

PUBLIC IMPROVEMENT CONTRACT

1 THIS PUBLIC IMPROVEMENT CONTRACT (“**Agreement**”) dated _____,
2 20 , is entered into between the City of Roseville, a Minnesota municipal corporation, whose
3 address is 2660 Civic Center Drive, Roseville, Minnesota 55113 (“the **City**”), and Presbyterian
4 Homes Care Centers, Inc., a Minnesota nonprofit corporation, whose address is 2845 Hamline
5 Avenue North, Roseville, Minnesota 55113 (the “**Grantor**”).

6
7 **WITNESSETH:**
8

9 A. The Grantor is the owner of that certain real estate located in Ramsey County,
10 Minnesota, legally described as set forth in Exhibit A attached hereto and hereby made a part
11 hereof (the “**Property**”).
12

13 B. The City and Grantor are constructing and installing certain public improvements
14 on the Property, including sidewalks, curb cuts, and related improvements (collectively, the
15 “**Public Improvements**”), the location of which improvements is within the Arthur Street and
16 County Road D public rights-of-way, as shown on those certain plans attached hereto as Exhibit
17 B and hereby made a part hereof (the “**Improvement Plans**”). All of the foregoing items are
18 collectively referred to herein as the “**City Maintained Improvements**”.
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20 C. The Grantor is also planting and installing trees, shrubs, grasses and other
21 plantings and vegetation on the Property. All of the foregoing items are collectively referred to
22 herein as the “**Private Landscaping**”.
23

24 D. The Grantor and City desire to enter into this Agreement for the purpose of
25 clarifying their respective obligations with respect to the maintenance of the City Maintained
26 Improvements and Private Landscaping, as well as to grant easements necessary to provide
27 sufficient access to such City Maintained Improvements for the purpose of performing such
28 maintenance.
29

30 NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein
31 contained and for other good and valuable consideration, the receipt and sufficiency of which are
32 hereby acknowledged, the parties hereto agree as follows:
33

34 1. Public Improvements. The Grantor shall, subject to the terms and conditions
35 contained herein, perform the following work and construct the Public Improvements in
36 compliance with City Improvement Plans and all rules, regulations, standards and ordinances of
37 the City:
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39 a. Site Grading and Turf Restoration. The Grantor shall grade the Property in
40 accordance with the City-approved Grading, Drainage and Erosion Control Plan.
41 Site grading improvements shall include common excavation, subgrade
42 correction, embankment and pond excavation. Turf restoration shall include
43 seeding, mulching, and erosion control.

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b. Pathways and Sidewalks.

(i) Arthur Street Sidewalk. The Grantor shall construct the public sidewalk in the Arthur Street right-of-way (the "Arthur Street Sidewalk"), in compliance with the attached Improvement Plans.

(ii) County Road D Sidewalk. When the County Road D roadway is reconstructed by Ramsey County, the City will construct the public sidewalk in the County Road D right-of-way (the "County Road D Sidewalk"). Before any building permits are issued concerning the Property, the Grantor will execute an Assessment Agreement consenting to the City's construction of the County Road D Sidewalk and assessment of the Property in an amount not to exceed \$5,850.00. The City will assess the Property after it has constructed the County Road D Sidewalk when the roadway is reconstructed.

c. Improvements in Right-of-Way. The Grantor will replace or repair any damage or destruction done to improvements located in the Boulevard and Rights-of-Way.

d. Erosion Control. Prior any grading and before any utility construction is commenced or building permits are issued for the Property, the erosion control plan must be implemented, inspected and approved by the City.

2. City Maintenance and Repairs. Following completion by the Grantor and City acceptance of the City Maintained Improvements, the City shall maintain, repair and, when necessary, replace the City Maintained Improvements which are located within public easements on the Property. The City shall maintain such City Maintained Improvements in a condition deemed adequate and appropriate by the City. All repairs and replacement of such City Maintained Improvements shall be done in a manner and at such times as the City deems necessary and appropriate. All of the foregoing shall be collectively referred to herein as the "City Maintenance."

3. Grantor Maintenance and Repairs. The Grantor shall maintain, repair and, when necessary, replace the Private Landscaping that is located on or within public easements on the Property. The Private Landscaping that is located on or within public easements on the Property shall be maintained at all times by the Grantor in a safe, clean and attractive condition. The maintenance shall include, but not be limited to, the cutting and grooming of all grass areas; the use of appropriate weed control measures; the removal of litter; the pruning and maintenance of all shrubs, trees and other plantings; and the grooming and maintenance of the ground cover and other vegetation within the Property. The foregoing obligations shall be in addition to any requirements imposed by City Code. In the event that the Grantor fails to adequately maintain, repair and when necessary replace the Private Landscaping that is located on or within public easements on the Property, the City shall have the right, but not the obligation, after providing ten (10) business days prior written notice to the Grantor, to perform such maintenance, repair and replacement, and charge the cost thereof to the Grantor. Payment of such cost shall be made within thirty (30) days after the Grantor has been notified by the City of the amount of such cost. If full payment is not made within such 30 day period the City shall have all rights available at

91 law and in equity to collect such cost, as well as the right to assess the cost against the Property
92 pursuant to Minn. Stat. § 429.101. Interest shall accrue on any costs not paid within said 30 day
93 period at a rate of 6% or the maximum allowed by law, whichever is less. In the event the
94 Grantor fails to adequately maintain, repair and when necessary replace the Private Landscaping
95 that is located on or within public easements on the Property, the City shall have the further right
96 to remove the Private Landscaping from the Property and plant such landscaping as the City
97 deems appropriate, whereupon the City, rather than the Grantor, shall thereafter be responsible
98 for the maintenance, repair and when necessary replacement of any such landscaping that is
99 located on or within public easements on the Property.

100
101 4. Changes to Private Landscaping. Any deviations to the Landscaping Plan
102 (“Landscaping Plan”) which comprises a part of the Improvement Plans, and any changes to the
103 Private Landscaping located within public easements on the Property once installed, shall require
104 prior approval by the City, which approval shall not be unreasonably withheld, conditioned, or
105 delayed. All new or additional landscaping so approved by the City shall become a part of the
106 Private Landscaping and shall be subject to the terms and conditions of this Agreement.

107
108 5. Repair and Replacement of Private Landscaping. In the event that any Private
109 Landscaping on or within public easements on the Property is removed, damaged or destroyed as
110 a result of the City’s performance of the City Maintenance, the Grantor shall repair such Private
111 Landscaping which is damaged to a healthy condition and shall replace such Private
112 Landscaping which is removed or destroyed with the same Private Landscaping as is shown in
113 the Landscaping Plan (as originally approved by the City or if subsequently modified, as
114 modified). The City shall not be responsible for, nor obligated to perform, such repair or
115 replacement work. Notwithstanding the foregoing, in the event the Private Landscaping is
116 removed, damaged, or destroyed as a result of the City’s performance of the City Maintenance,
117 the Grantor will be permitted to modify such Private Landscaping, without the City’s prior
118 approval, in any manner that Grantor deems reasonably necessary to prevent further removal,
119 damage, or destruction of the Private Landscaping as a result of future City Maintenance.

120
121 6. Grant of Easements. The Grantor hereby grants and conveys to the City, and its
122 employees, agents and contractors, a perpetual, non-exclusive easement for access purposes as
123 depicted on Exhibit B on, over and across those portions of the Property upon which the City
124 Maintained Improvements are located, as well as a perpetual non-exclusive easement for access
125 purposes on, over and across those portions of the Property which are directly adjacent to the
126 City Maintained Improvements which the City reasonably needs for access to perform City
127 Maintenance, to install the County Road D Sidewalk, or to perform maintenance, repair or
128 replacement of Private Landscaping located within public easements.

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130 7. Binding Effect. The terms, conditions, covenants, indemnifications and
131 easements contained herein shall run with the land and shall be binding upon and inure to the
132 benefit of the parties hereto and their successors and assigns. In the event of an assignment,
133 transfer or other conveyance (whether voluntary or involuntary) of the fee simple ownership of
134 all or any portion of the Property, the fee simple owner(s) to whom such Property is transferred
135 shall be liable for the performance of all covenants, obligations, undertakings and
136 indemnifications herein set forth with respect to the Property owned, during the period of their
137 ownership.

