Call to order

1. Discuss proposed development for City Garage South (301 77th Street West) site

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.
March 21, 2019

Council Memorandum No. 17

The Honorable Mayor

and

Members of the City Council

Subject: Proposed Development for City Garage South Site

Council Members and HRA Commissioners:

On February 11, 2019, MWF Properties presented a proposed 55-unit workforce housing development for the City Garage South Site (301 77th Street West). At the work session on March 26, staff will present additional information to policymakers regarding the proposed development. Chris Stokka from MWF Properties will also be in attendance to answer questions.

Policymakers are asked to review the information provided in this memo, visit the site beforehand, and prepare any questions you may have. Staff is asking for direction from policymakers on the questions posed at the end of the memo.

Summary

Staff is bringing the development for your consideration for the following reasons:

1. The property is guided and zoned for multi-family housing. Staff has used this designation as a guide in seeking development for the property.
2. Under the Inclusionary Housing Policy, developments either provide affordable units or make a payment in lieu to the City. The proposed project offers an opportunity to create affordable units in place of the units that are forgone in favor of the in lieu payments.
3. An analysis of our existing housing stock, the City’s affordable housing need allocation, and feedback from the community suggest that there is a need for accessible housing, housing with supportive services, and larger rental units for families. The proposal provides 15 three-bedroom units and four to six units of housing for people with disabilities, accompanied by supportive services.

Site Background

The property formerly housed the offices for the City garage. Following the construction of the new Public Works facility in 2007, this building was demolished and ownership of the site was transferred to the Housing and Redevelopment Authority (HRA) to develop the site. The I-494 Corridor Master Plan and related zoning amendments were adopted.
during this same time frame and the property was guided for Medium Density Residential (MDR) based on its location. The I-494 Master Plan as a whole looked to create an urban, pedestrian-friendly, economically sustainable district that would be distinct and unique to Richfield. Sites farther from freeway access were designated for housing, while commercial uses were focused on areas with superior access.

On an interim basis, the site is being leased by Richfield-Bloomington Honda for employee parking. The HRA’s lease with Richfield-Bloomington Honda allows for termination of the lease with at least 30 days’ notice.

The proposal from MWF is the second housing development that has been proposed for the site. In 2017, Nicolai Apartments proposed 21 units of market-rate housing. The feedback provided by policymakers at that time was that the City/HRA would consider providing tax increment to develop the site, but that the building design needed to be improved. The developer decided not to move forward with the development.

**The Proposed Development**

MWF is proposing 55 units, with the following breakdown of unit sizes and rent and income limits:

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Affordability</th>
<th># of Units</th>
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<tbody>
<tr>
<td>1 BR</td>
<td>30% AMI</td>
<td>6</td>
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<tr>
<td></td>
<td>50% AMI</td>
<td>7</td>
</tr>
<tr>
<td>2 BR</td>
<td>50% AMI</td>
<td>21</td>
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<td></td>
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<tr>
<td>3 BR</td>
<td>70% AMI</td>
<td>15</td>
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</table>

Note: The income for the 3BR units is 70%; however, rents will likely be less than the maximum allowed.

The proposed development would include four to six units for people with disabilities. Supportive services of approximately 30 hours per week would be provided for the households occupying those units.

The developer plans to apply for housing tax credits to provide equity for the project. The Low Income Housing Tax Credit Program (LIHTC) is a federal resource for housing in which an investor purchases tax credits and receives a 10-year reduction in their federal tax liability. The proceeds from the sale of the tax credits is invested in affordable housing that must then remain affordable for 30 years.

A limited amount of tax credits are made available per state. Points are awarded to projects based on a variety of factors as laid out in the State’s Qualified Allocation Plan (QAP) (e.g., economic integration, access to high performing schools, access to transit). Tax credits are allocated to projects that score the highest, given the amount of funds available. The Program is highly competitive. In Minnesota, typically one in three projects is awarded funding. The site is one of relatively few areas in the City that receive a high number of points under the QAP priorities.
These websites provide additional information on the LIHTC Program:

**Policies**

The following policies provide guidance in making land use decisions for the property:

1. The **Comprehensive Plan** is the policy document that describes the community’s vision for the future of Richfield. It is a roadmap that staff uses to direct developers to appropriate locations for particular projects. It is the document that is used to determine zoning districts. The zoning of a property is required by State Law to match its Comprehensive Plan designation.

   In 2005-2006 the City amended the Comprehensive Plan and zoning designations along I-494. Based on anticipated changes to I-494 access and a desire to both take advantage of the I-494 visibility and to create a more livable corridor, the area was guided for a mix of commercial and higher density housing. This particular property and the surrounding properties were guided for medium-density residential housing (MDR), which allows densities between 8 and 34 units per acre. The City’s Inclusionary Housing Policy offers a density bonus of up to 15% for projects that include affordable units, thereby allowing up to 39 units per acre. The developer is proposing a density of 59 units per acre, which will require the property to be re-guided to high density residential (HDR). All other parcels along I-494 that are guided for either multi-family housing or mixed use allow for higher densities – either 35-100 units per acre or 50-150 units per acre – which suggests that re-guiding to HDR would be consistent with the Plan.

   A Comprehensive Plan amendment typically requires a super majority approval from the Council; however, in the case of an affordable housing development, a simple majority is all that is required.

   NOTE: The adjacent properties at 301 77th Street West (LaMettry’s) and 7600 Pillsbury (Havenwood) were formerly guided MDR but were re-guided to Community Commercial and HDR, respectively.

2. The City’s **affordable housing need allocation**, as determined by the **Metropolitan Council** for the 2030 Comprehensive Plan time period, is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
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<tbody>
<tr>
<td>At or Below 30% AMI</td>
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</tr>
<tr>
<td>From 31 to 50% AMI</td>
<td>29</td>
</tr>
<tr>
<td>From 51 to 80% AMI</td>
<td>26</td>
</tr>
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</table>
3. The **Housing Visioning policy**, adopted in 2013, recommends giving priority to projects that serve a mix of incomes. It is, however, unlikely the City will be able to meet the allocation of 66 units for households earning below 30% AMI through mixed-income housing alone. The proposed development would serve incomes between 30 and 70% of the AMI.

4. The City’s **Inclusionary Housing Policy** commits the City to “building a community that is welcoming and affordable to a diverse population of individuals and families at all stages of their lives.” It requires new developments receiving financial assistance from the HRA to reserve 20% of all units as affordable to households earning no more than 60% of the Area Median Income (AMI) or contribute 15% of the tax increment financing (TIF) (or the value of other types of assistance) in lieu of including the units.

In the past, in lieu contributions have been used for a variety of programs/projects currently funded by the Housing and Redevelopment Fund: Richfield Rediscovered, commercial acquisitions for redevelopment, apartment purchase assistance (e.g., Seasons Park), and New Home Program. At the time of approval of the Inclusionary Housing Policy, the HRA indicated that the in lieu payments should be used to create affordable housing elsewhere.

**Zoning Considerations**
The property is zoned Mixed-Use Neighborhood (MU-N). In this zoning district, apartments are a permitted use. The developer will be required to apply for Site Plan Approval.

At such time that the developer formally applies for Site Plan Approval, staff will review the plans for conformance with the Zoning Ordinance and provide guidance to the Planning Commission as to how it meets/does not meet the rules and standards.

**Neighborhood Input**
The City’s current Comprehensive Plan was developed with significant community input over the course of nearly two years (2017-2018). A stated goal of the Plan is providing a full range of housing choices for all members of our community. A need for more affordable housing, especially housing at/or below 30% of AMI, is called out as a specific need. This site has been designated as a housing site for the past 12 years. The Council is allowed to re-guide property so long as a land use application has not been submitted and the new designation is compatible with the surrounding designations. An additional public process is required prior to any land use designation change. A site cannot be designated to allow only market rate housing vs. affordable housing.
The community may provide feedback to the HRA regarding whether or not it is appropriate to sell the property to the developer for the proposed use and/or whether it would be appropriate to use TIF to repay the City for the cost of the land.

