Call to order

1. Approval of the minutes of the (1) Regular HRA Meeting of March 21, 2016 and (2) Special Concurrent City Council and HRA Workssection of March 22, 2016

2. HRA approval of the agenda

3. Consideration of an amendment to the NSP 1 Developer Agreement with the Greater Metropolitan Housing Corporation for the continued acquisition, rehabilitation and sale of single family homes through the Neighborhood Stabilization Program
   Staff Report No. 12

4. Consideration of a contract with TMS Construction for the demolition of structures located at 6421 14th Street, 7033 Garfield Avenue, 7333 Emerson Avenue, and 7533 Dupont Avenue
   Staff Report No. 13

5. Consideration of a contract with TMS Construction for the demolition of 6321 Penn Avenue, 1403-1405 East 66th Street and 1407 East 66th Street
   Staff Report No. 14

6. HRA discussion items

7. Executive Director report

8. Claims and payroll

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.
The meeting was called to order by Chair Supple at 7:15 p.m.

HRA Members Present: Mary Supple, Chair; David Gepner (arrived 7:17 p.m.); Debbie Goettel; and Doris Rubenstein

HRA Members Absent: Pat Elliott

Staff Present: Steve Devich, Executive Director; John Stark, Community Development Director, and Karen Barton, Assistant Community Development Director

Item #1 APPROVAL OF THE MINUTES OF THE (1) SPECIAL CONCURRENT CITY COUNCIL, HRA, AND PLANNING COMMISSION WORKSESSION OF FEBRUARY 9, 2016 AND (2) REGULAR HRA MEETING OF FEBRUARY 16, 2016

M/Goettel, S/Rubenstein to approve the minutes.

Motion carried 3-0.

Item #2 HRA APPROVAL OF THE AGENDA

HRA Chair Supple announced that the agenda has been amended to allow a citizen to speak on Item #5.

M/Rubenstein, S/Goettel to approve the agenda as amended.

Motion carried 3-0.

HRA Commissioner Gepner arrived.

Item #3 HRA PROGRAMS/COMMUNITY DEVELOPMENT 2015 YEAR IN REVIEW

Assistant Community Development Director Barton presented the 2015 Year in Review.

Ms. Barton summarized all of the many different types of housing, redevelopment, and rental assistance programs and achievements of the past year.
<table>
<thead>
<tr>
<th>Item #4</th>
<th>CONSIDERATION OF A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY LOCATED AT 7533 DUPONT AVENUE THROUGH THE RICHFIELD REDISCOVERED PROGRAM S.R. NO. 10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assistant Community Development Director Barton presented Staff Report No. 10. M/Rubenstein, S/Goettel that the following resolution be approved: HRA RESOLUTION NO. 1225 RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY LOCATED AT 7533 DUPONT AVENUE</td>
</tr>
<tr>
<td></td>
<td>Motion carried 4-0. This resolution appears as HRA Resolution No. 1225.</td>
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<tr>
<th>Item #5</th>
<th>CONSIDERATION REGARDING A SPECIAL, TEMPORARY ADJUSTMENT OF PAYMENT STANDARD FOR THE SECTION 8 RENT ASSISTANCE PROGRAM FOR THE CLIENTS AT CONCIERGE APARTMENTS S.R. NO. 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Community Development Director Stark presented Staff Report No. 11. Linda Soderstrom, 7720 Penn Avenue Apt #222, addressed the HRA regarding her concerns on the transition of the Concierge Apartments. M/Goettel, S/Rubenstein to approve a special, temporary adjustment of payment standard for the Section 8 Rent Assistance Program for the clients at Concierge Apartments.</td>
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<td>Motion carried 4-0.</td>
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<thead>
<tr>
<th>Item #6</th>
<th>HRA DISCUSSION ITEMS</th>
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<tbody>
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<td></td>
<td>HRA Commissioner Goettel asked when the Portland Avenue construction will start. Executive Director Devich responded that he believed it would start soon but would get a more precise date to the City Council and HRA.</td>
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<td></td>
<td>HRA Commissioner Gepner stated he was looking to City staff and his fellow HRA Commissioners for a list of Richfield firsts for a compilation he is working on.</td>
</tr>
<tr>
<td></td>
<td>Community Development Director Stark cited two examples of Richfield firsts; the Richfield HRA approved the first TIF District in Minnesota and Market Plaza and Village Shores were the State’s first suburban mixed use projects outside of Minneapolis and St. Paul.</td>
</tr>
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<td></td>
<td>HRA Commissioner Rubenstein commended HRA Commissioner/Mayor Goettel on her recent awards.</td>
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<tr>
<th>Item #7</th>
<th>EXECUTIVE DIRECTOR REPORT</th>
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<tbody>
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<td></td>
<td>None.</td>
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</tbody>
</table>

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<tr>
<th>Item #8</th>
<th>CLAIMS AND PAYROLL</th>
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</table>
M/Goettel, S/Rubenstein that the following claims and payroll be approved:

<table>
<thead>
<tr>
<th>U.S. BANK</th>
<th>03/21/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8 Checks: 127510-127584</td>
<td>$160,283.00</td>
</tr>
<tr>
<td>HRA Checks: 32603-32647</td>
<td>$45,446.63</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$205,729.63</td>
</tr>
</tbody>
</table>

Motion carried 4-0

**ADJOURNMENT**

The meeting was adjourned by unanimous consent at 8:06 p.m.

Date Approved: April 18, 2016

Mary B. Supple  
HRA Chair

Steven L. Devich  
Acting City Clerk

Steven L. Devich  
Executive Director
The concurrent worksession was called to order by Mayor/HRA Commissioner Goettel at 6:18 p.m. in the Bartholomew Room.

HRA Members Present: Mary Supple, Chair; Debbie Goettel; David Gepner; Doris Rubenstein; and Pat Elliott (arrived at 6:30 p.m.)

Council Members Present: Debbie Goettel, Mayor; Michael Howard; Edwina Garcia; Tom Fitzhenry and Pat Elliott (arrived at 6:30 p.m.)

Staff Present: John Stark, Acting City Manager/Community Development Director; Karen Barton, Assistant Community Development Director; Kristin Asher, Public Works Director; Jeff Pearson, City Engineer; Jim Topitzhofer, Recreation Services Director; Matt Brillhart, Planning Technician; and Theresa Schyma, Deputy City Clerk.

**Item #1** DISCUSSION REGARDING LAKES AT LYNDALE WAYFINDING SIGNAGE (COUNCIL MEMO NO. 15/HRA MEMO NO. 8)

Assistant Community Development Director Barton presented the design options for wayfinding signage to be located in the Lakes at Lyndale area. She stated that the objective is to select an overall design choice and that fine tuning of that design will occur at a later date.

Council Member Howard stated he liked the ability of Concept 1 to translate to other areas of the City with future redevelopment.

Frank Hickey, Signia Design, stated that the goal is to have a design that can be consistent throughout the City and create an identity for Richfield.

Mayor/HRA Commissioner Goettel and Council Member Fitzhenry stated they believed that the design of Concept 1 would look better over time.

The City Council and HRA consensus was to proceed with Concept 1.

**Item #2** DISCUSSION REGARDING PENN AVENUE BANNERS (COUNCIL MEMO NO. 16/HRA MEMO NO. 9)

Assistant Community Development Director Barton and Planning Technician Brillhart presented the banner design options for Penn Avenue.
Council Member Garcia stated she wants the text on the banners to be clear and easy to read from afar.

HRA Commissioner Gepner stated he prefers Option 6. He also questioned why the entire community has been able to provide feedback on the design that will be displayed in Penn Central.

Council Member Elliott responded that Penn Central is part of the community, not separate from it so feedback from the entire community is important. He stated that he wants the designs to have more of the Richfield colors on them.

Council Member Howard stated he likes the Penn Central logo on Option 6 since the family and message are very welcoming. He added that he believes the Richfield logo should be somewhere on the banner.

The City Council and HRA consensus was to proceed with Option 6 and work with the artist in modifying the design to possibly include reducing the number of languages for easier reading, changing the text color to red to make it more clear that the design is a heart, add the City of Richfield logo, and remove the word Minnesota from the banner.

