter into a contract for private redevelopment with the HRA and/or City (the “Contract”); and

WHEREAS, the HRA has agreed to grant the Redeveloper the right to enter the Redevelopment Property as necessary for surveying the Redevelopment Property, geotechnical and environmental tests, marketing to potential commercial tenants, and other studies of the Redevelopment Property and marketing the Redevelopment Property to potential commercial clients (the “Permitted Activities”); and

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. Access. The HRA grants to the Redeveloper, upon the terms and conditions stated below, on a non-exclusive basis, the permission and right to access and use the Redevelopment Property for the Permitted Activities. Such right of access and use is granted only for the Term of this Agreement, as set forth below, and only for the Permitted Activities.
2. Redeveloper. With respect to the right to access and use the Redevelopment Property granted to the Redeveloper in this Agreement, the term “Redeveloper” shall include Redeveloper’s agents, employees, contractors, affiliates, invitees, and other representatives.
3. Notice of Entry. The Redeveloper agrees to notify the HRA of the date and time that any of the Permitted Activities, or work related thereto, by the Redeveloper on the Redevelopment Property will commence. Such notice shall be given at least three (3) business days prior to the Redeveloper doing any work on the Redevelopment Property in order to permit the HRA’s employees, or consultants retained by the HRA, to be present during the time the Permitted Activities, or work related thereto, is being done by the Redeveloper.

4. Test Results and Reports. The Redeveloper shall provide a copy of all test results and reports prepared by the Redeveloper evaluating the conditions present on the Redevelopment Property to the HRA as soon as reasonably possible following the completion thereof. If the Redeveloper removes a sample or portion of the Redevelopment Property for investigation, monitoring or testing or obtains any data or issues any report, it must give the HRA a copy of any such data or report.

5. Term. The term of this Agreement (the “Term of this Agreement”) shall commence on the day that this Agreement is executed through the earlier of July 31, 2020, or the date the Permitted Activities have been completed, unless extended with approval of the HRA’s Board of Commissioners. The Redeveloper agrees to do the work in the shortest period of time reasonably necessary to complete the Permitted Activities under this Agreement.

6. Safety and Maintenance. The Redeveloper agrees to use the Redevelopment Property only for the purposes described herein and not construct any structures or improvements on the Redevelopment Property or park or store any equipment on the Redevelopment Property, except during limited periods of time when the Permitted Activities are actually in progress. The Redeveloper agrees that if there is damage or changes to the Redevelopment Property as a result of the Permitted Activities, the Redeveloper shall, prior to the completion of the Term of this Agreement, restore the Redevelopment Property to substantially the same condition as it was found by the Redeveloper at the time of the Redeveloper’s entry upon the Redevelopment Property and remove all rubbish, waste, and debris in connection therewith. The Redeveloper also agrees not to use the Redevelopment Property for the production, storage, deposit or disposal of toxic, dangerous or hazardous substances, pollutants, wastes or contaminations, including but not limited to, nuclear fuel or wastes that are considered hazardous by law and regulations. The Redeveloper shall indemnify the HRA, its officials, employees, agents and others acting on behalf of the HRA, hold it harmless against any and all loss, damage, liability, claim, cost or expenses (specifically including reasonable attorneys’ fees and other costs and expenses of investigation and defense of any sort), resulting from injury or death to any person or from loss of or damage to any property, however caused, which occurs on the Redevelopment Property with respect to the production, storage, deposit or disposal of toxic, dangerous or hazardous substance pollutants, wastes or contaminations by the Redeveloper.

7. Hold Harmless and Indemnity. The Redeveloper agrees to indemnify, defend, and hold harmless the HRA and the City, their agents, officials and employees from any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by Redeveloper’s use of the Redevelopment Property. The HRA and the City agree to indemnify, defend, and hold harmless the Redeveloper from and against any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by the HRA or the City or their officials, employees, agents, contractors, or assigns’ entry into the Redevelopment Property during the Term of this Agreement.

