



Economic Development Authority
1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118

ECONOMIC DEVELOPMENT AUTHORITY MEETING

January 11, 2016

Immediately Follows the Regular Council Meeting

MUNICIPAL CENTER COUNCIL CHAMBERS

1. Call To Order
2. Roll Call
3. Adopt Agenda
4. Commissioner Comments
5. EDA Consent Agenda Items
 - 5.A. Meeting Minutes
Documents: [12-01-15 EDA SP MEETING MINS - NOT APPROVED YET BUT REVIEWED BY JIM.PDF](#)
 - 5.B. Financial Report
Documents: [NOVEMBER 2015 BUDGET TO ACTUAL REPORT.PDF](#)
 - 5.C. Liability Coverage Waiver
Documents: [EDA REPORT - MUNICIPAL TORT LIABILITY.PDF](#), [RESOLUTION - EDA NON-WAIVER TORT LIMIT.PDF](#)
6. New Business
 - 6.A. Closed Session Pursuant To MN State Statute 13D.05 Subd. 3(C)(3) For Potential Acquisition Of Property
 - 6.A.1. 217 Bernard Street
 - 6.A.2. 260 Marie Avenue
 - 6.B. 1010 Dodd - Approve Demolition Bid

Documents: [DEMOLITION OF 1010 DODD ROAD.PDF](#)

6.C. Open To Business Joint Powers Agreement

Documents: [OPEN TO BUSINESS - JPA.PDF](#)

7. Old Business

8. Adjourn

Proposed EDA Items for January 25

Logan Street Project Concept Plan Review
Bernard Street Project Concept Plan Review
Annual Report Review / Meeting
Project Priorities and Funding Discussion

If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at 651-552-4100, TDD 651-322-2323 at least 5 business days prior to the meeting

www.wspmn.gov EOE/AA

1. Call to Order

President David Meisinger called the meeting to order at 5:00 p.m.

2. Roll Call

Present: President David Meisinger and Commissioners Dave Napier, Dick Vitelli, John Bellows, Ed Iago and Pat Armon. Com. Jenny Halverson had an excused absence.

Others: Executive Director Jim Hartshorn, City Manager Matt Fulton, Treasurer Joan Carlson, City Attorney Korine Land and Secretary Chantal Doriott.

3. Approve Agenda

Motion was made by Com. Armon and seconded by Com. Iago to approve the agenda as presented. All members present voted in favor. The motion carried.

4. Commissioner Comments

President David Meisinger thanked Executive Director Jim Hartshorn for the EDA recap of events update he sent out last Friday. The weekly update is new to commissioners and is appreciated.

5. New Business

5.a. Business Subsidy Request for Acquisition of 68 Moreland

Executive Director Jim Hartshorn gave an overview of the business subsidy request for acquisition of 68 Moreland Avenue, demolition of Signal Car Wash and construction of a new commercial building at 68 Moreland. The EDA will hold a Public Hearing and consider approval of the attached Business Subsidy agreement between the City of West St. Paul EDA and Liesenfeld Properties LLC.

Commissioner Comments:

- Without approval of the grant request we can't move forward. We need to approve the subsidy as these funds are helping to purchase 68 Moreland.
- The redevelopment cost will be approximately \$150.00 sq. ft.
- The EDA has a preliminary development agreement with Venture Pass Partners to the end of April 2016. If the developer can't move forward with a project or the EDA decides not to work with them – then the EDA has first right of refusal. The EDA would pay the

developer what they paid for the Maaco building. Any project would come before Commissioners for approval.

- It is the developer's intent to acquire other parcels from Wentworth to the Blockbuster site. The whole project would consist of the 4+ acre site to develop all of this property.
- He has a verbal agreement on Amoco and has had discussions with Battery Plus.
- Construction design of the building would come through standard channels but not through EDA.
- The owner of the business will be moving into the new building and contributing his own funds for the project.
- Sequence of operation will lead to no loss of business time.
- Treasurer Joan Carlson said staff has been meeting with Stacie Kvilvang, Ehlers, Inc., for a funding plan for this particular project and other projects. There is a county grant and funds from TIF 1-1 District. We are in a good position.

Public hearing opened at 5:10 p.m.

No one was present.

Public hearing closed at 5:10 p.m.

Motion was made by Com. Iago and seconded by Com. Vitelli to approve the business subsidy agreement between the City of West St. Paul EDA and Liesenfeld Properties LLC as presented. All members present voted in favor. The motion carried.

Motion was made by Com. Napier and seconded by Com. Armon to approve the amended development agreement with Venture Pass Partners as presented. All members present voted in favor. The motion carried.

6. Old Business

There was no old business to discuss.

7. Adjourn

Motion was made by Com. Napier and seconded by Com. Armon to adjourn the meeting at 5:12 p.m. All members present voted in favor. The motion carried.