The concurrent worksession was adjourned by unanimous consent at 6:44 p.m.

Date Approved: April 18, 2016.

Mary B. Supple
Chair

Theresa Schyma
Deputy City Clerk

John Stark
Acting Executive Director
ITEM FOR HRA CONSIDERATION:
Consideration of an amendment to the NSP 1 Developer Agreement with the Greater Metropolitan Housing Corporation for the continued acquisition, rehabilitation and sale of single family homes through the Neighborhood Stabilization Program.

I. RECOMMENDED ACTION:
By Motion: Approve an amendment to the NSP 1 Developer Agreement with the Greater Metropolitan Housing Corporation for the acquisition, rehabilitation and sale of single family homes through the Neighborhood Stabilization Program.

II. EXECUTIVE SUMMARY
In 2009 the Housing and Redevelopment Authority (HRA) was awarded $750,000 in Neighborhood Stabilization Program (NSP) funds to purchase and rehabilitate up to four foreclosed homes located within certain areas of Richfield.

In 2009 the HRA entered into an agreement with the Greater Metropolitan Housing Corporation (GMHC) to identify foreclosed or blighted properties, acquire them on behalf of the HRA and manage the rehabilitation and sale of the home to a qualified-buyer. Over the course of the program, proceeds from the property sales were returned to Richfield’s NSP account allowing for the purchase of additional

rehabilitation candidates. Since 2009 seven homes have been renovated using the original NSP funds. An eighth home is currently being renovated, and will utilize the last of the program funds. The original agreement between the HRA and GMHC has expired and now needs to be updated.

III. BASIS OF RECOMMENDATION

A. BACKGROUND
- An amendment was requested by Hennepin County given the ongoing nature of the program, and to clarify the HRA's relationship with GMHC for this program.

B. POLICY
- The HRA has partnered with non-profit developers to construct affordable homes since 1978.
- The HRA has partnered with GMHC for many years, most recently at 7212 and 7216 Clinton Avenue to provide well-built, permanently affordable housing to qualified households.
- The HRA previously approved and authorized execution of an NSP I Developer Agreement with GMHC expending NSP funds on behalf of the HRA.

C. CRITICAL TIMING ISSUES
- The existing NSP I Developer contract with GMHC expired on December 31, 2010.
- Hennepin County encouraged staff to create an amendment for the Developer Agreement with GMHC until the program concludes in the fall of 2016 when the eighth house is completed.

D. FINANCIAL
- The HRA was originally awarded a total of $1,041,541 in Federal NSP funds; $750,000 was allocated for the acquisition, rehabilitation, and re-sale of foreclosed properties through the Minnesota Housing Finance Agency (MHFA).
- Program income was generated when the final gap to be funded by NSP funds was smaller than anticipated. These overages allowed the program to accomplish more than the original four single-family rehabilitation projects.
- No additional program income will be generated. The home currently being renovated through this program will be the final NSP project undertaken by GMHC on behalf of Richfield.

E. LEGAL
- Legal counsel drafted the Amendment to NSP 1 Developer Agreement.
IV. **ALTERNATIVE RECOMMENDATION(S)**
   - Do not approve the Amendment to NSP 1 Developer Agreement.

V. **ATTACHMENTS**
   - Amendment to NSP 1 Developer Agreement

VI. **PRINCIPAL PARTIES EXPECTED AT MEETING**
   - N/A
AMENDMENT TO NSP 1 DEVELOPER AGREEMENT
(Greater Metropolitan Housing Corporation)

THIS AMENDMENT TO NSP 1 DEVELOPER AGREEMENT, made and entered into as of this ____ of _________, 2016 (“Effective Date”), by and between the Housing and Redevelopment Authority in and for the City of Richfield, a body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the Greater Metropolitan Housing Corporation, a non-profit corporation under the laws of Minnesota, having its principal office at 15 South Fifth Street, Suite 710, Minneapolis, Minnesota 55402 (“GMHC”).

RECATERS

A. The HRA and GMHC did on or about December 31, 2009 enter into an agreement entitled NSP 1 Developer Agreement (the “Contract”), so that GMHC could purchase, rehabilitate, and resell Eligible Properties on behalf of the HRA pursuant to the terms and conditions of the Contract; and

B. The HRA and GMHC desire to amend the Contract to extend the expiration date so that GMHC may acquire an additional Eligible Property; and

NOW, THEREFORE, based upon the mutual covenants and undertakings hereinafter, and in the Contract provided, the parties hereto stipulate and agree as follows:

I. The WHEREAS clauses set forth above are incorporated into this Amendment and are confirmed in all respects.

II. Paragraph 2 of the Contract is hereby amended as follows:

2. Term. This Agreement is effective as of the Effective Date and until December 31, 2016.

III. Except as specifically modified by this Amendment, the parties agree that all of the terms, conditions, and exhibits of the Contract are in full force and effect and remain unmodified. The parties hereby ratify and reaffirm the terms, conditions, and exhibits of the Contract and agree to perform and comply with the same. In the event of a conflict between any term or provision of the Contract and this Amendment, the terms, conditions, and exhibits of this Amendment shall control. In addition, except as otherwise stated in this Amendment, all initially capitalized terms shall have the same respective defined meaning stated in the Contract.

(Signature pages follow.)
ITEM FOR HRA CONSIDERATION:
Consideration of a contract with TMS Construction for demolition of structures located at 6421 14th Street, 7033 Garfield Avenue, 7333 Emerson Avenue, and 7533 Dupont Avenue.

I. RECOMMENDED ACTION:
By Motion: Approve a contract with TMS Construction for demolition of structures located at 6421 14th Street, 7033 Garfield Avenue, 7333 Emerson Avenue, and 7533 Dupont Avenue.

II. EXECUTIVE SUMMARY
The Housing and Redevelopment Authority (HRA) owns four properties located at 6421 14th Street, 7033 Garfield Avenue, 7333 Emerson Avenue, and 7533 Dupont Avenue. The HRA plans to demolish the existing substandard structures and make the lots available for new home construction through the Richfield Rediscovered Program. The houses are currently vacant, testing and abatement of hazardous materials is currently underway. To reduce potential risks, holding costs, and negative impacts to the surrounding neighborhood, the houses should be demolished as soon as possible.

The HRA received four bids for the demolition work. The low bid of $30,400 was submitted by TMS Construction.
III. **Basis of Recommendation**

A. **Background**
- In March, the HRA disseminated a Request for Quotes to five demolition companies. Four responded with the following estimates:
  - TMS Construction - $30,400
  - Stevens Excavating - $42,165
  - PGM - $57,658
  - Kamish Excavating - $62,791
- Staff recommends the HRA approve the contract with TMS Construction.
- TMS Construction has successfully completed demolition of HRA properties in the past.

B. **Policy**
- The HRA has demonstrated success through its Richfield Rediscovered Program in removing obsolete housing in poor condition and developing new housing that meets the needs of today's households.
- The HRA demolishes the existing structures prior to selling the properties to facilitate redevelopment.

C. **Critical Timing Issues**
- The houses are currently vacant. To reduce potential risks, holding costs, and negative impacts to the surrounding neighborhood, the houses should be demolished as soon as possible.
- If the contract is approved, demolition will be completed by June 30, 2016.
- The properties are being marketed for sale through the Richfield Rediscovered Program.

D. **Financial**
- TMS Construction submitted the lowest bid at $30,400.
- There are funds available for the demolition in the Housing and Redevelopment Fund.

E. **Legal**
- Legal counsel drafted the Contract for Demolition.

IV. **Alternative Recommendation(s)**
- Do not approve the Contract for Demolition.
- Award the contract to another bidder.