Adjacent neighbors include the auto body shop, storage facility, miscellaneous commercial uses, and Havenwood Senior Living. New Orleans Court Apartments and Townhomes are one block to the east.

The developer plans an open house for the neighbors and interested community members to ask questions about the proposal and offer feedback on the proposed design and project features in April.

**Environmental Considerations**

Underground storage tanks were removed from the property in 1999, and clean-up of contaminated soil from the tanks was completed in 2000. A Phase II environmental report was completed in 2007. Sporadic detections of petroleum-related contamination were identified in soil samples, but no significant soil or groundwater contamination patterns or “hot-spot” areas were identified.

Questions were raised about the impact of the railroad tracks on the development. The developer has spoken with staff from Minnesota Housing. They have stated that the low traffic volume and speed make the railroad’s impact negligible and do not disqualify the proposed site for consideration for the LIHTC program. A significant amount of both single and multi-family housing is currently located all along the railroad tracks. The long-term plan for the tracks is for it to become a trail.

The LaMettry’s auto body shop is located just to the east of the development. While the building is new and was constructed with an up-to-date ventilation system, additional analysis will be required to determine the potential for negative air quality on the site. Staff is currently working to identify the appropriate manner in which to evaluate any air quality issues related to LaMettry’s.

**Timing**

Applications for 2020 tax credits are due to Minnesota Housing on June 3, 2019. The developer must provide evidence of site control and City financial participation with the application so they need a purchase agreement (or development agreement) for the site by this date. Consideration of this request would come before the HRA in April or May. The developer plans to apply for land use approvals during the summer. A final decision on the allocation of tax credits would occur in November. Construction would take place during 2020, and the development would open in 2021.

**City (HRA) Financial Participation**

Control of the site and City financial participation is required for the tax credit application. Staff is recommending that the City’s financial participation be provided by the HRA through a land write-down. This method has the benefit of lowering development costs, which improves the project’s score. The HRA would repay itself
through tax increment over a period of time. The site is currently in a tax increment
district. Sales proceeds will be used to pay down the bond debt for the Public Works
facility.

The estimated appraised value of the property is between $400,000 and $500,000. A
write-down of this amount would equal a subsidy of between $7,300 and $9,000/unit. If
approved, this subsidy would be far less (on a per-unit basis) than the HRA typically
provides as a subsidy.

An analysis of need and of the tax increment generated will be conducted before the
proposal is brought before the HRA. The estimated end-value of the development is
$7.5 million.

Questions to Consider
The proposal raises the following questions for policymakers to consider:

City Council/Planning Commission
- Is the site appropriately guided for housing?
- If it is, should it remain guided for medium density or should it be re-guided for
  high density?
- If not housing, what designation would be most appropriate?

City Council/HRA
- Is the proposal consistent with the Inclusionary Housing Policy?
- Are the Council and HRA in support of affordable housing that is not in mixed-
  income developments? If not, how should any in lieu payments be used?
- How does the Council/HRA envision providing the City’s allocation of housing
  affordable at 30% of the AMI?

HRA
- Does the proposed work force housing warrant a reduced land price? Are the
  proposed terms, to pay ourselves back with tax increment over time, acceptable
to the HRA?

Respectfully submitted,

Katie Rodriguez
City Manager

KR:ju
Attachments
Email: Department Directors
Planning Commission
ATTACHMENTS

City Garage South Site
### Income limits by household size

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>30%</td>
<td>19,830</td>
<td>22,650</td>
<td>25,470</td>
<td>28,290</td>
<td>30,570</td>
<td>32,820</td>
<td>35,100</td>
<td>37,350</td>
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<tr>
<td>35%</td>
<td>23,135</td>
<td>26,425</td>
<td>29,715</td>
<td>33,005</td>
<td>35,665</td>
<td>38,290</td>
<td>40,950</td>
<td>43,575</td>
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<tr>
<td>40%</td>
<td>26,440</td>
<td>30,200</td>
<td>33,960</td>
<td>37,720</td>
<td>40,760</td>
<td>43,760</td>
<td>46,800</td>
<td>49,800</td>
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<td>45%</td>
<td>29,745</td>
<td>33,975</td>
<td>38,205</td>
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<td>45,855</td>
<td>49,230</td>
<td>52,650</td>
<td>56,025</td>
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<tr>
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<td>37,750</td>
<td>42,450</td>
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<td>54,700</td>
<td>58,500</td>
<td>62,250</td>
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<td>36,355</td>
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<td>56,045</td>
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<td>65,640</td>
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<td>70%</td>
<td>46,270</td>
<td>52,850</td>
<td>59,430</td>
<td>66,010</td>
<td>71,330</td>
<td>76,580</td>
<td>81,900</td>
<td>87,150</td>
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### Maximum Gross Rents By Bedroom Size (Post 1989)

<table>
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<tr>
<th></th>
<th>0</th>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>495</td>
<td>531</td>
<td>636</td>
<td>735</td>
<td>820</td>
<td>905</td>
<td>990</td>
</tr>
<tr>
<td>35%</td>
<td>578</td>
<td>619</td>
<td>742</td>
<td>858</td>
<td>957</td>
<td>1,056</td>
<td>1,155</td>
</tr>
<tr>
<td>40%</td>
<td>661</td>
<td>708</td>
<td>849</td>
<td>981</td>
<td>1,094</td>
<td>1,207</td>
<td>1,320</td>
</tr>
<tr>
<td>45%</td>
<td>743</td>
<td>796</td>
<td>955</td>
<td>1,103</td>
<td>1,230</td>
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<td>1,485</td>
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<tr>
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<td>826</td>
<td>885</td>
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<td>1,226</td>
<td>1,367</td>
<td>1,509</td>
<td>1,650</td>
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<tr>
<td>55%</td>
<td>908</td>
<td>973</td>
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<td>1,348</td>
<td>1,504</td>
<td>1,660</td>
<td>1,815</td>
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<td>991</td>
<td>1,062</td>
<td>1,273</td>
<td>1,471</td>
<td>1,641</td>
<td>1,811</td>
<td>1,980</td>
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<tr>
<td>70%</td>
<td>1,157</td>
<td>1,321</td>
<td>1,486</td>
<td>1,650</td>
<td>1,783</td>
<td>1,915</td>
<td>2,048</td>
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</table>
City of Richfield
Workforce Housing Proposal

February 11th, 2019
Outline

- Development Team
  - Developer - MWF Properties
  - Builder - Eagle Building Company
  - Management Company - Velair Property Management
- Development Summary
  - Location
  - Job demographics example
  - Project features
  - Site Plan
  - Rendering
- Q&A
Development Team

DEVELOPER

MWF properties

Builder

Property Manager
Established in 1999
1,249 units developed. 342 under construction. 250 units breaking ground in 2019.
Long term owners – Have never sold a property.
Company philosophy:
  • Build and maintain relationships
  • Maintain positive reputation
    • Curb appeal
    • Strong management
    • Community Relations
Headquarters in Richfield
Repeat business

- Rochester – 11 properties
- Forest Lake – 2 properties
- Vadnais Heights – 2 properties*
- Shakopee – 2 properties*
- Waconia – 2 properties*

*Approved but not completed
• Built 14 of MWF’s properties (all since 2012)
• Headquarters in Richfield
• “It’s always nice to work with professionals. My hats off to [Eagle Building].”
  - Building official, City of Eagan
Recent Projects

Forest Oak Apartments II
Forest Lake, MN
Opened May 2016

Lafayette Square
Davenport, IA
Opened February 2017
Recent Projects

1st Avenue Flats
Rochester, MN
Opened April 2017

Red Rock Square
Newport, MN
Opened August 2017

*Visit www.mwfproperties.com for further details.
Recent Projects

Sarazin Flats
Shakopee, MN
Opening Fall 2019

108 Place
Bloomington MN
Construction Start April 2019

Boulevard
Mounds View, MN
Opening Fall 2019

Thomas Avenue Flats
Saint Paul, MN
Opening March 2019
Interior Photos
Interior Photos
Interior Photos
• Manages all of MWF’s properties.
• Corporate leadership – 84 years of combined experience
• Heavy focus on:
  ▪ Curb appeal
  ▪ Applicant screening
  ▪ Community Relations
  ▪ Responsiveness
• Headquarters in Richfield
Community Relations
Richfield Development Summary

- Four stories over underground parking
- Mix of 1, 2, and 3 bedroom units.
- Income limits between 50% and 70% of Area Median Income
  - Income ($56,560 for family of four).
- Five to six 30% units set aside for residents with disabilities.
- Universal Design.
- On site manager, caretaker, maintenance.