Chantal M. Doriott
Secretary
West St. Paul EDA

City of West St Paul

Economic Development Authority

Income Statement

Through 11/30/15

	2015 Budget	November Transactions	2015 YTD Actual	Budget - YTD Transactions	% used/ Rec'd
REVENUE					
Tax - Ad Valorem-Current	250,000.00	.00	95,995.05	154,004.95	38
Tax - Ad Valorem-Delinqnt	.00	.00	33,729.45	(33,729.45)	+++
Fiscal Disparit - Current	25,000.00	.00	32,284.10	(7,284.10)	129
Revenue - Misc. County	.00	.00	250,000.00	(250,000.00)	+++
Revenue - Misc State	.00	.00	650,000.00	(650,000.00)	+++
Charge Svc - Comm. Devel.	.00	21.00	1,748.50	(1,748.50)	+++
Investment - Interest	13,000.00	.00	6,387.54	6,612.46	49
Other Interest Earnings	50,000.00	.00	.00	50,000.00	0
Investment - Market Adjus	.00	.00	4,687.57	(4,687.57)	+++
Misc Revenue - All Other	6,000.00	15,000.00	21,000.00	(15,000.00)	350
Sale of Real Property	.00	.00	39,113.00	(39,113.00)	+++
REVENUE TOTALS	\$344,000.00	\$15,021.00	\$1,134,945.21	(\$790,945.21)	330
EXPENSE					
Salaries - Full Time Reg	115,500.00	8,702.40	106,551.42	8,948.58	92
Contributions - PERA	8,370.00	652.68	7,991.36	378.64	95
Contributions - FICA	8,830.00	607.63	7,477.70	1,352.30	85
Contributions - Health In	12,000.00	1,175.81	12,933.91	(933.91)	108
Contributions - OthGrpIns	330.00	26.75	294.25	35.75	89
Workers Compensation Prem	2,100.00	.00	.00	2,100.00	0
Supplies - Office	500.00	.00	.00	500.00	0
Motor Fuels & Lubricants	2,000.00	.00	.00	2,000.00	0
Supplies - General	500.00	.00	.00	500.00	0
Auditing Services	2,000.00	.00	1,500.00	500.00	75
Legal Fees	20,000.00	1,026.50	10,243.50	9,756.50	51
Travel,Conference,Schools	4,000.00	117.87	1,809.74	2,190.26	45
Advertising	4,000.00	.00	.00	4,000.00	0
Postage	1,800.00	2.66	141.00	1,659.00	8
Printing & Publishing	1,000.00	.00	30.00	970.00	3
Insurance - Gen Liability	2,000.00	.00	1,280.00	720.00	64
Contractual - Misc Servic	71,000.00	4,777.50	133,607.54	(62,607.54)	188
Subscriptions,Memberships	1,000.00	.00	5,494.00	(4,494.00)	549
Misc Expenses	2,000.00	19.76	644.63	1,355.37	32
Business Subsidy	140,000.00	.00	671,234.00	(531,234.00)	479
Land	.00	.00	1,000.00	(1,000.00)	+++
EXPENSE TOTALS	\$398,930.00	\$17,109.56	\$962,233.05	(\$563,303.05)	241
REVENUE	344,000.00	15,021.00	1,134,945.21	(790,945.21)	330
EXPENSE	398,930.00	17,109.56	962,233.05	(563,303.05)	241
NET	(\$54,930.00)	(\$2,088.56)	\$172,712.16	(\$227,642.16)	

Cash Balance:

1/31/2015	208,123
2/28/2015	185,286
3/31/2015	176,466
4/30/2015	145,053
5/31/2015	129,130
6/30/2015	84,135
7/31/2015	206,112
8/31/2015	441,463
9/30/2015	426,517
10/31/2015	412,545
11/30/2015	260,789

TO: EDA President and Board
FROM: Finance Director
DATE: January 11, 2016
SUBJECT: Non-Waiver of Statutory Limit on Municipal Tort Liability



City of West St. Paul

BACKGROUND INFORMATION:

The renewal of the EDA's property and liability insurance coverage provides an opportunity to waive the statutory limit on municipal tort liability established by M.S. 466.04. By not waiving the limit, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000.

If the EDA were to waive the limit and not purchase excess liability coverage, a single claimant could potentially recover up to \$1,500,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000, regardless of the number of claimants.

If the EDA were to waive the statutory tort limits and purchase excess liability coverage, a single claimant could potentially recover up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

FISCAL IMPACT:

There is no immediate fiscal impact to the EDA. Rather, the EDA's liability in the event of a tort claim is protected by this provision within the policy.

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Staff recommends that the EDA Board continue to rely upon the statutory limits established by M.S. 466.04 to limit loss exposure and that Board approve of the attached resolution.

