



**ECONOMIC DEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
MARCH 16, 2020
7:15 PM (IMMEDIATELY FOLLOWING THE HRA MEETING)**

Call to Order

Open Forum

Approval of the minutes of the regular Economic Development Authority of January 21, 2020.

AGENDA APPROVAL

- 1. 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. Consideration of an amendment to the guidelines for the Kids @ Home Program to allow an increase in allowable income up to 60% of the Area Median Income.

Staff Report No. 9

- B. Consideration of a resolution granting the Executive Director authority to extend Economic Development Authority contracts and agreements in the event of an emergency.

Staff Report No. 10

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

OTHER BUSINESS

3. Discussion of the creation of a Displaced Business Grant.

Staff Report No. 11

EDA DISCUSSION ITEMS

EXECUTIVE DIRECTOR REPORT

CLAIMS

4. 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.



ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

January 21, 2020

CALL TO ORDER

The meeting was called to order by President Supple at 7:41 p.m. in the Council Chambers.

EDA Members Mary Supple, President; Maria Regan Gonzalez; Sue Sandahl; and Erin Vrieze Daniels.

EDA Members Absent Pat Elliott

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

CONSIDERATION OF THE ELECTION OF OFFICERS FOR THE RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY FOR 2020 (S.R. NO.1)

President Supple opened nominations.

M/Vrieze Daniels to elect the slate of officers as follows:

Mary Supple to serve as President,

Pat Elliott to serve as Vice President,

Sue Sandahl to serve as Treasurer,

LaTonia DuBois to serve as Secretary,

Chris Regis to serve as Assistant Treasurer.

Motion carried 4-0

APPROVAL OF THE MINUTES OF THE REGULAR ECONOMIC DEVELOPMENT AUTHORITY MEETING OF NOVEMBER 18, 2019

M/ Regan Gonzalez, S/Sandahl to approve the minutes of the regular Economic Development Authority meeting of November 18, 2019.

Motion carried 4-0

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

M/Sandahl, S/Regan Gonzalez, to approve the agenda.

Motion carried 4-0

Item #2	CONSIDERATION OF THE CONSENT CALENDAR
----------------	--

Executive Director Stark presented the Consent Calendar:

- A. Consideration of 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." (S.R. No. 2)

RESOLUTION NO. 16
RESOLUTION AMENDING THE BYLAWS OF THE ECONOMIC
DEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD,
MINNESOTA

- B. Consideration of resolutions designating official depositories for the EDA for 2020, including the approval of collateral. (S.R. No. 3)

RESOLUTION NO. 17
RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS
AS DEPOSITORIES FOR THE INVESTMENTS OF ECONOMIC
DEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2020

RESOLUTION NO. 18
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

RESOLUTION NO. 19
RESOLUTION DESIGNATING U.S. BANK A DEPOSITORY OF
FUNDS OF THE EDA OF RICHFIELD FOR THE YEAR 2020

- C. An amendment to the guidelines for the Kids@Home program. (S.R. No. 4)
- D. Designation of Community Development Director Johns Stark as the Executive Director of the EDA. (S.R. No. 5)

M/Sandahl, S/Regan Gonzalez to approve the Consent Calendar.

Commissioner Vrieze Daniels asked for clarification of a requirement in the Kids@Home program guidelines and recommended updating the wording to which Executive Director Stark and Housing Manager appreciated.

Motion carried 4-0

President Supple invited people to speak at the open forum.

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
----------------	--

None.

Item #4	AUTHORIZE EDA EXECUTIVE DIRECTOR TO APPROVE EXPENDITURES AND APPROVE AND EXECUTE PROFESSIONAL SERVICE AGREEMENTS IN AN AMOUNT UP TO \$50,000 (S.R. NO. 6)
----------------	--

Executive Director Stark presented Staff Report 6.

M/Sandahl, S/Vrieze Daniels to approve a resolution authorizing Economic Development Authority Executive Director to approve expenditures and approve and execute professional service agreements/contracts in an amount up to \$50,000.

Motion carried 4-0

RESOLUTION NO. 20
RESOLUTION DELEGATING EXECUTIVE DIRECTOR TO EXECUTE CERTAIN
DOCUMENTS AND AUTHORIZE EXPENDITURES ON BEHALF OF THE RICHFIELD
ECONOMIC DEVELOPMENT AUTHORITY

Item #5	CONSIDER THE CREATION OF AN ENERGY EFFICIENT BUSINESS GRANT (S.R. NO. 7)
----------------	---

Executive Director Stark presented Staff Report 7, and explained the CEE would administer the program at no cost to the EDA.

