



**ECONOMIC DEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
JANUARY 21, 2020
7:15 PM (IMMEDIATELY FOLLOWING THE HRA MEETING)**

Call to Order

Consider the election of officers for the Richfield Economic Development Authority for 2020.

Staff Report No. 1

Approval of the minutes of the: Regular Economic Development Authority meeting of November 18, 2019.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the EDA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further EDA action on these items is necessary. However, any EDA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for EDA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consider the adoption of a resolution amending the Bylaws of the Richfield Economic Development Authority to revise the "Order of Business", including the addition of an "Open Forum."
Staff Report No. 2
 - B. Consideration of resolutions designating official depositories for the Economic Development Authority for 2020, including the approval of collateral.
Staff Report No. 3
 - C. An amendment to the guidelines for the Kids@Home program to remove a requirement of citizenship.
Staff Report No. 4
 - D. Designation of Community Development Director John Stark as the Executive Director of the Richfield Economic Development Authority for 2020.
Staff Report No. 5
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Authorize the Economic Development Authority Executive Director to approve expenditures and approve and execute professional service agreements/contracts in an amount up to \$50,000.
Staff Report No. 6

OTHER BUSINESS

5. Consider the creation of an Energy Efficient Business Grant.
Staff Report No. 7
6. Consider the creation of a Small Business Revolving Loan Fund Program for Richfield businesses.
Staff Report No. 8

EDA DISCUSSION ITEMS

7. EDA Discussion Items

EXECUTIVE DIRECTOR REPORT

8. Executive Director's Report

CLAIMS

9. Claims

10. Adjournment

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



STAFF REPORT NO. 1
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: LaTonia DuBois, Administrative Assistant
OTHER DEPARTMENT REVIEW: N/A

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

ITEM FOR COUNCIL CONSIDERATION:

Consider the election of officers for the Richfield Economic Development Authority for 2020.

EXECUTIVE SUMMARY:

The Bylaws of the Richfield Economic Development Authority (EDA) provide that the EDA hold an annual meeting in January. The Bylaws further provide that the EDA elect the President, Treasurer, and Secretary annually.

Officers for 2019 were:

- Mary Supple, President
- Pat Elliot, Vice-President
- Sue Sandahl, Treasurer
- Kate Aitchison, Secretary (not required to be an EDA Commissioner)
- Chris Regis, Assistant Treasurer (not required to be an EDA Commissioner)

RECOMMENDED ACTION:

By Motion: Elect officers for the Richfield Economic Development Authority for 2020.

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



ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

November 18, 2019

CALL TO ORDER

The meeting was called to order by President Supple at 7:17 p.m. in the Council Chambers.

EDA Members Present: Mary Supple, President; Pat Elliott; Maria Regan Gonzalez, Sue Sandahl and Erin Vrieze

Present: Daniels.

EDA Members Absent: None

Absent:

Staff Present: John Stark, Executive Director; Julie Urban, Housing Manager and LaTonia DuBois, Administrative Assistant

APPROVAL OF THE MINUTES OF THE REGULAR ECONOMIC DEVELOPMENT AUTHORITY MEETING OF AUGUST 19, 2019; 2) THE EDA WORK SESSION ON OCTOBER 21, 2019.

M/Regan Gonzalez, S/Vrieze Daniels to approve the minutes of 1) the regular Economic Development Authority meeting of August 19, 2019; 2) the EDA work session on October 21, 2019.

Motion carried 5-0.

Item #1	APPROVAL OF THE AGENDA
----------------	-------------------------------

M/Elliott, S/Sandahl to approve the agenda.

Motion carried 5-0.

Item #2	CONSIDERATION OF THE APPROVAL OF A TRANSFORMATION HOME LOAN PILOT PROJECT TO EXPAND PROGRAM PARAMETERS TO ACCOMMODATE UP TO THREE LOANS FOR PROJECTS CONSTRUCTING ACCESSORY DWELLING UNITS. STAFF REPORT NO. 7
----------------	---

Housing Manager Urban presented staff report No. 7

Commissioner Regan Gonzalez inquired about other resources that could be leveraged to add to a fund focused on Accessory Dwelling Units (ADU's). Commissioners Elliott, Sandahl and Vrieze Daniels all spoke in favor of ADU's and the pilot program.

Commissioner Elliott inquired about Air B&B's and how they are registered in the City.

M/Regan Gonzalez, S/Vrieze Daniels to approve a transformation home loan pilot project to expand program parameters to accommodate up to three loans for projects constructing accessory dwelling units.

Motion carried 5-0.

Item #3	EDA DISCUSSION ITEMS
----------------	-----------------------------

Commissioner Elliott inquired about the Chamber of Commerce and Economic Development Authority relationship and inviting the Chamber of Commerce to certain meetings.

President Supple inquired about Economic Development Authority goals and timelines, Executive Director Stark gave updates.

Item #4	EXECUTIVE DIRECTOR REPORT
----------------	----------------------------------

None

Item #5	CLAIMS
----------------	---------------

M/Vrieze Daniels, S/Sandahl that the following claims be approved:

U.S. BANK	11/18/19
EDA Checks: 20282-20296	\$13,546.23
TOTAL	\$13,546.23

Motion carried 5-0.

Item #8	ADJOURNMENT
----------------	--------------------

The meeting was adjourned by unanimous consent at 7:31 p.m.

Date Approved: January 21, 2020

President

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director

AGENDA SECTION: Consent Calendar

AGENDA ITEM # 2.A.



STAFF REPORT NO. 2
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director

OTHER DEPARTMENT REVIEW: N/A

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

ITEM FOR COUNCIL CONSIDERATION:

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

EXECUTIVE SUMMARY:

In staff's annual review of the Richfield Economic Development Authority (EDA) Bylaws, it was noted that the "Order of Business" as it is currently stated does not conform to the actual practice of the EDA.

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

The suggested "Order of Business" is as follows:

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

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

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

RECOMMENDED ACTION:

By Motion: Adopt a resolution amending the Bylaws of the Richfield Economic Development Authority.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

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

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

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

C. CRITICAL TIMING ISSUES:

N/A

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

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

ALTERNATIVE RECOMMENDATION(S):

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

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
☐ Resolution Amending EDA Bylaws	Resolution Letter

EDA RESOLUTION NO.

RESOLUTION AMENDING THE BYLAWS OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD, MINNESOTA

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

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

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

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

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

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

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

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

_____, Chair

ATTEST:

_____, Secretary

**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. Regardless of who is appointed as Executive Director, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when the Executive Director is absent or incapacitated.

Section 9. Other Administrative Officers. The Authority may designate a Recording 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 President and the Executive Director.

(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 third Tuesday in January immediately following the adjournment of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, which commences at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month immediately following the adjournment of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, which commences at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the 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. Call to Order/Noting of Attendance.
2. Open Forum
3. Approval of Minutes of Previous Meeting(s).

4. Presentations.
5. Approval of Agenda.
6. Consent Agenda.
7. Public Hearings.
8. Resolutions.
9. Other Business.
10. EDA Discussion Items.
11. Executive Director's Report.
12. Approval of Claims.
13. Adjournment.

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

Section 6. 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
Amended: October 15, 2018
Amended: January 21, 2020



STAFF REPORT NO. 3
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: Chris Regis, Finance Director

OTHER DEPARTMENT REVIEW: N/A.