**City of West St Paul
Economic Development Authority**

Resolution 16-XX

Resolution Approving Non-Waiver of Statutory Tort Liability Limits

WHEREAS, the Economic Development Authority(EDA) of West St. Paul is renewing its Property and Liability Insurance coverage with the League of Minnesota Cities Insurance Trust (LMCIT); and,

WHEREAS, the EDA's Municipal Tort Liability is covered under Minnesota Statute 466.04, which limits the amount that the EDA would be obligated to pay out in the event of a claim under which the limit would apply; and

WHEREAS, the EDA must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased.

NOW, BE IT RESOLVED, that the EDA does not waive the monetary limits on Municipal Tort Liability established by Minnesota Statutes 466.04.

Adopted by the West St Paul Economic Development Authority this 11th day of January 2016.

David Meisinger, President

Chantal M. Doriott, City Clerk

TO:
FROM:
DATE:

**EDA PRESIDENT AND BOARD
EXECUTIVE DIRECTOR
JANUARY 11, 2016**



City of West Saint Paul

SUBJECT:

Demolition Bid for 1010 Dodd Road.

BACKGROUND INFORMATION:

As you know, the EDA recently purchased 1010 Dodd Road for \$150,000. The plan was to purchase the property, demolish the building and decide what to do with the property. Staff received two bids, including Kamish Excavating for \$26,895 and Bolander and Sons Company for \$26,494. Staff is recommending Bolander and Sons.

Some options for the use of the property have already been discussed at previous meetings, but staff will add this property to the list of potential priority projects for discussion on January 25th. Staff is requesting \$15,000 for a grant from the Dakota County CDA to help pay for a marketing study for this area. This grant would need to be matched by another source.

		Amount
Fund:	EDA Fund	
Department:	Comm. Dev.	
Account:	209-41121-40399	\$26,494

STAFF RECOMMENDATION:

Approve of the demolition bid from Bolander and Sons Company for \$26,494.

ATTACHMENTS:

- Demolition Bids from Bolander and Sons and Kamish Excavating.
- Demolition Agreement



251 STARKEY ST. - P.O. BOX 7216
SAINT PAUL, MINNESOTA 55107
PHONE: (651) 224-6299 FAX: (651) 223-8197

December 18, 2015

To: City of West St. Paul
Jim Hartshorn
1616 Humboldt Avenue
West St. Paul, MN 55118
jhartshorn@cityofwsp.org

Phone: 651/552-4140

RE: Demolition and removal of 1010 Dodd Road in West Saint Paul, MN

The following is Carl Bolander & Sons Co. proposal to demolish the existing Service Station building located at the above referenced address in West St. Paul.

Total Bid for Demolition \$ 26,494.

This price includes the following items:

- Demolition permits, fees, license and notifications
- Asbestos/ Regulated waste survey
- Erosion control, NPDES Storm water permit
- Removal and legal disposal of structure per spec
- Sewer disconnects at the property line. Coordination of the water shut off with the City of St. Paul regional water services.
- Disconnecting of electric, gas, telephone, and cable.
- Rodent baiting.
- Removal of existing concrete/asphalt slabs, walks and drives.
- Site grading to include: fill material in foundation voids, topsoil, seed per spec

Exclusions:

Underground tanks, wells, vibration monitoring, surveys, Deep foundations or piling removal BELOW 3' below grade, De-watering

Note We have NOT included Asbestos abatement.

If you have any questions regarding this letter, please call me at (612)242-4118.

Sincerely,

Andy Ristrom
Estimator / Project Manager



1301 South Concord Street
South St. Paul, MN 55075
Direct: 651.457.3600
Fax: 651.731.7794
www.kamishexcavating.com

PROPOSAL

To: Ben Boike
Assistant Comm. Dev. Dir.
City of West St Paul
1616 Humboldt Ave
West St Paul, MN 55118
(651) 552-4134 phone #
(651) 552-4190 fax #

Job: 1010 Dodd Road, West St Paul
PID # 422375002010

From: Brad Ensruide

Due: 12/17/15 @ 4:00 pm

INCLUDES:

- Provide the asbestos inspection of the property
- Removal of all interior contents, white goods and fixtures
- Removal & legal disposal of the commercial structure & misc. fence
- Removal of the foundation walls, floors, slabs, & footings
- Removal and disposal of the concrete and asphalt pavement
- Disconnection of one water & one sewer services at the property line
- Coordination of all other utility disconnects required for demolition
- MPCA demolition notification, and City permits as necessary
- Rodent abatement required for demolition
- Installation of erosion control around perimeter of the lot as necessary
- Temporary fencing of open excavations
- Final grading and placement of 4" of topsoil at all disturbed areas
- Hydro-seeding of the lot in the spring

Base Bid \$26,895.00

***Also, this price "does not" include the removal or disposal of asbestos if encountered as result of the inspection report. If encountered, we can provide estimates for the removal and disposal for you approval.**

***The MPCA has record of three tanks being removed from this site in 1996, so the above price does not include removal of any tanks or pumping of tank products if encountered.**

***We anticipate having the project substantially completed by January 15th, depending upon the results of the asbestos inspection.**

Submitted by: Brad Ensruide (Brad Ensruide / (651) 775-0848 cell#)

AGREEMENT FOR SERVICES

THIS AGREEMENT ("Agreement") is made and executed this ____ day of January 2016, by and between the West St. Paul Economic Development Authority, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118, ("EDA") and Carl Bolander & Sons Co., 251 Starkey St. PO Box 7216, St. Paul, MN 55107 ("Contractor").

