



Richfield Housing and Redevelopment Authority
Agenda
February 17, 2026 -- 7:00 PM
Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

- 1. Call to Order**
- 2. Roll Call**
- 3. Open Forum**
 - a. Participants can share their comments in person, by voicemail, or email, and may also request to participate virtually. For more information on submitting comments, refer to the Housing and Redevelopment Authority Agenda and Minutes page on the [City's Website](#).
- 4. Approval of the Agenda**
- 5. Approval of Minutes**
 - a. Approval of the minutes of the Housing and Redevelopment Authority Work Session of January 20, 2026; and the Regular Housing and Redevelopment Authority Meeting of January 20, 2026.
- 6. Presentations**
 - a. 2025 HRA/EDA Year in Review
- 7. Consent Calendar**

Consent Calendar contains several separate items, which are acted upon by the Housing Redevelopment Authority in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for discussion and action. All items listed on the Consent Calendar are recommended for approval.
- 8. Consideration of Items, if Any Removed From Consent Calendar**
- 9. Public Hearings**
- 10. Resolutions**
 - a. Consideration of a resolution authorizing the execution of a Developer Agreement with the West Hennepin Affordable Housing Land Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of houses under the New Home Program.
- 11. Other Business**
 - a. Consideration of a resolution authorizing the Executive Director to execute a Contract for Demolition with Harkness Excavating for the demolition of 6804 14th Avenue South.
- 12. Executive Director's Report**
- 13. HRA Discussion Items**
- 14. Approval of Claims**
- 15. Adjournment**

Auxiliary aids for individuals with accessibility needs are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.

Includes Materials - Materials relating to these agenda items can be found in the HRA agenda packet located by the entrance. The complete HRA agenda packet is available electronically on the [City of Richfield's website](#).



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Work Session Meeting

January 20, 2026

| | |
|----------------|----------------------|
| ITEM #1 | CALL TO ORDER |
|----------------|----------------------|

The meeting was called to order by Mayor/HRA Commissioner Supple at 6:00 p.m. on January 20, 2026, in the Babcock Conference Room.

HRA Present: Gordon Hanson, Acting HRA Chair; Sean Hayford O'leary; Mary Supple.

Absent: John Young; Erin Vrieze Daniels, HRA Chair.

| | |
|----------------|-------------------------------------|
| ITEM #2 | HRA/EDA CANDIDATE INTERVIEWS |
|----------------|-------------------------------------|

HRA Commissioners interviewed the following candidates to fill the upcoming vacancy on the HRA and EDA.

Jake Pederson
Brett Stursa
Tim Reilly

Dale Darrow
James O'Connor

| | |
|----------------|--------------------|
| ITEM #3 | ADJOURNMENT |
|----------------|--------------------|

The meeting was adjourned by unanimous consent at 6:55 p.m.

Date Approved: February 17, 2026

Gordon Hanson
Acting Chair

Mark McKinley
Administrative Assistant

Melissa Poehlman
Executive Director



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota
Regular Meeting
January 20, 2026

1. CALL TO ORDER

Acting Chair Hanson called the meeting to order at 7:00 p.m. in the Council Chambers.

2. ROLL CALL

HRA Present: Gordon Hanson, Acting Chair; Sean Hayford Oleary; Mary Supple.

HRA Excused: Erin Vrieze Daniels, Chair; John Young.

Staff Present: Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; and Michelle Friedrich, City Clerk.

3. OPEN FORUM

Acting Chair Hanson gave instructions on how to participate in the open forum. No residents participated.

4. APPROVAL OF THE AGENDA

MOTION: made by Hayford Oleary, seconded by Supple to approve the agenda as presented.

Motion carried: 3-0

5. APPROVAL OF THE MINUTES

MOTION: made by Supple, seconded by Hayford Oleary to approve the minutes of the Housing and Redevelopment Authority meeting Minutes of November 17, 2025, as presented.

Motion carried: 3-0

6. PRESENTATION

None.

7. CONSENT CALENDAR

Executive Director Poehlman presented the consent calendar.

- a. Consider approval of a temporary permit allowing the Minnesota Department of Transportation to access properties owned by the Housing and Redevelopment Authority at 1600 and 1620 78th Street East to rebuild a sidewalk during the I-494 Project 2 construction.

MOTION: made by Hayford Oleary, seconded by Supple, to approve the consent calendar as presented.