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

ITEM FOR COUNCIL CONSIDERATION:

Consideration of resolutions designating official depositories for the Economic Development Authority for 2020, including the approval of collateral.

EXECUTIVE SUMMARY:

In compliance with Minnesota statutes, the Economic Development Authority of Richfield (EDA) must designate on an annual basis those financial institutions it does business with.

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

RECOMMENDED ACTION:

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

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

N/A.

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

In accordance with Minnesota Statutes Section 118A.01 - 118A.06 and 469.099, the EDA of Richfield must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.

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

The EDA must also designate annually, certain savings and loan associations, banks, and

credit unions as official depositories for deposit and investment of certain EDA funds. With approval of these official depositories, the EDA will be able to invest funds in these institutions, not exceeding the federal insurance of \$250,000.

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

C. CRITICAL TIMING ISSUES:

N/A.

D. FINANCIAL IMPACT:

N/A.

E. LEGAL CONSIDERATION:

The EDA is required by Minnesota Statute 118A.01 - 118A.06 and 469.099, to designate as a depository of funds, insured banks or thrift institutions. Any collateral so deposited is accompanied by an assignment pledged to the EDA in the amount specified in the attached resolutions.

ALTERNATIVE RECOMMENDATION(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None.

ATTACHMENTS:

	Description	Type
▢	Resolution Designating certain financial institutions as depositories for investment of EDA funds	Resolution Letter
▢	Resolution designating certain savings & Loan associations, banks, and credit unions as depositories for the investment of EDA funds	Resolution Letter
▢	Resolution designating US Bank a depository of funds for the EDA	Resolution Letter

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2020

WHEREAS, the Economic Development Authority of Richfield has money which is available for investment; and

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

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

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

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

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

Adopted by the Economic Development Authority of Richfield, Minnesota this 21st day of January, 2020.

ATTEST:

President

Secretary

RESOLUTION NO.

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

BE IT RESOLVED, by the Economic Development Authority of Richfield, Minnesota:

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

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

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

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Richfield, Minnesota, as follows:

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

Adopted by the Economic Development Authority of Richfield, Minnesota this 21st day of January, 2020.

President

ATTEST:

Secretary

RESOLUTION NO.

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

BE IT RESOLVED, by the Economic Development Authority of Richfield as follows:

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

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

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

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

, PRESIDENT
JOHN STARK, EXECUTIVE DIRECTOR

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

Adopted by the Economic Development Authority of Richfield, Minnesota this 21st day of January, 2020.

President

ATTEST:

Secretary



STAFF REPORT NO. 4
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director & Julie Urban, Housing & Redevelopment Manager

OTHER DEPARTMENT REVIEW:

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

ITEM FOR COUNCIL CONSIDERATION:

An amendment to the guidelines for the Kids@Home program to remove a requirement of citizenship.

EXECUTIVE SUMMARY:

Kids@Home is a shallow rent subsidy program designed to help families with children in Richfield schools attain a stable housing situation, as studies show this is a key factor in educational success. The Kids@Home program is now celebrating its fifteenth year of serving the community. To date, over 150 families have benefited from the program.

At the inception of the program, a set of guidelines was established and is attached for review. Among the original requirements was that the head of household must be a citizen or permanent resident. Staff has interpreted this to require that the head of household should be in the process of seeking some sort of permanent residency.

The citizenship requirement was brought to staff's attention by a group of residents who questioned the need for the requirement. This program is the only locally funded and administered program to have any citizenship requirement. The guidelines were originally based on federal Section 8 Housing Choice Voucher rules, which do require citizenship. The source of funds for the program is the Economic Development Authority (EDA) property tax levy. Property taxes are paid, either directly or indirectly, by anyone who owns or rents property in Richfield. The requirement that program participants must be a Richfield resident, therefore, ensures that participants would be counted among the people who fund the program.

RECOMMENDED ACTION:

By Motion: Amend the guidelines of the Kids@Home program to exclude any citizenship requirement.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The Kids@Home program began on December 1, 2004.
- The original guidelines for the program included a requirement that the head of household of a participating family must be a citizen or permanent resident.

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

- This program is the only locally funded and administered housing program to have any citizenship

requirement.

- The guidelines were based on federal Section 8 Housing Choice Voucher rules, which do require citizenship.
- The source of funds for the program is the EDA property tax levy. Property taxes are paid, either directly or indirectly, by anyone who owns or rents property in Richfield. The requirement that program participants must be Richfield residents, therefore, ensures that participants would be counted among the people who fund the program.

C. CRITICAL TIMING ISSUES:

- The Kids@Home program is expected to open to new families beginning February 4. If approved, the amended guidelines would apply immediately.

D. FINANCIAL IMPACT:

- N/A

E. LEGAL CONSIDERATION:

- Kids@Home is funded solely by the Richfield EDA and is under no obligation to include a citizenship requirement.

ALTERNATIVE RECOMMENDATION(S):

- Do not amend the guidelines.
- Continue the item to seek further information or clarification.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
☐ Kids@Home guidelines	Backup Material

Kids @ Home – Rental Assistance Program

Kids @ Home is a 48 month rent assistance program. Families must fit the criteria to enter the program and maintain this criterion to continue to receive rental assistance under the program.

Criteria for families:

- ◆ must **currently be housed** in unsubsidized rental housing in Richfield (no shared housing)
- ◆ have a child or children in Richfield schools (K – 12)
- ◆ child or children need to be enrolled and attend a Richfield school
- ◆ one parent (or adult in family) is employed for a minimum of **30** hours a week (pay checks stubs for 2 months of work needed to provided verification of this income)
- ◆ not receiving any other **housing** assistance
- ◆ annual income must fall at or below income guideline
- ◆ rental payments must be current or no more than one month's total rent owed to landlord
- ◆ Families must be willing to attend 10 Parent Share meetings a year (Parent Share meetings are held Thursday evenings from 6:00 p.m. to 8:00 p.m. at Hope Presbyterian Church in Richfield. Families must attend 5 of the Parent Share meetings by June 30th of each year and the remaining 5 must be completed by December 15th of each year)
- ◆ family must be citizens, permanent residents or seeking proper immigration status

Income Limits Effective 04/24/2019

50% of Area Median Income			
Persons	Income Limit	Persons	Income Limit
2	\$40,000	6	\$58,000
3	\$45,000	7	\$62,000
4	\$50,000	8	\$66,000
5	\$54,000		

Occupancy Standards – Family Size determines the Occupancy Size (bedroom size for your family) and the bedroom size determines your rent assistance. You may live in a unit that is larger than the Occupancy Size determined by Richfield HRA, rent assistance in that case will be determined by actual family size. If your family lives in a unit smaller than the occupancy standard the assistance determined by Richfield HRA is the bedroom size of the unit.