138 8. Notice to Proceed. The improvements shall be installed in accordance with the
139 City approved Plans and the rules, regulations, standards and ordinances of the City. The plans
140 and specifications shall be prepared by a competent registered professional engineer, furnished to
141 the City for review, and shall be subject to the approval of the City Engineer. No work shall
142 commence on the Property until the City Engineer notifies the Grantor that the work can
143 commence.
144

145 9. Time of Performance. The Grantor shall complete all public improvements
146 related to the Arthur Street Sidewalk by March 31, 2021. The Grantor may, however, forward a
147 request for an extension of time to the City. If an extension is granted, it shall be conditioned
148 upon updating the security posted by the Grantor to reflect cost increases and the extended
149 completion date.

150
151 10. Inspection. The Grantor shall provide the services of a Project Representative and
152 assistants at the site to provide continuous observation of the work to be performed and the
153 improvements to be constructed under this Agreement.

154 a. The Grantor shall provide the City Engineer a minimum of one business day
155 notice prior to the commencement of the underground pipe laying and service
156 connection; and prior to subgrade, gravel base and bituminous surface
157 construction.

158 b. Grantor's failure to comply with the terms of this section shall permit the City
159 Engineer to issue a stop work order which may result in a rejection of the work
160 and which shall obligate the Grantor to take all reasonable steps, as directed by
161 the City Engineer, to ensure that the improvements are constructed and inspected
162 pursuant to the terms of this Agreement. Such failure shall further result in the
163 assessment of a penalty upon the occurrence of each such failure to comply, in an
164 amount equal to 1% of the amount of the security required for such
165 improvements, which penalty the Grantor agrees to pay immediately upon
166 demand by the City.

167 11. Engineering Coordination. A City Engineering Coordinator shall be assigned to
168 this project to provide further protection for the City against defects and deficiencies in the work
169 and improvements through the observations of the work in progress and field checks of materials
170 and equipment. However, the furnishing of such engineering coordination will not make the City
171 responsible for construction means, methods, techniques, sequences or procedures or for the
172 safety precautions or programs, or for the Grantor's failure to perform its work in accordance
173 with the Public Improvement Construction Plans. The Grantor is obligated to pay the City for
174 City inspection services at an estimated cost of \$730.56, which equals four percent (4%) of the
175 estimated cost of the Arthur Street Sidewalk Public Improvements, which amount is \$18,264.00.
176 This amount shall be paid upon or prior to the execution of this Agreement.

177 12. Security. To guarantee compliance with the terms of this Agreement, payment of
178 the costs of all Public Improvements and construction of all Public Improvements, the Grantor
179 shall furnish either: a) a cash deposit, or b) an irrevocable letter of credit for \$22,830.00 in a
180 form to be approved by the City (the "Financial Security"). The amount of the Financial
181 Security is 125% of the estimated cost to construct the Arthur Street Sidewalk Public

182 Improvements. The City shall have the right to draw on the Letter of Credit in the event that the
183 Grantor fails to perform any of its obligations under this Agreement.

184
185 a. Reduction of Security. Periodically upon the Grantor's written request, the City
186 Engineer may reduce the amount of the Financial Security for completed Public
187 Improvements provided the following conditions are met:

188
189 (i) The Grantor's engineer certifies that the Public Improvements have been
190 constructed to City Standards and in accordance with the Plans.

191
192 (ii) The Grantor provides documentation that its contractors and all their
193 subcontractors and suppliers have been paid in full for the work completed
194 and materials supplied.

195
196 (iii) The City Engineer determines that such Public Improvements have been
197 fully completed in accordance with the Plans, specifications and
198 provisions of this Agreement.

199
200 The amount of reduction shall be equal to that portion of the Financial Security
201 which covers such completed Public Improvements; provided however, in no case
202 shall the remaining amount of the Financial Security be less than the greater of: (i)
203 25% of the original amount of the Financial Security, or (ii) 125% of the
204 estimated cost to complete the Public Improvements which have not been
205 completed as determined by the City Engineer.

206
207 13. Acceptance of Public Improvements. After the work described in this Agreement
208 has been completed, the Grantor may request that the City accept the Public Improvements. This
209 may be accomplished through a City Council resolution or confirmation in a writing signed by
210 the City Engineer, provided the following conditions are met:

211 a. As-Built Survey. The Grantor shall provide an as-built survey upon the Grantor's
212 completion of the Public Improvements installed by the Grantor as described in
213 Paragraph B in reproducible and digital (AutoCAD) format. The locations and
214 elevations of sewer and water services shall be accurately shown on the survey.

215 b. Certification. The Grantor's engineer submits a letter certifying that the Public
216 Improvements installed by the Grantor have been constructed to City Standards in
217 accordance with the Plans and requests that the City accept the improvements.

218 c. Payment. The Grantor provides documentation that its contractors,
219 subcontractors, and material suppliers have been paid in full for the work
220 completed.

221 d. Determination of Completion. The City Engineer has determined that all such
222 Public Improvements have been completed in accordance with City-approved
223 Plans and terms of this Agreement.

224 The date of City acceptance of the Public Improvements shall be the date of the City Council
225 resolution or the City Engineer's signed confirmation accepting the Public Improvements.

226 In the event that a Letter of Credit is given as the Financial Security the term of any Letter of
227 Credit provided by the Grantor must be at least one year. Notwithstanding anything to the
228 contrary contained herein, in the event that: i) some or all of the Public Improvements have not
229 been completed and accepted by the City before the expiration date of the Letter of Credit, ii) the
230 City has been notified that the Letter of Credit is not being extended for another term of at least
231 one year, and iii) no replacement Letter of Credit satisfactory to the City has been delivered to
232 the City, the City shall have the right to draw on the full amount of the Letter of Credit at any
233 time prior to the expiration of the Letter of Credit. In the event of such draw on the Letter of
234 Credit, the City shall have the right to use the amount drawn to complete any unfinished Public
235 Improvements, perform any unperformed obligations of the Grantor, pay the costs to draw on the
236 Letter of Credit and/or pay any costs to enforce this Agreement. The Letter of Credit shall allow
237 Partial Draws and shall provide that a draw can be made on the Letter of Credit at a location
238 which is in or within 30 miles of the City of Roseville.

239 14. Ownership of Improvements and Risk of Loss. Upon completion and City
240 acceptance of the Public Improvements, all Public Improvements lying within public rights-of-
241 way and easements, shall become City property without further notice or action. The Grantor
242 shall be responsible for the risk of loss of all Public Improvements constructed by the Grantor
243 until ownership thereof passes to the City. Any damage or destruction, in whole or in part, to
244 any Public Improvement constructed by the Grantor shall be repaired and/or replaced by the
245 Grantor until ownership of such Public Improvement passes to the City.
246

247 15. Warranty. The Grantor shall install and construct the Public Improvements in
248 accordance with the terms and conditions of this Agreement. The Grantor warrants the Public
249 Improvements installed by the Grantor and all work required to be performed by the Grantor
250 hereunder against poor material and faulty workmanship for a period of two (2) years after its
251 completion and acceptance by the City. The Grantor shall repair or replace as directed by the
252 City and at the Grantor's sole cost and expense: (i) any and all faulty work, (ii) any and all poor
253 quality and/or defective materials, and (iii) any and all trees, plantings, grass, and/or sod which
254 are dead, are not of good quality and/or are diseased, all being as determined in the sole but
255 reasonable opinion of the City or its Engineer, provided the City or its Engineer gives notice of
256 such defect to Grantor on or before 60 days following the expiration of the two-year warranty
257 period. The Grantor shall post maintenance bonds or other security acceptable to the City to
258 secure the warranties described herein.

259 16. Clean Up. The Grantor shall promptly clear from public streets and property any
260 soil, earth, or debris resulting from construction work by the Grantor or its agent or assigns.