8. Insurance. The Redeveloper agrees to provide and maintain a liability insurance policy with a general liability limit of at least \$1,500,000 per occurrence throughout the Term of this Agreement and to list the HRA as an “additional insured.” Said policy is limited to any person or persons working for or under the Redeveloper. On execution of this Agreement, the Redeveloper shall provide the HRA with evidence that is satisfactory to the HRA that the insurance coverage required hereunder will be in full force and effect during the Term of this Agreement. In the event that any insurance renews or is terminated during the Term of this Agreement, the Redeveloper shall promptly provide the HRA with evidence that such coverage will be renewed or replaced upon termination with insurance that complies with these provisions. At the request of the HRA, the Redeveloper shall, in addition to providing such evidence of insurance, promptly furnish the HRA with a complete (and if so requested, insurer-certified) copy of the insurance policy intended to provide coverage required by this Agreement.

9. Assignment. The Redeveloper shall not assign or otherwise transfer this Agreement, any right or interest in this Agreement or any right or interest in the Redevelopment Property without the express written consent of the HRA, which consent shall not be unreasonably withheld.

10. Costs. The Redeveloper shall be responsible to pay any fees, wages, and other charges and expenses in any manner associated with the Permitted Activities or any other activity of the Redeveloper under this Agreement.

11. Other Authority or Rights. The Redeveloper shall bear the sole obligation of obtaining such other authority, rights, or governmental approvals and permits as may be needed in addition to the rights provided in this Agreement to carry out the Permitted Activities or related work that will occur within public streets adjacent to the Redevelopment Property.

12. Liens and Encumbrances. The Redeveloper shall keep the Redevelopment Property free of all liens and encumbrances arising out of its interest in or activities on the Redevelopment Property.

13. Disclaimer of Warranty. The Redeveloper has conducted its own investigation and inspection of the Redevelopment Property and is familiar with the physical condition of the Redevelopment Property and surrounding terrain and is fully informed as to the existing conditions and limitations. The HRA makes no representation or warranty as to the suitability of the Redevelopment Property for use by the Redeveloper and no such representation, warranty, or any other representations are made by the HRA or shall be implied by operation of law or otherwise. The Redeveloper accepts the Redevelopment Property in an as-is, where-is condition with all faults, defects, and deficiencies.

14. Governing Law. The parties agree that the interpretation and construction of this Agreement shall be governed by the laws of the State of Minnesota, without regard to such state's conflict of law provisions.

15. Notices and Demands. All notices, demands or other communications under this Agreement shall be effective only if made in writing and shall be sufficiently given and deemed given when delivered personally or mailed by certified mail (return receipt requested) or registered mail, postage prepaid, properly addressed as follows:

To the HRA: Housing and Redevelopment Authority
in and for the City of Richfield, Minnesota
6700 Portland Avenue South
Richfield, MN 55423
Attn: John Stark, Executive Director

To the Redeveloper: Penn Investments LLC
7455 France Avenue South, Suite 351
Edina, MN 55435
Attn: Adam Seraphine

or to such other person at such other address as that party may, from time to time, designate in writing and forward to the other as provided in this Section 15.

16. Execution in Counterpart. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

17. Amendment. This Agreement may be amended only by a written amendment signed by both parties.

18. Relationship of Parties. Nothing in this Agreement shall be interpreted or construed as a partnership or joint venture between the HRA and the Redeveloper concerning the Redeveloper's use of the Redevelopment Property. This Agreement shall not be interpreted to be any type of lease or easement affecting the Redevelopment Property and does not convey an interest in the Redevelopment Property to the Redeveloper.

19. Severance. Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.

20. Default. If any default is made by the Redeveloper in any of the agreements contained in this Agreement which is not cured within thirty (30) days of written notice from the HRA, it shall be lawful for the HRA to declare the term ended and to enter the Redevelopment Property either with or without legal process, and to remove the Redeveloper or any other person occupying the Redevelopment Property, using such force as may be necessary, without being liable for prosecution, or for damages, and to repossess the Redevelopment Property free and clear of any rights of the Redeveloper.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Right of Entry Agreement effective as of the date first above written.

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD, MINNESOTA

PENN INVESTMENTS LLC, a Minnesota
limited liability company

By: _____

Its: _____
Chair

By: _____

Its: _____

By: _____

John Stark
Its: Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT PROPERTY

Par. 1: The West $\frac{1}{2}$ of the South 109.6 feet of the North 767.2 feet of the North $\frac{3}{4}$ of the West $\frac{1}{4}$ of the Southwest Quarter of the Northwest Quarter except the North 30 feet thereof;

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All in Section 28, Township 28, Range 24, in the Village of Richfield, Hennepin County, Minnesota.