Number of Persons	Bedroom Size
2 - 4	2
5 - 7	3
8 - 10	4/5

Rent Assistance (effective 9/1/2019) – Families receive rent assistance based on the following flat payment. Each year rent assistance decreases, families responsibility will increase)

Bedroom Size	1 st Year	2 nd Year	3 rd Year	4 th Year
One	\$450	\$400	\$350	\$250
Two	\$550	\$500	\$450	\$350
Three	\$650	\$550	\$500	\$450
Four/Five	\$750	\$700	\$650	\$550

The Kids @ Home Program will open in February 2020 for applications. Interested individuals will need to download an application from the City of Richfield's website (www.cityofrichfield.gov). There will be a link on the first page of the website that will direct you to the application. The application will be available for download from 10:00 a.m. Tuesday February 4, 2020 through 4:00 p.m. Friday February 14, 2020. Complete the entire application and return it along with a copy of your current lease and paystubs that reflect 6 – 8 weeks of payment (check stubs must be dated December 2019, January 2020 or February 2020). The application, current lease and appropriate paystubs must be submitted to Richfield HRA no later than 4:00 p.m. on Monday February 24, 2020. (FAX AND E-MAILS WILL NOT BE ACCEPTED)

If there are more qualified candidates than openings available Richfield HRA will conduct a random lottery drawing. Letters/E-mails for the qualified candidates who have been pulled for the lottery will be sent out no later than March 6, 2020. Those applications not selected in the lottery draw will have their applications shredded. Applicants selected from the lottery draw must complete the required process to become participants on the Kids @ Home Program as well as attend a scheduled briefing in April or May of 2020. Rent assistance for qualified candidates who have successfully completed the application process will begin June 1, 2020.



STAFF REPORT NO. 5
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director

OTHER DEPARTMENT REVIEW:

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

ITEM FOR COUNCIL CONSIDERATION:

Designation of Community Development Director John Stark as the Executive Director of the Richfield Economic Development Authority for 2020.

EXECUTIVE SUMMARY:

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

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

RECOMMENDED ACTION:

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

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

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

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

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

C. CRITICAL TIMING ISSUES:

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

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

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

ALTERNATIVE RECOMMENDATION(S):

- Appoint Community Development Director John Stark as Executive Director of the Richfield EDA for a longer period (the EDA Bylaws do not stipulate the term of appointment).
- Appoint someone else as the EDA Executive Director.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Community Development Director John Stark



STAFF REPORT NO. 6
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

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

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

ITEM FOR COUNCIL CONSIDERATION:

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

EXECUTIVE SUMMARY:

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

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

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

RECOMMENDED ACTION:

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

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

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

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

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

C. CRITICAL TIMING ISSUES:

- None

D. FINANCIAL IMPACT:

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

E. LEGAL CONSIDERATION:

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

ALTERNATIVE RECOMMENDATION(S):

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

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

	Description	Type
□	Resolution	Resolution Letter

RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION DELEGATING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN DOCUMENTS AND AUTHORIZE EXPENDITURES ON BEHALF OF THE RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the Richfield Economic Development Authority (the “Authority”) was established by the City of Richfield, Minnesota (the “City”) in 2017 to promote and to provide incentives for economic development in the City; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Richfield Economic Development Authority as follows:

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

Adopted by the Richfield Economic Development Authority this 21st day of January, 2020.

_____, President

_____, Secretary



STAFF REPORT NO. 7
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

REPORT PREPARED BY: John Stark, Executive Director

OTHER DEPARTMENT REVIEW: Katie Rodriguez, City Manager

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

ITEM FOR COUNCIL CONSIDERATION:

Consider the creation of an Energy Efficient Business Grant.

EXECUTIVE SUMMARY:

The Richfield Economic Development Authority (EDA) has been budgeting funds for "Business Assistance" programming since its inception in 2018. Based on staff's recommendation, however, these funds have been accumulating instead of being expended in order to create an adequate source of funding for programs.

At the October 21, 2019 EDA work session, staff proposed a number of programs recommended for implementation in 2020. Among these was an Energy Efficient Business Grant (Grant) program. This Grant would provide an incentive for Richfield businesses to participate in several programs administered by the Center for Energy and the Environment (CEE) intended to help businesses save both money and natural resources by making energy efficient upgrades. The CEE programs work with, and receive funding from, metro area utility companies as well. Specifically, the CEE programs focus on: Lighting Efficiency, Refrigeration, and Rooftop Units (see attached handouts).

Staff is proposing that the EDA provide a grant to cover 20% of the cost of installation of qualified energy efficient upgrades for Richfield businesses in a maximum amount of up to \$2,500 per business. In the first year, staff is contemplating a budget of \$20,000 for the grants plus \$1,000 for marketing the program. This would allow at least eight Richfield businesses to participate.

The details of how CEE would administer this program are outlined in the attached Memorandum of Understanding (MOU).

RECOMMENDED ACTION:

By Motion: Approve a Memorandum of Understanding with the Center for Energy and the Environment for the use of \$21,000 of Economic Development Authority funds for the implementation of an Energy Efficient Business Grant.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The Richfield EDA was founded in January 2018.
- Since its inception the EDA has been budgeting funds for business development activities.
- The EDA supported the concept of an Energy Efficient Business Grant at its October 21, 2019 work session.

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

The proposed Grant program is an appropriate activity for an EDA as defined in Minnesota State Statutes.

C. CRITICAL TIMING ISSUES:

N/A

D. FINANCIAL IMPACT:

- The EDA budget was approved including:
 - 2018: \$75,000
 - 2019: \$95,000
 - 2020: \$95,000
- To date, none of the funds set aside for Business Assistance have been expended.

E. LEGAL CONSIDERATION:

Legal counsel from Kennedy and Graven have reviewed the attached Memorandum of Understanding.

ALTERNATIVE RECOMMENDATION(S):

- Approve a modified version of the Energy Efficient Business Grant.
- Do not approve.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Staff from the Center for Energy and the Environment.

ATTACHMENTS:

	Description	Type
▢	CEE - Memorandum of Understanding	Contract/Agreement
▢	CEE Program handouts	Backup Material

MEMORANDUM OF UNDERSTANDING

Between: Center for Energy and Environment and the Richfield Economic Development Authority
Re: Additional Rebates for Completed Energy Efficiency Upgrades
Date: January 13, 2020

This Memorandum of Understanding (MOU) stipulates the intentions of Center for Energy and Environment (CEE) and the Richfield Economic Development Authority (EDA), collectively the Parties, to collaborate on the abovementioned additional rebate program. This MOU is effective as of January 1, 2020 and ends on December 31, 2020. The MOU can be cancelled by either party with 30 days written notice to the enclosed representatives.

Services

The EDA has earmarked funds for business owners who own businesses in the City of Richfield who complete upgrades through the One-Stop Efficiency Shop® or Xcel Energy's Commercial Refrigeration program. If a business follows through on making rebate qualifying upgrades, CEE will provide the business with a form to send into the EDA to receive its additional rebate.

The EDA has agreed to offer additional rebates of 20% of the cost of rebated measures up to \$2,500 to be paid upon completion of the upgrades.* The EDA will cut the check and send to the business.

** If participating business installs a case as a part of the Refrigeration Program and all we're rebating is a component of the case, and not the entire case, the business will receive the applicable component rebate. Additional EDA funds will be based on the cost of the component not the case.*

CEE Obligations

- CEE will work with the EDA to market the program offerings to businesses within the City of Richfield
- CEE will carry out audits to qualifying businesses within the City of Richfield as a part of the One-Stop Efficiency Shop and Xcel Energy Commercial Refrigeration programs
- Assessments will include information about the EDA's additional rebate offering
- CEE will complete all paperwork for participating businesses as is already standard through program practice
- Once business completes the qualifying upgrade, CEE will send the EDA form to the business to submit for additional EDA rebate

EDA Obligations

- The EDA shall assist in marketing the program offering to businesses within the City of Richfield
- The EDA will provide an additional rebate to businesses of 20% of the cost of program eligible energy efficiency measures in an amount of up to \$2500.