V. **Attachments**
- Contract for Demolition

VI. **Principal Parties Expected at Meeting**
- N/A
CONTRACT FOR DEMOLITION

THIS CONTRACT is made and entered into this ___ day of ______, 2016, by and between TMS Construction (the “Contractor”) and the Housing and Redevelopment Authority in and for the City of Richfield, State of Minnesota (the “HRA”) (collectively, the “Parties”), for the demolition of buildings located at 6421 14th Avenue South, 7033 Garfield Avenue South, 7333 Emerson Avenue South, and 7533 Dupont Avenue South, Richfield, MN 55423 (the “Property”).

RECITALS

WHEREAS, the HRA requires the demolition of buildings at the Property (the “Work”).

WHEREAS, the HRA has awarded the Work to the Contractor;

WHEREAS, the Contractor represents that it has the necessary personnel, experience, competence, and legal right to perform the Work;

NOW, THEREFORE, in consideration of the mutual obligations of the Parties hereto, each of them does hereby covenant and agree as follows:

Section 1. Definitions

“City” means the City of Richfield, Minnesota.

“Contract” or “Agreement” means this agreement between the HRA and Contractor for the performance of the Work, together with all exhibits, amendments, or modifications to the Contract.

“Final Completion” means all items of the Work, “punch list items” and site work are completed and Contractor is eligible for Final Payment.

“HRA” means the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.

“Property” means 6421 14th Avenue South, 7033 Garfield Avenue South, 7333 Emerson Avenue South, and 7533 Dupont Avenue South, Richfield, MN 55423.

“Substantial Completion” means the time at which the HRA determines that the Work has progressed to a point where it is sufficiently complete, leaving only minor “punch list” and close out items and other minor site work required to be completed for full payment of the contract price.
"Work" means the entire completed demolition and all other activities to be performed by Contractor on the Property as provided for in this Contract.

Section 2. General Requirements

2.1. Rights of the HRA. The HRA and the City reserve the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in this Contract. The HRA also reserves the right to cancel the Contract without penalty, if circumstances arise which prevent the HRA from completing the project. In the event of any conflict between the General Conditions and this Contract, this Contract shall control.

2.2. Interest of Members of City or HRA. The Contractor agrees that no member of the governing body, officer, employee, or agent of the City or the HRA shall have any interest, financial or otherwise, direct or indirect, in the Contract.

2.3. Equal Opportunity Statement. Contractor agrees to comply with the provisions of all applicable federal, state, and City statutes, ordinances, and regulations pertaining to civil rights and nondiscrimination including without limitation Minnesota Statutes, Section 181.59 as amended, incorporated herein by reference.

2.4. Transfer of Interest. The Contractor shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation, without the prior written approval of the HRA, provided, however, that claims for money due or to income due to the Contractor may be assigned to a bank, trust company, or other financial institution, or to a Trustee in Bankruptcy without such approval. Notice of any such assignment or transfer shall be furnished to the HRA. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

2.5. Independent Contractor. It is expressly understood that the Contractor is an "independent contractor" and not an employee of the City or the HRA. The Contractor shall have control over the manner in which the services are performed under this Agreement. The Contractor shall supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement. The Contractor shall not be entitled to any benefits from the City or the HRA, including, without limitation, insurance benefits, sick and vacation leave, workers' compensation benefits, unemployment compensation, disability, severance pay, or retirement benefits.

2.6. Accounting Standards. The Contractor agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by normally accepted accounting practices to properly account for expenses incurred under this contract.
2.7. **Retention of Records.** The Contractor shall retain all records pertinent to expenditures incurred under this Contract for a period of three years after the resolution of all audit findings. Records for non-expendable property acquired with funds under this contract shall be retained for three years after final disposition of such property.

2.8. **Government Data.** The Contractor agrees to comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and all other applicable state and federal laws relating to data privacy or confidentiality, as those laws may be amended. The Contractor shall immediately report to the HRA any requests from third parties for information relating to this agreement. All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing its obligations is subject to the requirements of the Act, and the Contractor must comply with those requirements as if it were a government entity. The HRA agrees to promptly respond to inquiries from the Contractor concerning data requests. The Contractor agrees to hold the City and the HRA, its officers, department heads and employees harmless from any claims resulting from the Contractor’s failure to disclose data maintained by the Contractor and authorized for release by the HRA, and from Contractor’s unlawful disclosure or use of data protected under state and federal laws.

Section 3. **Contract Price**

3.1. Upon compliance with all the requirements of this Contract, Contractor shall be paid the Contract Price of $30,400 pursuant to Section 28 of this Contract.

Section 4. **Project Schedule**

4.1. Contractor shall commence the Work on or after Contract execution and Substantial Completion of the Work shall be achieved no later than June 30, 2016. If the Work is not substantially completed by June 30, 2016, damages of $100.00 will be deducted from the Contract Price for each day the requirements of this contract have not been fulfilled.

Section 5. **Local Permit Requirements and Related Submittals**

5.1. Contractor shall obtain permits required by the City, including a plumbing permit (for water & sanitary sewer disconnects) and a demolition permit. Questions about these permits, permit fees, and the scheduling process for the required inspections should be directed to the Building Inspections Department at Richfield City Hall (612-861-9816).

5.2. No less than 2 days prior to beginning the Work, the Contractor shall provide:

- Description of proposed dust and noise control measures for the Property.

5.3. Upon completion of the Work, Contractor shall provide:
- Copies of any permits required by government agencies other than the City, such as transport or disposal permits.

- Copies of any test results required by government agencies other than the City, including but not limited to testing required as part of the asbestos abatement process.

- Copies of all landfill records indicating receipt and acceptance of hazardous wastes by a landfill licensed to accept hazardous wastes.

Section 6. Job Conditions - General

6.1. Contractor will disconnect and abandon utilities serving the Property, including water, sanitary sewer, electricity, gas and telecommunications; or arrange for disconnection and abandonment of same. Contractor shall not begin work before field-verifying that disconnection and abandonment has been completed.

6.2. HRA shall ensure that the buildings are vacated and use of the property is discontinued prior to start of work.

6.3. HRA assumes no responsibility for actual condition of structures to be demolished. Conditions existing at time of inspection for bidding purposes will be maintained by HRA to the extent practicable. Contractor may salvage any and all materials and equipment from the Property. Variations within structures may occur due to removal and salvage operations prior to the start of demolition work.

6.4. Contractor shall provide all labor, materials, equipment, employee training, compliance with all regulations, permits, notifications, licenses and agreement necessary to perform the work described in this Contract.

6.5. The Contractor operations shall not at any time encroach on adjacent residential properties. Where residents occupy the adjacent properties, the Contractor shall stake and mark the boundaries of the property to identify the limits of operations for its employees and subcontractors.

6.6. Where adjacent buildings are occupied, the HRA requires Contractors to advise the inhabitants as to when they will start work activities and of what hazards are involved. Each Contractor shall also furnish the occupants of the adjoining properties a phone number where they can reach the Contractor in case of an emergency or problem.

6.7. As directed by the City Inspector, a silt fence or other appropriate erosion control measures shall be erected around the perimeter of the Property to prevent erosion and unwanted run-off onto adjacent properties, streets, and alleys. Silt fences must conform to standards set by the Minnesota Pollution Control Agency and the City.
6.8. All materials from undertaking the Work shall become the property and responsibility of the Contractor.

6.9. Contractor may choose to salvage materials and equipment. Any salvaged items must be removed from the Property in a timely manner as they are salvaged. On site storage or sale of salvaged items is prohibited.

6.10. The use of explosives and on site burning by the Contractor are prohibited.

6.11. Contractor shall provide water, electricity, communications and toilet facilities on site as necessary to complete the work.

6.12. Contractor shall provide and maintain uninterrupted vehicular access to the Property, including temporary demolition facilities, storage and work areas, for not only persons and equipment involved in the project but also emergency vehicles.

6.13. Contractor shall keep fire hydrants and water control valves free from obstruction and accessible for use.

6.14. Contractor shall take all necessary safeguards to prevent damage or injury to neighboring property.

6.15. Prior to closing or rerouting existing traffic lanes or sidewalks in any public street easement or right-of-way adjacent to streets, the Contractor shall obtain written permission from the City Engineer. Expenses related to lane closures, including but not limited to traffic barriers, signs and similar equipment as well as traffic control personnel, shall be the responsibility of the Contractor.