Motion carried: 3-0

8. CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR

None.

9. PUBLIC HEARINGS

None.

10. RESOLUTION(S)

None.

11. OTHER BUSINESS

- a. Consideration of a Professional Services Agreement with VEAP to provide funding for emergency rental assistance and the related navigation and servicing of the program, using \$50,000 in Local Affordable Housing Aid.

Assistant Community Development Director Urban presented the item and noted during the COVID-19 pandemic, VEAP provided emergency rental assistance in partnership with the HRA and later through county and state funding. Assistant Community Development Director Urban reviewed the pandemic-era resources are ending, and funding is expected to decline significantly in 2026. She added VEAP was not selected as a county service provider, raising concerns about reduced access and effectiveness for Richfield residents.

Assistant Community Development Director Urban explained VEAP has requested community support to help fill the funding gap. Staff recommend allocating \$50,000 in Local Affordable Housing Aid (LAHA) to VEAP to provide up to three months of rental assistance for households earning up to 50% of AMI, with 15% of the funds used for navigation and service-related support, as allowed by statute. She noted VEAP estimates the funding could assist 10–30 households, and demand is expected to increase in the near term.

HRA and staff discussion clarified that the proposed rental assistance is not age-restricted and is open to all eligible households, including seniors. Staff confirmed that approving this action does not limit the City’s ability to provide additional funding in the future, noting that over \$250,000 in uncommitted LAHA funds remain available. Staff noted the initial funding level was intended as a starting point, with reassessment anticipated as needs evolve. Staff also explained that LAHA funds may be used to expand housing assistance efforts but may not supplant existing funding. Assistant Community Development Director Urban noted, in this case, the proposed rental assistance qualifies as a new use of funds and is eligible under LAHA requirements.

MOTION: made by Supple, seconded by Hayford Oleary to approve a Professional Services Agreement with VEAP to provide funding for emergency rental assistance and the related navigation and servicing of the program, using \$50,000 in Local Affordable Housing Aid.

Motion carried: 3-0

12. EXECUTIVE DIRECTOR REPORT

Executive Director Poehlman noted no report at this time.

13. HRA DISCUSSION ITEMS

HRA raised concerns about small businesses experiencing reduced hours or temporary closures due to worker and customer safety concerns related to increased immigration enforcement. Staff acknowledged these impacts, noting approximately 10 temporary business closures and additional hourly reductions. Staff reported ongoing efforts to assess economic impacts, including outreach to affected businesses, coordination with peer communities, and consultation with legal counsel regarding potential assistance options. Staff noted while direct business assistance is complex, the rental assistance through VEAP may provide indirect support to impacted business owners and employees. Staff will continue evaluating options and gathering information.

14. APPROVAL OF CLAIMS

MOTION: made by Hayford Oleary, seconded by Supple, to approve claims:

| <u>U.S. BANK</u> | <u>12/15/2025</u> |
|---------------------------------|----------------------------|
| HRA Checks# 37310-37325 | \$97,558.89 |
| Section 8 Checks# 137314-137396 | \$225,737.18 |
| TOTAL: | <u>\$323,296.07</u> |

| <u>U.S. BANK</u> | <u>1/20/2026</u> |
|---------------------------------|----------------------------|
| HRA Checks #37330-37352 | \$287,310.97 |
| Section 8 Checks# 137397-137477 | \$227,702.31 |
| TOTAL: | <u>\$515,013.28</u> |

Motion carried: 3-0

15. ADJOURNMENT

This meeting was adjourned by unanimous consent at 7:14 p.m.

Date Approved: February 17, 2026

Gordon Hanson
HRA Acting Chair

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director

DRAFT



Report Prepared By:

Celeste McDermott, Housing Specialist

Hilary Lovelace, Housing Specialist

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of a resolution authorizing the execution of a Developer Agreement with the West Hennepin Affordable Housing Land Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of houses under the New Home Program.

EXECUTIVE SUMMARY

The Housing and Redevelopment Authority's (HRA) New Home Program (Program) provides affordable homeownership opportunities in the community through new construction, acquisition and rehabilitation, and down payment assistance. As part of the Program, the HRA works with the West Hennepin Affordable Housing Land Trust (WHAHLT), dba Homes Within Reach, to purchase and rehabilitate homes to be sold to income-qualifying households. WHAHLT is a Community Land Trust that allows moderate-income buyers to achieve affordable homeownership by holding ownership of the land in perpetuity, and thereby reducing the overall amount to be financed and the down payment required. The model ensures ongoing affordability throughout the lifetime of the property and with multiple owners. WHAHLT is seeking to continue providing affordable housing in Richfield through this model.