- The EDA will cut checks to qualifying businesses once a form requesting the rebate has been received

Budget

A total of \$20,000 is available from the EDA for rebates through December 31, 2020 under this MOU.

Release/Waiver/Indemnification

The parties agree that each shall be responsible for its own acts, errors and omissions and those of its officers, directors, employees and agents, as well as any representations, warranties and agreements, made in the performance of this MOU, and neither CEE nor the EDA will be liable in any way for the activities of the other party or the other party's officers, directors, employees and agents arising out of or in connection with: (a) any failure to perform any of the terms, covenants or conditions of this Agreement; (b) any act, error, omission, misrepresentation or misconduct; (c) the failure to comply with any applicable laws, rules or regulations; or (d) any accidents, claims, damages, losses, injuries or expenses.

Contact Information

CEE:

Ashley Robertson
612.335.5869
arobertson@mncee.org
212 3rd Avenue N, Suite 560
Minneapolis, MN 55401

Richfield Economic Development Authority
John Stark
612.861.9775
jstark@richfieldmn.gov
6700 Portland Ave S
Richfield, MN 55423

Center for Energy and Environment

By: _____

Title: _____

Date: _____

Richfield Economic Development Authority

By: _____

Title: President

Date: _____

By: _____

Title: Executive Director

Date: _____



Cool Down Your Refrigeration Costs

Sign up for a free assessment

Refrigeration can be one of the biggest drivers of energy use in grocery, convenience and liquor stores. Depending on your industry, it can account for more than half of your monthly electricity costs.¹ Our free on-site refrigeration assessment provides our small business customers with a convenient way to identify opportunities for improvements that can generate long-term energy and cost savings.

Sign up and start saving

It's free. Sign up and we'll schedule our no-obligation assessment at a time that works best for you.

Get advice from experts. An energy advisor will conduct a brief walk-through of the refrigerated areas in your business. They'll provide you with a report that shows you what types of equipment upgrades can have the biggest impact on reducing your refrigeration energy costs, identify rebates you can earn and estimate the annual energy savings you could gain.

Get complimentary, energy-saving products. During the assessment, we'll install energy-saving products of your choice.

Earn rebates on energy-saving improvements. If you decide to move forward with any of the recommended, energy-saving improvements, your energy advisor will fill out and submit your rebate forms.

Types of businesses that can benefit from an assessment

- Convenience stores
- Liquor stores
- Retail stores with food service
- Grocery stores
- Restaurants
- Schools

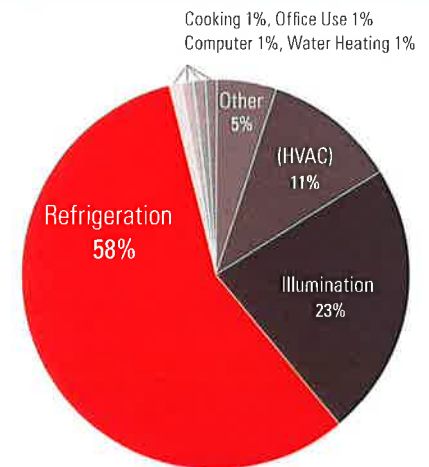
Free products and services

Gain immediate savings by having energy-efficient products and services provided to you during your assessment at no cost. Depending on your facility, this can include:

Coil cleaning tune up. When refrigeration coils are clogged with dust and dirt, they can't release heat efficiently. This causes your compressor to work harder and longer, which can drive up energy use and shorten the life of your equipment. We can conduct a free coil cleaning on your self-contained coolers and freezers, which can help your systems operate more efficiently. The cleaning will only involve brushing and vacuuming of the coils (it is not a solvent-based cleaning, and the units will not need to be emptied or turned off during the cleaning process.)

Faucet aerators: Faucet aerators limit water flow and reduce water use. Additionally, because less water is used, they help reduce the amount of energy needed to supply your hot water needs. We can replace standard (2.2 gpm) aerators with low-flow models in your kitchen and restrooms.

Average grocery store electric energy consumption by end use in the U.S.¹



Notes: Total electric intensity (kilowatt-hour [kWh] per square foot [ft²], annual basis): 50.4; average consumption per building (kWh): 419,038; average enclosed floorspace per building (ft²): 8,314.

© E Source: Data from U.S. Energy Information Administration.



LED screw in lamps in refrigerated cases: LEDs can save money because they use less energy and last longer than more traditional incandescent bulbs. We can replace your existing incandescents in walk-in coolers and freezers with LEDs.

Pre-rinse sprayers: Low flow pre-rinse spray valves use less water than older, less efficient models. By reducing your water consumption, the valves also lower the amount of energy needed for your hot water. We can replace your standard (1.6 gpm) sprayers with low-flow models.

We'll help lower the cost of your energy-saving improvements

Our Commercial Refrigeration program offers rebates for the most common types of refrigeration upgrades, which will help speed up the payback of your energy-saving projects. These are some examples of improvements which could be identified in your assessment report.

Energy-Saving Upgrade and Description	Rebate
Anti-sweat heater controls – Most refrigerated case doors contain heaters to reduce moisture buildup on the glass. These heaters operate 24/7, yet they are only needed in humid conditions to reduce moisture. Anti-sweat heater controls help reduce energy use by regulating these heaters, turning them on when the temperature and humidity levels are high, and switching them off when they are not needed.	\$60/door
Demand control ventilation – Commercial kitchen ventilation hoods with demand controlled capability. Most kitchen exhaust and make-up air fans run at a constant speed to eliminate fumes and smoke from cooking activity. When your cooking activity is low, this can result in wasted energy due to excessive fan speeds and unnecessary levels of make-up air that needs to be conditioned. DCV varies exhaust and make-up air fan speeds based on the level of your cooking activity, resulting in lower energy use while still capturing and expelling unwanted fumes and smoke.	Gas customers: \$250 per exhaust fan hp Electric customers: \$400 lump-sum for all fans under 5hp \$125 per exhaust fan hp for fans equal to or greater than 5hp but less than 7.5hp \$100 per exhaust fan hp for fans 7.5hp and greater
Electronically commutated motors – Reduce your energy load by replacing standard shaded pole motors or permanent split capacitor motors of your existing freezer and cooler evaporator fans with ECMs. They're energy-efficient and create less heat, which can result in both motor and refrigeration energy savings. In addition to lowering energy use, ECMs run quieter, reducing the noise within the case.	\$40/motor display case \$70/motor walk-in
Evaporator fan motor controllers – Save on energy consumption by installing speed controls in conjunction with shaded pole evaporator fan motors in walk-in coolers and freezers. Controllers decrease refrigerator load and save energy by reducing evaporator fan speed when the compressor is either off or not needed.	\$35/motor controlled
LED reach-in case lighting – Refrigerated display lights produce heat, causing the refrigeration system to consume more energy in order to maintain cold temperatures. Replacing your fluorescent lighting with LEDs can reduce the amount of heat generated and also provide a higher quality light. Additionally, LED lamps last longer than fluorescents and the payback can be especially fast in retail applications with long operating hours.	\$45/door (DLC standard and premium models) \$33.75/door (non DLC listed)
New reach-in case with doors – Installing new cooler cases with doors can lower your energy use and costs, and help extend the life of your compressor.	\$70/linear foot of case
Night curtains for coolers – Installing night curtains on the cases helps keep the cold air in the case by creating a barrier between the case and the store.	\$20/linear foot
No heat case doors – Install new freezer or cooler cases with no heat case doors. Made of two to three panes of glass that include a low conductivity filler, these doors keep the outer glass warm and prevent external condensation.	\$100/door cooler case \$150/door freezer case
Retrofit of open multi-deck cases with doors – Retrofitting your existing open multi-deck cases with solid glass doors can improve the case efficiency, reduce operating costs and increase customer comfort by containing chilled air within the case.	\$50/linear foot of case – coolers \$75/linear foot of case – freezers

Sign up today!