6.16. The Contractor may conduct work on the Property from 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 5 p.m. on Saturdays. No work shall be conducted on Sundays or legal holidays.

6.17. The Contractor shall not crush any materials on-site.

6.18. Contractor shall maintain the Property in a safe and neat manner. Adjacent properties, streets and right-of-ways shall be kept free of dirt and debris.

6.19. If Contractor is negligent in carrying out any of the conditions in this Section 6, the HRA reserves the right to perform this work with its own workforce at overtime rates. The costs of such work will be charged to the Contractor.

Section 7. [Left Blank]

Section 8. [Left Blank]
Section 9. Demolition

9.1. Contractor shall use water sprinkling, temporary enclosures and other suitable methods to limit dust and dirt rising and scattering in air. Contractor shall comply with any and all governing regulations pertaining to environmental protection. Contractor shall not use water when it may create hazardous or objectionable conditions such as flooding or pollution.

9.2. Contractor shall clean adjacent structures and improvements of dust, dirt and debris caused by demolition operations and return adjacent areas to condition existing prior to start of work.

9.3. Contractor shall demolish buildings, other structures, improvements, and landscaping completely and remove all debris from the Property. Contractor may use such methods as required to complete the work subject to the limitations of governing regulations.

9.4. Contractor shall proceed with demolition in a systematic manner, from top of structures to ground, and will complete demolition work above each floor or tier before disturbing supports on lower levels.

9.5 After the Building has been removed from the Property, Contractor shall remove all foundation walls and the basement floor slab, and shall remove all other at grade masonry, concrete slabs, sidewalks, steps, and driveways from the Property. ALL ASPHALT, MASONRY, AND NON-MASONRY MATERIAL MUST BE TRANSPORTED AWAY FROM THE SITE.

9.6 Immediately upon the removal of the Building from its foundation, Contractor shall furnish and erect on the Property a wood slat snow fence or an approved substitute, either one being in good repair and reasonably acceptable to HRA. The fence shall be at least four feet in height, shall completely enclose the open basement, and shall remain in place until the basement is filled, at which time it shall be removed;

9.7. Contractor shall locate demolition equipment throughout the building and remove materials so as to not impose excessive loads to supporting walls, floor or framing.

9.8. Contractor shall provide and maintain interior and exterior shoring, bracing or other structural support to preserve structural stability and prevent movement, settlement or collapse of the building.

9.9. Contractor shall break up any concrete slabs-on-grade and remove from the Property.

9.10. Contractor shall demolish footings, foundation walls, tunnels and other below-grade structures and remove from the Property.
9.11. After removing all foundation walls and the basement floor slab, as provided above, Contractor shall fill the basement to ground surface level with clean compactable soil. The basement hole MUST BE inspected by the City Inspector prior to filling, and any unauthorized debris removed. The fill must not contain any hazardous substance or disposed building material.

9.12. All sheds and other accessory structures, clothesline and other poles, and landscape structures shall be removed from the Property.

9.13. Contractor may not cut or remove a tree from the Property without prior permission from HRA. If any trees are cut or destroyed by Contractor without prior approval, Contractor will pay to HRA damages of $200 per tree. Any such damages shall be deducted from Contractor’s payment. Any trees approved by the HRA for removal and cut or felled in the moving process shall be removed immediately, and the tree stumps may remain.

9.14 Contractor shall provide certificate of well abandonment if required.

Section 10. Debris Control

10.1. Contractor shall maintain the Property free of extraneous debris.

10.2. Contractor shall prohibit overloading of trucks to prevent spillage on access and haul routes.

10.3. Contractor shall maintain a sweeping and clean-up program to prevent deposition, release and disbursal of soils and debris onto paved surfaces.

Section 11. Disposal

11.1. Contractor shall move from the Property all debris, rubbish and other materials resulting from demolition operations.

11.2. Contractor shall transport materials from the Property and legally dispose of them off-site in accordance with governing regulations.

Section 12. Earthwork
12.1. Contractor shall rough grade the Property using clean fill after completing all abatement and demolition activities; taper edges of all excavated areas to minimize slope of 2 to 1, keeping soil disturbance to a minimum. Property must be seeded, and erosion control measures must remain in place until turf is established. The Contractor must comply with all requirements of the appropriate Watershed District related to the Work. Final payment will not be made until turf is established.

Section 13. Excusable Delays

13.1. The following circumstances, and _only_ these circumstances, will, at the HRA's discretion, be considered legitimate cause for a change in the commencement and/or completion dates specified in Section 4 of this Agreement:

   a. Material delay -- material delays that are beyond the control of the Contractor, which can be shown to have directly caused the overall late completion.

   b. Adverse weather and emergency conditions -- weather or emergency conditions that directly affect the scheduling of exterior work over a significant portion of the term of this Agreement.

   c. Strikes -- Contractors who face union work stoppage in the case where they have to rely on such a work force in order to complete the Work.

   d. Amendments -- amendments in the original scope of work, which can be reasonably shown to require an extension of the time allowed for completion.

   e. Other delays -- act or neglect of the HRA, or of an employee of either, or of a separate contractor employed by the HRA, or by changes ordered in the Work or by unavoidable casualties or other causes beyond the Contractor's control.

Section 14. Change Order

14.1. The HRA has the right, within the general scope of the Work and without notice to any surety or sureties of the Contractor, if any, to make changes in the Work, either by altering the nature of the same or by adding to or deducting from it.

14.2. This is a lump sum contract. The Contractor must immediately contact the HRA prior to exceeding the Contract Price set out in Section 3.1. In the event an unknown condition is encountered during the Contractor's performance of the Work, the Contractor must notify the HRA's project manager immediately. The appropriate course of action will be determined and, if necessary, a change order will be authorized prior to the start of the work. Change orders for additional payment will not be granted due to the
Contractor underestimating quantities of material(s), winter weather conditions or the amount of labor required in order to perform the Work. For change orders related to Hazardous or Regulated Materials, the HRA reserves the right to subcontract the work to another contractor.

14.3. All changes shall, except in the case of emergencies endangering the safety of persons or property, be made by written change order. The parties shall determine the effect of any change order on the Contract Price and project schedule by mutual agreement. The Contractor must promptly comply with any and all written change orders. No such change order shall be deemed to invalidate the remaining terms and conditions contained in this Contract.

Section 15. Waiver of Liability

15.1 It is agreed that the Work is undertaken at the sole risk of the Contractor. The Contractor does expressly forever release the HRA and the City from any claims, demands, injuries, damage actions, or causes of action whatsoever, arising out of or connected with the Work.

Section 16. Indemnification

16.1. Any and all claims that arise or may arise as a consequence of any act or omission on the part of the Contractor, its agents, servants, or employees while engaged in the performance of the Work shall in no way be the obligation or responsibility of the HRA or the City. To the fullest extent permitted by law, the Contractor agrees to defend, indemnify and hold harmless the City and the HRA, and their employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the Contractor’s negligence or the Contractor’s performance or failure to perform its obligations under this Agreement. The Contractor’s indemnification obligation shall apply to the Contractor’s subcontractor(s), or anyone directly or indirectly employed or hired by the Contractor, or anyone for whose acts the Contractor may be liable. The Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.

Section 17. Insurance

17.1. The Contractor agrees that in order to protect itself, the HRA, and the City under the indemnity provisions set forth in Section 16 of this Agreement, it will at all times during the term of this Agreement, maintain, at a minimum, the following insurance policies:

a. Workers Compensation Insurance. The Contractor shall maintain worker’s compensation insurance in compliance with all applicable statutes including Chapter 176 of the Minnesota Statutes. Such policy shall include Employer’s Liability Coverage and at least such amount(s) as are customarily provided in worker’s compensation policies issued in
Minnesota. Contractor further agrees to require all subcontractors and independent contractors to maintain worker's compensation insurance in compliance with all applicable statutes and to monitor the compliance of such subcontractors and independent contractors with the applicable statutes.

b. **Commercial General Liability Insurance.** The Contractor shall maintain Occurrence Based Commercial General Liability Insurance ("CGL"), providing coverage on an "occurrence", rather than on a "claims made" basis, which policy shall include coverage for the Completed Operations Hazard, and which shall also include a Broad Form General Liability Endorsement, ISO number GL 0404, or an equivalent form (or forms), so long as such an equivalent form (or forms) affords coverage which is in all material respects at least as broad. Any equivalent form (or forms) of coverage shall be approved by the HRA.