WHEREAS, the EDA has accepted the proposal of the Contractor for certain Services; and

WHEREAS, Contractor desires to perform the Services for the EDA under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. SERVICES.

a. EDA agrees to engage Contractor as an independent contractor for the purpose of performing certain Services ("Services"), as defined in the following documents:

i. A proposal dated December 18, 2015, incorporated herein as Exhibit 1;

ii. Intentionally blank.

(Hereinafter "Exhibits.")

b. Contractor covenants and agrees to provide Services to the satisfaction of the EDA in a timely fashion, as set forth in the Exhibits, subject to Section 7 of this Agreement.

2. PAYMENT.

a. EDA agrees to pay and Contractor agrees to receive and accept payment for Services as set forth in the Exhibits.

b. Any changes in the scope of the work of the Services that may result in an increase to the compensation due the Contractor shall require prior written approval by the authorized representative of the EDA. The EDA will not pay additional compensation for Services that do not have prior written authorization.

c. Contractor shall submit itemized bills for Services provided to EDA on a monthly basis. Bills submitted shall be paid in the same manner as other claims made to EDA.

3. TERM. The term of this Agreement begins on the date of EDA approval and terminates upon completion of the Services, but no later than February 15, 2016. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the same terms and conditions as herein stated.
4. TERMINATION.
 - a. Termination by Either Party. This Agreement may be terminated by either party upon 30 days' written notice delivered to the other party to the addresses listed in Section 13 of this Agreement. Upon termination under this provision, if there is no default by the Contractor, Contractor shall be paid for Services rendered and reimbursable expenses until the effective date of termination.
 - b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.
5. SUBCONTRACTORS. Contractor shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the EDA, unless specifically provided for in the Exhibits. The Contractor shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Contractor's receipt of payment by the EDA for undisputed services provided by the subcontractor.
6. STANDARD OF CARE. In performing its Services, Contractor will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided. No warranty, express or implied, is made or intended by Contractor's undertaking herein or its performance of Services.
7. DELAY IN PERFORMANCE. Neither EDA nor Contractor shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either EDA or Contractor under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Contractor will be entitled to payment for its reasonable additional charges, if any, due to the delay.

8. EDA'S REPRESENTATIVE. The EDA has designated Jim Hartshorn to act as the EDA's representative with respect to the Services to be performed under this Agreement. He or she shall have complete authority to transmit instructions, receive information, interpret, and define the EDA's policy and decisions with respect to the Services covered by this Agreement.
9. PROJECT MANAGER AND STAFFING. The Contractor has designated _____ to be the primary contacts for the EDA in the performance of the Services. They shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Contractor may not remove or replace these designated staff without the approval of the EDA.
10. INDEMNIFICATION.
 - a. Contractor and EDA each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by its negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Contractor and EDA, they shall be borne by each party in proportion to its own negligence.
 - b. Contractor shall indemnify EDA against legal liability for damages arising out of claims by Contractor's employees. EDA shall indemnify Contractor against legal liability for damages arising out of claims by EDA's employees.
11. INSURANCE. During the performance of the Services under this Agreement, Contractor shall maintain the following insurance:
 - a. Commercial General Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence, pursuant to Minnesota Statutes, Section 466.04, or as may be amended;
 - b. Professional Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence.
 - c. Workers' Compensation Insurance in accordance with statutory requirements.
 - d. Automobile Liability Insurance, with a combined single limit of \$1,000,000 for each person and \$1,000,000 for each accident.

Contractor shall furnish the EDA with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the EDA. The EDA shall be named as an additional insured on the Commercial General Liability Insurance policy and the Professional Liability Insurance policy.

12. INTENTIONALLY LEFT BLANK

13. NOTICES. Notices shall be communicated to the following addresses:

If to EDA: West St. Paul EDA
1616 Humboldt Ave.
West St. Paul, MN 55118
Attention: Jim Hartshorn

Or e-mailed: jhartshorn@wspmn.gov

If to Contractor: Carl Bolander & Sons Co.
251 Starkey St.
PO Box 7216
St. Paul, MN 55107

Or emailed:

14. INDEPENDENT CONTRACTOR STATUS. All services provided by Contractor, its officers, agents and employees pursuant to this Agreement shall be provided as employees of Contractor or as independent contractors of Contractor and not as employees of the EDA for any purpose.