To schedule your free refrigeration assessment, call **612.455.7803** or email **XcelMNRrefrigeration@mncee.org**. Visit **xcelenergy.com/MNRrefrigeration** to learn more.

CEE implements the MN Commercial Refrigeration program on behalf of Xcel Energy.



Lighting Efficiency

One-Stop Efficiency Shop® boosts rebate potential for qualifying facilities.

The One-Stop Efficiency Shop for lighting upgrades offers enhanced rebates and special services for small and mid-sized business facilities, with peak demand of 400 kW or less.

Earn significant rebates while lowering your lighting costs

The One-Stop Efficiency Shop lighting retrofit program offers qualifying businesses:

- A free lighting audit with cost savings recommendations
- Rebate incentives up to 60 percent of installed costs
- Start-to-finish oversight of your lighting upgrade

If you qualify for the One-Stop Efficiency Shop, a representative will

- Walk through your business and offer suggestions to improve lighting and cut costs
- Explain the recommendations, savings and financing options identified in your audit report
- Serve as a liaison between you and your contractor throughout the retrofit process to ensure quality installation*
- Complete and submit all rebate paperwork

Financing helps turn on lighting savings

The Center for Energy and Environment offers financing to qualifying customers. Contact the One-Stop Efficiency Shop for financing details, special offers and interest rates.

You can qualify for cash rebates, too

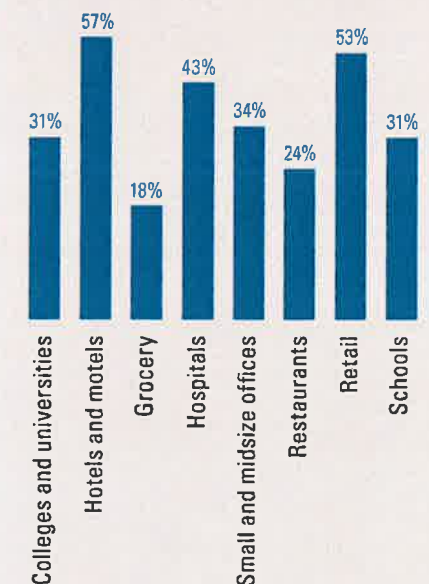
The One-Stop Efficiency Shop is only one part of our Lighting Efficiency program for Minnesota business customers. Lighting Efficiency helps customers large and small qualify for rebates while lowering their lighting costs. You can choose from the following Lighting Efficiency options:

- **Lighting Efficiency retrofit rebates**—available for existing facilities of any size
- **Lighting Efficiency new construction rebates**—available for new facilities or any facility going through major renovations
- **Instant rebates**—immediate discounts available on select, qualifying LED lamps and retrofit kits at the point of sale. Offered for lighting projects that are implemented outside of the One-Stop Efficiency Shop program.
- **Custom Efficiency lighting rebates**—available for energy-saving lighting projects not currently included in our standard Lighting Efficiency rebate program
- **Lighting redesign study and implementation rebates**—study funding and special rebate levels available for completing a redesign study to determine proper lighting levels in an overlit or mislit facility



A typical small business spends \$6,000 to \$25,000 on energy annually. Depending on your business, lighting can account for a majority of that cost. Improving your lighting is one of the most cost-effective steps you can take because it saves money on energy bills while boosting lighting quality.

Lighting as a percentage of electricity end use.



Source: E Source, U.S. Energy Information Administration, <https://xcelenergy.bizenergyadvisor.com/>.

*There is no obligation to perform recommended upgrades after completing the free evaluation. In addition, completed retrofits are randomly checked to guarantee high-quality installations and customer satisfaction.

Business Solutions Center **855.839.8862**

Minnesota

Start saving now

Contact your Xcel Energy account manager, our **Business Solutions Center** at **energyefficiency@xcelenergy.com** or the **One-Stop Efficiency Shop** at **612.244.2427** for help determining the best approach for you. We will verify your eligibility and kick-start your lighting savings. The Center for Energy and Environment administers the One-Stop Efficiency Shop, which is part of our Lighting Efficiency program.

Center for Energy and Environment

212 3rd Ave N., Suite 560

Minneapolis, MN 55401

612.244.2427

ckelly@mncee.org

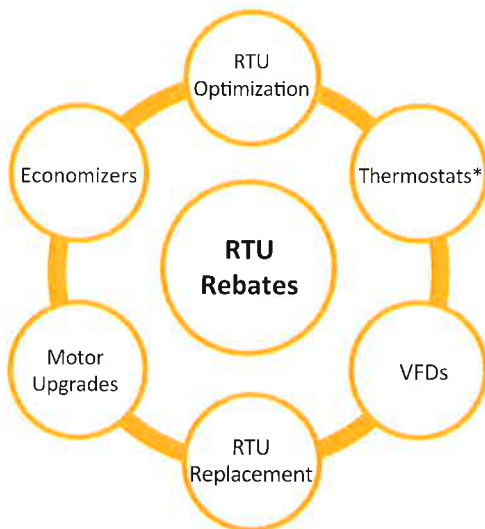
Roof Top Unit (RTU) Efficiency

One-Stop Efficiency Shop® boosts rebate potential for qualifying facilities

One-Stop Efficiency Shop Roof Top Unit (RTU) efficiency offers significant rebates and services to small and mid-sized businesses with a monthly peak demand of 400 kW or less.

Your customers will earn significant rebates while lowering their RTU costs

- Rebates up to 60% of installed cost
- Below market-rate financing
- Completion and submittal of all rebate and financing paperwork



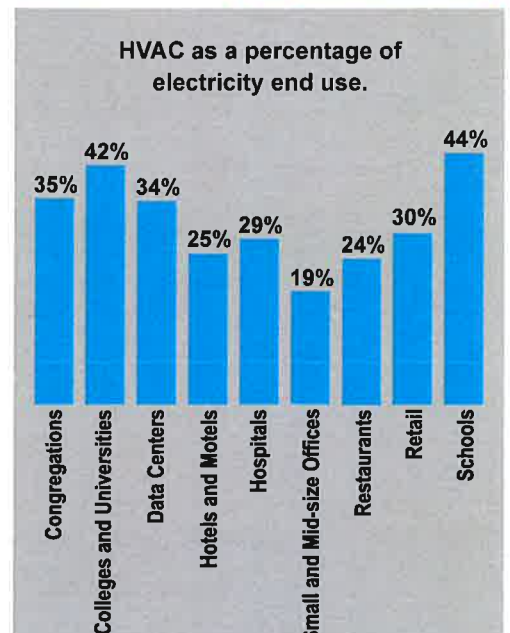
Financing helps turn on HVAC savings

The Center for Energy and Environment offers financing to qualifying customers. Contact the One-Stop Efficiency Shop for financing details, special offers and interest rates.