The Contractor agrees to maintain total liability policy limits of at least One Million Dollars ($1,500,000), applying to liability for Bodily Injury, Personal Injury, and Property Damage, which total limits may be satisfied by the limits afforded under its Occurrence Based CGL policy as specified above, or by such policy in combination with the limits afforded by an Umbrella Liability Policy (or policies) provided, however, that the coverage afforded under any such Umbrella Liability Policy shall be at least as broad as that afforded by the underlying occurrence based CGL Policy as specified above.

c. **Automobile Liability Insurance.** The Contractor shall maintain automobile liability insurance covering liability for Bodily Injury and Property Damage arising out of the ownership, use, maintenance, or operation of all owned, non-owned, and hired automobiles and other motor vehicles. Such policy shall provide total liability limits for combined Bodily Injury and/or Property Damage in the amount of at least One Million Dollars ($1,500,000) per accident, which total limits may be satisfied by the limits afforded under such policy, or by such policy in combination with the limits afforded by an Umbrella Liability Policy (or policies) provided, however, that the coverage afforded under any such Umbrella Liability Policy shall be at least as broad as that afforded by the underlying automobile liability insurance policy.

The HRA and the City shall be named as "additional insured" parties with respect to the insurance policies specified in (b) and (c) above. The Contractor shall not commence work until a Certificate of Insurance evidencing all of the insurance policies required above is approved and a written Notice to Proceed is issued by an authorized representative of the HRA. The HRA shall, at any time during the term of this agreement, have the right to require that the Contractor secure any additional insurance, or additional feature to existing insurance, as the HRA may reasonably require for the
protection of its interests or those of the public. It is expressly understood that the HRA does not in any way represent that the minimum insurance coverage set forth in this paragraph is sufficient or adequate to protect the interest or liabilities of the Contractor.

Section 18. Bond

18.1. No payment or performance bonds for the Work shall be required pursuant to Minn. Stat. § 574.26.

Section 19. Lien Waiver

19.1. Neither the Contractor nor any subcontractor or other person or entity furnishing labor, equipment, or materials in connection with the Work shall file any mechanic's lien against the HRA's buildings, structures or land or any part thereof, provided that the HRA makes all payments due to Contractor under this Contract. The Contractor shall protect, defend, indemnify, and hold harmless the HRA and the City from any and all claims, demands, or actions of whatever nature arising out of work, labor, equipment, or materials furnished by the Contractor or its subcontractors in connection with the Work, provided that the HRA makes all payments due to Contractor under this Contract. Payment of the Contract Price shall not be due until the Contractor has delivered to the HRA lien waivers acceptable to the HRA, which release the HRA from all liens that may arise in connection with the Work. The Contractor shall list on the attached Exhibit A the names of all suppliers and/or subcontractors that will provide materials, services, or labor in connection with the Work. The Contractor will notify the HRA of any changes in this list prior to the commencement of the Work.

Section 20. Subcontractors

20.1. Contractor agrees to bind every subcontractor by the terms, conditions, and provisions set forth in the Contract that are applicable to the subcontractor's work, unless otherwise specifically agreed otherwise in writing by the HRA.

20.2. Contractor agrees to pay every subcontractor within 10 days of receipt of payment from the HRA pursuant to Minn. Stat. § 471.425.

Section 21. Assignment

21.1. This Contract shall be binding upon the Contractor, its legal representatives, heirs, successors, and assigns. No assignment or attempted assignment of this Contract or any rights hereunder shall be effective unless the written consent of the HRA is first obtained. No such assignment, even if consented to by the HRA, shall relieve the Contractor from liability under this Contract for the performance and completion of the Work in accordance with the Contract. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

Section 22. Entire Agreement
22.1. The Contract contains all the terms, conditions, and provisions pertaining to the Work to be completed by the Contractor, there being no other understandings, agreements, or warranties, express or implied. All prior negotiations and dealings regarding the subject matter of the Agreement are superseded by and merged into the Contract.

Section 23. Default

23.1. The occurrence of any of the following shall constitute default by the Contractor and, if not corrected within 15 days of the HRA providing the Contractor with notice of the default, shall allow the HRA to terminate this Agreement: (1) failure to perform the Work as stated in this Contract; (2) failure to perform or complete the Work by the completion date as set forth in this Contract or as otherwise agreed to by the parties; (3) filing bankruptcy; (4) making a material misrepresentation; (5) disregarding laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; (6) failure to make satisfactory progress toward completion of the Work; or (7) failure to perform any other material provision of this Agreement. The HRA may lawfully terminate this Contract if, after providing the Contractor with 15 days notice of the default, the Contractor does not correct the default. Upon default of this Agreement by the Contractor, the HRA may withhold any payment due the Contractor for purposes of set-off until such time as the exact amount of damages due is determined. Furthermore, the HRA may use any unpaid or retained amounts to correct any defective work or materials and to complete the Work as needed. Such withholding shall not constitute default or failure to perform on the part of the HRA.

Section 24. Governing Law

24.1. This Contract shall be construed in accordance with and governed by the laws of the state of Minnesota.

Section 25. Amendment

25.1. This Contract may be modified or amended only with the written approval of the HRA and the Contractor.

Section 26. Construction

26.1. In the event that any one or more of the provisions of this Contract, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions or any application thereof shall not in any way be affected or impaired thereby.

Section 27. Authority
27.1. Each of the undersigned parties warrants that it has the full authority to execute this Contract, and each individual signing this Contract on behalf of a corporation hereby warrants that he or she has full authority to sign on behalf of the corporation and that he or she represents and binds such corporation thereby.

Section 28. Waiver

28.1. No failure by the HRA to insist upon the strict performance of any covenant, duty, agreement, or condition contained in this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term, or condition, nor does it imply that such covenant, agreement, term, or condition may be waived again.

Section 29. Nondiscrimination

29.1 In the hiring of employees to perform work under this Contract, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.

Section 30. Notices

30.1 All notices and other communications under this Agreement must be in writing and must be given by registered or certified mail, postage prepaid, or delivered by hand at the addresses set forth below:

Notice to HRA: Richfield Housing and Redevelopment Authority  
Attn: Housing Specialist  
6700 Portland Avenue  
Richfield, MN 55423

Notice to Contractor: TMS Construction  
Attn: Todd Schmidt  
5990 Meadowlark Lane  
Prior Lake, MN 55372  
Working Hours Cell Phone: 612-414-5700  
Alternate Phone: 952-226-6300

Section 31. Savings Clause

31.1 If any court finds any portion of this Agreement to be contrary to law, invalid, or unenforceable, the remainder of the Contract will remain in full force and effect.

Section 32. Payments to Contractor and Completion

32.1 The Contractor shall be paid upon completion of the Work in accordance with the payment schedule of the HRA, if any, and this section.
32.2. Prior to receiving payment for Substantial Completion of the Work, the Contractor shall in writing state that the respective portion of the Work has been substantially completed and is free and clear of all liens as provided in this Contract. Upon Substantial Completion and inspection and verification by the HRA, the payment for that portion of the Work shall be made. Final payment shall be made when Contractor certifies that Final Completion has been achieved and verified by the HRA.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed in their names and behalves and on or as of the date and year first above written.

THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHLFIEld

By ______________________
Mary B. Supple
Its Chair

By ______________________
Steven L. Devich
Its Executive Director
TMS Construction

By
Its

By
Its

THIS INSTRUMENT DRAFTED BY:

Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300
EXHIBIT A

LIST OF SUPPLIERS AND SUBCONTRACTORS
ITEM FOR HRA CONSIDERATION:
Consideration of a contract with TMS Construction for demolition of 6321 Penn Avenue, 1403-1405 East 66th Street and 1407 East 66th Street.