M/Sandahl, S/Regan Gonzalez to approve a Memorandum of Understanding with the Center for Energy and Environment for the use of \$21,000 of Economic Development Authority funds for the implementation of an Energy Efficient Business Grant.

Motion Carried 4-0

Item #6	CONSIDER THE CREATION OF A SMALL BUSINESS REVOLVING LOAN FUND PROGRAM FOR RICHFIELD BUSINESSES (S.R. NO. 8)
----------------	--

Executive Director Stark presented Staff Report 8, and explained some portions of the contract are not currently available.

Commissioner Vrieze Daniels spoke positively about the loan program but mentioned concern with the higher interest rate and equitability. Executive Director Stark explained this is consistent with the way MCCD operates these loans in all communities and explained their reasoning is to dissuade larger companies from applying for this program and to keep it available for business that may not be able to resort to traditional lending.

M/Sandahl, S/Regan Gonzalez to approve the use of \$61,250 of Economic Development Authority funds for the implementation of a Small Business Revolving Loan Fund Program, and; approve a contract with the Metropolitan Consortium of Community Developers for the administration of a Small Business Revolving Loan Fund Program for Richfield businesses and that staff report back to the EDA the missing exhibits of the contract.

Motion Carried 4-0

Item #5	EDA DISCUSSION ITEMS
----------------	-----------------------------

President Supple mentioned there will be further discussion at a later date regarding a previously discussed relocation loan.

Item #6	EXECUTIVE DIRECTOR REPORT
----------------	----------------------------------

Executive Director Stark notified the EDA of his upcoming absence at the February HRA and EDA meetings.

Item #7	CLAIMS
----------------	---------------

M/Regan Gonzalez, S/Vrieze Daniels that the following claims and payroll be approved:

U.S. BANK	12/16/2019
EDA Checks: 20297-20311	\$8,759.67
TOTAL	\$8,759.67

U.S. BANK	1/20/2020
EDA Checks: 20312-20327	\$35,471.00
TOTAL	\$35,471.00

Motion carried 4-0

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

The meeting was adjourned by unanimous consent at 7:59 p.m.

Date Approved: March 16, 2019

Mary B. Supple
President

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director



STAFF REPORT NO. 9
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
3/16/2020

REPORT PREPARED BY: Julie Urban, Housing Manager and Lynnette Chambers, Multi-Family Housing Program Coordinator

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Asst. CD Director
3/10/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of an amendment to the guidelines for the Kids @ Home Program to allow an increase in allowable income up to 60% of the Area Median Income.

EXECUTIVE SUMMARY:

The Kids @ Home Program (Program) 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 Program is now celebrating its fifteenth year of serving the community. To date, over 150 families have benefited from the Program.

To be eligible for the Program, a member of the family must be working a minimum of 30 hours a week and have an annual income at or below 50% of the Area Median Income (AMI). Staff is recommending that that maximum allowable income be raised to 60% of the AMI, given rising rents and the additional income needed to raise a family in the metro area. In addition, it has always been a goal of the Program to encourage families to improve their financial situation and not penalize families for working to support themselves.

Recently, several applicants for the Program have had incomes just over 50% of the AMI, generally because they receive supplemental income to their earned income, which in most cases is Social Security or child support. Increasing the annual income to 60% of AMI would allow the Program to serve these families and still meet our goals.

Under the proposed change to the guidelines, we would not serve higher income families at a cost to our lower income families. Applications would be reviewed and qualified candidates would be prioritized in order of income. If we had enough qualified families at or below 50% of AMI to fill our open spots on the Program we would only serve those families. If we had additional open spots in our Program then we would look at families whose income falls between 50% and 60% of AMI.

RECOMMENDED ACTION:

By Motion: Amend the guidelines of the Kids @ Home Program to allow a maximum annual family income up to 60% of the Area Median Income, with priority given to families earning less than 50% of

the Area Median Income.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Due to the rising costs of rental units, it is estimated by Out of Reach Minnesota 2019 that in the Metro area the housing wage must be \$22.13 per hour (\$46,040 annual income) to afford a modest two bedroom apartment. Under the current income guidelines for the Program a family size of 2 or 3 people would be considered over income with an annual income of \$46,040.
- Applicants for the Program whose income falls between 50% of AMI and 60% of AMI generally have supplemental income to their earned income, in most cases Social Security or child support, thus their housing wage does not normally reach the \$22.13 per hour level.