--- Income Limits By Household Size ---

<table>
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--- Maximum Gross Rents By Bedorn Size (Post 1989) ---

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<td>820</td>
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# Resident Occupations (example)

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<tr>
<td>Delivery Driver</td>
<td>Retired</td>
</tr>
<tr>
<td>Documentation Specialist</td>
<td>Property Manager</td>
</tr>
<tr>
<td>Retired</td>
<td>Teacher Assistant</td>
</tr>
<tr>
<td>Nursing Home Aide</td>
<td>DJ</td>
</tr>
<tr>
<td>LTS Teacher &amp; Retail Assistant</td>
<td>Machinist</td>
</tr>
<tr>
<td>County Worker</td>
<td>Sales</td>
</tr>
<tr>
<td>Store Clerk</td>
<td>Registered Nurse</td>
</tr>
<tr>
<td>US Postal Worker</td>
<td>Retired</td>
</tr>
<tr>
<td>Teacher</td>
<td>Store Clerk</td>
</tr>
<tr>
<td>Splicer</td>
<td>Entertainer</td>
</tr>
<tr>
<td>Spa Specialist</td>
<td>Property Caretaker</td>
</tr>
<tr>
<td>House Cleaner</td>
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<tr>
<td>PCA</td>
<td></td>
</tr>
<tr>
<td>Southdale Pediatric Associates</td>
<td>Retired</td>
</tr>
<tr>
<td>Hair Stylist</td>
<td>Waitress</td>
</tr>
<tr>
<td>Store Clerk</td>
<td>Massage Therapist</td>
</tr>
<tr>
<td>Commoscope Sales</td>
<td>Business Development Manager</td>
</tr>
<tr>
<td>Service Representative</td>
<td>Equipment Technician</td>
</tr>
<tr>
<td>Horse Show Groomer and Stable Management</td>
<td></td>
</tr>
<tr>
<td>Driver</td>
<td></td>
</tr>
</tbody>
</table>
Location

MWF and Velair
Headquarters
Site
Location Benefits

- High Demand:
- Access to transit – Local bus line is only 10 feet from property.
- Adjacent to multiple roadways and freeways.
- Within walking distance of many “workforce” employers.
- Within walking distance of a multiple public parks.
- Two blocks from management headquarters
Project Features

- On site management
- Community Room
- Fitness Center
- Secure Access (fob system)
- 24 hour surveillance
- Secure package room
- Bike Friendly – Hanging Bike Racks, Fix it
- Underground Parking – Included in rent
- Green Features: LED lighting, low flow fixtures, recycling receptacles throughout building.
- In unit laundry
Preliminary Site Plan
Similar project rendering
Project Financing

- Utilize Section 42 tax credits to help fill gap created by lower rents.
- Annual submission to Minnesota Housing (June 3rd)
- Highly competitive, 1 of every 3 applications approved.
- Important Scoring Factors:
  - Transit
  - Economic Integration
  - Schools
  - Cost Containment
  - Local Participation
City Participation

- Necessary to help fill funding gap
- Necessary to make proposal competitive for funding.
- Recent examples of local financial support for tax credit housing projects:
  - Shakopee: $296K in fee waivers
  - Bloomington: $527K in land write down
  - Mounds View: $570K in TIF & Land write down
  - Rochester: $600K in TIF
City Participation

- MWF requesting land write down.
- Would help the project by:
  - Helping fill the financing gap
  - Make the project more competitive – points for:
    - Cost containment
    - City participation
- City would get paid back via higher property taxes of completed project (win/win).
Preliminary Development Schedule

April 2019 - Execute development agreement.
June 3rd, 2019 – Apply for financing
Nov 2019 – Begin closing process and develop full drawings.
April 2020 – Close on financing. Construction commences.
Dec 2020 – Construction Completion. Leasing Period begins.
April 2021 - Lease-up complete.
THANK YOU

Questions?
REGULAR CITY COUNCIL MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
MARCH 26, 2019
7:00 PM

INTRODUCTORY PROCEEDINGS

Call to order

Open forum (15 minutes maximum)

*Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council must have registered prior to the meeting.*

Pledge of Allegiance

Approval of the minutes of the: (1) Special City Council work session of March 12, 2019; and (2) Regular City Council meeting of March 12, 2019.

PRESENTATIONS

1. Proclamation declaring April National Safe Digging Month in the city of Richfield

COUNCIL DISCUSSION

2. Hats Off to Hometown Hits

AGENDA APPROVAL

3. Approval of the Agenda

4. Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.

   A. Consideration of the approval of a bid tabulation and award of contract to McNamara Contracting, Inc. for the 2019 Concrete Sidewalk, Curb, and Gutter Repair Project in the amount of $757,060, and authorization of the City Manager to approve contract changes under $175,000 without further City Council consideration.

      Staff Report No. 45

   B. Consideration of the approval of a bid tabulation and award of contract to Bituminous Roadways Inc. for the 2019 Mill and Overlay project in the amount $2,051,632 and authorization of the City Manager to approve contract changes under $175,000 without further City Council consideration.

      Staff Report No. 46
C. Consideration of the adoption of a resolution supporting the elimination of the exemption that prevents Hennepin and Ramsey counties from receiving a portion of the sales tax on leased vehicles through the county state aid formula.
   Staff Report No. 47

D. Consideration of the approval of an amendment to the Hennepin County Cost Participation Agreement for the acquisition of right-of-way for the 77th Street Underpass of Trunk Highway 77 Project.
   Staff Report No. 48

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

RESOLUTIONS

6. Consideration of the adoption of a resolution supporting the 2020 Census.
   Staff Report No. 49

CITY MANAGER’S REPORT

7. City Manager’s Report

CLAIMS AND PAYROLLS

8. Claims and Payrolls

Open forum (15 minutes maximum)

Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the Council on items not on the agenda. Individuals who wish to address the Council must have registered prior to the meeting.

9. 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.
CALL TO ORDER

The work session was called to order by Mayor Regan Gonzalez at 6:45 p.m. in the Babcock Room.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; and Ben Whalen.

Council MembersAbsent: Edwina Garcia.

Item #1 DISCUSSION REGARDING A MID-TERM APPOINTMENT TO THE ADVISORY BOARD OF HEALTH

The City Council reviewed and discussed the applications of residents who applied for appointment to the Richfield Advisory Board of Health.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:55 p.m.

Date Approved: March 26, 2019

________________________________________

Maria Regan Gonzalez
Mayor

________________________________________

Jared Voto
Executive Aide/Analyst

________________________________________

Katie Rodriguez
City Manager
The meeting was called to order by Mayor Regan Gonzalez at 7:00 p.m. in the Council Chambers.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; and Ben Whalen.

Council Members Absent: Edwina Garcia.