I. RECOMMENDED ACTION:
By Motion: Approve a contract with TMS Construction for demolition of 6321 Penn Avenue, 1403-1405 East 66th Street and 1407 East 66th Street.

II. EXECUTIVE SUMMARY
The Housing and Redevelopment Authority (HRA) owns three properties located at 6321 Penn Avenue, 1403-05 East 66th Street and 1407 East 66th Street. The HRA plans to demolish the existing substandard structures and make the lots available for redevelopment. The houses are currently vacant and have been vacant for a number of years. To reduce potential risks, holding costs, and negative impacts to the surrounding neighborhood, the houses should be demolished at this time.

The HRA received three bids for the demolition work. The low bid of $33,675 was submitted by TMS Construction.
III. **BASIS OF RECOMMENDATION**

**A. BACKGROUND**

- The HRA purchased these properties in 2009 and 2010 for future redevelopment.
- In March the HRA disseminated a Request for Quotes to five demolition companies. Three responded with the following estimates:
  - TMS Construction - $33,675
  - PGM - $51,262
  - Kamish Excavating - $63,922
- Staff recommends the HRA approve the contract with TMS Construction.
- TMS Construction has successfully completed demolition of HRA properties in the past.
- Testing and abatement of hazardous materials is in process.

**B. POLICY**

- The HRA periodically acquires substandard properties in redevelopment areas to facilitate redevelopment.

**C. CRITICAL TIMING ISSUES**

- The houses have been vacant for several years and are in poor condition. To reduce potential risks, holding costs, negative impacts to the surrounding neighborhood and to make the sites more marketable for redevelopment, the houses should be demolished as soon as possible.

**D. FINANCIAL**

- Funds are available to pay the cost of demolition

**E. LEGAL**

- Legal counsel drafted the Contract for Demolition

IV. **ALTERNATIVE RECOMMENDATION(S)**

- Do not approve the Contract for Demolition.
- Award the contract to another bidder.

V. **ATTACHMENTS**

- Contract for Demolition.

VI. **PRINCIPAL PARTIES EXPECTED AT MEETING**

- N/A
CONTRACT FOR DEMOLITION

THIS CONTRACT is made and entered into this ____ day of ________, 2016, by and between TMS Construction (the "Contractor") and the Housing and Redevelopment Authority in and for the City of Richfield, State of Minnesota (the "HRA") (collectively, the "Parties"), for the demolition of three (3) buildings located at 6321 Penn Avenue South, 1405 66th Street East, and 1407 66th Street East, Richfield, MN 55423 (the "Property").

RECITALS

WHEREAS, the HRA requires the demolition of buildings at the Property (the "Work").

WHEREAS, the HRA has awarded the Work to the Contractor;

WHEREAS, the Contractor represents that it has the necessary personnel, experience, competence, and legal right to perform the Work;

NOW, THEREFORE, in consideration of the mutual obligations of the Parties hereto, each of them does hereby covenant and agree as follows:

Section 1. Definitions

"City" means the City of Richfield, Minnesota.

"Contract" or "Agreement" means this agreement between the HRA and Contractor for the performance of the Work, together with all exhibits, amendments, or modifications to the Contract.

"Final Completion" means all items of the Work, "punch list items" and site work are completed and Contractor is eligible for Final Payment.

"HRA" means the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.

"Property" means 6321 Penn Avenue South, 1405 66th Street East, and 1407 66th Street East, Richfield, MN. 55423.

"Substantial Completion" means the time at which the HRA determines that the Work has progressed to a point where it is sufficiently complete, leaving only minor "punch list" and close out items and other minor site work required to be completed for full payment of the contract price.
“Work” means the entire completed demolition and all other activities to be performed by Contractor on the Property as provided for in this Contract.

Section 2. General Requirements

2.1. Rights of the HRA. The HRA and the City reserve the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in this Contract. The HRA also reserves the right to cancel the Contract without penalty, if circumstances arise which prevent the HRA from completing the project. In the event of any conflict between the General Conditions and this Contract, this Contract shall control.

2.2. Interest of Members of City or HRA. The Contractor agrees that no member of the governing body, officer, employee, or agent of the City or the HRA shall have any interest, financial or otherwise, direct or indirect, in the Contract.

2.3. Equal Opportunity Statement. Contractor agrees to comply with the provisions of all applicable federal, state, and City statutes, ordinances, and regulations pertaining to civil rights and nondiscrimination including without limitation Minnesota Statutes, Section 181.59 as amended, incorporated herein by reference.

2.4. Transfer of Interest. The Contractor shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation, without the prior written approval of the HRA, provided, however, that claims for money due or to income due to the Contractor may be assigned to a bank, trust company, or other financial institution, or to a Trustee in Bankruptcy without such approval. Notice of any such assignment or transfer shall be furnished to the HRA. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

2.5. Independent Contractor. It is expressly understood that the Contractor is an “independent contractor” and not an employee of the City or the HRA. The Contractor shall have control over the manner in which the services are performed under this Agreement. The Contractor shall supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement. The Contractor shall not be entitled to any benefits from the City or the HRA, including, without limitation, insurance benefits, sick and vacation leave, workers’ compensation benefits, unemployment compensation, disability, severance pay, or retirement benefits.

2.6. Accounting Standards. The Contractor agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by normally accepted accounting practices to properly account for expenses incurred under this contract.

2.7. Retention of Records. The Contractor shall retain all records pertinent to expenditures incurred under this Contract for a period of three years after the resolution
of all audit findings. Records for non-expendable property acquired with funds under this contract shall be retained for three years after final disposition of such property.

2.8. Government Data. The Contractor agrees to comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and all other applicable state and federal laws relating to data privacy or confidentiality, as those laws may be amended. The Contractor shall immediately report to the HRA any requests from third parties for information relating to this agreement. All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing its obligations is subject to the requirements of the Act, and the Contractor must comply with those requirements as if it were a government entity. The HRA agrees to promptly respond to inquiries from the Contractor concerning data requests. The Contractor agrees to hold the City and the HRA, its officers, department heads and employees harmless from any claims resulting from the Contractor’s failure to disclose data maintained by the Contractor and authorized for release by the HRA, and from Contractor’s unlawful disclosure or use of data protected under state and federal laws.

Section 3. Contract Price

3.1. Upon compliance with all the requirements of this Contract, Contractor shall be paid the Contract Price of $33,675 pursuant to Section 28 of this Contract.

Section 4. Project Schedule

4.1. Contractor shall commence the Work on or after Contract execution and Substantial Completion of the Work shall be achieved no later than July 31, 2016. If the Work is not substantially completed by July 31, 2016, damages of $100.00 will be deducted from the Contract Price for each day the requirements of this contract have not been fulfilled.

Section 5. Local Permit Requirements and Related Submittals

5.1. Contractor shall obtain permits required by the City, including a plumbing permit (for water & sanitary sewer disconnects) and a demolition permit. Questions about these permits, permit fees, and the scheduling process for the required inspections should be directed to the Building Inspections Department at Richfield City Hall (612-861-9816).

5.2. No less than 2 days prior to beginning the Work, the Contractor shall provide:

- Description of proposed dust and noise control measures for the Property.

5.3. Upon completion of the Work, Contractor shall provide:

- Copies of any permits required by government agencies other than the City, such as transport or disposal permits.
Copies of any test results required by government agencies other than the City, including but not limited to testing required as part of the asbestos abatement process.

Copies of all landfill records indicating receipt and acceptance of hazardous wastes by a landfill licensed to accept hazardous wastes.

Section 6. Job Conditions - General

6.1. Contractor will disconnect and abandon utilities serving the Property, including water, sanitary sewer, electricity, gas and telecommunications; or arrange for disconnection and abandonment of same. Contractor shall not begin work before field-verification that disconnection and abandonment has been completed.