15. GENERAL PROVISIONS.

- a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.
- b. Waiver. A waiver by either EDA or Contractor of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- c. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Dakota County District Court.
- d. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.
- e. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

- f. Data Practices Compliance. All data collected by the EDA pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- g. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

WEST ST. PAUL EDA

By: _____
David Meisinger, President

By: _____
Jim Hartshorn, Executive Director

Date: _____

CARL BOLANDER & SONS CO.

By: _____

Its: _____

Date: _____

TO: EDA PRESIDENT AND BOARD
FROM: EXECUTIVE DIRECTOR
DATE: JANUARY 11, 2016



City of West Saint Paul

SUBJECT:

Open to Business Program – Joint Powers Agreement

BACKGROUND INFORMATION:

Three years ago the EDA entered into a Joint Powers Agreement with Dakota County CDA to join the Metropolitan Consortium of Community Developers (MCCD). The MCCD sponsors a program called Open to Business. They provide financial and technical expertise to start-up or expanding businesses. They also provide up to \$25,000 for qualified starting businesses. Laurie Crow, Business Advisor and Program Manager holds office hours every second Wednesday of each month at City Hall. The Dakota County CDA is asking for a one year \$5,000 commitment from the EDA, which they will match.

		Amount
Fund:	EDA Fund	
Department:	Comm. Dev.	
Account:	209-41121-40399	\$5,000

STAFF RECOMMENDATION:

Approve of an investment of \$5,000 in the MCCD's "Open to Business Program" and approve the attached Joint Powers Agreement between the City of West St. Paul and the Dakota County CDA.

ATTACHMENTS:

- A fact sheet showing how many clients served in Dakota County in the first three quarters of 2015
- Joint Powers Agreement between the Metropolitan Consortium of Community Development (MCCD) and Dakota County
- Joint Powers Agreement between the City of West St. Paul EDA and Dakota County CDA



Clients Served:

New Entrepreneurs	89
Existing Entrepreneurs	90
Total Entrepreneurs	179
Inquiries (Requests for information/referral, not a formal client)	152

Financing:

Provided (Dakota County Businesses)

Number	4
Amount	\$184,500

Provided (Dakota County Residents)

Number	0
Amount	\$0

Microgrants

Number	3
Amount	\$3,000

Credit Builder Loans

Number	5
Amount	\$1280
Total	\$188,780

Requests/In Process

Number	1
Total Request	\$250,000

Facilitated/Leveraged Loans

Amount	\$1,854,428
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Client City:

Apple Valley	17
Burnsville	40
Eagan	13
Farmington	24
Hastings	17
Inver Grove Hts	15
Lakeville	19
Mendota Heights	5
Rosemount	9
S. St. Paul	1
W. St. Paul	4
Townships	0
Undecided Location	15

Industry Segment:

Retail	26
Service	101
Food	37
Manufacturing	10
Technology	1
Health/Fitness	2
Construction/Related Trades	3

Referral Source:

Municipalities/CDA	89
Chamber	0
Internet	12
Friends/Family	15
Other (Banks, Schools, Etc.)	44

Hours of Direct Service:

1 st Quarter	633.25
2 nd Quarter	509.00
3 rd Quarter	436.00
4 th Quarter	0

JOINT POWERS AGREEMENT

Open to Business Program

THIS JOINT POWERS AGREEMENT (this “**Agreement**”), is made as of January 1, 2016, by and between the DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (the “**CDA**”), a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “**State**”), and each of the CITY OF BURNSVILLE, CITY OF LAKEVILLE, CITY OF MENDOTA HEIGHTS, INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, APPLE VALLEY ECONOMIC DEVELOPMENT AUTHORITY, EAGAN ECONOMIC DEVELOPMENT AUTHORITY, HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY, ROSEMOUNT PORT AUTHORITY, FARMINGTON ECONOMIC DEVELOPMENT AUTHORITY, CITY OF SOUTH ST. PAUL, AND WEST ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA (each individually a “**Local Government Entity**” and together the “**Local Government Entities**”), each a political subdivision of the State.

RECITALS:

A. In order to pursue common goals of fostering economic development, the CDA and the Local Government Entity Cities desire to engage the Metropolitan Consortium of Community Developers, a Minnesota non-profit corporation (“**MCCD**”) to undertake the “Open To Business Program” (the “**Program**”) within Dakota County (the “**County**”).

B. Pursuant to the Program, MCCD will provide technical assistance and access to capital to small business and potential entrepreneurs in the County.

C. The CDA and the Local Government Entities propose to jointly exercise their common economic development powers to undertake the Program.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the CDA and each of the Local Government Entities, each party does hereby represent, covenant and agree with the others as follows:

Section 1. **Representations.** Each of the Local Government Entities and the CDA makes the following representations as to itself as the basis for the undertaking on its part herein contained:

(a) It is a political subdivision of the State of Minnesota with the power to enter into this Agreement and carry out its obligations hereunder.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which it is now a party or by which it is bound, or constitutes an event of default under any of the foregoing.