Staff Present: Katie Rodriguez, City Manager; Mary Tietjen, City Attorney; Jay Henthorne, Police Chief; John Stark, Community Development Director; Amy Markle, Recreation Services Director; Neil Ruhland, Media Coordinator; and Jared Voto, Executive Aide/Analyst.

OPEN FORUM

None.

PLEDGE OF ALLEGIANCE

Mayor Regan Gonzalez led the Pledge of Allegiance.

APPROVAL OF MINUTES

M/Supple, S/Whalen to approve the minutes of the: (1) special City Council work session of February 26, 2019; (2) special City Council work session of February 26, 2019; and (3) regular City Council meeting of February 26, 2019.

Motion carried 4-0.

Item #1 Richfield STEM/Dual Language School combined 5th Grade Choir
Mayor Regan Gonzalez and Council Member Whalen introduced and welcomed the Richfield STEM/Dual Language School combined 5th Grade choir and members of the audience. The choir performed three songs for the City Council and audience members.

| Item #2 | Proclamation of Tibet Day in the city of Richfield on March 10, 2019 |

Mayor Regan Gonzalez read a proclamation declaring March 10, 2019, Tibet Day in the city of Richfield.

Dechen Wangmo, Richfield resident and Treasurer of the Tibetan American Foundation of Minnesota, and Tibetan students thanked the City Council and spoke about the Tibetan American Foundation of Minnesota and the Tibetan community in Richfield.

| Item #3 | COUNCIL DISCUSSION |
|         | • Hats Off to Hometown Hits |

Council Member Whalen thanked the Richfield R.E.A.D.Y. committee for hosting their annual breakfast and what they do for the community; and invited everyone to the Friends of Wood Lake (FOWL) dinner being held on Friday, April 26, and stated tickets are available.

Council Member Supple thanked the citizens of Richfield for shoveling out their fire hydrants and clearing storm drains; and spoke about a joint event of a photo exhibit of Costa Rican wildlife hosted by the Arts Commission and Friendship City Commission on Saturday, April 6, from 1 to 3 p.m. of the at the Richfield Community Center, this will be on display until May 30.

Council Member Trautmann encouraged everyone to buy tickets for the Friends of Wood Lake dinner on Friday, April 26; thanked the students for attending the meeting; and thanked the Public Works Department for all the work they have been doing to serve the city.

Mayor Regan Gonzalez gave a reminder that the State of the Community on Thursday, April 11 at 5:30 to 7 p.m. at the Richfield Middle School; thanked the Fire Department for their great work including recently on a fire on Portland Avenue; and discussed the City’s 2018 Annual Report and hoped residents had a chance to read it.

Mayor Regan Gonzalez invited Sue Sandahl, Friends of the Richfield Band Shell, to speak regarding the opportunity to purchase legacy bricks at the band shell.

| Item #4 | APPROVAL OF THE AGENDA |

M/Supple, S/Trautmann to approve the agenda.

Motion carried 4-0.

| Item #5 | CONSENT CALENDAR |
City Manager Rodriguez presented the consent calendar.

A. Consideration of approval of the Pathway's to Policing Grant between the Minnesota Department of Public Safety and the City of Richfield Police Department to partially fund a non-traditional police officer candidate. The total funds available are $25,392.31. (S. R. No. 41)

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

Motion carried 4-0.

Council Member Whalen discussed this items is an effort to ensure the City’s police force looks more like the community and thanked Chief Henthorne for the progress they have made.

Chief Henthorne thanked the Council and stated the Police Department is now approximately 22% people of color, which is an improvement from four years ago when it was approximately 5%.

<table>
<thead>
<tr>
<th>Item #6</th>
<th>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>None.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item #7</th>
<th>CONSIDERATION OF THE ADOPTION OF A RESOLUTION REVOKING A CONDITIONAL USE PERMIT FOR LAKES BUFFET RESTAURANT AT 6601 NICOLLET AVENUE. (S.R. NO. 42)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Regan Gonzalez presented Staff Report No. 42.</td>
<td></td>
</tr>
</tbody>
</table>

Community Development Director Stark provided an update that Lakes Buffet has closed their doors, applied for and received multiple permits to install the odor suppression unit. He stated they appear to be diligently working to install the unit, but it is not installed at this point. He stated staff continues to recommend adoption of the resolution that allows the Community Development Director to reinstate the CUP administratively. When the unit does become operational he recommended to the owner/manager of Lakes Buffet to ensure they follow the maintenance requirements of the unit or it will not be effective. He also stated they would be inspecting it periodically and would be less lenient if it was not maintained.

Mayor Regan Gonzalez invited the owner or manager of Lakes Buffet to speak.

The contractor for Lakes Buffet discussed the equipment installation, the delays and why it is taking additional time to install the unit and the progress they are making. He stated they would not try to open until all inspections are passed.

Council Member Trautmann noted the Council is mindful of the workers at the restaurant and stated that once the restaurant is in compliance the city is glad to have them back and operating.

Mayor Regan Gonzalez asked for clarification that the restaurant is currently closed and cannot open until the unit is installed, with the approval of this resolution.

Community Development Director responded in the affirmative.
Mayor Regan Gonzalez asked about process to ensure the maintenance requirements are followed for the system.

Community Development Director responded there are other systems like this throughout the community and the department has a process to inspect them and stated he believed it was on an annual basis or complaint based.

M/Supple, S/Trautmann to adopt a resolution revoking the conditional use permit for a restaurant at 6601 Nicollet Avenue.

RESOLUTION NO. 11615
RESOLUTION REVOKING A CONDITIONAL USE PERMIT FOR A RESTAURANT AT 6601 NICOLLET AVENUE SOUTH

Motion carried 4-0.

<table>
<thead>
<tr>
<th>Item #8</th>
<th>CONSIDERATION OF THE APPOINTMENT OF ONE ADULT MEMBER TO THE ADVISORY BOARD OF HEALTH. (S.R. NO. 43)</th>
</tr>
</thead>
</table>

Mayor Regan Gonzalez presented Staff Report No. 43.


Motion carried 4-0.

<table>
<thead>
<tr>
<th>Item #9</th>
<th>CONSIDERATION TO CONFIRM THE APPOINTMENT OF AMY MARKLE AS RECREATION SERVICES DIRECTOR FOR THE CITY OF RICHFIELD. (S.R. NO. 44)</th>
</tr>
</thead>
</table>

Council Member Trautmann presented Staff Report No. 44.

Amy Markle thanked the City Council, discussed her service at Wood Lake Nature Center for the past 15 years, and stated she looked forward to serving the residents of Richfield in this new position.

Mayor and Council Members congratulated and welcomed Ms. Markle into her new role.

M/Trautmann, S/Supple to confirm the appointment of Amy Markle as the Recreation Services Director for the City of Richfield.

Motion carried 4-0.

<table>
<thead>
<tr>
<th>Item #10</th>
<th>CITY MANAGER’S REPORT</th>
</tr>
</thead>
</table>

City Manager Rodriguez thanked Kris Weiby for his work as Acting Recreation Services Director for the past few months in addition to his normal responsibilities as Facilities Manager; spoke
about the 65th Street open house on March 28 from 4 to 7 p.m. at the Richfield Municipal Center; and mentioned staff is working to find a date for the council-staff retreat.

<table>
<thead>
<tr>
<th>Item #11</th>
<th>CLAIMS AND PAYROLLS</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>U.S. Bank</th>
<th>03/12/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P Checks: 275593 - 275950</td>
<td>$ 1,184,012.25</td>
</tr>
<tr>
<td>Payroll: 143919 - 144252</td>
<td>659,577.65</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 1,843,589.90</td>
</tr>
</tbody>
</table>

Motion carried 4-0.

OPEN FORUM

Abdel M. El Rashidi, 7537 Girard Ave S, spoke regarding his disagreement with the fees on his water bill.

<table>
<thead>
<tr>
<th>Item #12</th>
<th>ADJOURNMENT</th>
</tr>
</thead>
</table>

The meeting was adjourned by unanimous consent at 8:10 p.m.