The proposed Developer Agreement (Agreement) between the HRA and WHAHLT details the terms of this continued partnership through 2026. Under the terms of the Agreement, the HRA has \$240,000 available for WHAHLT's purchase and rehabilitation of at least three single-family homes. WHAHLT would then resell the homes to households earning no more than 80% of the Area Median Income (AMI).

RECOMMENDED ACTION

By motion: Approve a resolution authorizing the execution of a Developer Agreement with the West Hennepin Affordable Housing Land Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of at least three houses under the New Home Program.

HISTORICAL CONTEXT

- Under the Program, the HRA has worked with several developers over the years to either build new homes or purchase and rehabilitate existing homes.
- These homes are then sold to households earning no more than 80% of the AMI.
- Since 2002, WHAHLT has successfully purchased, rehabilitated and sold 15

homes and constructed 3 new homes in Richfield.

- Funding for the work of the Program has varied by year, with most recent projects funded with local Community Development Block Grant funds and the Affordable Housing Trust Fund, as well as pooled Tax Increment Financing.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The Program furthers equity goals by providing a path to affordable homeownership for low-income households. The Program supports the 2023-2027 Strategic Plan outcome of maintaining Richfield as an affordable place to live.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

- The objectives of the Program are to:
 - Eliminate the blighting influence of substandard housing, thus improving residential neighborhoods;
 - maintain and improve the existing housing stock while preserving housing affordability;
 - develop quality housing with long-term affordability, to the greatest extent possible, and
 - coordinate with developers to provide affordable housing for families.
- Purchasing and rehabilitating homes to provide affordable housing carries out the policies of the City's Comprehensive Plan, including: support the rehabilitation and upgrading of the existing housing stock; promote the development, management and maintenance of affordable housing in the City through assistance programs, alternative funding sources.

CRITICAL TIMING ISSUES

- The Agreement must be approved before WHAHLT can purchase a property in Richfield and request reimbursement.
- The Agreement provides for HRA staff to approve the acquisition of the specific property and to review income documentation prior to the final sale.

FINANCIAL IMPACT

- The Agreement provides \$240,000 for acquisition and rehabilitation through the Program for WHAHLT to purchase and rehab at least three homes (with a plan to allocate an average of \$60,000 per property).
- Funding for this work is available from the Affordable Housing Trust Fund, a grant from the State's Trust Fund Matching Grant Program, and Community Development Block Grant funding.

LEGAL CONSIDERATIONS

The Agreement was prepared by HRA legal counsel.

ALTERNATIVE RECOMMENDATION(S)

Do not approve a resolution authorizing execution of a Developer Agreement with the

West Hennepin Affordable Housing Land Trust, dba Homes Within Reach.

ATTACHMENTS

1. 021726 WHAHLT_Resolution_Approving_Developer_Agrmt
2. 021726 WHAHLT_Developer_Agreement_2026

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING DEVELOPER AGREEMENT WITH WEST HENNEPIN
AFFORDABLE HOUSING LAND TRUST DBA HOMES WITHIN REACH**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") intends to provide \$240,000 from Community Development Block grant funding ("CDBG funds") and/or Affordable Housing Trust Fund ("AHTF funds") to the West Hennepin Affordable Housing Land Trust dba Homes Within Reach, a Minnesota nonprofit corporation ("WHAHLT"), for the purposes of acquiring and rehabilitating homes in the City of Richfield, Minnesota; and

WHEREAS, the Authority has proposed that WHAHLT use the CDBG and/or AHTF funds to purchase, rehabilitate, and resell one or more properties to households earning at or below 80% of the area median income; and

WHEREAS, there has been presented before the Board of Commissioners of the Authority a Developer Agreement (the "Developer Agreement") to be executed by the Authority and WHAHLT, which sets for the terms of the CDBG and/or AHTF funds to be provided to WHAHLT and the agreement by WHAHLT to purchase, rehabilitate, and resell the properties; and

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

1. The Developer Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Director are hereby authorized and directed to execute the Developer Agreement for and on behalf of the Authority in substantially the form now on file with the Executive Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

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

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of February, 2026.