261 17. Indemnification. The fee simple owners of the Property shall indemnify, defend
262 and hold the City harmless from and against all liability, claims, damages, costs, judgments,
263 losses and expenses (including costs and attorneys' fees) resulting or arising from the negligent
264 or wrongful acts or omissions of themselves, and their employees, agents and contractors, in the
265 performance of their respective obligations under this Agreement. The City shall indemnify,
266 defend, and hold the fee simple owners of the Property harmless from and against all liability,
267 claims, damages, costs, judgments, losses and expenses (including costs and attorneys' fees)
268 resulting or arising from the negligent or wrongful acts or omissions by the City, and its
269 employees, agents and contractors, in the performance of the City's obligations under this
270 Agreement.

271 18. Amendment, Modification or Waiver. No amendment, modification, waiver or
272 termination of any condition, provision or term of this Agreement shall be valid or of any effect
273 unless made in writing, signed by the record fee simple owner of the Property affected thereby
274 and the City, and specifying with particularity the extent and nature of such amendment,
275 modification, termination or waiver. Any waiver by any party of any default of another party
276 hereunder shall not affect or impair any right arising from any subsequent default.
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278 19. Severability. If any provision of this Agreement is held to be unenforceable or
279 void, such provision shall be deemed to be severable and shall in no way affect the validity of the
280 remaining terms of this Agreement.
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282 20. Notices. Any notice to be given by the City under this Agreement shall be in
283 writing and shall be deemed to be properly given: a) if delivered personally to the Taxpayer
284 shown on the most recent Property Tax Statement for the Property to which such notice pertains,
285 b) if mailed by United States registered or certified mail, return receipt requested, postage
286 prepaid, addressed in the manner set forth below, or c) if given to a nationally recognized,
287 reputable overnight courier for overnight delivery addressed as follows:
288

289 Mark Meyer, CFO
290 Presbyterian Homes Care Centers, Inc.
291 2845 Hamline Avenue N
292 Roseville, MN 55113
293

294 Notices shall be deemed effective on the date of receipt if given personally, on the date of
295 deposit in the U.S. mails if mailed, or on the date of delivery to an overnight courier if so
296 delivered; provided, however, if notice is given by deposit in the U.S. mails or delivery to an
297 overnight courier, the time for response to any notice shall commence to run one business day
298 after the date of mailing or delivery to the courier.
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300 21. Certificate of Insurance. The Grantor shall cause its contractor ("Contractor") to
301 provide, prior to the commencement of any improvements on the Property, and shall maintain
302 until one year after the City has accepted the Public Improvements, workers compensation and
303 general liability insurance satisfactory to the City covering personal injury, death, and claims for
304 property damage which may arise out of the Contractor's work, the work of its subcontractors, or
305 by anyone directly or indirectly employed by any of them. Limits for bodily injury and death
306 shall not be less than \$1,500,000.00 for each occurrence and limits for property damage shall be
307 not less than \$300,000.00 for each occurrence. The Grantor and City shall be named as
308 additional insureds on the general liability policy. The Grantor shall provide the City with a
309 certificate of insurance from the Contractor, satisfactory to the City, which evidences that it has
310 such insurance in place prior to the commencement of any work on the Property and a renewal
311 certificate at least 30 days prior to the expiration date of any policy required hereunder.

312 22. All Costs Responsibility of Grantor. The Grantor shall pay all costs incurred by it
313 and the City in conjunction with this Agreement, the development of the Property, and the
314 construction of the improvements required by this Agreement including, but not limited to, all
315 costs of persons doing work or furnishing skills, tools, machinery and materials; insurance
316 premiums; Letter of Credit fees; legal, planning and engineering fees; the preparation and
317 recording of this Agreement and all easements and other documents relating to the Property; and

318 all costs incurred pertaining to the inspection and monitoring of the work performed and
319 improvements constructed on the Property. The City shall not be obligated to pay the Grantor or
320 any of its agents or contractors for any costs incurred in connection with the construction of the
321 improvements or the development of the Property. The Grantor agrees to defend, indemnify, and
322 hold the City and its mayor, councilmembers, employees, agents and contractors harmless from
323 any and all claims of whatever kind or nature which may arise as a result of the construction of
324 the improvements, the development of the Property or the acts of the Grantor, and its employees,
325 agents or contractors in connection thereto.

326
327 a. The Grantor shall pay in full all bills submitted to it by the City for obligations
328 incurred under this Agreement within thirty (30) days after receipt. If the bills are
329 not paid on time, the City may, in addition to all other rights and remedies the
330 City may have, halt plat development work and construction including, but not
331 limited to, the issuance of building permits for lots which the Grantor may or may
332 not have sold, until the bills are paid in full. Bills not paid within thirty (30) days
333 shall accrue interest at the rate of ten percent (10%) per annum, or the maximum
334 amount allowed by law, whichever is less.

335 b. The Grantor shall reimburse the City for all costs incurred in the enforcement of
336 this Agreement, including all attorney and engineering fees.

337 23. Right to Cure. In the event of default by the Grantor as to any of the work to be
338 performed by it hereunder, the City may, at its option, perform the work and the Grantor shall
339 promptly reimburse the City for any expense incurred by the City, provided the Grantor is first,
340 except in case of an emergency, given notice of the work in default, not less than 48 hours in
341 advance. This Agreement is a license for the City to act, and it shall not be necessary for the
342 City to seek a court order for permission to enter the land. When the City does any such work,
343 the City may, in addition to its other remedies, assess the cost in whole or in part against the
344 Grantor and/or the Property.

345
346 24. Remedies. Upon the occurrence of a default by the Grantor of any of its
347 obligations under this Agreement, the City, in addition to any other remedy which may be
348 available to it, shall be permitted to do the following:

349 a. City may make advances or take other steps to cure the default, and where
350 necessary, enter the Property for that purpose. The Grantor shall pay all sums so
351 advanced or expenses incurred by the City upon demand, with interest from the
352 date of such advances or expenses incurred by the City upon demand, with
353 interest from the date of such advances or expenses at the rate of 10% per annum
354 or the maximum allowed by law, whichever is less. No action taken by the City
355 pursuant to this section shall be deemed to relieve the Grantor from curing any
356 such default to the extent that it is not cured by the City or from any other default
357 hereunder. The City shall not be obligated, by virtue of the existence or the
358 exercise of this right, to perform any such act or cure any such default.

359 b. Obtain an order from a court of competent jurisdiction requiring the Grantor to
360 specifically perform its obligations pursuant to the terms and provisions of this
361 Agreement.

- 362 c. Obtain an order from a court of competent jurisdiction enjoining the continuation
53 of an event of default.
- 364 d. Halt all development work and construction of improvements until such time as
365 the event of default is cured.
- 366 e. Withhold the issuance of a building permit and/or prohibit the occupancy of any
367 structure(s) for which permits have been issued.
- 368 f. Draw upon and utilize any Grantor's Financial Security to cover the costs of the
369 City in order to correct the default, the costs to complete any unfinished Public
370 Improvements, the costs to draw on any Letter of Credit and/or the costs to
371 enforce this Agreement.
- 372 g. Terminate this Agreement by written notice to Grantor at which time all terms
373 and conditions contained herein shall be of no further force or effect and all
374 obligations of the parties imposed hereunder shall be null and void.
- 375 h. Exercise any other remedies which may be available to it at law or in equity.
- 376 i. In addition to the remedies and amounts payable set forth or permitted above,
377 upon the occurrence of an event of default, the Grantor shall pay to the City all
378 fees and expenses, including attorneys fees, incurred by the City as a result of the
379 event of default, whether or not a lawsuit or other action is formally taken.
- 380 25. Assignment. The Grantor may not assign this Contract without the written
381 permission of the Roseville City Council.
- 382 26. Miscellaneous.
- 383 a. This Agreement shall be binding upon the parties, their heirs, successors or
384 assigns, as the case may be.
- 385 b. If any portion, section, subsection, sentence, clause, paragraph or phrase of this
386 Agreement is for any reason held invalid, such decision shall not affect the
387 validity of the remaining portion of this Agreement.
- 388 c. The action or inaction of the City shall not constitute a waiver or amendment to
389 the provisions of this Agreement. To be binding, amendments or waivers must be
390 in writing, signed by the parties and approved by the Roseville City Council. The
391 City's failure to promptly take legal action to enforce a default under this
392 Agreement shall not be a waiver or release of such default.
- 393 d. This Agreement shall run with the land and shall be binding upon the Grantor,
394 and its successors and assigns. The Grantor shall, at its expense, record this
395 Agreement with the Ramsey County Recorder if the Property is abstract property
396 and/or with the Ramsey County Register of Titles if the Property is Torrens
397 property.
- 398 e. The Grantor shall, prior to the time this Agreement is recorded, furnish the City
399 with a title opinion or other title evidence satisfactory to the City that the Grantor
400 is the fee simple owner of the Property, that there are no other parties having a
401 lien or encumbering the Property (or if there are liens or encumbrances such
402 parties have executed a Consent to this Agreement satisfactory to the City), and

403 otherwise showing that title to the Property is satisfactory to the City.
 404 Arrangements for recording the Agreement shall be made by the Grantor and the
 405 City to assure that title to the Property at the time of recording is satisfactory to
 406 the City. No development or other work shall occur with respect to the Property
 407 for which a mechanics lien can be filed prior to recording of this Development
 408 Agreement.

