



**ECONOMIC DEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
MAY 15, 2017
7:15 PM (IMMEDIATELY FOLLOWING THE HRA MEETING)**

Roll Call

NEW BUSINESS

1. Consideration of the approval of a resolution establishing the Richfield Economic Development Authority and approving certain matters in connection therewith.
Staff Report No. 1
2. Consideration of the election of officers for the Richfield Economic Development Authority.
Staff Report No. 2
3. Adjournment

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



STAFF REPORT NO. 1
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
5/15/2017

REPORT PREPARED BY: John Stark, Community Development Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
5/10/2017

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
5/10/2017

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a resolution establishing the Richfield Economic Development Authority and approving certain matters in connection therewith.

EXECUTIVE SUMMARY:

At both the 2016 goal setting and budget presentations, City staff had recommended the consideration of the formation of an Economic Development Authority (EDA) to the Richfield City Council. Based on that recommendation, the City Council and Housing and Redevelopment Authority (HRA) held joint work sessions on March 20 and April 25, 2017, to discuss the topic.

At each of those meetings, there was a general consensus that the creation of an EDA would provide both the authority and a funding mechanism (through an EDA levy) to provide beneficial economic development, business assistance, and housing assistance programming. In particular, an EDA would provide a long-term funding solution to continuing the Kids@Home and Transformation Loan programs.

As a result of these ongoing discussions and staff recommendations, the Richfield City Council approved a resolution authorizing the creation of an EDA at its May 9, 2017, meeting. According to that resolution, the composition of the EDA's Board of Commissioners is to be coincidental to that of the HRA.

As a result of the City Council's authorization of an EDA, the newly formed EDA must now approve a resolution confirming its establishment. This resolution includes a request that the City enact a levy of up to \$600,000 in 2018 and it also includes adoption of EDA bylaws.

RECOMMENDED ACTION:

By motion: Approve a resolution establishing the Richfield Economic Development Authority and approving certain matters in connection therewith.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- City staff and the City Council have discussed the creation of an Economic Development Authority (EDA) on a number of occasions, including:
 - The 2016 City Council Goal Setting Session on March 3, 2016;

- The presentations of the proposed budget to the City Council on August 31, 2016;
- A joint work session of the City Council and HRA on March 20, 2017; and,
- A joint work session of the City Council and HRA on April 25, 2017.
- At each of those meetings, there was a general consensus that the creation of an EDA, and the programming that an EDA could administer, would be beneficial to the community. In particular, an EDA would provide a long-term funding solution to continuing the Kids@Home and Transformation Loan programs.
- On May 9, the Richfield City Council adopted an enabling resolution establishing the Richfield Economic Development Authority.

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

- An EDA is established by the City Council holding a public hearing and adopting an enabling resolution per State Statute 469.091 (1).
- On May 9, the Richfield City Council adopted an enabling resolution establishing the Richfield Economic Development Authority.

C. CRITICAL TIMING ISSUES:

- In order to impose an EDA levy in 2018, the City must form an EDA prior to July 1, 2017.
- This resolution must be approved prior to the establishment of an EDA or taking any actions as an EDA.

D. FINANCIAL IMPACT:

- According to an analysis conducted by Rebecca Kurtz of Ehlers Associates, Inc. (the City/HRA financial consultants), the impact of the maximum EDA levy on a Richfield homeowner with a homesteaded property with a value between \$175,000 - \$200,000 will be 28 to 33 cents per year.

E. LEGAL CONSIDERATION:

- Julie Eddington of Kennedy and Graven will serve as Legal Counsel to the EDA. Ms. Eddington drafted the attached resolution.

ALTERNATIVE RECOMMENDATION(S):

- Adopt the resolution with minor amendments as proposed by the Board of Commissioners with the assent of the EDA Legal Counsel.

PRINCIPAL PARTIES EXPECTED AT MEETING:

EDA Attorney Julie Eddington (Kennedy & Graven)

ATTACHMENTS:

| Description | Type |
|--------------|-------------------|
| □ Resolution | Resolution Letter |
| □ Bylaws | Backup Material |

RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION ESTABLISHING THE RICHFIELD ECONOMIC
DEVELOPMENT AUTHORITY; AND APPROVING CERTAIN
MATTERS IN CONNECTION THEREWITH**

BE IT RESOLVED BY the Board of Commissioners of the Richfield Economic Development Authority (the “EDA”) as follows:

1. Pursuant to Resolution No. 11359, adopted by the City Council of the City of Richfield, Minnesota (the “City”) on May 9, 2017 (the “Enabling Resolution”), the City Council of the City established the EDA in accordance with Minnesota Statutes, Minnesota Statutes, Sections 469.090 through 469.1082, as amended (the “Act”), to promote and to provide incentives for economic development in the City.