Date Approved: March 26, 2019

Maria Regan Gonzalez
Mayor

Jared Voto
Executive Aide/Analyst

Katie Rodriguez
City Manager
STAFF REPORT NO. 45
CITY COUNCIL MEETING
3/26/2019

REPORT PREPARED BY: Logan Vlasaty, Civil Engineer

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director
3/14/2019

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
3/19/2019

ITEM FOR COUNCIL CONSIDERATION:
Consideration of the approval of a bid tabulation and award of contract to McNamara Contracting, Inc. for the 2019 Concrete Sidewalk, Curb, and Gutter Repair Project in the amount of $757,060, and authorization of the City Manager to approve contract changes under $175,000 without further City Council consideration.

EXECUTIVE SUMMARY:
With the implementation of the city-wide Accelerated Mill and Overlay Program, concrete repairs are concentrated in the mill and overlay areas. This will ensure the concrete repairs are completed the year before the area is scheduled for mill and overlay. The project includes replacement of cracked and heaved sidewalk, curb, gutter, and other concrete, as necessary. All catch basins and manhole structures in the area are also inspected and, if necessary, repaired as part of this project. A map of the locations for the 2019 work is attached.

Bids for the concrete repair project were opened on March 7, 2019. McNamara Contracting, Inc. was the lowest responsive and responsible bidder in the amount of $757,060.

RECOMMENDED ACTION:
By motion: Approve the bid tabulation and award of contract to McNamara Contracting, Inc. for the 2019 Concrete Sidewalk, Curb, and Gutter Repair Project in the amount of $757,060, and authorize of the City Manager to approve contract changes under $175,000 without further City Council consideration.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT
   - As part of the City’s street maintenance program, cracked and heaved sidewalk, curb, gutter, and other concrete work is completed each year.
   - The project includes rebuilding catch basins and manhole collars, as needed, in preparation for mill and overlay.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):
   - The project is included in the Five-Year Street Reconstruction Plan.
In 2013, the City approved an Accelerated Mill and Overlay Program to complete the remaining 85 miles of roads that had not received any major resurfacing since they were constructed. This program also includes concrete repair of storm and sanitary manholes and catch basins.

An increase in electric and gas franchise fees was approved in 2013, and enacted in April 2014, to fund the Accelerated Mill and Overlay Program.

Per the City's American with Disabilities Act (ADA) Transition Plan, sidewalks, trails, and crossings are brought into compliance with the current ADA requirements.

C. CRITICAL TIMING ISSUES:
   - Concrete repair work is scheduled to begin July 8, 2019, and be completed by October 4, 2019.
   - Concrete repairs should be completed the year prior to mill and overlay to avoid delays to the 2020 Mill and Overlay schedule.

D. FINANCIAL IMPACT:
   - Four (4) bids were received for the concrete repairs.
   - The lowest responsive and responsible bid was $757,060 submitted by McNamara Contracting, Inc.
   - The total cost is within the project budget and is funded by existing franchise fees.

E. LEGAL CONSIDERATION:
   - When the amount of purchase is estimated to exceed $175,000, sealed bids shall be solicited by public notice in the manner and subject to the law governing contracts or purchases by the City of Richfield.
   - The advertisement for bid for the project was published in the Richfield Sun-Current on February 14, 2019, and on the Questcdn.com website on February 14, 2019.
   - Bid opening was held on March 7, 2019. A copy of the bid tabulation is attached.

ALTERNATIVE RECOMMENDATION(S):
   - None

PRINCIPAL PARTIES EXPECTED AT MEETING:
   None

ATTACHMENTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Concrete Bid Tab</td>
<td>Exhibit</td>
</tr>
<tr>
<td>2019 Concrete Map</td>
<td>Exhibit</td>
</tr>
</tbody>
</table>
# BID TABULATION SHEET

**2019 Concrete Sidewalk, Curb and Gutter, Catch Basin and Manhole Repairs**

Bid #: 19-02  
Bid Opening: March 7, 2019  
Richfield Municipal Center, Babcock Conference Room  
Award of Contract: March 26, 2019

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Bond</th>
<th>Non-Collusion</th>
<th>Intent to Comply</th>
<th>Responsible Contractor Certificate</th>
<th>Total Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Sidewalks Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$781,700.00</td>
</tr>
<tr>
<td>McNamara Contracting Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$757,060.00</td>
</tr>
<tr>
<td>Ti-Zack Concrete Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$797,100.00</td>
</tr>
<tr>
<td>New Look Contracting</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$879,375.00</td>
</tr>
</tbody>
</table>
STAFF REPORT NO. 46
CITY COUNCIL MEETING
3/26/2019

REPORT PREPARED BY: Logan Vlasaty, Civil Engineer

DEPARTMENT DIRECTOR REVIEW: Kristin Asher, Public Works Director
3/14/2019

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
3/19/2019

ITEM FOR COUNCIL CONSIDERATION:
Consideration of the approval of a bid tabulation and award of contract to Bituminous Roadways Inc. for the 2019 Mill and Overlay project in the amount $2,051,632 and authorization of the City Manager to approve contract changes under $175,000 without further City Council consideration.

EXECUTIVE SUMMARY:
This is the fifth year of the six year Accelerated Mill and Overlay Program. Approximately 15 miles of residential roads will receive mill and overlay in 2019. The residential roads have not received any major resurfacing since they were originally constructed in the 1970s. To prepare for this year's mill and overlay, repairs to curbs, sidewalks, catch basins, and manholes were completed in 2018. CenterPoint Energy also completed installation of new gas lines and services prior to the mill and overlay project.

For roads that are adequate candidates, mill and overlay is a cost effective maintenance solution that provides most of the benefits of new construction at a fraction of the cost. The surface is milled to remove the top 2"-3" of asphalt and a new asphalt top layer is applied improving the surface integrity of the road and eliminating patching needs. Typically the base layer of these roads is found to be in good condition. In conjunction with regular maintenance, the life of a roadway can be extended beyond the original intended life of 20-30 years.

Bids for the mill and overlay project were opened on March 7, 2019. Bituminous Roadways Inc. was the lowest responsive and responsible bidder in the amount of $2,051,632.

RECOMMENDED ACTION:
By motion: Approve the bid tabulation and award of contract to Bituminous Roadways Inc. for the 2019 Mill and Overlay project in the amount of $2,051,632 and authorize the City Manager to approve contract changes under $175,000 without further City Council consideration.

BASIS OF RECOMMENDATION:
A. HISTORICAL CONTEXT
   - The residential roads were originally constructed between 1972 and 1977. A pavement management program began in 1980. That policy direction was set to protect the City’s capital investment and maintain an acceptable roadway system. The City’s ongoing preventive maintenance program is essential in delaying the costs associated with total reconstruction.
In September 2014, residential mill and overlay was approved in the Five-Year Reconstruction Plan for the purpose of utilizing Street Reconstruction Bonds to finance the work in place of special assessments. The bonds are paid down by an increase in the electric and gas franchise fees, effective April 2014.

Approximately 85 miles of roadway will be milled and overlaid as part of the six year program.

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

- The City has adopted a pavement management program to maintain the quality of the road and prolong the life of the capital investment.
- In 2013, the City Council approved an Accelerated Mill and Overlay Program to complete the remaining 85 miles of roads that have not received any major resurfacing since they were constructed. This program also includes the repair of storm and sanitary manhole collars and catch basins, as needed.
- An increase in electric and gas franchise fees was approved in 2013, and enacted in April 2014, to fund the Accelerated Mill and Overlay Program.

C. CRITICAL TIMING ISSUES:

- The mill and overlay work is scheduled to begin May 6, 2019, and be completed by June 28, 2019.
- Regular preventive maintenance techniques are effective in delaying costly street reconstruction projects.