6.2. HRA shall ensure that the buildings are vacated and use of the property is discontinued prior to start of work.

6.3. HRA assumes no responsibility for actual condition of structures to be demolished. Conditions existing at time of inspection for bidding purposes will be maintained by HRA to the extent practicable. Contractor may salvage any and all materials and equipment from the Property. Variations within structures may occur due to removal and salvage operations prior to the start of demolition work.

6.4. Contractor shall provide all labor, materials, equipment, employee training, compliance with all regulations, permits, notifications, licenses and agreement necessary to perform the work described in this Contract.

6.5. The Contractor operations shall not at any time encroach on adjacent residential properties. Where residents occupy the adjacent properties, the Contractor shall stake and mark the boundaries of the property to identify the limits of operations for its employees and subcontractors.

6.6. Where adjacent buildings are occupied, the HRA requires Contractors to advise the inhabitants as to when they will start work activities and of what hazards are involved. Each Contractor shall also furnish the occupants of the adjoining properties a phone number where they can reach the Contractor in case of an emergency or problem.

6.7. As directed by the City Inspector, a silt fence or other appropriate erosion control measures shall be erected around the perimeter of the Property to prevent erosion and unwanted run-off onto adjacent properties, streets, and alleys. Silt fences must conform to standards set by the Minnesota Pollution Control Agency and the City.

6.8. All materials from undertaking the Work shall become the property and responsibility of the Contractor.
6.9. Contractor may choose to salvage materials and equipment. Any salvaged items must be removed from the Property in a timely manner as they are salvaged. On site storage or sale of salvaged items is prohibited.

6.10. The use of explosives and on site burning by the Contractor are prohibited.

6.11. Contractor shall provide water, electricity, communications and toilet facilities on site as necessary to complete the work.

6.12. Contractor shall provide and maintain uninterrupted vehicular access to the Property, including temporary demolition facilities, storage and work areas, for not only persons and equipment involved in the project but also emergency vehicles.

6.13. Contractor shall keep fire hydrants and water control valves free from obstruction and accessible for use.

6.14. Contractor shall take all necessary safeguards to prevent damage or injury to neighboring property.

6.15. Prior to closing or rerouting existing traffic lanes or sidewalks in any public street easement or right-of-way adjacent to streets, the Contractor shall obtain written permission from the City Engineer. Expenses related to lane closures, including but not limited to traffic barriers, signs and similar equipment as well as traffic control personnel, shall be the responsibility of the Contractor.

6.16. The Contractor may conduct work on the Property from 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 5 p.m. on Saturdays. No work shall be conducted on Sundays or legal holidays.

6.17. The Contractor shall not crush any materials on-site.

6.18. Contractor shall maintain the Property in a safe and neat manner. Adjacent properties, streets and right-of-ways shall be kept free of dirt and debris.

6.19. If Contractor is negligent in carrying out any of the conditions in this Section 6, the HRA reserves the right to perform this work with its own workforce at overtime rates. The costs of such work will be charged to the Contractor.

Section 7. [Left Blank]
Section 8. [Left Blank]
Section 9. Demolition
9.1. Contractor shall use water sprinkling, temporary enclosures and other suitable methods to limit dust and dirt rising and scattering in air. Contractor shall comply with any and all governing regulations pertaining to environmental protection. Contractor shall not use water when it may create hazardous or objectionable conditions such as flooding or pollution.

9.2. Contractor shall clean adjacent structures and improvements of dust, dirt and debris caused by demolition operations and return adjacent areas to condition existing prior to start of work.

9.3. Contractor shall demolish buildings, other structures, improvements, and landscaping completely and remove all debris from the Property. Contractor may use such methods as required to complete the work subject to the limitations of governing regulations.

9.4. Contractor shall proceed with demolition in a systematic manner, from top of structures to ground, and will complete demolition work above each floor or tier before disturbing supports on lower levels.

9.5. After the Building has been removed from the Property, Contractor shall remove all foundation walls and the basement floor slab, and shall remove all other at grade masonry, concrete slabs, sidewalks, steps, and driveways from the Property. ALL ASPHALT, MASONRY, AND NON-MASONRY MATERIAL MUST BE TRANSPORTED AWAY FROM THE SITE.

9.6. Immediately upon the removal of the Building from its foundation, Contractor shall furnish and erect on the Property a wood slat snow fence or an approved substitute, either one being in good repair and reasonably acceptable to HRA. The fence shall be at least four feet in height, shall completely enclose the open basement, and shall remain in place until the basement is filled, at which time it shall be removed.

9.7. Contractor shall locate demolition equipment throughout the building and remove materials so as to not impose excessive loads to supporting walls, floor or framing.

9.8. Contractor shall provide and maintain interior and exterior shoring, bracing or other structural support to preserve structural stability and prevent movement, settlement or collapse of the building.

9.9. Contractor shall break up any concrete slabs-on-grade and remove from the Property.

9.10. Contractor shall demolish footings, foundation walls, tunnels and other below-grade structures and remove from the Property.

9.11. After removing all foundation walls and the basement floor slab, as provided above, Contractor shall fill the basement to ground surface level with clean compactable
soil. The basement hole MUST BE inspected by the City Inspector prior to filling, and any unauthorized debris removed. The fill must not contain any hazardous substance or disposed building material.

9.12. All sheds and other accessory structures, clothesline and other poles, and landscape structures shall be removed from the Property.

9.13. Contractor may not cut or remove a tree from the Property without prior permission from HRA. If any trees are cut or destroyed by Contractor without prior approval, Contractor will pay to HRA damages of $200 per tree. Any such damages shall be deducted from Contractor’s payment. Any trees approved by the HRA for removal and cut or felled in the moving process shall be removed immediately, and the tree stumps may remain.

9.14 Contractor shall provide certificate of well abandonment if required.

Section 10. Debris Control

10.1. Contractor shall maintain the Property free of extraneous debris.

10.2. Contractor shall prohibit overloading of trucks to prevent spillage on access and haul routes.

10.3. Contractor shall maintain a sweeping and clean-up program to prevent deposition, release and disbursal of soils and debris onto paved surfaces.

Section 11. Disposal

11.1. Contractor shall move from the Property all debris, rubbish and other materials resulting from demolition operations.

11.2. Contractor shall transport materials from the Property and legally dispose of them off-site in accordance with governing regulations.

Section 12. Earthwork

12.1. Contractor shall rough grade the Property using clean fill after completing all abatement and demolition activities; taper edges of all excavated areas to minimize slope of 2 to 1, keeping soil disturbance to a minimum. Property must be seeded, and erosion control measures must remain in place until turf is established. The Contractor must comply with all requirements of the appropriate Watershed District related to the Work. Final payment will not be made until turf is established.
Section 13. Excusable Delays

13.1. The following circumstances, and only these circumstances, will, at the HRA's discretion, be considered legitimate cause for a change in the commencement and/or completion dates specified in Section 4 of this Agreement:

a. Material delay -- material delays that are beyond the control of the Contractor, which can be shown to have directly caused the overall late completion.

b. Adverse weather and emergency conditions -- weather or emergency conditions that directly affect the scheduling of exterior work over a significant portion of the term of this Agreement.

c. Strikes -- Contractors who face union work stoppage in the case where they have to rely on such a work force in order to complete the Work.

d. Amendments -- amendments in the original scope of work, which can be reasonably shown to require an extension of the time allowed for completion.

e. Other delays -- act or neglect of the HRA, or of an employee of either, or of a separate contractor employed by the HRA, or by changes ordered in the Work or by unavoidable casualties or other causes beyond the Contractor's control.

Section 14. Change Order

14.1. The HRA has the right, within the general scope of the Work and without notice to any surety or sureties of the Contractor, if any, to make changes in the Work, either by altering the nature of the same or by adding to or deducting from it.

14.2. This is a lump sum contract. The Contractor must immediately contact the HRA prior to exceeding the Contract Price set out in Section 3.1. In the event an unknown condition is encountered during the Contractor's performance of the Work, the Contractor must notify the HRA's project manager immediately. The appropriate course of action will be determined and, if necessary, a change order will be authorized prior to the start of the work. Change orders for additional payment will not be granted due to the Contractor underestimating quantities of material(s), winter weather conditions or the amount of labor required in order to perform the Work. For change orders related to Hazardous or Regulated Materials, the HRA reserves the right to subcontract the work to another contractor.