Start saving now

Contact the One-Stop Efficiency Shop at **612-618-8592** for help determining the best approach for your customer. We will verify their eligibility and help you kick-start their savings. The Center for Energy and Environment, a local nonprofit, administers the One-Stop Efficiency Shop.

* Must be a programmable or smart thermostat



Source: E Source, U.S. Energy Information Administration, <https://xcelenergy.bizenergyadvisor.com>

A typical small business spends \$6,000 to \$25,000 on energy annually. The operation of HVAC systems can account for a significant portion of that cost. Improving HVAC systems not only saves money on energy bills but can also increase occupant comfort.

Center for Energy and Environment
212 3rd Avenue North, Suite 560
Minneapolis, MN 55401
612-618-8592 | tbsmith@mncee.org


Center for Energy and Environment



STAFF REPORT NO. 8
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
1/21/2020

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

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
1/15/2020

ITEM FOR COUNCIL CONSIDERATION:

Consider the creation of a Small Business Revolving Loan Fund Program for Richfield businesses.

EXECUTIVE SUMMARY:

The Richfield Economic Development Authority (EDA) has been budgeting funds for "Business Assistance" programming since its inception in 2018. Based on staff's recommendation, however, these funds have been accumulating instead of being expended in order to create an adequate source of funding for programs.

At the October 21, 2019 EDA work session, staff proposed a number of programs recommended for implementation in 2020. Among these was the creation of a Small Business Revolving Loan Fund for Richfield businesses. Lee Hall, the Chief Operating Officer for the Metropolitan Consortium of Community Developers (MCCD) attended the October 21 work session and discussed MCCD's ability to help a community establish and administer a revolving loan program for local businesses. The EDA already works with MCCD as a participant in its Open to Business program.

Based on the outcome of the work session and ongoing discussions with MCCD, staff is proposing that the EDA establish a Small Business Revolving Loan Fund Program (Program). As proposed, MCCD would underwrite and administer loans for businesses located in Richfield. MCCD recommends that the underwriting criteria should be a little more lenient than typical loans that a business would get from a large bank, but the interest rate should be marginally higher to compensate for the increased lending risk. Staff is proposing that the EDA provide a maximum contribution of \$15,000 to the loan and the MCCD would match, or exceed, the EDA's participation in the loan. Staff's recommendation is that no more than 25% of any loan issued under this program be used for operating costs (with the remainder being used for capital/equipment costs).

For 2020, staff would consider this a "pilot" program and is recommending that \$60,000 be deposited with MCCD (in accordance with the attached Contract) for dispersal to loan recipients and an additional \$1,250 be budgeted for marketing of the program. There are no costs associated with MCCD's administration and underwriting of the loans as they charge an industry-standard loan origination fee to the borrower to cover their costs. MCCD states that a typical loan has a term of 5 years. The EDA would earn back approximately \$3,900 per year on a 5 year loan of \$15,000. These funds would be reused (or "revolved") for future loans.

RECOMMENDED ACTION:

By motion:

- 1. Approve the use of \$61,250 of Economic Development Authority funds for the implementation of a Small Business Revolving Loan Fund Program, and;**
- 2. Approve a Contract with the Metropolitan Consortium of Community Developers for the**

administration of a Small Business Revolving Loan Fund Program for Richfield businesses.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The Richfield EDA was founded in January 2018.
- Since its inception the EDA has been budgeting funds for Business Development activities.
- The EDA supported the concept of a Small Business Revolving Loan Fund Program for Richfield businesses at its October 21, 2019 work session.

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

The proposed grant program is an appropriate activity for an EDA as defined in Minnesota State Statutes.

C. CRITICAL TIMING ISSUES:

N/A

D. FINANCIAL IMPACT:

- The EDA budget was approved including:
 - 2018: \$75,000
 - 2019: \$95,000
 - 2020: \$95,000
- To date, none of the funds set aside for Business Assistance have been expended.

E. LEGAL CONSIDERATION:

Legal counsel from Kennedy and Graven have reviewed the attached Contract.

ALTERNATIVE RECOMMENDATION(S):

- Approve a modified version of the Small Business Revolving Loan Fund Program for Richfield businesses.
- Do not approve.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Staff from the Metropolitan Consortium of Community Developers.

ATTACHMENTS:

Description	Type
□ Contract with MCCD	Contract/Agreement

**SMALL BUSINESS REVOLVING LOAN FUND
SERVICES AGREEMENT**

BY AND BETWEEN THE

RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY

AND

**THE METROPOLITAN CONSORTIUM OF
COMMUNITY DEVELOPERS**

**SMALL BUSINESS REVOLVING LOAN FUND
SERVICES AGREEMENT**

THIS AGREEMENT is entered into this ____ day of _____ 2020 by and between the RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY (the “EDA”), and METROPOLITAN CONSORTIUM OF COMMUNITY DEVELOPERS, a Minnesota nonprofit corporation (the “MCCD”).

WHEREAS, the EDA wishes to establish a revolving fund to support small business development and growth within the City of Richfield; and

WHEREAS, MCCD is a Community Development Financial Institution and as the operator of the *Open to Business* program in Hennepin County and the City of Richfield, has established lending programs and infrastructure, and currently provides loans to small businesses within the City of Richfield.

WHEREAS, on January __, 2020, the EDA Board approved an extension of the City’s partnership with MCCD/Open to Business to include MCCD’s management of EDA funds in the amount of \$60,000, for the purpose of providing and servicing small business loans; and

WHEREAS, MCCD has agreed to provide services as described in this Agreement;

NOW, THEREFORE, it is agreed between the parties hereto that:

SECTION I. PURPOSE

The purpose for entering into and making this Agreement is to establish the respective roles and obligations of the EDA and MCCD in order to provide funding and an array of related services to originate and service Small Business loans within the City of Richfield.

SECTION II. DEFINITIONS

The following terms shall have the following meanings:

Administrative Costs means loan origination and servicing costs incurred by MCCD with respect to administering the Program.

Agreement means this agreement between the EDA and MCCD to fund, administer and provide the origination, underwriting, closing and servicing of loans made through the Program.

Borrower means a recipient of a Loan under the Program.

Closing means the event where MCCD originates a Program Loan and the Borrower executes a Note and any security instruments.

Contract Amount means the funds allocated by the EDA to MCCD to manage under the terms of this agreement.

EDA means Richfield Economic Development Authority, a political subdivision organized under the laws of Minnesota.

Interest Income means any interest paid by Borrowers of Program Loans.

MCCD means Metropolitan Consortium of Community Developers, a Minnesota nonprofit corporation.

Note means a promissory note by which the Borrower acknowledges its contractual obligation to repay a Program Loan, substantially in the form of **Exhibit B** attached hereto or another form approved by the EDA.

Program means the “Small Business Loan Program” as described in the Program Guidelines attached hereto as **Exhibit A**.