D. FINANCIAL IMPACT:

- Seven (7) bids were received for the 2019 Mill and Overlay project.
- The lowest responsive and responsible bid was $2,051,632 submitted by Bituminous Roadways, Inc.
- This cost of this work is within the project budget and funded by existing franchise fees.
- A recent history of bid prices for mill and overlay:

<table>
<thead>
<tr>
<th>Year</th>
<th>Bid Price Asphalt (ton)</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$40.00</td>
<td>Harddrives</td>
</tr>
<tr>
<td>2010</td>
<td>$47.00</td>
<td>Valley Paving</td>
</tr>
<tr>
<td>2015</td>
<td>$52.00</td>
<td>Harddrives</td>
</tr>
<tr>
<td>2016</td>
<td>$40.80</td>
<td>Park Construction</td>
</tr>
<tr>
<td>2017</td>
<td>$37.00</td>
<td>Bituminous Roadways</td>
</tr>
<tr>
<td>2018</td>
<td>$36.85</td>
<td>Bituminous Roadways</td>
</tr>
<tr>
<td>2019</td>
<td>$45.00</td>
<td>Bituminous Roadways</td>
</tr>
</tbody>
</table>

- Additional work may be added or subtracted from the mill and overlay contract depending on actual cost of construction.

E. LEGAL CONSIDERATION:

- When the amount of purchase is estimated to exceed $175,000, sealed bids shall be solicited by public notice in the manner and subject to the law governing contracts or purchases by the City of Richfield.
- The advertisement for bid for the project was published in the Richfield Sun-Current on February 14, 2019, and on the Questcdn.com website on February 14, 2019.
- Bid opening was held on March 7, 2019. A copy of the bid tabulation is attached.

ALTERNATIVE RECOMMENDATION(S):

- None

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

<table>
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<tr>
<th>Description</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit</td>
<td>2019 M&amp;O Bid Tab</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Exhibit</td>
<td>2019 M&amp;O Project Map</td>
</tr>
</tbody>
</table>
## 2019 Mill & Overlay Project

### BID TABULATION SHEET

Bid #: 19-01  
Bid Opening: March 7, 2019  
Richfield Municipal Center, Babcock Conference Room  
Award of Contract: March 26, 2019

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Bond</th>
<th>Non-Collusion</th>
<th>Intent to Comply</th>
<th>Responsible Contractor Certificate</th>
<th>Total Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park Construction Company</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,378,200.00</td>
</tr>
<tr>
<td>Bituminous Roadways Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,051,632.00</td>
</tr>
<tr>
<td>Valley Paving Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,338,700.00</td>
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<tr>
<td>Astech Corp</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,411,940.00</td>
</tr>
<tr>
<td>GMH Asphalt Corp</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,548,242.50</td>
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<td>McNamara Contracting Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,404,000.00</td>
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<tr>
<td>Hardrives Inc</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>$ 2,437,500.00</td>
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ITEM FOR COUNCIL CONSIDERATION:
Consideration of the adoption of a resolution supporting the elimination of the exemption that prevents Hennepin and Ramsey counties from receiving a portion of the sales tax on leased vehicles through the county state aid formula.

EXECUTIVE SUMMARY:
Minnesota’s general sales tax applies to long-term motor vehicle leases, which is known as the Motor Vehicle Lease Sales Tax (MVLST). In 2006, voters overwhelmingly supported a constitutional amendment to dedicate the MVLST funds to transportation and subsequent legislative action excluded Hennepin and Ramsey counties from receiving MVLST formula funds.

Hennepin and Ramsey counties are the only counties in the seven-county metro area excluded from receiving funding through the MVLST. The rationale for excluding Hennepin and Ramsey counties from receiving MVLST funds was based on enabling of new taxing authority though the Counties Transit Improvement Board (CTIB).

With CTIB’s dissolution in 2017, the underlying rationale for excluding Hennepin and Ramsey counties from receiving the MVLST funds has ceased to exist. As the most populous counties in Minnesota, residents of Hennepin and Ramsey counties contribute substantially to the MVLST collections but are excluded by law from receiving funding from this transportation source.

RECOMMENDED ACTION:
By motion: Adopt a resolution supporting the repeal of the exclusion of Hennepin and Ramsey counties from receiving motor vehicle lease sales tax (MVLST) funds and a return to the original MVLST county state aid formula.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT
   - See executive summary.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):
   - Minnesota Statutes, Sec. 297A.815, Subd. 3.
C. **CRITICAL TIMING ISSUES:**
   - H.F. 2194 & S.F. 2087 were introduced this legislative session and would serve to include Hennepin and Ramsey counties in the MVLST funds distribution.
   - While the fate of the individual bills this session is uncertain, a growing number of municipal and county officials are working to build awareness, momentum and support for the MVLST distribution change.

D. **FINANCIAL IMPACT:**
   - There is no financial impact to the City in supporting the MVLST distribution changes or related legislation.

E. **LEGAL CONSIDERATION:**
   - The City Attorney will be present to answer questions at the meeting.

**ALTERNATIVE RECOMMENDATION(S):**
   - None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**
   None

**ATTACHMENTS:**

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<tr>
<td>Resolution</td>
<td>Resolution Letter</td>
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<tr>
<td>MVLST Fact Sheet - Hennepin County</td>
<td>Backup Material</td>
</tr>
<tr>
<td>HF2194 &amp; SF2087</td>
<td>Backup Material</td>
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</table>
RESOLUTION NO.

RESOLUTION OF SUPPORT FOR THE REPEAL OF THE EXCLUSION OF HENNEPIN AND RAMSEY COUNTIES FROM RECEIVING MOTOR VEHICLE LEASE SALES TAX (MVLST) FUNDS AND A RETURN TO THE ORIGINAL MVLST COUNTY STATE AID FORMULA.

WHEREAS, in 2006, Minnesota voters overwhelmingly approved a constitutional amendment to dedicate Motor Vehicle Lease Sales Tax (MVLST) funds specifically to transportation; and

WHEREAS, subsequent legislative action directed the MVLST funds to transportation but excluded Hennepin and Ramsey counties based on the enabling of new taxing authority through the Counties Transit Improvement Board (CTIB); and

WHEREAS, with the dissolution of CTIB in 2017 the rationale for excluding Hennepin and Ramsey counties from a fair share of MVLST funds has ceased to exist; and

WHEREAS, Hennepin and Ramsey counties are the two most populous counties in the state, accounting for nearly 32% of Minnesota’s population, and contribute significantly to MVLST revenue; and

WHEREAS, Hennepin and Ramsey counties combined have $1.9 Billion 25-year construction needs as identified in MnDOT’s 2018 CSAH Distribution Report; and

WHEREAS, Hennepin County receives $69 per capita in the form of County and Municipal Highway State Aid, compared to $79 per capita metro-wide and $132 per capita statewide; and

WHEREAS, the economic strength and competitiveness of our state and region depend on an effective, efficient and well-maintained transportation system and no county should be excluded from a key revenue source for maintaining transportation infrastructure.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richfield, Minnesota that it supports all efforts to repeal the exclusion of Hennepin and Ramsey counties from receiving Motor Vehicle Lease Sales Tax (MVLST) funds and urges the Legislature of the State of Minnesota to promptly pass legislation that will ensure Hennepin and Ramsey counties receive a fair and proportional share of MVLST revenues as originally intended by the constitutional amendment.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of March, 2019.

Maria Regan Gonzalez, Mayor

ATTEST:
Elizabeth VanHoose, City Clerk
Hennepin and Ramsey counties deliberately excluded from metro-wide transportation funding

Minnesota’s general sales tax applies to long-term motor vehicle leases — the motor vehicle lease sales tax (MVLST). Hennepin County residents contribute substantially to the MVLST but the county is excluded by state law from receiving funding from this transportation source. If included, Hennepin County would receive $10.7 million annually for roads, bridges, and pedestrian and bikeway projects.