Par. 3 The South 109.6 feet of the North 767.2 feet of the North $\frac{3}{4}$ of the West Quarter of the Southwest Quarter of the Northwest Quarter of Section 28, Township 28, Range 24, except the South 50 feet of the East $\frac{1}{2}$ thereof and except that part of the West $\frac{1}{2}$ lying South of the North 30 feet thereof, in the City of Richfield, Hennepin County, Minnesota.



STAFF REPORT NO. 7
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director
OTHER DEPARTMENT REVIEW: Katie Rodriguez, City Manager

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Authorize the Housing and Redevelopment Authority Executive Director to approve expenditures and approve and execute professional service agreements/contracts in an amount up to \$50,000.

EXECUTIVE SUMMARY:

In the day-to-day business of administering the Richfield Housing and Redevelopment Authority (HRA), there are frequently agreements/contracts to be approved and/or invoices to be paid for professional services and other contractual arrangements. To the best of staffs' knowledge there is no formal guideline to differentiate which contracts/invoices staff has the authority to approve versus those requiring formal HRA pre-authorization. Currently, therefore, staff uses its discretion on which of these contracts or invoices should be preapproved by the Board of the HRA.

The City of Richfield has a policy stating that the City Manager has authority to approve contracts or purchases of up to \$175,000 and that any such expense over \$175,000 must be approved by the City Council.

Staff is suggesting a similar, albeit scaled-back, policy to be adopted by the HRA in which the Executive Director would have the authority to approve expenditures, contracts and/or agreements of up to \$50,000 without pre-approval of the HRA Board. All expenses of the HRA are reported to the Board, after expenditure, in the form of the Approval of Claims by the HRA at each of its regular meetings.

RECOMMENDED ACTION:

By Motion: Approve a resolution authorizing the Housing and Redevelopment Authority Executive Director to approve expenditures and approve and execute professional service agreements/contracts in an amount up to \$50,000.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Staff is unaware of any existing HRA approval/expenditure policy;
- In the past, the HRA staff has used its discretion in determining which contracts and/or expenditures should go before the HRA Board.

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

- The City of Richfield allows its City Manager the discretion to approve expenditures and contracts of up to \$175,000.

C. CRITICAL TIMING ISSUES:

- None

D. FINANCIAL IMPACT:

- Any expenditure, professional services agreement or contract approved by the HRA would be within the limits of the HRA budget.

E. LEGAL CONSIDERATION:

- All professional service agreements/contracts are either prepared by or reviewed by legal counsel.

ALTERNATIVE RECOMMENDATION(S):

- Authorize the Executive Director to approve expenditures, professional service agreements/contracts up to a lesser amount.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION DELEGATING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN
DOCUMENTS AND AUTHORIZE EXPENDITURES ON BEHALF OF THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) was established by the City of Richfield, Minnesota (the “City”) in 1974 to support the long-term vitality of the City’s residential and commercial property; and

WHEREAS, the Chair (or his or her designee) of the Authority and the Executive Director of the Authority execute all documents and contracts on behalf of the Authority for which action has been taken; and

WHEREAS, the Authority has determined to authorize the Executive Director of the Authority to approve and execute documents or agreements on behalf of the Authority related to the routine business of the Authority or related to projects approved by the Board of Commissioners of the Authority (the “Board”) and potential future projects, including but not limited to professional services agreements, nondisclosure agreements, right of entry agreements, and consultant agreements, so long as such documents or agreements do not provide for the expenditure of funds in an aggregate amount of more than \$50,000, all without prior action by the Authority; and

WHEREAS, the Authority has also determined to authorize the Executive Director of the Authority to approve expenditures of funds in a maximum aggregate amount of \$50,000 without prior action by the Authority; and

WHEREAS, the Authority finds that the execution and approval of documents or agreements by the Executive Director and the expenditures of funds by the Executive Director as described herein will be beneficial to the affairs of the Authority; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The approval and execution of the documents and agreements and the expenditure of funds on behalf of the Authority as described herein is hereby authorized and delegated to the Executive Director of the Authority.
2. All documents and agreements executed by the Executive Director of the Authority pursuant to the authority delegated by this resolution shall be reported to the Board.
3. All expenditures shall be reported to the Board, after expenditure, in the form of the Approval of Claims by the Authority at each of its regular meetings.
4. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota
this 21st day of January, 2020.

_____, Chair

_____, Secretary