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

- The Program guidelines currently require families to earn no more than 50% of the Area Median Income, adjusted for family size:

<u>Persons</u>	<u>Income Limit</u>	<u>Persons</u>	<u>Income Limit</u>
2	\$40,000	6	\$58,000
3	\$45,000	7	\$62,000
4	\$50,000	8	\$66,000
5	\$54,000		

- The proposed guidelines would allow families to earn up to 60% of the Area Median Income:

<u>Persons</u>	<u>Income Limit</u>	<u>Persons</u>	<u>Income Limit</u>
2	\$48,000	6	\$69,600
3	\$54,000	7	\$74,400
4	\$60,000	8	\$79,200
5	\$64,800		

As of 4/24/2019

- Family income is reviewed annually in order to confirm continued need and eligibility; however, in years 2-4 of the Program, only 85% of a family's total income is considered in order to determine if they are eligible to remain on the Program. This adjustment is made to encourage families to work to increase their income without penalizing them and impact housing stability.

C. CRITICAL TIMING ISSUES:

- If approved, the amended guidelines would apply immediately.

D. FINANCIAL IMPACT:

- N/A

E. LEGAL CONSIDERATION:

- The Program is funded solely by the Richfield Economic Development Authority (EDA) and eligibility guidelines are at the EDA's discretion.

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

▣ Kids @ Home Proposed Guidelines

Type

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 guidelines, with priority given to households earning at or below 50% of the Area Median Income
- ◆ 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)

Maximum Income Limits Effective 04/24/2019

60% of Area Median Income			
Persons	Income Limit	Persons	Income Limit
2	\$48,000	6	\$69,600
3	\$54,000	7	\$74,400
4	\$60,000	8	\$79,200
5	\$64,800		

Priority 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	1st Year	2nd Year	3rd Year	4th 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. 10
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
3/16/2020

REPORT PREPARED BY: John Stark, Executive Director

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
3/13/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution granting the Executive Director authority to extend Economic Development Authority contracts and agreements in the event of an emergency.

EXECUTIVE SUMMARY:

At the January 21, 2020 meeting, the Economic Development Authority (EDA) authorized its Executive Director to administratively approve contracts and agreements with a monetary value of less than \$50,000. Given the possibility of local government closures in the future for a variety of possible reasons (federal government shutdown due to budget impasse, natural emergency, health emergency, etc.), staff is recommending that the EDA further authorize its Executive Director to extend the performance and expiration dates in all agreements and contracts (regardless of monetary value). Staff is recommending that the duration of such an extension would equal the number of days that the City of Richfield has emergency staff reductions that impact any staff position(s) that receives at least 50% of their personnel funding through the EDA plus an additional 30 days.

RECOMMENDED ACTION:

By motion: Approve a resolution granting the Executive Director authority to extend Economic Development Authority contracts and agreements in the event of an emergency.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- To date, there have been no local government closures that have affected contracts or agreements, although there have been some instances where a federal government shutdown threatened to result in such situations.

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

- Staff believes this is a good policy to enact in order to avoid issues that would leave the EDA exposed to possible financial or legal impacts.

C. CRITICAL TIMING ISSUES:

- While there are no closures foreseen, the current coronavirus (COVID-19) situation makes this a timely topic.

D. FINANCIAL IMPACT:

- Staff believes this is a good policy to enact in order to avoid issues that would leave the EDA exposed to possible financial impacts (such as affecting a planned closing on real estate

purchases that would incur in additional costs if delayed, deferred or cancelled).

E. LEGAL CONSIDERATION:

- Staff believes this is a good policy to enact in order to avoid issues that would leave the EDA exposed to possible legal impacts (such as the EDA being unable to fulfill contractual obligations due to staff unavailability).

ALTERNATIVE RECOMMENDATION(S):

- None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter

**ECONOMIC DEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE ECONOMIC
DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD TO EXTEND
CONTRACTS AND AGREEMENTS**

WHEREAS, the Board of Commissioners (the “Board”) of the Economic Development Authority in and for the City of Richfield, Minnesota (the “Authority”) has previously authorized the Executive Director of the Authority to approve and execute contracts and agreements on behalf of the Authority so long as such documents or agreements do not provide for the expenditure of funds in an aggregate amount of more than \$15,000, all without prior action by the Authority; and

WHEREAS, in anticipation of pandemic or other emergencies resulting in local government closures or significant reductions in staff due to emergency protocols, the Authority proposes to authorize the Executive Director to extend performance dates in all contracts and agreements regardless of the monetary value of such contracts and agreements; and

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

1. The Executive Director is hereby authorized, on behalf of the Authority, to extend performance dates in all contracts and agreements regardless of the monetary value of such contracts and agreements, all without prior action by the Board; provided, however, that the duration of such an extension shall equal the number of days that the City of Richfield has emergency staff reductions affecting staff position(s) receiving at least 50% of personnel funding through either the Richfield Housing and Redevelopment Authority or the Richfield Economic Development Authority, plus an additional 30 days.

2. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Economic Development Authority in and for the City of Richfield, Minnesota this 16th day of March, 2020.