Program Guidelines means the limitations, restrictions and obligations associated with the Program described in **Exhibit A** attached hereto and incorporated herein by reference, which may be modified from time to time by the EDA.

Program Income means any amounts that MCCD receives from payments or collections on Program Loans including Borrower-paid interest and loan principal recovery.

Program Loan means a loan made through the Program consistent with the Program Guidelines or any loan made by MCCD prior to the date of this Agreement.

Revolving Fund means a separate fund in MCCD’s accounting records where all Program Income is to be credited.

Security Documents means the documents evidencing collateral for any Program Loan as reasonably deemed necessary and prudent by MCCD.

SECTION III. SCOPE OF SERVICE

1. **General**. MCCD will collect Program Loan applications and originate and service the Program Loans in compliance with the terms of this Agreement, the Program Guidelines, and federal, state and local laws and regulations.
2. **MCCD's Services**. MCCD shall, at all times and with respect to all Program Loans, perform the following services in a manner consistent with normal and prudent loan underwriting, origination and servicing practices as follows:
 - (a) **Information**. MCCD will receive telephone and walk-in inquiries from, and provide advice to, parties who seek information regarding the Program, including eligibility limitations and permitted use of loan funds.
 - (b) **Loan Processing**. MCCD will create application forms for Program Loans. MCCD will accept completed applications for Program Loans from potential Borrowers and verify eligibility requirements including, but not limited to, credit history. MCCD will

underwrite each application in compliance with MCCD's small business loan underwriting standards attached hereto as Exhibit D. MCCD will have the sole responsibility of determining a potential Borrower's credit risk. MCCD will originate the Program Loans in the name of the EDA.

- (c) Program Loan Closing. Each Program Loan shall be evidenced by a Note and secured with collateral as deemed appropriate by MCCD staff.
- (d) Program Funding. MCCD will use the Program Income to make additional Program Loans. MCCD will be responsible for all Administrative Costs but may retain all Origination Fees paid by Borrowers as compensation.
- (e) Reporting Requirements. The reporting requirements related to this Agreement are identified on the attached Exhibit C (the "Reporting Requirements") and the format and frequency of such reporting shall be as reasonably determined by the EDA. Failure to comply with these reporting requirements is considered a material default and may result in EDA termination of this Agreement in accordance with the terms of Section VIII.

SECTION IV. PROGRAM ADMINISTRATION

1. MCCD will keep all necessary books and records and pay all Administrative Costs incurred by it in relation to the Program. MCCD shall segregate the obligations and expenditures related to the Program. No part of the Contract Amount or Program Income shall be used for a purpose other than that of making Loans as allowable under this Agreement.
2. MCCD shall observe and comply with the Program Guidelines for any new Program Loans and all applicable laws, ordinances, and regulations of the City of Richfield, the State of Minnesota, and the United States of America. Specifically, but not by way of limitation, MCCD agrees to comply with all licensing and regulatory laws and regulations that apply to MCCD in its capacity as making and servicing loans.
3. MCCD shall obtain the written consent of the EDA prior to subcontracting any activities under this Agreement.
4. MCCD shall maintain Program Loan applicant and recipient data. Such data shall include, but not be limited to, applicant and recipient name, address, and related loan underwriting data. The data maintained by MCCD pursuant to this Section will be made available to the EDA upon request.
5. MCCD understands that the use or disclosure of applicant or recipient data, when not directly connected with the administration of the EDA or MCCD's responsibilities under this Agreement, may be prohibited by the Minnesota Government Data Practices Act or other state and federal laws and regulations on data privacy unless written consent is obtained from such applicants and recipients. MCCD agrees to comply with the Minnesota Government Data Practices Act and all other applicable state and federal laws relating to data privacy or confidentiality. MCCD shall immediately report to the EDA any requests from third parties for information relating to this agreement. The EDA agrees to promptly respond to inquiries from MCCD concerning data requests. MCCD agrees to hold the EDA, its officers, department

heads and employees harmless from any claims resulting from MCCD's unlawful disclosure or use of data protected under state and federal laws unless such disclosure was done at the direction of the EDA.

6. MCCD shall notify the EDA of any 90-day delinquent Program Loans.

SECTION V. TIME OF PERFORMANCE

The time of performance of the services funded through this Agreement shall commence as of the 1st day of March 2020 and shall continue until February 28, 2030, unless terminated earlier as provided in Section VIII. Notwithstanding the termination of this Agreement for any reason, the responsibilities of MCCD to the EDA shall not terminate until all closeout requirements specified under Section VIII have been completed.

SECTION VI. DISBURSEMENT OF CONTRACT AMOUNT

1. It is agreed and expressly understood that the EDA shall disburse the full contract amount of \$60,000 to MCCD in connection with this Agreement prior to commencement of lending activities, and that MCCD shall hold all contract funds and Program Income throughout the term of this Agreement.
2. All Administrative Costs shall be borne by MCCD, but MCCD may retain all Borrower-paid fees, including Loan Origination, as compensation.

SECTION VII. REVOLVING FUND; PROGRAM INCOME

MCCD shall maintain the Revolving Fund in trust for the EDA. All Program Income shall be deposited into the Revolving Fund and used to originate additional Program Loans. MCCD shall account for the Revolving Fund as a separate fund in its accounting records.

SECTION VIII. TERMINATION; TRANSFER OF BALANCES; REMEDIES.

1. Unless extended pursuant to an amendment executed by the parties, this Agreement shall terminate as of February 28, 2030, or upon the termination of MCCD as a legal entity, or upon termination of the EDA's or Hennepin County's contractual participation in MCCD's Open to Business program, or upon the failure of MCCD to satisfactorily perform the services required herein as determined by the EDA. Either party may terminate this Agreement for any reason upon giving sixty (60) days' prior written notice of termination.
2. Upon termination of this Agreement, MCCD shall immediately transfer any Revolving Fund balances, including any Program Income, to the EDA; shall execute and deliver such assignments, files, and other documents as the EDA may deem necessary or desirable to close out the Program; and shall provide the EDA with a final accounting. Activities during this close-out period shall include, but are not limited to: making final payments, returning Program assets and income, determining the custodianship of records, submission of a final report as required herein and resolution of any audit findings.

3. Upon termination, MCCD will continue to service all existing Program loans to their conclusion as detailed in each Program Loan's individual loan agreement and will remit to the EDA all Program Income collected no less than 1 month from the date of receipt from Program Borrowers. The EDA may, however, assume responsibility for loan servicing, in which event MCCD shall cooperate with the EDA in the transfer of loan servicing, and shall provide all data and files needed by the EDA to service the loan(s).

It is expressly understood and agreed by the EDA that funds committed and deployed to Borrowers as Program Loans are governed by the terms of each Borrower's loan agreement, and will remain committed for the duration of that Note. In the event this Agreement is severed, MCCD shall be under no obligation to buy back these participations, or refinance the debt to free EDA fund encumbrance.

4. The EDA shall be entitled, upon breach by MCCD, to any remedies available at law or in equity, including but not limited to actions for damages and/or specific performance. In any action to enforce or obtain any remedy with respect to this Agreement, the EDA shall be entitled to recover reasonable attorneys' fees from MCCD.

SECTION IX. COOPERATION

MCCD and the EDA shall furnish all necessary information and support to the other party in carrying out the intent of this Agreement. MCCD shall recommend to the EDA any changes in the Program Guidelines, which may only be amended upon written agreement of the parties.