Transportation funds critical to all counties including Hennepin

The economic strength and competitiveness of our state and region depend on an effective, efficient and well-maintained transportation system. County roads and bridges are a critical component of the state and regional transportation system, and no county should be excluded from a key revenue source for keeping pace with the escalating costs of maintaining our transportation infrastructure.

Previous rationale for Hennepin exclusion has ceased to exist

In 2006, voters overwhelmingly supported a constitutional amendment to dedicate the MVLST to transportation. Subsequent legislative action directed the MVLST to transportation but excluded Hennepin and Ramsey counties.

The rationale to exclude Hennepin and Ramsey counties from receiving MVLST formula funds was based on enabling of new taxing authority through the creation of the Counties Transit Improvement Board (CTIB). With CTIB’s dissolution in 2017, this rationale for excluding Hennepin and Ramsey counties from receiving MVLST formula funds has ceased to exist.

MVLST funds should be distributed to all seven metro counties

In FY2018, MVLST revenues are being distributed according to the following formula:

- 11% Highway User Tax Distribution Fund (HUTDF)
- 13% MN Transportation Fund (Local Bridges)
- 38% Greater MN Transit
- 38% County State Aid Highway (CSAH) to five metro counties: Anoka, Carver, Dakota, Scott, Washington
The 38% of revenue distributed to the CSAH fund is allocated to only five metro counties, Anoka, Carver, Dakota, Scott and Washington, and excludes Ramsey and Hennepin. The MVLST is distributed proportionally based on the population in each of the five eligible metro counties. In FY2018, nearly $40 million was generated and distributed to the five metro counties. If FY2018 MVLST funds were distributed to all seven metro counties, Hennepin County’s share would have been approximately $10.7 million. Between 2011 and 2021, an estimated $270 million in MVLST revenues will be distributed to Anoka, Carver, Dakota, Scott, and Washington counties for use on their county roads. Since 2011, approximately $160 million in MVLST revenues have been distributed to those five counties, and it is anticipated that an additional $110 million will be provided by 2021.

Hennepin needs MVLST funding for essential road and bridge infrastructure

Hennepin County has more than double the center line miles, more than four times the signalized intersections, and serves twice the vehicle miles traveled of any of the five counties receiving MVLST revenues. Hennepin County’s 25-year construction needs exceed $1.3 billion, based on the 2018 MnDOT CSAH Distribution Report. When compared to the five counties receiving the MVLST, our need is equal to 73% of the five other counties combined. MnDOT’s estimated Money Needs for each of the seven metro counties is shown in the chart at right.

More transportation funds generated in Hennepin should stay in Hennepin

According to the Minnesota House Research December 2017 State Aid Report, Hennepin County generated approximately $480 million from the Motor Vehicle Sales Tax, Registration Tax and Fuels Tax combined in 2014. In the same year, Hennepin County and its 45 municipalities received $83.4 million in the form of County and Municipal Highway State Aid. Thus, about $400 million per year of transportation funds generated within Hennepin County went to fund statewide priorities.

Currently, Hennepin County receives $69 per capita in the form of County and Municipal Highway State Aid, compared to $79 per capita metro-wide and $132 per capita statewide.
A bill for an act
relating to transportation; allocating motor vehicle lease sales tax revenue to
Hennepin and Ramsey Counties; amending Minnesota Statutes 2018, section
297A.815, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2018, section 297A.815, subdivision 3, is amended to read:

Subd. 3. Motor vehicle lease sales tax revenue. (a) On or before June 30 of each fiscal
year, the commissioner of revenue must estimate the revenues, including interest and
penalties and minus refunds, collected under this section for the current fiscal year.
(b) By July 15 of the subsequent fiscal year, the commissioner of management and
budget must transfer the revenues estimated under paragraph (a) from the general fund as
follows:

(1) 38 percent to the county state-aid highway fund;

(2) 38 percent to the greater Minnesota transit account;

(3) 13 percent to the Minnesota state transportation fund; and

(4) 11 percent to the highway user tax distribution fund.

(c) Notwithstanding any other law to the contrary, the commissioner of transportation
must allocate the funds transferred under paragraph (b), clause (1), to the counties in the
metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of
Hennepin and Ramsey, so that each county receives the percentage that its population, as
defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year
prior to the current calendar year, bears to the total population of the counties receiving 

funds under this paragraph.

(d) The amount transferred under paragraph (b), clause (3), must be used for the local 

bridge program under section 174.50, subdivisions 6 to 7.

(e) The revenues under this subdivision do not include the revenues, including interest 

and penalties and minus refunds, generated by the sales tax imposed under section 297A.62, 

subdivision 1a, which must be deposited as provided under the Minnesota Constitution, 

article XI, section 15.
A bill for an act relating to transportation; allocating motor vehicle lease sales tax revenue to Hennepin and Ramsey Counties; amending Minnesota Statutes 2018, section 297A.815, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2018, section 297A.815, subdivision 3, is amended to read:

Subd. 3. Motor vehicle lease sales tax revenue. (a) On or before June 30 of each fiscal year, the commissioner of revenue must estimate the revenues, including interest and penalties and minus refunds, collected under this section for the current fiscal year.

(b) By July 15 of the subsequent fiscal year, the commissioner of management and budget must transfer the revenues estimated under paragraph (a) from the general fund as follows:

(1) 38 percent to the county state-aid highway fund;

(2) 38 percent to the greater Minnesota transit account;

(3) 13 percent to the Minnesota state transportation fund; and

(4) 11 percent to the highway user tax distribution fund.

(c) Notwithstanding any other law to the contrary, the commissioner of transportation must allocate the funds transferred under paragraph (b), clause (1), to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county receives the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year...
prior to the current calendar year, bears to the total population of the counties receiving funds under this paragraph.

(d) The amount transferred under paragraph (b), clause (3), must be used for the local bridge program under section 174.50, subdivisions 6 to 7.

(e) The revenues under this subdivision do not include the revenues, including interest and penalties and minus refunds, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.
ITEM FOR COUNCIL CONSIDERATION:
Consideration of the approval of an amendment to the Hennepin County Cost Participation Agreement for the acquisition of right-of-way for the 77th Street Underpass of Trunk Highway 77 Project.

EXECUTIVE SUMMARY:
Hennepin County allocated $1,500,000 in cost participation funds for the use in 2016 and 2017 on the 77th Street Underpass of Trunk Highway 77 Project. The funds are for appraisal fees, land acquisition, and relocation costs required for construction of the project. The funds are provided to the City through an invoice reimbursement process. The original agreement commenced on June 1, 2016, and was to terminate on December 31, 2016. A first amendment extending the agreement through December 2017 was passed on February 28, 2017. The attached second amendment extends the agreement to June 30, 2019.

RECOMMENDED ACTION:
By motion: Approve a second amendment to the Hennepin County Cost Participation Agreement for the construction of the 77th Street Underpass of Trunk Highway 77.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

Agreement
- City Council approved the original agreement on April 26, 2016.
- Due to delays in the release of state funds, full right-of-way acquisition could not be completed in 2016 or 2017, which prevented the City from allocating all of the Hennepin County funds prior to the December 31, 2016, and December 31, 2017, termination dates, respectively.
- The first amendment to the agreement was approved by City Council on February 28, 2017.

Costs
- The cost estimate to complete the 77th Street Underpass, including design, right-of-way, and construction is $30.5 million.
- The 77th Street Underpass has received $2.1 million for full design through the Minnesota Department of Transportation (MnDOT) Local Road Improvement Program.
- The 77th Street Underpass has also received $10 million in State funds for "right-of-way
acquisition and construction."

- The project was selected for Regional Solicitation Funding (Federal Funding) in the amount of $7 million for construction year 2020.