14.3. All changes shall, except in the case of emergencies endangering the safety of persons or property, be made by written change order. The parties shall determine the effect of any change order on the Contract Price and project schedule by mutual
agreement. The Contractor must promptly comply with any and all written change orders. No such change order shall be deemed to invalidate the remaining terms and conditions contained in this Contract.

Section 15. Waiver of Liability

15.1 It is agreed that the Work is undertaken at the sole risk of the Contractor. The Contractor does expressly forever release the HRA and the City from any claims, demands, injuries, damage actions, or causes of action whatsoever, arising out of or connected with the Work.

Section 16. Indemnification

16.1. Any and all claims that arise or may arise as a consequence of any act or omission on the part of the Contractor, its agents, servants, or employees while engaged in the performance of the Work shall in no way be the obligation or responsibility of the HRA or the City. To the fullest extent permitted by law, the Contractor agrees to defend, indemnify and hold harmless the City and the HRA, and their employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the Contractor's negligence or the Contractor's performance or failure to perform its obligations under this Agreement. The Contractor's indemnification obligation shall apply to the Contractor's subcontractor(s), or anyone directly or indirectly employed or hired by the Contractor, or anyone for whose acts the Contractor may be liable. The Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.

Section 17. Insurance

17.1. The Contractor agrees that in order to protect itself, the HRA, and the City under the indemnity provisions set forth in Section 16 of this Agreement, it will at all times during the term of this Agreement, maintain, at a minimum, the following insurance policies:

a. **Workers Compensation Insurance.** The Contractor shall maintain worker's compensation insurance in compliance with all applicable statutes including Chapter 176 of the Minnesota Statutes. Such policy shall include Employer's Liability Coverage and at least such amount(s) as are customarily provided in worker's compensation policies issued in Minnesota. Contractor further agrees to require all subcontractors and independent contractors to maintain worker's compensation insurance in compliance with all applicable statutes and to monitor the compliance of such subcontractors and independent contractors with the applicable statutes.

b. **Commercial General Liability Insurance.** The Contractor shall maintain Occurrence Based Commercial General Liability Insurance ("CGL"),
Section 18. Bond

18.1. No payment or performance bonds for the Work shall be required pursuant to Minn. Stat. § 574.26.
Section 19. Lien Waiver

19.1. Neither the Contractor nor any subcontractor or other person or entity furnishing labor, equipment, or materials in connection with the Work shall file any mechanic's lien against the HRA's buildings, structures or land or any part thereof, provided that the HRA makes all payments due to Contractor under this Contract. The Contractor shall protect, defend, indemnify, and hold harmless the HRA and the City from any and all claims, demands, or actions of whatever nature arising out of work, labor, equipment, or materials furnished by the Contractor or its subcontractors in connection with the Work, provided that the HRA makes all payments due to Contractor under this Contract. Payment of the Contract Price shall not be due until the Contractor has delivered to the HRA lien waivers acceptable to the HRA, which release the HRA from all liens that may arise in connection with the Work. The Contractor shall list on the attached Exhibit A the names of all suppliers and/or subcontractors that will provide materials, services, or labor in connection with the Work. The Contractor will notify the HRA of any changes in this list prior to the commencement of the Work.

Section 20. Subcontractors

20.1. Contractor agrees to bind every subcontractor by the terms, conditions, and provisions set forth in the Contract that are applicable to the subcontractor's work, unless otherwise specifically agreed otherwise in writing by the HRA.

20.2. Contractor agrees to pay every subcontractor within 10 days of receipt of payment from the HRA pursuant to Minn. Stat. § 471.425.

Section 21. Assignment

21.1. This Contract shall be binding upon the Contractor, its legal representatives, heirs, successors, and assigns. No assignment or attempted assignment of this Contract or any rights hereunder shall be effective unless the written consent of the HRA is first obtained. No such assignment, even if consented to by the HRA, shall relieve the Contractor from liability under this Contract for the performance and completion of the Work in accordance with the Contract. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

Section 22. Entire Agreement

22.1. The Contract contains all the terms, conditions, and provisions pertaining to the Work to be completed by the Contractor, there being no other understandings, agreements, or warranties, express or implied. All prior negotiations and dealings regarding the subject matter of the Agreement are superseded by and merged into the Contract.

Section 23. Default
23.1. The occurrence of any of the following shall constitute default by the Contractor and, if not corrected within 15 days of the HRA providing the Contractor with notice of the default, shall allow the HRA to terminate this Agreement: (1) failure to perform the Work as stated in this Contract; (2) failure to perform or complete the Work by the completion date as set forth in this Contract or as otherwise agreed to by the parties; (3) filing bankruptcy; (4) making a material misrepresentation; (5) disregarding laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; (6) failure to make satisfactory progress toward completion of the Work; or (7) failure to perform any other material provision of this Agreement. The HRA may lawfully terminate this Contract if, after providing the Contractor with 15 days notice of the default, the Contractor does not correct the default. Upon default of this Agreement by the Contractor, the HRA may withhold any payment due the Contractor for purposes of set-off until such time as the exact amount of damages due is determined. Furthermore, the HRA may use any unpaid or retained amounts to correct any defective work or materials and to complete the Work as needed. Such withholding shall not constitute default or failure to perform on the part of the HRA.

Section 24. Governing Law

24.1. This Contract shall be construed in accordance with and governed by the laws of the state of Minnesota.

Section 25. Amendment

25.1. This Contract may be modified or amended only with the written approval of the HRA and the Contractor.

Section 26. Construction

26.1. In the event that any one or more of the provisions of this Contract, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions or any application thereof shall not in any way be affected or impaired thereby.

Section 27. Authority

27.1. Each of the undersigned parties warrants that it has the full authority to execute this Contract, and each individual signing this Contract on behalf of a corporation hereby warrants that he or she has full authority to sign on behalf of the corporation and that he or she represents and binds such corporation thereby.

Section 28. Waiver

28.1. No failure by the HRA to insist upon the strict performance of any covenant, duty, agreement, or condition contained in this Agreement or to exercise any right or remedy
consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term, or condition, nor does it imply that such covenant, agreement, term, or condition may be waived again.

Section 29. Nondiscrimination

29.1 In the hiring of employees to perform work under this Contract, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.

Section 30. Notices

30.1 All notices and other communications under this Agreement must be in writing and must be given by registered or certified mail, postage prepaid, or delivered by hand at the addresses set forth below:

Notice to HRA: Richfield Housing and Redevelopment Authority
Attn: Housing Specialist
6700 Portland Avenue
Richfield, MN 55423

Notice to Contractor: TMS Construction
Attn: Todd Schmidt
5990 Meadowlark Lane
Prior Lake, MN 55372
Working Hours Cell Phone: 612-414-5700
Alternate Phone: 952-226-6300

Section 31. Savings Clause

31.1 If any court finds any portion of this Agreement to be contrary to law, invalid, or unenforceable, the remainder of the Contract will remain in full force and effect.

Section 32. Payments to Contractor and Completion

32.1. The Contractor shall be paid upon completion of the Work in accordance with the payment schedule of the HRA, if any, and this section.

32.2. Prior to receiving payment for Substantial Completion of the Work, the Contractor shall in writing state that the respective portion of the Work has been substantially completed and is free and clear of all liens as provided in this Contract. Upon Substantial Completion and inspection and verification by the HRA, the payment for that portion of the Work shall be made. Final payment shall be made when Contractor certifies that Final Completion has been achieved and verified by the HRA.
IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed in their names and behalves and on or as of the date and year first above written.

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

By ________________________________
     Mary B. Supple
     Its Chair

By ________________________________
     Steven L. Devich
     Its Executive Director
TMS Construction

By ________________________________
Its ________________________________

By ________________________________
Its ________________________________

THIS INSTRUMENT DRAFTED BY:

Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300
EXHIBIT A

LIST OF SUPPLIERS AND SUBCONTRACTORS

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