Section 2. **Powers to be Exercised.** The powers to be jointly exercised pursuant to this Agreement are the powers of the CDA and the Local Government Entities under Minnesota Statutes, Chapter 469, to undertake activities to promote economic development within their respective jurisdictions.

Section 3. **Method for Exercising Common Powers; Funds.** The CDA, on its own behalf and on behalf of the Local Government Entities, will initially enter into an agreement with MCCD in substantially the form attached hereto as Exhibit A (the “**Agreement**”) to engage MCCD to operate the Program within Dakota County. The CDA and each of the Local Government Entities will make payments to MCCD as described in Exhibit A of the Agreement.

The CDA may from time to time execute and deliver documents amending, modifying or extending the Agreement as it deems necessary or convenient, provided, that no such document will adversely affect services provided to, or amounts payable by, any Local Government Entity without the prior written consent of such Local Government Entity.

Section 4. **Limited Liability.** Neither the CDA nor the any of the Local Government Entities shall be liable for the acts or omissions of the other in connection with the activities to be undertaken pursuant to this Agreement. To the extent permitted by law, (a) the CDA hereby indemnifies the Local Government Entities for costs associated with claims made against the Local Government Entities directly relating to actions taken by the CDA, and (b) each Local Government Entity hereby indemnifies the CDA for costs associated with claims made against the CDA directly relating to actions taken by such Local Government Entity. Nothing herein shall be deemed a waiver by the indemnifying party of the limits on liability set forth in Minnesota Statutes, Chapter 466; and the indemnifying party shall not be required to pay, on behalf of the indemnified party, any amounts in excess of the limits on liability set forth in Minnesota Statutes, Section 466.04, less any amounts the indemnifying party is required to pay on behalf of itself, its officers, agents and employees for claims arising out of the same occurrence.

Section 5. **Conflict of Interests; Representatives Not Individually Liable.** The CDA and each of the Local Government Entities, to the best of its knowledge, represents and agrees that no member, official or employee of their respective bodies shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official or employee of the CDA or any Local Government Entity shall be personally liable with respect to any default or breach by any of them or for any amount which may become due to the other party or successor or on any obligations under the terms of this Agreement.

Section 6. **Term; Distribution of Property.** The term of this Agreement shall expire on December 31, 2016. There is no property which will be acquired by the CDA or any Local Government Entity pursuant to the Program which would need to be distributed at the end of the term hereof.

Section 7. **Notices and Demands.** A notice, demand or other communication under this Agreement by any party to another shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested or delivered personally to the person and at the addresses identified on each signature page hereto, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the CDA and the Local Government Entities have caused this Agreement to be duly executed in their respective names and behalf as of the date first above written, with actual execution on the dates set forth below.

DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY

Dated: _____

By _____
Its Acting Executive Director

Notice Address:

Dakota County Community Development Agency
1228 Town Centre Drive
Eagan, MN 55123
Attn: Lisa Alfson, Director of Community and Economic Development

WEST ST. PAUL ECONOMIC
DEVELOPMENT AUTHORITY

Dated: _____

By _____
Its _____

By _____
Its _____

Notice Address:

1616 Humboldt Avenue
West St. Paul, MN 55118
Attn: Executive Director

Exhibit A

Contract for Services for the Open To Business Program

**Contract for Services
for the
Open to Business Program**

THIS AGREEMENT is dated January ____, 2016 and is between the **Dakota County Community Development Agency** (“CDA”) and **Metropolitan Consortium of Community Developers**, a Minnesota nonprofit corporation (“MCCD”).

WHEREAS, the CDA, on behalf of itself and the eleven political subdivisions of the State of Minnesota listed on Exhibit A hereto (the “**Local Government Entities**”), which each have powers with respect to a city with a population over 10,000 (collectively the “**Municipalities**”), wishes to engage MCCD to render services under a model known as “**Open to Business**,” an initiative providing small business technical assistance services to existing businesses and residents and other parties interested in opening a business within Dakota County (the “**County**”) (the “**Initiative**”); and

WHEREAS, MCCD has successfully provided the services required to administer and carry out the Initiative in Dakota County in 2013, 2014, and 2015; and

WHEREAS, pursuant to CDA Resolution No. 15-5655, adopted on December 15, 2015 (the “**Resolution**”), the CDA is authorized to enter into this agreement with MCCD for the Initiative; and

WHEREAS, pursuant to the Resolution and certain joint powers agreements to be entered into between the CDA and the Local Government Entities (the “**Joint Powers Agreements**”), the CDA will act as fiscal agent for the Local Government Entities in connection with this Agreement; and

WHEREAS, the CDA will pay from its own funds 50% of the fee charged by MCCD for the Initiative in the Municipalities and 100% of the fee charged by MCCD for the Initiative in the small cities and townships within the County with populations of less than 10,000 people (“**Small Cities and Townships**”), as further described herein and in Exhibit A; and

WHEREAS, the CDA will pay from its own funds the \$5,000 increase in 2016 to support the increased marketing and lending support that will be led by MCCD, as further described herein and in Exhibit A and

WHEREAS, pursuant to the Joint Powers Agreements, the Local Government Entities will be required to pay a Participation Fee to the CDA in accordance with the schedule in Exhibit A, representing the remaining 50% of the fee charged by MCCD for the Initiative in the Municipalities.