2. The Enabling Resolution provides that the EDA has and may exercise all of the powers conferred by the Act upon a housing and redevelopment authority of the City.

3. The EDA approves and adopts the Bylaws of the EDA currently on file with the Executive Director of the EDA.

4. The EDA approves and adopts the official seal of the EDA currently on file with the Executive Director of the EDA.

5. The EDA hereby requests that the City levy a tax in 2017 in the amount equal to 0.01813% of the estimated market value of taxable property within the City (expected to be approximately \$600,000) with respect to taxes payable in calendar year 2018. Such request is made in accordance with Section 469.107, subdivision 1 of the Act.

6. The Executive Director of the EDA is authorized and directed to take whatever steps are necessary to give effect to this resolution. The President and Executive Director are authorized and directed to execute, deliver and accept on behalf of the EDA any and all documents and instruments necessary to give effect to this resolution.

Approved by the Board of Commissioners of the Richfield Economic Development Authority this 15th day of May, 2017.

President

ATTEST:

Executive Director

**BYLAWS OF THE
RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the economic development authority shall be the “Richfield Economic Development Authority” (the “Authority”).

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

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

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

ARTICLE II – BOARD

Section 1. Number and Appointment of Commissioners. The Authority shall consist of a governing body of five commissioners (the “Board”). Two commissioners shall be members of the City Council and three commissioners shall be members at large. The terms of the commissioners who are also members of the City Council shall coincide with their terms of office as members of the City Council. The three at large commissioners shall be the three at large commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “HRA”). The terms of the commissioners at large shall be six years. At any time an at large commissioner of REDA is not also a commissioner of the HRA, such commissioner’s term on REDA shall terminate.

ARTICLE III – OFFICERS

Section 1. Officers. The officers of the Authority shall be a President, Vice-President, Treasurer, Secretary, and Assistant Treasurer, each of whom shall have the usual duties and powers of such offices, the duties and powers given to them by the Board from time to time, and those duties and powers prescribed by Minnesota law or these bylaws. The President, Treasurer, and Secretary shall be elected annually by the Board. No commissioner may be both President and Vice-President simultaneously. No commissioner may be both Treasurer and Assistant Treasurer simultaneously. The Secretary and the Assistant Treasurer need not be commissioners.

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

Section 3. Vice-President. The Vice-President shall perform the duties of the President in the absence or incapacity of the President. In case of the resignation or death of the

President, the Vice-President shall perform the duties of the President until such time as the Board shall elect a new President.

Section 4. President Pro Tem. In the event of the absence or incapacity of both the President and the Vice-President at any meeting, the Board may appoint any remaining commissioner as President Pro Tem to preside at such meeting.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board and shall maintain all records of the Authority and shall have such other duties and responsibilities as the Board may from time to time prescribe by resolution.

Section 6. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such national or state bank or banks in Minnesota as the Board may select. The Treasurer shall sign all Authority orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Board. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Board, at least annually (or more often when requested), an account of such transactions and also of the financial condition of the Authority by filing a detailed financial statement with the Secretary. The Treasurer is responsible for the acts of the Assistant Treasurer and must give bond as required by law.

Section 7. Assistant Treasurer. The Assistant Treasurer has the powers and duties of the Treasurer if the Treasurer is absent or disabled.

Section 8. Executive Director. The Authority shall employ an Executive Director who shall be the chief executive officer of the Authority and shall have general supervision over the administration of the Authority's business and affairs, subject to the direction of the Authority. He or she shall have such additional responsibilities and authority as the Board may from time to time by resolution prescribe. Initially, the City Manager shall serve as the Executive Director of the Authority. The Executive Director may designate the City's Director of Community Development as acting Executive Director during periods when the Executive Director is absent or incapacitated.

Section 9. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his or her office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

Section 10. Additional Employees. The Authority may from time to time such personnel as it deems necessary to exercise its powers, duties, and functions, including but not limited to a chief engineer, other technical experts and agents, and other employees. The selection and compensation of such personnel shall be determined by the Board.

Section 11. Advisory Committees. The Authority may by resolution establish one or more advisory committees to the Authority.

Section 12. Signature Authority. The following signature authority shall be authorized for transactions executed under direction of the Board:

(A) All orders and checks of the Authority for payment of money as directed by the Board shall be signed by the _____ [NOTE: must be an officer] and the Treasurer.

(B) All contracts, deeds, and other instruments made or authorized by the Board, except as otherwise authorized by resolution of the Board, shall be signed by the President and the Executive Director.