SECTION X. RELATIONSHIP OF THE PARTIES

1. **Independent Contractor.** MCCD shall be an independent contractor of the EDA. All personnel required for the services undertaken by MCCD under this Agreement will be employees or agents of MCCD and shall not, by virtue of their work on the Program, be deemed to be employees of, nor have any contractual or agency relationship with the EDA, or the City of Richfield. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the EDA.
2. **Hold Harmless.** MCCD agrees to defend, indemnify, and hold harmless the EDA and their respective officers and employees, from any liability, claim, damage, cost, judgment, or expense, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of MCCD and its officers, employees, agents or contractors, while performing under this Agreement, and against all losses claimed by a Borrower, any third party or MCCD by reason of MCCD's failure to perform, in any respect, all obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, nothing herein shall be construed to obligate MCCD to hold harmless, defend or indemnify the EDA from claims arising from the EDA's negligent acts or omissions.

SECTION XI. NOTICES

Communication and details concerning this Program shall be directed to the following contract representatives:

EDA: Richfield Economic Development Authority
6700 Portland Ave
Richfield, MN 55423
Attention: John Stark- Executive Director

MCCD: Metropolitan Consortium of Community Developers
3137 Chicago Ave. S.
Minneapolis, MN 55407
Attention: Lee Hall- Director of Lending & Technical Assistance

SECTION XII. EDA ADMINISTRATIVE REQUIREMENTS.

1. **Workers' Compensation and Liability Insurance** – Prior to starting the services described herein, MCCD shall provide evidence of and continually maintain throughout the term of this Agreement, workers' compensation insurance in accordance with statutory requirements. MCCD shall also provide evidence of (including endorsements to policies) and continually maintain: (i) commercial general liability insurance, which shall include contractual liability coverage; and (ii) automobile insurance including hired/non-owned coverage, all in amounts no less than \$1,000,000 per occurrence with aggregate coverage of \$1,000,000. Said insurance policy(ies) shall name the EDA as an additional insured. MCCD shall forward to the EDA any notices it receives of cancellation of any of the above policies.
2. **Accounting Standards** – MCCD shall 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 Agreement.
3. **Records**
 - (a) **Retention** – MCCD shall retain all records pertinent to expenditures incurred under this Agreement as directed by the EDA in accordance with the EDA's Records Retention Policy. Upon the termination of this Agreement, MCCD shall transfer the records to the EDA or the EDA's designee for its retention.
 - (b) **Audits & Inspections** – MCCD shall make available to the EDA and any EDA designee all records regarding and matters covered by this Agreement whether held by MCCD or by a subcontractor, at any time by appointment during normal business hours, as often as the EDA deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by MCCD within a reasonable time period after a request has been received from the EDA.

SECTION XIII. MISCELLANEOUS.

1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
2. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement.
3. No Discrimination. MCCD agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement. MCCD agrees to comply with Americans with Disabilities Act as amended (“ADA”), Section 504 of the Rehabilitation Act of 1973, and the Minnesota Human Rights Act, Minnesota Statutes, Chapter 363A. MCCD agrees to hold harmless and indemnify the EDA and the City from costs, including but not limited to damages, attorney's fees and staff time, in any action or proceeding brought alleging a violation of these laws by the MCCD or its guests, invitees, members, officers, officials, agents, employees, volunteers, representatives and subcontractors. Upon request, the MCCD shall provide accommodation to allow individuals with disabilities to participate in all services under this Agreement. MCCD agrees to utilize their own auxiliary aid or service in order to comply with ADA requirements for effective communication with people with disabilities.
4. Entire Agreement. This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between the EDA and the MCCD and supersedes any other written or oral agreements between the EDA and the MCCD. This Agreement can only be modified in writing signed by the EDA and the MCCD. If there is any conflict between the terms of this Agreement and referenced or attached items, the terms of this Agreement shall prevail.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
Signature pages follow.

(Signature page to Small Business Revolving Loan Fund Services Agreement)

IN FURTHERANCE WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**RICHFIELD ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

(Signature page to Small Business Revolving Loan Fund Services Agreement)

METROPOLITAN CONSORTIUM OF COMMUNITY DEVELOPERS

By _____

Its _____

Federal Taxpayer ID#: _____

LIST OF ATTACHED EXHIBITS

- Exhibit A Program Guidelines
- Exhibit B Note
- Exhibit C Reporting Requirements
- Exhibit D MCCD's Small Business Loan Underwriting Standards

EXHIBIT A

Small Business Revolving Loan Fund Program Guidelines

Purpose To provide affordable financing to small Richfield neighborhood retail, service and light manufacturing businesses that are not able to obtain adequate financing from traditional financing sources.

Program Structure The Small Business Revolving Loan Fund (SBRLF) will provide EDA financing in partnership with MCCD's other lending programs. The Metropolitan Consortium of Community Developers (MCCD), referred to as "Lender" will administer the Borrower. All Program Loans will be made in the name of the Richfield Economic Development Authority.

Loan amount The maximum amount of a SBRLF loan will be the lesser of 50% of total financing approved and provided to the Borrower by MCCD, or \$15,000.

Term The term will normally be between three and five years, and will be matched to the purpose of the loan. The maximum term will be ten years. The loan will usually be fully amortizing, but may be structured differently on a case by case basis.

Interest Rate MCCD shall at its sole discretion determine the interest rate of individual Borrower loans based on a number of factors, including credit risk, loan term, collateral, and usage; Typically the rate will fall between 2-4% above the WSJ published Prime rate.

Eligible uses Loan Proceeds can be used to finance the acquisition and/or improvement of physical assets, including building acquisition and improvements, equipment, furniture and fixtures, and inventory. Up to 25% of Loan Proceeds may be used to finance operating costs and working capital. Refinancing of existing debt is not an eligible use.

Eligible Applicants The applicant must be a for-profit business located in the geographic boundaries of the City of Richfield. The applicant must have the ability to repay the loan and be an acceptable credit risk as determined by Lender. If the loan is to acquire or make improvements to a building the applicant must:

- Be in compliance with all city code/licensing with no building or health code violations
- Meet Richfield city code for all rehab work or equipment installation
- Use contractors licensed in Richfield
- An applicant's property status must be a conforming use or a legal non-conforming use under the City's Zoning Ordinance

Underwriting Loans must comply with the Lender's small business loan underwriting standards. The Lender shall have the sole responsibility of determining the applicant's credit risk through accessing a credit bureau report and through any other type of investigation typically used or deemed necessary.

Collateral The Lender shall determine the type and amount of collateral the Borrower will provide. When participating with a traditional financing institution the Lender will normally be in a junior lien position on collateral. The Lender shall file any liens required on collateral.

Origination and servicing The Lender will originate and service the loans. The Lender will credit the principal and Interest of each payment received back into the loan pool. When participating with a private lender in providing financing the private lender may sometimes originate and service the SBRLF loans on behalf of the Lender.

Fees Lender will charge its standard application, closing and origination fees.

Recourse Should a business default and is not able to pay the Lender, the EDA will not hold the Lender responsible for the loss of the defaulted loan funds. The Lender shall use all reasonable efforts to obtain the full or partial repayment of defaulted loans through workouts, extensions, or foreclosure on collateral provided by the business to secure the loan.