Now therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

TIME OF PERFORMANCE

The term of this Agreement and the period during which MCCD will provide services hereunder will commence on January 1, 2016 and will end on December 31, 2016, subject to earlier termination as provided herein. MCCD will perform services necessary to carry out the Initiative as promptly as possible, and with the fullest due diligence.

COMPENSATION

Subject to reduction as provided below, the CDA will compensate MCCD for its services hereunder an amount equal to One Hundred Forty Thousand Dollars (\$140,000) ("Contract Amount"). The CDA will pay such amount in two equal installments, the first no earlier than January 30, 2016 and the second no earlier than June 30, 2016, upon receipt of invoices from MCCD. Subject to the limits above, payments will be due within 15 days of receipt of the respective invoices. The portion of the Contract Amount payable from Participation Fees will be payable by the CDA only from and to the extent such Participation Fees are paid by the respective Local Government Entities.

In the event a Local Government Entity does not pay to the CDA its Participation Fee in amounts and by the deadline described in Exhibit A, the CDA will notify MCCD, and MCCD will immediately cease the Initiative in that Municipality. Upon such termination, the Contract Amount will be reduced by an amount equal to the Participation Fee which such Local Government Entity did not pay and the amount the CDA would have paid as a matching payment.

SCOPE OF SERVICES

MCCD will provide technical assistance to existing businesses, residents and those parties interested in starting a business in any of the Municipalities and Small Cities and Townships as further described on Exhibit B and Exhibit C attached hereto, which sets forth the Dakota Open to Business Program Scope of Services.

REPORTING

MCCD will submit quarterly reports to the CDA in form and substance acceptable to the CDA. Reports will provide information in the aggregate for the County and will include a sub-report for each Municipality and each of the Small Cities and Townships. Reports will include the following information:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened

- Number of business expanded/stabilized
- Number and amounts of financing packages
- Demographic information on entrepreneurs
- Business address or resident address
- Number and wage of FTEs created
- Number and wage of FTEs retained

The required reporting schedule is as follows:

1st quarter January – March, report due April 30th

2nd quarter April – June, report due July 31st

3rd quarter July – September, report due October 31st

4th quarter October – December, report due January 31, 2017

In addition to the foregoing, MCCD will provide additional reports as reasonably requested by the CDA.

PERSONNEL

MCCD represents that it has, or will employ or contract for, at its own expense, all personnel required to perform the services necessary to carry out the Initiative. Such personnel will not be employees of, or have any contractual relationship with, the County, the CDA or any of the Local Government Entities. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to the County's, the CDA's or any of the Local Government Entities' employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

USE OF CDA OFFICE SPACE

The CDA will make available a cubicle space for MCCD personnel at the CDA office building for use by MCCD in carrying out the Initiative. MCCD personnel will have access to the CDA's meeting rooms, wireless internet service, copy machines and printers. MCCD personnel shall comply with all CDA office rules and policies regarding the use of CDA office space, equipment and internet access. If the CDA, in its sole discretion, determines that MCCD Personnel have failed to comply with CDA office rules and policies, MCCD Personnel will be required to vacate the CDA office and the CDA will cease to provide MCCD office space to carry out the Initiative.

INTEREST OF MEMBERS OF THE CDA AND OTHERS

No officer, member, or employee of the CDA and no member of its governing body, and no other public official or governing body of any locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative, will participate in the decision relating to this Agreement which affects his/her personal interest or the interest of any corporation, partnership, or association in which he/she is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this Agreement.

ASSIGNABILITY

MCCD will not assign any interest in this Agreement, and will not transfer any interest in the same without the prior written approval of the CDA.

COMPLIANCE WITH LOCAL LAWS

MCCD agrees to comply with all federal laws, statutes and applicable regulations of the State of Minnesota and the ordinances of the Local Government Entities.

INSURANCE

MCCD agrees at all times during the term of this Agreement, and beyond such term when so required, to have and keep in force the following insurance coverages:

	<u>Limits</u>
1. Commercial General Liability on an occurrence basis with contractual liability coverage:	
General Aggregate	\$2,000,000
Products—Completed Operations Aggregate	2,000,000
Personal and Advertising Injury	1,500,000
Each Occurrence—Combined Bodily Injury and Property Damage	1,500,000
2. Workers' Compensation and Employer's Liability:	
Workers' Compensation	Statutory
In the event that MCCD should hire employees or subcontract this work, MCCD shall obtain the required insurance.	
Employer's Liability. Bodily injury by:	
Accident—Each Accident	500,000
Disease—Policy Limit	500,000
Disease—Each Employee	500,000

INDEMNIFICATION

MCCD agrees to defend, indemnify, and hold harmless the County, the CDA, the Local Government Entities, and each of their respective officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of MCCD, its subcontractors, anyone directly or indirectly employed by MCCD or any of its subcontractors, and/or anyone for whose acts and/or omissions MCCD may be liable in the performance of the services required by this Agreement, and against all loss by reason of the failure of MCCD to perform any obligation under this Agreement.