Mary Supple, President

Maria Regan Gonzalez, Secretary



STAFF REPORT NO. 11
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
3/16/2020

REPORT PREPARED BY: John Stark, Executive Director

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Asst. CD Director
3/10/2020

ITEM FOR COUNCIL CONSIDERATION:

Discussion of the creation of a Displaced 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 funding to be made available to businesses that are displaced as a result of redevelopment projects that receive funding from the City of Richfield, the Richfield Housing and Redevelopment Authority (HRA) or the Richfield EDA.

Since that time, staff has worked with the EDA's legal counsel on determining appropriate program guidelines. Before presenting a final recommendation, however, staff would like to seek EDA Commissioners' input on those guidelines and on determining funding limits that provide adequate assistance to displaced businesses while still being sustainable with the EDA's ability to fund such a program.

The proposed guidelines include:

Eligibility

- Businesses must be required to move due to the approval of a redevelopment project that is receiving funding from the Richfield HRA or EDA;
- Must be in place after a formal Development Agreement (not a *Preliminary* Development Agreement) has been signed with HRA or EDA;
- The Business cannot be eligible for Relocation Assistance under the Uniform Relocation and Real Property Acquisition Act (as that would provide alternate funding);
- In order to receive full funding, business must have been in place at least one year prior to signing of Development Agreement;
- The business must relocate within Richfield's corporate boundary;
- The business must be open for business within six months of displacement from former location.

Funding

- Initial payment for 1 year of increased lease rate of up to \$_____;
- Additional reimbursement for actual moving costs, fixture installation and/or signage costs of up to \$_____;
- Businesses in place for less than 1 year could receive 8.33% of the above payments for each month they were open at the subject property prior to the execution of the Development Agreement.

The amounts of funding, which have been left blank above, should be analyzed on both an individual business basis and a cumulative basis. As an example, there is currently a development proposal for the two buildings comprising the address range of 6439-6467 Lyndale Avenue and 404-408 West 66th Street. Those buildings currently house approximately 15 businesses (plus several vacant spots and non-business uses). If the EDA were to fund 15 Displaced Business Grants at a total of \$2,500/business, that would be a cost of \$37,500. Doubling the per business grant to \$5,000 would result in a cost of \$75,000 for this site. Currently, the EDA budget includes \$95,000 annually for all Business Assistance programs. The EDA approved both a Small Business Revolving Loan Program and an Energy Efficient Business Grant at its January 2020 meeting. The approved budgets for these programs was \$61,250 and \$21,000 respectively. Unless the budgets for those programs were amended, this would leave only \$12,750 in available annual funding for the Displaced Business Grant. The EDA has \$190,000 that was budgeted in 2018-19 and not utilized to provide additional operating funds for programming.

Given the EDA's annual funding capacity, additional operating funds and staff's prediction that redevelopment projects that displace businesses AND do not trigger the Uniform Relocation Act (which would typically be funded by a developer), the staff recommendation is to provide a maximum of \$3,000 per displaced business (\$1,750 for lease differential and \$1,250 for signage/fixtures). In the case of the cited property, this could range from \$36-\$45,000.

RECOMMENDED ACTION:

Discuss proposed Displaced Business Grant and provide staff with direction on funding limits to submit to the EDA as part of a formal program consideration at its April or May meeting.

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 Displaced Business Grant 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:

As proposed the Displaced Business Grant could cost up to \$45,000 related to the acquisition of a building with 15 commercial tenants.

E. LEGAL CONSIDERATION:

Julie Eddington, the EDA's legal counsel from Kennedy and Graven, has reviewed the proposed program guidelines.

ALTERNATIVE RECOMMENDATION(S):

Provide staff with amended program guidelines or funding amounts to analyze prior to formal EDA consideration at a later date.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Displaced Business Grant	Backup Material

Displaced Business Fund

Eligibility

- Businesses must be required to move due to the approval of a redevelopment project that is receiving funding from the Richfield HRA or EDA;
- Must be in place after a formal Development Agreement (not a *Preliminary* Development Agreement) has been signed with HRA or EDA;
- The Business cannot be eligible for Relocation Assistance under the Uniform Relocation and Real Property Acquisition Act (as that would provide alternate funding);
- In order to receive full funding, business must have been in place at least one year prior to signing of Development Agreement;
- The business must relocate within Richfield's corporate boundary;
- The business must be open for business within six months of displacement from former location.

Funding

- Initial payment for 1 year of increased lease rate of up to \$1,500;
- Additional reimbursement for actual moving costs, fixture installation and/or signage costs of up to \$1,000;
- Businesses in place for less than 1 year could receive 8.33% of the above payments for each month they were open at the subject property prior to the execution of the Development Agreement.