409 f. The obligations of the Grantor under this Agreement shall be the joint and several
 410 obligation of all parties signing this Agreement as Grantor.

IN WITNESS WHEREOF, the foregoing Agreement has been executed on the day and
 year first above written.

CITY OF ROSEVILLE

By: _____
 _____, Mayor

By: _____
 _____, City Manager

STATE OF MINNESOTA)
) ss
 COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ___ day of _____,
 20___, by _____ and _____, the Mayor and City Manager of the City of
 Roseville, a Minnesota municipal corporation, on behalf of said corporation.

 Notary Public

PRESBYTERIAN HOMES CARE
CENTERS, INC.
A Minnesota nonprofit corporation

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ___ day of _____, 20_, by Mark Meyer, the CFO of Presbyterian Homes Care Centers, Inc., a Minnesota nonprofit corporation, on behalf of said corporation.

Notary Public

THIS INSTRUMENT DRAFTED BY:

Erickson, Bell, Beckman & Quinn, P.A.
1700 West Highway 36, Suite 110
Roseville, MN 55113
Phone: 651-223-4999

EXHIBIT A

Legal Description

That part of the following described property lying North of a line parallel to and 372.36 feet North of the south line of the North Half of the Northwest Quarter of Section 4, Township 29, Range 23, in Ramsey County, Minnesota:

The East 250 feet of the North 400 feet of that part of the Northeast Quarter of the Northwest Quarter of Section 4, Township 29, Range 23, lying West of the Land platted as Lake Johanna Homes;

AND

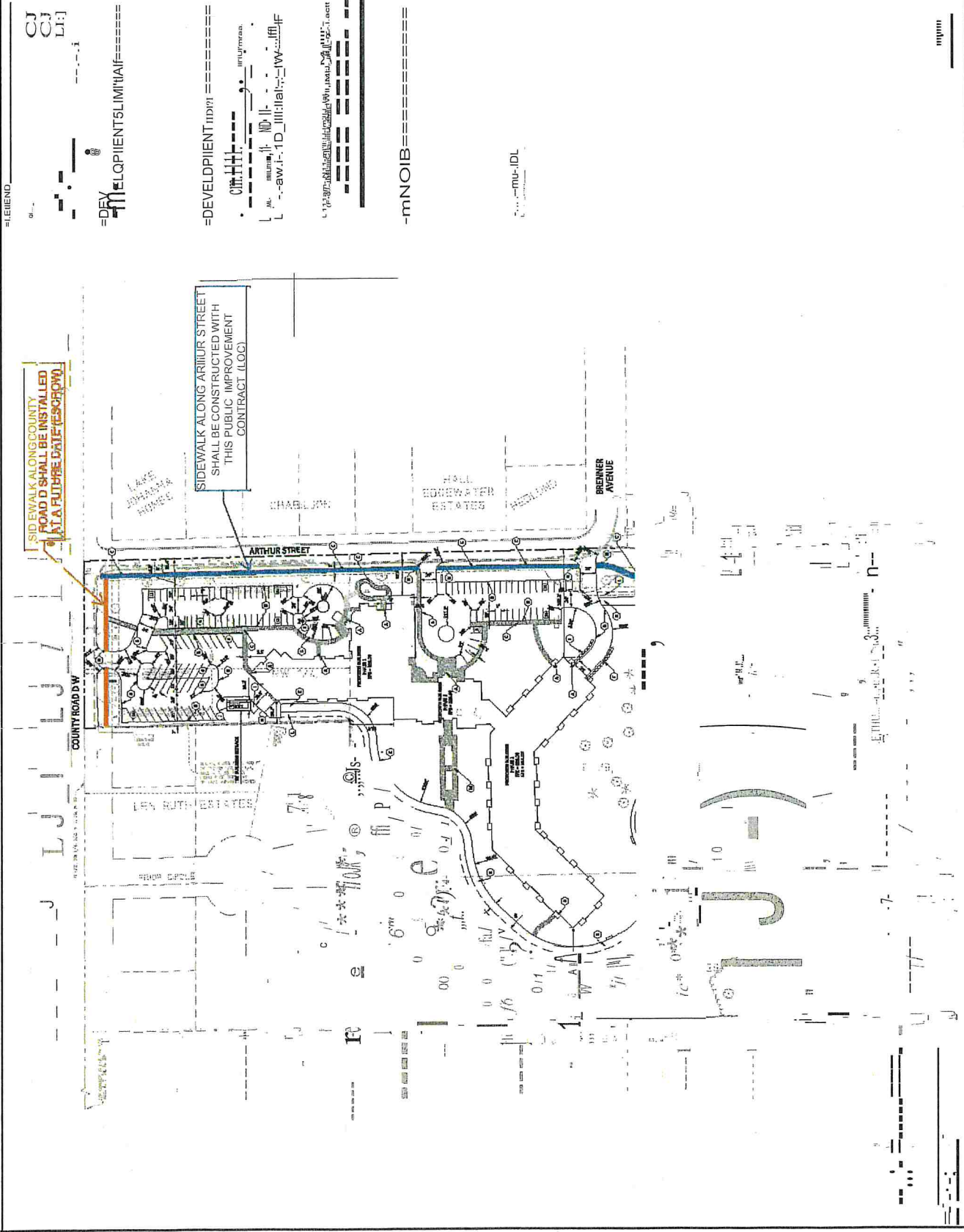
That part of the North Half of the Northwest Quarter of Section 4, Township 29, Range 23, lying West of said Lake Johanna Homes and East of a line extending from a point on the south line 1101.57 feet from the southwest corner to a point on the north line 1102.68 feet from the northwest corner of said North Half of the Northwest Quarter, EXCEPT the North 400 feet.

ABSTRACT PROPERTY.

EXHIBIT B

Improvement Plans

The Improvement Plans follow.



LEGEND

CJ
CJ
DL

DEVELOPMENT LIMITS

DEVELOPMENT

CONTRACT

CONTRACT (LOC)

CONTRACT (LOC)

mNOIB

mU-DL

mm

96 AHA, C
Bench Handout
Dec. 3, 2016

**AGREEMENT OF ASSESSMENT AND
WAIVER OF IRREGULARITY AND APPEAL**

1 This Agreement of Assessment and Waiver of Irregularity and Appeal (“Agreement”) is
2 made and entered into between Presbyterian Homes Care Centers, Inc., a Minnesota nonprofit
3 corporation (the “Owner”), and the City of Roseville, a Minnesota municipal corporation (the
4 “City”).

RECITALS

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9 A. The Owner owns the real property located in Ramsey County, Minnesota, legally
10 described as:

11
12 See attached **Exhibit A** (the “Property”).

13
14 B. The Owner plans has applied for and received certain City approvals concerning
15 the Property. In consideration for the City approvals, and as a condition therefor, the Owner has
16 agreed to pay up to \$5,850.00 for the City’s construction of a public sidewalk in the right-of-way
17 to County Road D (the “County Road D Sidewalk”).