(C) The Vice-President shall have the capacity to sign as an alternate officer of the Authority under extenuating circumstances such as lengthy executed absence, vacancy, termination, resignation, incapacitation or death of the President or of the Executive Director. The Vice-President may sign as an alternate for only one absent individual for any Authority matter until the absent individual has returned or a successor is appointed to fill the office. The Vice-President may not sign in the capacity of more than one individual for any particular item requiring more than one signature. For purposes of this definition, absent is defined as a period, usually significant in length, during which an officer is away and/or unable to fulfill the officer's role within the Authority leading to the potential for business issues of the Authority to be delayed and/or deadlines to be missed.

ARTICLE IV – FINANCIAL MATTERS

Section 1. Fiscal Year. The fiscal year of the Authority shall be the same as the fiscal year of the City.

Section 2. Accounting System and Audits; Books and Records. The financial records and financial statements of the Authority shall be prepared, audited, filed, and published or posted in the manner required for the financial statements of the City. The books and records of the Authority shall be public records maintained in accordance with state law and with such rules, regulations, and ordinances adopted by the City for maintaining public records.

Section 3. Public Money; Checks. All Authority money is public money. An Authority check must be signed as provided in Section 12 under Article III – Officers. The check must state the name of the payee and the nature of the claim for which the check was issued.

Section 4. Reports to the City. Annually, at a time and in a form fixed by the City Council, the Authority shall make a written report to the City Council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations the Authority deems advisable for the economic development of the City. The Authority shall also submit a report to the City Council annually within 60 days of the anniversary date of the adoption of the enabling resolution stating whether and how the enabling resolution should be modified.

Section 5. Financial Statement. Annually, or more often, the Authority shall examine the Treasurer's detailed financial statement, together with the Treasurer's vouchers, filed with the Secretary. The financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the Authority's credits and assets, and the Authority's outstanding liabilities in a form required for the City's financial statements. If the Authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Section 6. Budget to the City. The Authority shall annually, at a time fixed by the City, send its budget to the City Council. The budget must include a detailed written estimate of the amount of money that the Authority expects to need from the City to do Authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Section 7. Employees, Services, Supplies, and Contracts. The Authority shall have all of the power and do all of the things permitted by Minnesota Statutes, Section 469.097, as amended, including but not limited to employing an Executive Director, a chief engineer, technical experts and other employees as it may require; contracting for the services of consultants, agents, public accountants, legal services, and such other persons or services as it may need to perform its duties and exercise its powers; purchasing supplies and materials; and using City facilities, offices, and staff, including the City engineer and City attorney, in the exercise of its powers and the performance of its duties.

Section 8. Execution of Contracts. The Authority may make and enter into contracts pursuant to Minnesota Statutes, Section 469.101, as amended, and other applicable law. All contracts, notes, and other written agreements or instruments to which the Authority is a party or by which the Authority may be bound must be executed as provided in Section 12 under Article III – Officers. If the president or the executive director is absent or otherwise unable to execute a document, the vice president may execute the document in place of one individual but not both.

ARTICLE V – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the _____ in January at _____ p.m. at the regular meeting place of the Authority.

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

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

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

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

1. Roll Call.
2. Approval of the Minutes of the Previous Meeting.
3. Reports of the Executive Director.
4. Unfinished Business.
5. New Business.
6. Adjournment.

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

Section 6. Combining Administrative Offices; Compensation. The compensation of the Executive Director and other personnel of the Authority shall be determined by the Authority. Any two or more administrative offices may be combined.

Section 7. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 8. Executive Director. The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no commissioner of the Authority shall be eligible for this office.

Section 9. Vacancies. A vacancy is created in the membership of the Authority when a commissioner who is also a City Council member ends his or her City Council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made. The City Council may set the term of the commissioners who are members of the City Council to coincide with their term of office as members of the City Council. Should the office of President, Vice-President, or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

ARTICLE V – AMENDMENTS

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

Adopted: May 15, 2017



STAFF REPORT NO. 2
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
5/15/2017

REPORT PREPARED BY: Jared Voto, Executive Aide/Analyst

DEPARTMENT DIRECTOR REVIEW: Steven L. Devich, Executive Director
5/11/2017

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
5/11/2017

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the election of officers for the Richfield Economic Development Authority.

EXECUTIVE SUMMARY:

The bylaws of the Richfield Economic Development Authority (EDA) provide that the EDA elect officers annually. At this first meeting of the EDA, the Board should elect the following officers:

- President
- Vice-President
- Treasurer
- Secretary (not required to be an EDA Commissioner)
- Assistant Treasurer (not required to be an EDA Commissioner)

RECOMMENDED ACTION:

By Motion: Elect officers for the Richfield Economic Development Authority.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Provided in the Executive Summary.

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

- The EDA bylaws provide for the election of officers.

C. CRITICAL TIMING ISSUES:

- None

D. FINANCIAL IMPACT:

- N/A

E. LEGAL CONSIDERATION:

- None

ALTERNATIVE RECOMMENDATION(S):

- None

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A