NOTICES

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

- (a) In the case of MCCD, is addressed or delivered personally to:

Metropolitan Consortium of Community Developers
3137 Chicago Avenue South
Minneapolis, MN 55407

- (b) In the case of the CDA is addressed or delivered personally to:

Lisa Alfson, Director of Community and Economic Development
Dakota County Community Development Agency
1228 Town Centre Dr.
Eagan, MN 55123

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

MODIFICATION

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

NON-DISCRIMINATION

In connection with its activities under this Agreement, MCCD will not violate any Federal or State laws against discrimination.

DEFAULT AND CANCELLATION

Failure of the MCCD to perform any of its obligations under this Agreement to the satisfaction of the CDA will constitute a default hereunder.

Unless MCCD's default is cured within 15 days following notice by the CDA, the CDA

may (i) cancel this Agreement in its entirety by 5 additional days' written notice to MCCD, or (ii) withhold payment from MCCD as long as such default continues.

MINNESOTA LAWS GOVERN

The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the parties and their performance. The appropriate venue and jurisdiction for any litigation will be those courts located within the County. Litigation, however, in the federal courts involving the parties will be in the appropriate federal court within the State of Minnesota. If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

**DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY**

By: _____
Acting Executive Director
Date: _____

MCCD

By: _____
Printed Name: _____
Printed Title: _____
Date: _____

Exhibit A
Local Government Entity Participation Fee Schedule

Municipality	Local Government Entity	Total Fee	CDA Share of Fee	Local Government Entity Participation Fee Due 1/30/16
Eagan	Eagan Economic Development Authority	\$15,000	\$7,500	\$7,500
Burnsville	City of Burnsville	\$15,000	\$7,500	\$7,500
Lakeville	City of Lakeville	\$15,000	\$7,500	\$7,500
Apple Valley	Apple Valley Economic Development Authority	\$15,000	\$7,500	\$7,500
Inver Grove Heights	Inver Grove Heights Economic Development Authority	\$12,500	\$6,250	\$6,250
Hastings	Hastings Economic Development and Redevelopment Authority	\$10,000	\$5,000	\$5,000
Rosemount	Rosemount Port Authority	\$10,000	\$5,000	\$5,000
Farmington	Farmington Economic Development Authority	\$10,000	\$5,000	\$5,000
South St. Paul	South St. Paul Housing and Redevelopment Authority	\$10,000	\$5,000	\$5,000
West St. Paul	West St. Paul Economic Development Authority	\$10,000	\$5,000	\$5,000
Mendota Heights	City of Mendota Heights	\$5,000	\$2,500	\$2,500
Small Cities and Townships	n/a	\$7,500	\$7,500	\$0
Additional contract cost	Assistance with increased marketing and lending support	\$5,000	\$5,000	
Total		\$140,000	\$76,250	\$63,750

Exhibit B

Dakota Open to Business Program Scope of Services

Open to Business (“OTB”) Technical Assistance Services

MCCD will provide intensive one-on-one technical assistance to Municipalities’ and Small Cities’ and Townships’ businesses, residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Municipalities and Small Cities and Townships within Dakota County (the “**County**”). MCCD will dedicate one full time staff person based in the County to provide the Technical Assistance Services (“Dakota OTB Staff”). In addition, MCCD will make available the expertise of all MCCD technical and support staff in the delivery of services to Dakota Open to Business Program. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing
- Cash flow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD Dakota OTB Staff will be available to meet clients at the CDA office building, various Municipality city halls or at the client’s place of business. MCCD Dakota OTB Staff will provide technical assistance on a walk-in basis monthly in each Municipality, if requested. MCCD will also hold two-hour “Test Drive Your Business Idea” sessions once a month in various Municipality locations.

Open to Business Access to Capital

Access to capital will be provided to qualifying businesses through MCCD’s Emerging Small Business Loan Program (see **Exhibit C** Small Business Loan Program Guidelines below). MCCD also provides it’s financing in partnership with other community lenders, banks or Local Government Entities interested in making capital available to residents and/or businesses in their community.

EXHIBIT C

Small Business Loan Program Guidelines

Loan Amounts:

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

Eligible Projects:

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

Allowable Use of Proceeds:

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

Interest Rates:

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

Loan Term Length:

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

Fees and Charges:

- Borrowers are responsible for paying all customary legal and other loan closing costs.