18
19 C. The Owner’s payment will be made by special assessment against the Property as
20 set forth herein.

AGREEMENT

21
22
23
24 1. The County Road D Sidewalk will be constructed by the City in accordance with
25 the plans attached hereto as **Exhibit B** (the “Project”).

26
27 2. The Owner consents to the Project and the City’s assessment of the Project costs
28 against the Property, as set forth below.

29
30 3. The City will commence work on the Project when Ramsey County rebuilds
31 County Road D, and will complete the Project within a reasonable time after commencement, not
32 to exceed four (4) weeks.

33
34 4. After the Project is completed, the City will provide the Owner with written
35 notice that the Project is completed. After such notice the Owner may pay the Assessment
36 Amount (defined below) in full within thirty (30) days without interest or penalty. If payment in
37 full is not received within thirty (30) days, the City will assess the Property in the Assessment
38 Amount, along with interest at the rate of five percent (5%) per annum, in not to exceed five (5)
39 equal annual installments (the “Assessment”).

40 5. The assessment amount ("Assessment Amount") shall be the lesser of the
41 following:

- 42
43 a. The final, total sum of money actually paid or incurred by the City for the
44 Project; or
45
46 b. \$5,850.00.
47

48 6. The City, through its representatives including without limitation its employees,
49 agents, contractors, and other necessary third parties, has permission to enter the Property as
50 reasonably necessary to complete the Project.
51

52 7. The Owner expressly waives any objection with regard to the assessment and any
53 claim that the amount thereof levied against the Property is excessive, so long as the amount
54 does not exceed the Assessment Amount set forth above.
55

56 8. The Owner hereby waives all rights the Owner has by virtue of Minnesota
57 Statutes Chapter 429 to a public hearing before the City Council, any appeal of the Assessment
58 in court or otherwise to challenge the amount or validity of the Assessment or the procedures
59 used by the City in levying the Assessment for the Project and hereby releases the City, its
60 mayor, council members, employees, agents, and contractors, from any and all liability related to
61 or arising out of the levying of the Assessment Amount and the Project.
62

63 9. The terms and provisions hereof shall inure to the benefit of the City of Roseville
64 and shall be binding upon the Owner, and their heirs, representatives, successors, and assigns,
65 and all future owners of all or any part of the Property, and shall be deemed to be covenants
66 running with the land.
67

68 10. The City may record this Agreement with the offices of the Ramsey County
69 Recorder and/or the Ramsey County Registrar of Titles.
70

71 (Signatures follow.)

CITY

City of Roseville, a Minnesota municipal corporation

By: Dan Roe
Its: Mayor

By: Patrick Trudgeon
Its: City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Dan Roe, Mayor of the City of Roseville, and by Patrick Trudgeon, City Manager of the City of Roseville, a Minnesota municipal corporation, on behalf of the municipal corporation.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Erickson, Bell, Beckman & Quinn, P.A.
Rosedale Tower, Suite 110
1700 West Highway 36
Roseville, MN 55113
Phone: 651-223-4999

EXHIBIT A

Legal Description

That part of the following described property lying North of a line parallel to and 372.36 feet North of the south line of the North Half of the Northwest Quarter of Section 4, Township 29, Range 23, in Ramsey County, Minnesota:

The East 250 feet of the North 400 feet of that part of the Northeast Quarter of the Northwest Quarter of Section 4, Township 29, Range 23, lying West of the Land platted as Lake Johanna Homes;

AND

That part of the North Half of the Northwest Quarter of Section 4, Township 29, Range 23, lying West of said Lake Johanna Homes and East of a line extending from a point on the south line 1101.57 feet from the southwest corner to a point on the north line 1102.68 feet from the northwest corner of said North Half of the Northwest Quarter, EXCEPT the North 400 feet.

ABSTRACT PROPERTY.

EXHIBIT B

Site Plan

The Project site plan follows.

*Bench Handout
December 3, 2018
Agenda Item
7.d.*

From: [Chris Miller](#)
To: [*RVCouncil](#)
Subject: FW: EDA Levy Data
Date: Monday, December 3, 2018 12:33:09 PM
Attachments: [oledata.mso](#)
[image004.png](#)
[image005.png](#)

Dear Council,

In order to keep the Council equally informed on tonight's discussion, I am forwarding the information regarding the EDA Levy that I had sent to Councilmember Willmus.

Thanks.

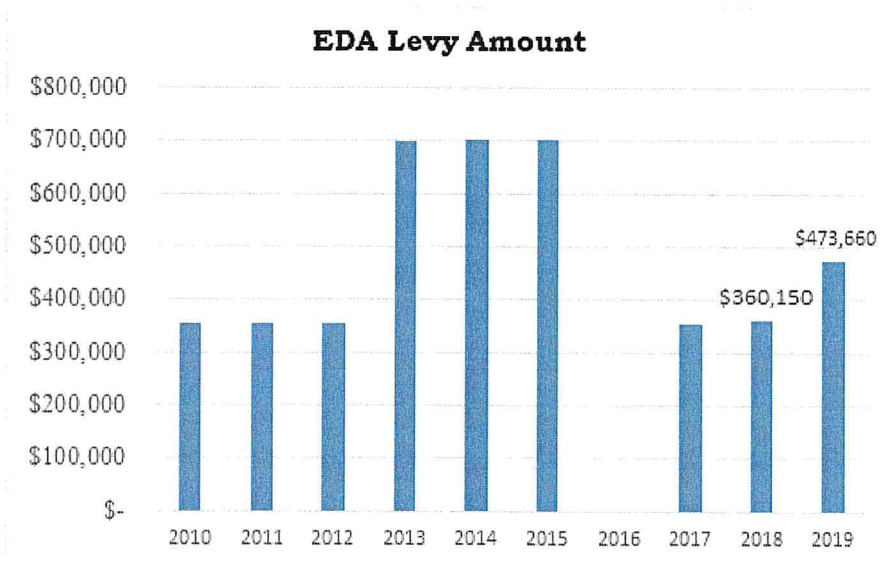
Chris Miller
 Finance Director

From: Chris Miller
Sent: Monday, December 3, 2018 12:31 PM
To: Bob Willmus <Bob.Willmus@cityofroseville.com>
Subject: EDA Levy Data

Bob,

I know you only asked for the 2018 EDA Levy information, but I thought it would be purposeful to provide a longer view to provide more context to the amount of levy support the Council has provided to the EDA (HRA). The table and graph below provide a summary of the EDA Levy going back to 2010. Let me know if you need anything else. I will be forwarding this to the full Council as it may pertain to tonight's discussion.

EDA (HRA) Levy History										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Levy Amount	353,500	353,500	353,500	698,471	703,579	703,579	-	356,585	360,150	473,660
% Change	n/a	0%	0%	98%	1%	0%	-100%	n/a	1%	32%



** Note - there was no levy adopted for 2016.

Christopher K. Miller
Finance Director
651-792-7031



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: September 24, 2018

Item No.: 5.a

Department Approval

City Manager Approval

Kai E. Collin

Sam J. Truogler

Item Description: Adopt a Resolution Requesting a Preliminary Levy Collectible in 2019

BACKGROUND

Per the by-laws adopted by the Roseville Economic Development Authority (REDA), the REDA must review and recommend a preliminary budget to the City Council. On July 17, 2018 the Economic Development Authority (EDA) received the Executive Director recommended budget for 2019. Meeting minutes are attached to this report as Attachment A. The EDA requested that staff provide additional information at the next discussion including the budget broken down by major program, a breakdown of prior year actual expenditures, and a City Attorney opinion on the use of Community Development Funds.

To request a preliminary EDA levy, the REDA must adopt a budget for consideration by the City Council via Resolution. Once the initial EDA levy request is approved, the levy may be lowered but cannot be raised above the preliminary level. The maximum amount the REDA can levy for in 2019 is \$870,999.

A preliminary levy of \$623,660 is being proposed for 2019. A preliminary levy of this amount would result in a \$13.34 increase in annual property taxes, or approximately \$1.11 per month for a median-valued home of approximately \$254,900. No additional staff is being proposed in 2019.