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**
   - Managing congestion and working to provide alternatives within the existing highway system while recognizing that congestion cannot be eliminated or greatly reduced — Richfield 2040 Comprehensive Plan (Chapter 7 - Transportation).

C. **CRITICAL TIMING ISSUES:**
   - The current agreement expired on December 31, 2017.
   - Design and right-of-way acquisition are fully funded and both elements are in progress.

D. **FINANCIAL IMPACT:**
   - The Hennepin County funds will be used towards right-of-way acquisition.

E. **LEGAL CONSIDERATION:**
   - The City Attorney reviewed the Amendment and will be available to answer questions.

**ALTERNATIVE RECOMMENDATION(S):**
- None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**
None

**ATTACHMENTS:**

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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Second Amendment to Cost Participation Agreement</td>
<td>Contract/Agreement</td>
</tr>
<tr>
<td>Richfield Motel 6 ROW Percentage Exhibit</td>
<td>Exhibit</td>
</tr>
</tbody>
</table>
SECOND AMENDMENT TO
COST PARTICIPATION AGREEMENT
FOR THE CONSTRUCTION OF THE 77TH STREET UNDERPASS OF TRUNK
HIGHWAY 77 (CEDAR AVENUE)

This Second Amendment made and entered into by and between the County of Hennepin, State of Minnesota, hereinafter referred to as the “COUNTY”, A-2300 Government Center, Minneapolis, Minnesota 55487, on behalf of the Hennepin County Department of Community Works, 701 Fourth Avenue South, Suite 400, Minneapolis, Minnesota 55415-1843, and the City of Richfield, a Minnesota municipal corporation, hereinafter referred to as the “CITY”, 6700 Portland Avenue, Richfield, Minnesota 55423, on behalf of the Richfield Community Development Department.

WHEREAS, by Resolution No. 10847 and Ordinance No. 2013-24, the CITY approved the construction of a roadway underpass to allow 77th Street to travel under Cedar Avenue (the “Project”); and

WHEREAS, the parties entered into Contract No. A165300 (the “Agreement”) as authorized by Hennepin County Board Resolution 15-0336R2; and

WHEREAS, the Agreement between the parties provides for the COUNTY to contribute to the Project for right-of-way acquisition; and

WHEREAS, the parties entered into First Amendment to Contract No. 165300 effective December 13, 2016 as authorized by Hennepin County Board Resolution 16-0338R1 to extend the term of the Agreement; and

WHEREAS, Hennepin County Board Resolution 17-0474 authorized a further extension of the term of the Agreement to allow for the completion of the right of way acquisition phase of the 77th street underpass project; and

NOW, THEREFORE, the parties agree to amend Section 1 of the Agreement to read as follows:

1. **Term and Cost of the Agreement.** The CITY agrees to furnish services described in Section 2 during the period commencing January 1, 2016 and terminating June 30, 2019, for an amount not to exceed the lesser of $1,500,000.00 or 36% of the total cost of acquisition of property required for Project right-of-way as depicted in the attached Exhibit A.

   Except as amended by the First Amendment and as herein amended, the terms, conditions and provisions of the original Agreement shall remain in full force and effect.
COUNTY BOARD AUTHORIZATION

CITY, having signed this agreement, and the COUNTY having duly approved this agreement on the ____ day of _________, 2019, and pursuant to such approval, the proper County officials having signed this agreement, the parties hereto agree to be bound by the provision herein set forth.

Reviewed by the County Attorney’s Office

COUNTY OF HENNEPIN
STATE OF MINNESOTA

By: ________________________________  Chair of Its County Board

ATTEST:
Deputy/Clerk of County Board
Date: ________________________________

By: ________________________________  County Administrator
Date: ________________________________

By: ________________________________  Assistant County Administrator, Public Works
Date: ________________________________

Recommended for Approval:

______________________________
Director, Community Works
Date: ________________________________
CITY

The CITY certifies that the person who executed this Agreement is authorized to do so on behalf of the CITY as required by applicable articles, bylaws, resolutions or ordinances.*

By: ____________________________
Title: ____________________________
Date: ____________________________

By: ____________________________
Title: ____________________________
Date: ____________________________

*CITY shall submit applicable documentation (articles, bylaws, resolutions or ordinances) that confirms the signatory's delegation of authority. This documentation shall be submitted at the time CITY returns the Agreement to the County.
ITEM FOR COUNCIL CONSIDERATION:
Consideration of the adoption of a resolution supporting the 2020 Census.

EXECUTIVE SUMMARY:
April 1, 2019, marks one year out from Census Day 2020. The Minnesota State Demographic Center has asked cities to pass a resolution in support of the 2020 Census and to begin highlighting the importance of the census and ensuring everyone who lives in Richfield is counted.

Why is the census important to Richfield and Minnesota:
- Congressional reapportionment
  - Minnesota is projected to either lose one district in the House of Representatives or have no change. A loss of one congressional seat would increase the population size of a district by approximately 100,000 people.
- Distribution of federal dollars
  - More than 600 billion federal dollars are distributed to state and local governments each year on the basis of the census.
  - At least $1,532 per person is allocated by the federal government to Minnesota each year; that is $15,320 for the decade. These monies go towards our roads, schools, and other programs that directly impact the lives of Richfield residents.

RECOMMENDED ACTION:
By motion: Adopt a resolution supporting the 2020 Census.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT
- What is the Census for?
  - The U.S. Constitution (Article 1, Section 2) mandates a headcount every 10 years, of everyone residing in the United States. This includes people of all ages, races, ethnic groups, citizens, and noncitizens. The first census was conducted in 1790 and has been carried out every 10 years since then.
  - The population totals from the 2020 census will determine the number of seats each state has in the House of Representatives. States also use the totals to draw legislative districts.
The totals also affect federal funding in our community and data collected in the census help inform how our community is changing.

B. **POLICIES (resolutions, ordinances, regulations, statutes, etc):**
   - N/A

C. **CRITICAL TIMING ISSUES:**
   - Census Day is April 1, 2020. It is important to begin highlighting this day to inform our residents and begin outreach to ensure everyone is counted.

D. **FINANCIAL IMPACT:**
   - N/A

E. **LEGAL CONSIDERATION:**
   - N/A

**ALTERNATIVE RECOMMENDATION(S):**
- None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**
N/A

**ATTACHMENTS:**

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<td>Resolution</td>
<td>Resolution Letter</td>
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RESOLUTION NO.

RESOLUTION SUPPORTING THE 2020 CENSUS

WHEREAS, the U.S. Census Bureau is required by the U.S. Constitution to conduct a count of the population and provides a historic opportunity to help shape the foundation of our society and play an active role in American democracy; and

WHEREAS, the City of Richfield is committed to ensuring every resident is counted; and

WHEREAS, federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based, in part, on census data and housing; and

WHEREAS, census data helps determine how many seats each state will have in the U.S. House of Representatives and is necessary for the an accurate and fair redistricting of state legislative seats, county and city councils and voting districts; and

WHEREAS, information from the 2020 Census and American Community Survey are vital tools for economic development and increased employment; and

WHEREAS, the information collected by the census is confidential and protected by law; and

WHEREAS, a united voice from business, government, community-based and faith-based organizations, educators, media and others will enable the 2020 Census message to reach more of our citizens;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Richfield, Minnesota, is committed to partnering with the U.S. Census Bureau and the State of Minnesota and will:

1. Support the goals and ideals for the 2020 Census and will disseminate 2020 Census information.
2. Encourage all city residents to participate in events and initiatives that will raise the overall awareness of the 2020 Census and increase participation.
3. Support census takers as they help our city complete an accurate count.
4. Strive to achieve a complete and accurate count of all persons within our borders.

Adopted by the City Council of the City of Richfield, Minnesota this 26th day of March, 2019.

____________________________
Maria Regan Gonzalez, Mayor

ATTEST:

____________________
Elizabeth VanHoose, City Clerk