STAFFING

The Community Development Director is proposing no changes to the staffing structure for 2019. Economic Development staff that are supported by the EDA levy consist of a full-time Economic Development and Housing Program Manager and a half-time time Economic Development Coordinator/GIS Specialist. A Code Compliance Officer and administrative staff, who support the Neighborhood Enhancement Program (NEP), are also partially paid from the EDA budget.

The total cost for EDA and NEP staff in 2019 is anticipated to be: **\$214,760**

34

35 **PROGRAMMING**

36 The tables below outline existing housing and economic development programs that the City of
37 Roseville currently maintains. In addition to personnel costs, accompanying cost of existing programs
38 will need to be budgeted as well.

39 In 2019, the following programs will continue to operate but will receive no additional funds:

Multi-Family Loan and Acquisition Funds Offers rehabilitation loans to existing rental property owners (whose properties have 5 or more units) and also makes dollars available for energy improvements. This program is also used for site assemblage for redevelopment of higher density housing.	\$0
Roseville Loan Program (consolidated home improvement loan program)	\$0
Abatement Assistance (payment of abatement costs for code enforcement activities).	\$0
Housing Replacement/Single Family Construction Fund	\$0

40

41 In 2019, the following programs are proposed to be budgeted as follows:

<u>Ownership Rehabilitation Programs</u> Provides residents with free, comprehensive consultation services about the construction/renovation process to maintain, improve, and/or enhance their existing home, with a specific focus on energy efficiency. The program also recognizes homeowners that have done green construction or improvements to their homes and yards. This program budgets for 200 energy efficiency audits to be completed each year.	\$27,850
<u>Neighborhood Enhancement Program</u> Costs for printing, mailing and processing of materials for NEP program	\$8,000
<u>Marketing</u> This budget is maintained for printing and mailing of marketing materials of the REDA programs.	\$5,000
<u>Economic Development</u> The Economic Development budget reflects resources to aid in outreach to existing and prospective businesses. Current efforts include partnerships with the Minnesota State Chamber, St. Paul Area Chamber of Commerce, Twin Cities North Chamber, and others to assist with quarterly educational workshop series, newsletters, and yearly networking events. Recruitment, acquisition assistance, and marketing efforts are being programmed through the assistance of economic development consulting (\$50,000). Annual contract obligations for Golden Shovel Agency economic development marketing services are also included in this total (\$12,000).	\$73,500
<u>General EDA Operating Costs</u> The Costs for recording secretary, EDA attorney, training, memberships and overhead operating costs.	\$44,550
NEW <u>Economic Development Project Gap Financing</u> The REDA has taken a more aggressive role in providing incentives and subsidy	\$200,000

** Note - this was eliminated on 9/24/18

options to businesses looking to expand or locate to Roseville. In order to continue to be able to attract businesses we will need to set aside subsidy funds to assist with development. The \$200,000 may be used, for example, to help close the gap in financing a development for a business that meets Subsidy Policy criteria, or, assist in a loan for improvements (e.g. façade improvements) to a structure or site.	
NEW Southeast Roseville Initiatives The Cities of Roseville, St. Paul and Maplewood have issued a Request For Information (RFI) for a facilitator to lead the Rice St.-Larpenteur Alliance stakeholder group and to help drive implementation of the recommendations identified in the Rice/Larpenteur Gateway Visioning Plan. The City of Roseville will need to set aside funds for this person to staff the group and any other initiatives that may occur as a result of the visioning plan.	\$50,000
Total 2019 Levy Supported Program Expenses	\$408,900

42

Total EDA Proposed Budget: (Program Expenses + REDA Expenditures & Personnel)	\$623,660
---	------------------

43

** Reduced to \$423,660 on 9/24/18

44 **STAFF RECOMMENDATION**

45 Consider a Resolution Requesting A Preliminary Tax Levy in 2018 Collectible in 2019

46

47 **REQUESTED COUNCIL ACTION**

48 Motion to adopt a Resolution Requesting A Preliminary Tax Levy in 2018 Collectible in 2019

49

- Prepared by: Kari Collins, Community Development Director, 651-792-7071
- Attachment A: July 17, 2018 EDA Meeting Minutes
- Attachment B: 2019 Budget By Major Program
- Attachment C: Budget with Prior Year Actual Expenditures
- Attachment D: City Attorney Opinion on Community Development Fund Restrictions
- Attachment E: Resolution

50

51

52

53

in from the business community. There could be leveraging from grant funding or other third-party entities that the Alliance can bring to the table.

President Roe offered an opportunity for public comment.

Public Comment

Roger Hess, 1906 Wagner Place

Mr. Hess stated that even with a crosswalk with lights at the school, that is still a dangerous crossing. What would be better is to find the funds to build a pedestrian bridge. He would like to see the Council focus on crime first. The Police Chief wants to have a sub-station in the Rice Street/Larpenteur area. It would be nice to have the City become five sectors (rather than the existing four) from the hours of 10pm – 5am in order to better address crime. The lighting really needs to be improved. That is why Stargate has problems. There are no problems in the club, but the issue is in the parking lot. The beach and boat landings are incredibly dark, and he encouraged staff to talk to Ramsey County about improving the lighting. It would also be nice to have grants to improve some of the buildings along Rice Street. Lastly, he commented on there are only two areas that would work for combining properties for redevelopment, and one is his property and the one south of it would make one combination. The north would be the gas station, printer, and office building to the north. Those are the only options.

President Roe thanked Mr. Hess for his comments.

b. Review EDA Budget and Tax Levy

Community Development Director Collins provided a brief summary of the budget and tax levy as detailed in the staff report and attachments dated July 17, 2018. She noted that per the by-laws adopted by the Roseville Economic Development Authority (REDA), the REDA must review and recommend a preliminary budget to the City Council. To request a preliminary EDA levy, the REDA must adopt a budget for consideration by the City Council via Resolution. Once the initial EDA levy request is approved, the levy may be lowered but cannot be raised above the preliminary level. The maximum amount the REDA can levy for in 2019 is \$870,999. A preliminary levy of \$622,730 is being proposed for 2019. A preliminary levy of this amount would result in a \$13.29 increase in annual property taxes, or approximately \$1.11 per month for a median valued home of approximately \$254,900. The proposed levy represents a 72.9% increase from the 2018 Levy and operating budget. No additional staff is being proposed in 2019. She highlighted portions of the draft budget, as included as an attachment in the RCA.

President Roe asked whether the Gap Funding is intended to be an ongoing contribution to build up a fund, or whether it is a one-time levy for expenditures for a particular purpose, and then it potentially goes away.

Community Development Director Collins responded it is being proposed to replenish funds used by the McGough project; staff recommends making this a reoccurring line item to stay ahead of future projects.

Member Willmus asked whether SW Roseville initiatives at \$50,000 are one-time or ongoing.

President Roe stated it is ongoing at some level.

Community Development Director Collins concurred.

Member Willmus asked about the reserves and the intent of reserves with the EDA. He recalled the discussion last year that there needs to be some funds there for professional services. He also noted that community development has a fund balance target of 25-50%. He asked whether there is a range with the EDA reserve fund or if it is set at 35%.

City Manager Trudgeon responded that the reserve target is to help with cash flow as taxes are collected. That 35% is what staff has concluded that is the right amount to keep cash flow throughout the year.

Member Etten asked about the current balances on the various funds.

Community Development Director Collins responded that Finance Director Miller did a quick update to fund balances this afternoon. She noted that multi-family housing & development fund has approximately \$1.6 million; general EDA programs fund balance is \$193,800.

Finance Director Miller indicated the proposed \$250,000 in the budget for Rice/Larpenteur and gap funding is funded by tax levy, so depending on the time of when the \$250,000 is being appropriated, some cash will still be needed. He also commented that most of the funds are restricted.

Member Etten asked whether any of the funds are not restricted.

President Roe commented that perhaps the multi-family fund can potentially have the broadest use.

Housing & Economic Development Program Manager Kelsey responded that staff received an opinion from the EDA Attorney on this issue. Since those funds were raised underneath the HRA levy, they can be used for redevelopment. That is why they were used for McGough. However, any of those funds are restricted to only those activities or housing activities. Pretty much all the funds in the HRA balance are restricted.

President Roe asked whether they can be used for paying salaries of economic development personnel.

REDA Attorney Ingram commented salaries would be permissible as long as they are staff members working on HRA-related activities. The primary restriction is that new economic development cannot be supported by these funds. In the case of a business who wants to come in and wants to redevelop or not do housing, most of these funds would not be available.

Member Willmus stated he would like to look into fund balances a little deeper. As the budget creeps up, the ongoing expenses at year-end are directly related to professional services. He wants to ensure REDA is not levying for reserve dollars that are not needed in any individual fiscal year.

Member McGehee asked about the economic development gap financing and whether it is related to the policy for new subsidies. She asked about the policy behind it. If someone comes in and wants to do something and they apply for a grant and do not receive it, she asked whether the City automatically covers that.

Community Development Director Collins stated if someone is soliciting subsidy funds, they would be subject to the goals identified in the subsidy policy and would need to come before the REDA for approval.

Member Laliberte expressed appreciation for all the information. There are a few bench handouts that should have been part of the packet tonight. She would not be comfortable adopting this as a resolution tonight. As the REDA gets further along, this document needs to be adapted to show actuals vs. budgeted and then reflecting where there are some reserve amounts. That needs to be collated into a living document.

President Roe commented that format would be similar to the City budget.

Member Laliberte stated this is a proposed 72.9% increase, and the public should not have to search for a bench handout; the public needs to be able to find the information in a document or two.

President Roe noted many of the bench handouts did end up in the electronic version of the packet on the website.

Member McGehee stated it would be helpful to see what the fund balances are. She also commented that the REDA becomes an umbrella, and the HRA is underneath the REDA with somewhat lesser powers. The REDA can exercise all the powers of the HRA plus a few. She asked to clarify whether the REDA can utilize some of the previous HRA funds for redevelopment and housing but not for any new economic development.

REDA Attorney Ingram confirmed that is correct. If those funds were levied through an HRA levy, those are restricted to those purposes. Thus, the EDA cannot use that funds for economic development purposes that are not HRA-related.

Member McGehee commented that going forward, the REDA should keep those funds that were arrived at under the old HRA separate so they will not be incorrectly spent.

REDA Attorney Ingram stated it is a good idea to keep track of which fund is in which account. It looks as though that has been done up until the present. That is a good practices opinion rather than a legal opinion.

President Roe clarified the restriction is they have to be used for redevelopment or housing, which is most of what the REDA will be doing. New development would have to be funded through REDA levy funds.

Community Development Director Collins noted the economic gap fund would not be restricted in that way, as it would be created by the REDA.

Member Willmus asked whether community development funds can fund EDA activities.

REDA Attorney Ingram responded she is not prepared to answer that question at this time.

Member Willmus asked for an answer to that question. There is a healthy balance in the community development fund. He would like to know if that is something that can fund one-time EDA initiatives with those dollars. If not, he would like to re-examine the fee schedule. One contributor to the expense of residential projects is regulation and permitting. Those are all aspects he would like the REDA to look at, with such healthy balances.

President Roe commented on the statute related to building permit fees. The statute discusses there being a nexus of the cost of services and the fees. It does not talk about how the fee is used. It would be interesting to get a legal opinion as to how those funds could be used. Also, depending on what the restrictions are, it might lend itself to providing assistance through fee relief rather than through direct funding of REDA activities. If there is a project coming through looking for assistance, one option may be to provide that assistance in waived fees, which would eat into the fund balances.

Executive Director Trudgeon responded staff will follow up on legal opinions. Also, in 2007 there was a healthy fund balance in community development, but during the recession, there was a negative cash flow and a staff member was

laid off. He apologized for information being a bit scattered. At the end of the day, staff wants to provide all of the information the REDA needs.

Member Willmus asked that staff bring this item back when the legal opinions are rendered and place it at the end of a regularly scheduled Council meeting.

Community Development Director Collins noted that fee relief is currently not part of the policy, so that would have to be amended if that is the direction of the REDA.

Member McGehee asked about the HRA funds and what happens to them when REDA funds area added.

President Roe explained at this time, the REDA is not contributing anything to those funds; they are endowments now and new REDA levy is not being added in to them.

President Roe also noted that the REDA needs to follow up on adopting a reserve operating policy.

President Roe offered an opportunity for public comment, with no one coming forward.

c. **Consider Resolutions of Support for Tax Base Revitalization Funds and Environmental Response Funds and Enter into Development Agreement with Edison Apartments LLC – 3110 Old Highway 8**

Housing & Economic Development Program Manager Kelsey provided a brief summary of these resolutions as detailed in the staff report and attachments dated July 17, 2018. She recalled that on June 18th, REDA authorized entering into a Grant Agreement for Livable Community Development Account (LCDA) Grant Funds from the Metropolitan Council to support environmental aspects of a multi-family residential project located at 3110 Old Highway 8. The LCDA funds will be used to incorporate solar panels, solar car ports, storm water management and sidewalk. The REDA now must officially enter into a Development Agreement with Edison Apartments. Additionally, Edison Apartments discovered through the due-diligence period of the purchase agreement over \$2 million in soil remediation costs due to construction debris buried in the property. In order to mitigate the environmental issues, Edison Apartments, LLC is seeking Tax Base Revitalization Account Funds (TBRA) from the Metropolitan Council and Environmental Response Funds (ERF) from Ramsey County this fall. She noted the applicant is available for questions.

Member Willmus asked if Edison Apartments would be in compliance with the proposed development agreement if they decided to only complete one building.

Roseville Economic Development Authority
2019 Tax-Supported Budget & Tax Levy Reconciliation

	Operating <u>Budget</u>	<u>Tax Levy</u>	
2018 Adopted Budget / Levy	\$ 360,150	\$ 360,150	
2019 Proposed Subtractions			
S1: Reduced costs: Ownership Rehab Program	\$ -	\$ -	
S2: Reduced costs: Neighborhood Enhancement Program	(6,630)	(6,630)	
S3: Reduced costs: Marketing Studies	(3,000)	(3,000)	
S4: Reduced costs: Economic Development	-	-	
S5: Reduced costs: General EDA Programs	-	-	
S6: Reduced costs: Southeast Roseville Initiatives	-	-	NEW
S7: Reduced costs: Economic Development Gap Financing	-	-	NEW
Total Subtractions	\$ (9,630)	\$ (9,630)	
2019 Proposed Additions			
A1: Increased costs: Ownership Rehab Program	\$ -	-	
A2: Increased costs: Neighborhood Enhancement Program	-	-	
A3: Increased costs: Marketing Studies	-	-	
A4: Increased costs: Economic Development	-	-	
A5: Increased costs: General EDA Programs	23,140	23,140	
A6: Increased costs: Southeast Roseville Initiatives	50,000	50,000	NEW
A7: Increased costs: Economic Development Gap Financing	200,000	200,000	NEW
Total Additions	\$ 273,140	\$ 273,140	
Proposed for 2019	\$ 623,660	\$ 623,660	
\$ Change	263,510	263,510	
% Change	73.2%	73.2%	

Roseville Economic Development Authority

2019 Proposed Budget (Fund #725)

	2015	2016	2017	2018	2019
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Revenues					
Property Tax Levy	\$ 668,853	\$ 14,290	\$ 353,173	\$ 360,150	\$ 623,660
St. Paul HRA, City of Maplewood Rice/Larp	-	-	60,000	-	-
Other (Home & Garden, Grants)	67,819	89,032	(3,646)	-	-
Total Revenues	\$ 736,672	\$ 103,323	\$ 409,527	\$ 360,150	\$ 623,660
Expenditures					
#73 Ownership Rehab Program					
Prof. Services: CEE	\$ -	\$ 12,000	\$ 16,779	\$ 15,000	\$ 15,000
Misc: Green Award Program	-	-	-	850	850
Misc: Energy Efficiency Program	11,000	12,540	4,020	12,000	12,000
Other	-	-	685	-	-
Subtotal	\$ 11,000	\$ 24,540	\$ 21,484	\$ 27,850	\$ 27,850
#78 Neighborhood Enhancement Program					
Prof. Services: City Staff	\$ 40,071	\$ -	\$ -	\$ 47,900	\$ 39,920
Printing: Marketing, & Mailing	4,205	-	-	3,070	8,000
Misc: Other Services & Charges	(255)	(80)	115	3,580	-
Subtotal	\$ 44,021	\$ (80)	\$ 115	\$ 54,550	\$ 47,920
#82 Marketing Studies					
Printing Marketing Materials	\$ -	\$ -	\$ -	\$ 6,500	\$ 5,000
Postage, Miscellaneous	4,204	9,745	-	1,500	-
Subtotal	\$ 4,204	\$ 9,745	\$ -	\$ 8,000	\$ 5,000
#56 Economic Development					
Prof. Services: Golden Shovel + Intern, Other	\$ 4,578	\$ -	\$ 20,000	\$ 15,000	\$ 15,000
Prof. Services: ED Consultant (as needed)	-	11,336	3,159	50,000	50,000
Printing: BR&E Newsletter, other outreach	-	-	1,729	6,000	6,000
Training: Business Educational Series	960	724	2,238	2,000	2,000
Misc: Advertising, Memberships Salesforce	-	660	2,230	500	500
Subtotal	\$ 5,538	\$ 12,720	\$ 29,355	\$ 73,500	\$ 73,500
# NEW INITIATIVES					
Southeast Roseville Initiatives	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Economic Development Gap Financing	-	-	-	-	200,000
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 250,000
DISCONTINUED PROGRAMS (All)					
General Program Activity	\$ 4,770	\$ 50	\$ 93	\$ -	\$ -
Transfers to 3rd Party Lenders	578,901	-	-	-	-
Subtotal	\$ 583,671	\$ 50	\$ 93	\$ -	\$ -

Roseville Economic Development Authority2019 Proposed Budget (*Fund #725*)

	2015 <u>Actual</u>	2016 <u>Actual</u>	2017 <u>Actual</u>	2018 <u>Budget</u>	2019 <u>Budget</u>
#00 General EDA Programs					
Office Supplies	\$ -	\$ 35	\$ -	\$ -	\$ 200
Prof. Services: City Staff	62,540	205,723	207,400	159,600	174,840
Prof. Services: Recording Secretary	945	1,488	1,520	2,500	3,500
Prof. Services: EDA Attorney, Other	7,665	12,897	9,423	15,000	16,000
Prof. Services: ECHO, Rice/Larp., Other	14,625	43,875	119,541	-	-
Postage	492	277	2,133	-	-
Transportation	374	511	732	-	-
Mileage Reimbursement	-	-	-	-	700
Training: Education	523	783	1,824	4,500	5,500
Training: Board/Staff	-	-	-	1,500	1,500
Memberships & Subscriptions	736	440	1,450	1,500	2,000
Misc:	876	1,653	17,223	2,000	4,500
Computer Equipment	-	-	-	-	1,000
Admin Service Fee	8,241	9,080	9,650	9,650	9,650
Subtotal	\$ 97,016	\$ 276,761	\$ 370,897	\$ 196,250	\$ 219,390
Total Expenditures	\$ 745,450	\$ 323,736	\$ 421,944	\$ 360,150	\$ 623,660
Surplus (Deficit)	\$ (8,778)	\$ (220,414)	\$ (12,417)	\$ -	\$ -

Roseville EDA/HRA Available Cash Balances

Amount Available for <u>EDA</u> Activities (<i>as of Dec 31</i>)	\$ 330,844	\$ 110,430	\$ 98,013	\$ 98,013	(est. for '18)
Recommended <u>Min.</u> Cash Balance <u>Level</u> at Year-End **	35%	35%	35%	35%	
Recommended <u>Min.</u> Cash Balance at Year-End	n/a	n/a	\$ 126,053	\$ 218,281	

** 35% of the following year's annual operating budget.

Amount Available for HRA Activities (*as of 6/30/18*)

<u>Current Program Designation</u>	<u>Amount</u>
CDBG Program	\$ 299,840
SF Revolving Loans Held by CRF	575,700
Housing Replacement / SF Construction	417,036
Property Abatement	127,993
Multi-Family & Housing Program	1,659,533
	<u>\$ 3,080,102</u>

E RICKSON,
B ELL,
B ECKMAN &
Q UINN, P.A.

1700 West Highway 36
Suite 110
Roseville, MN 55113
(651) 223-4999
(651) 223-4987 Fax
www.ebbqlaw.com

Attachment D

James C. Erickson, Sr.
Caroline Bell Beckman
Charles R. Bartholdi
Kari L. Quinn
Mark F. Gaughan
James C. Erickson, Jr.
Erich J. S. Hartmann
Melissa K. Loonan

Robert C. Bell
(1926 - 2014)

August 21, 2018

Via Electronic Mail Only

Mr. Patrick J. Trudgeon
City Manager
City of Roseville
2660 Civic Center Drive
Roseville, MN 55113

RE: City of Roseville Re: Permit Fees
Our File No.: 1011-00211

Dear Mr. Trudgeon:

As we have discussed in person, there has been some discussion at the City regarding the potential use of permit fees within the Community Development Department for general city projects. You asked this office to research the issue for a conclusion as to whether such usage of CD permit fees is appropriate under state law.

The answer is no. Under Minnesota Statutes section 462.353, subd. 4:

Fees.

(a) A municipality may prescribe fees sufficient *to defray the costs incurred by it in reviewing, investigating, and administering an application* for an amendment to an official control established pursuant to [the Municipal Planning Act] or an application for a permit or other approval required under an official control established pursuant to those sections. Except as provided in subdivision 4a, fees as prescribed must be by ordinance. Fees must be fair, reasonable, and proportionate and have a nexus to the actual cost of the service for which the fee is imposed.

(b) A municipality must adopt management and accounting procedures to ensure that fees are maintained and *used only for the purpose for which they are collected*. Upon request, a municipality must explain the basis of its fees.

(*emphasis added*)

Therefore, any permit fees collected by the Community Development Department cannot be used for general City projects or purposes.

Mr. Patrick J. Trudgeon
August 21, 2018
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Very truly yours,

ERICKSON, BELL, BECKMAN & QUINN, P.A.



Mark F. Gaughan

MFG/kmw

cc: Kari Collins

**EXTRACT OF MINUTES OF MEETING OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

Pursuant to due call and notice thereof, a meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota, was duly called and held at the City Hall on Monday, the 24th day of September, 2018, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption

Resolution No. 28

A Resolution Requesting A Tax Levy in 2018 Collectible in 2019

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Roseville Economic Development Authority, Minnesota (the "Authority"), as follows:

Section 1. Recitals.

- 1.01. The Authority is authorized by Minnesota Statutes Section 469.107 to request that the City of Roseville, Minnesota (the "City") levy a tax on all taxable property within the City, subject to approval of such tax levy by the City Council of the City, for the benefit of the Authority (the "EDA Levy").
- 1.02. The Authority is authorized to use the amounts collected by the EDA Levy for the purposes provided in Minnesota Statutes, Section 469.090 to 469.1081 (the "EDA Act").

Section 2. Findings

- 2.01. The Authority hereby finds that it is necessary and in the best interest of the City and the Authority to request that the City Council of the City adopt the EDA Levy to provide funds necessary to accomplish the goals of the Authority.

Section 3. Adoption of EDA Levy.

- 3.01. The Authority hereby requests that the City levy the following amount, which is no greater than 0.01813 percent of the City's estimated market value, to be levied upon the taxable property of the City for the purposes of the EDA Levy described in Section 1.02 above and collected with taxes payable in 2019:

Amount:

\$623,660

**** Reduced to \$423,660 on 9/24/18**

Section 4. Report to City and Filing of Levies.

- 4.01. The executive director of the Authority is hereby instructed to transmit a certified copy of this Resolution to the City Council with the Authority's request that the City include the EDA Levy in its certified levy for 2018.

Adopted by the Board of the Authority this 24th day of September, 2018.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, Minnesota, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on September 24, 2018.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this 24th day of September, 2018.

Executive Director, Patrick Trudgeon
Roseville Economic Development Authority