Erin Vrieze Daniels, Chair

Sean Hayford O'leary, Secretary

DEVELOPER AGREEMENT
(West Hennepin Affordable Housing Land Trust dba Homes Within Reach)

THIS DEVELOPER AGREEMENT (the “Agreement”), made and entered into as of this 17th of February, 2026 (“Effective Date”), by and between the **Housing and Redevelopment Authority in and for the City of Richfield** (“Authority” or “HRA”), a body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the **West Hennepin Affordable Housing Land Trust (dba Homes Within Reach)**, a nonprofit corporation under the laws of Minnesota, having its principal office at 5100 Thimsen Ave, Suite 120, Minnetonka, MN 55345. (“Developer” or “WHAHLT”).

RECITALS

- A. The HRA intends to provide WHAHLT with up to \$240,000 in Community Development Block Grant funds (“CDBG Funds”) or Affordable Housing Trust Fund funds (“AHTF Funds”) for the purposes of acquiring and rehabilitating up to three homes in the City of Richfield (the “City”) to be resold to people earning at or below 80% of the area median income.
- B. The HRA desires WHAHLT to purchase, rehabilitate, and resell at least three properties eligible to be purchased, rehabilitated and resold with CDBG Funds or AHTF Funds (the “Eligible Properties”) and WHAHLT has agreed to do so pursuant to the terms and conditions of this Agreement.
- C. The City and the HRA have previously established a New Home Program pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047.
- D. WHAHLT will utilize the Community Land Trust model to purchase, rehabilitate, and resell the property(ies) to an income-qualified buyer(s), and will retain ownership of the land to ensure long-term affordability.
- E. The grant of the CDBG Funds or AHTF Funds to WHAHLT is for the purpose of providing affordable housing within the City and to assist in carrying out the objectives of the New Home Program, which are in the best interests of the City, and the health, safety and welfare of its residents and in accord with the public purposes and provisions of the applicable state and local laws and requirements.
- F. In performing its obligations under this Agreement, WHAHLT must adhere to the restrictions for the use of CDBG Funds or AHTF Funds set forth in this Agreement.

AGREEMENT

1. Scope of Work.

A. Developer. The HRA hereby designates WHAHLT as a Developer to purchase, rehabilitate, and resell Eligible Properties in accordance with the terms and conditions of this Agreement.

B. Memorandum of Understanding. WHAHLT shall purchase, rehabilitate and resell Eligible Properties based on the Memorandum of Understanding of the parties set forth in EXHIBIT A.

C. Criteria. WHAHLT will identify Eligible Properties that WHAHLT would like to acquire under this Agreement. Prior to the acquisition of an Eligible Property, WHAHLT shall provide the HRA with a Developer Pro Forma in the form set forth in EXHIBIT B.

D. Compliance with Required Programs. To the extent required by federal, state, and local law and regulation, WHAHLT agrees to comply with the program requirements of:

(i) Equal opportunity and discrimination provisions of all applicable State and Federal laws, rules, and regulations;

(ii) Section 504 of the Rehabilitation Act of 1973, as amended;

(iii) Fair housing requirements of section 104(b) and section 109 of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable fair housing laws;

(iv) All Lead Laws and Rules, including Minn. Stat. Sections 144.9501 through 144.9512, Minnesota Rules 4761.2000 through 4761.2700, and Federal Regulations including Residential Lead-Based Paint Disclosure Program (Section 1018 of Title X) and the Renovation, Repair, and Painting Rule (TSCA 406(B)).

(v) The Hennepin County Affirmative Action Policy.

WHAHLT further agrees to provide HRA with a timely certification that the requirements listed in this Section have been met.

E. Resale of Property. After WHAHLT completes the rehabilitation of an Eligible Property, WHAHLT will market said Eligible Property and execute a purchase agreement with an end buyer earning at or below 80% of the area median income.

F. Reports. WHAHLT shall provide HRA with a report of its activities on an as-needed basis, including but not limited to reports related to the income of the end buyer of each Eligible Property.

2. Term. This Agreement is effective as of the Effective Date and until December 31, 2026.

3. Acquisition, Relocation and Displacement. WHAHLT shall be responsible for carrying out all acquisitions of real property necessary for implementation of this Agreement. WHAHLT shall conduct all such acquisitions in its name and shall hold title to all real property purchased and shall be responsible for preparation of all notices, appraisals, and documentation required in conducting acquisition under the regulations of the Uniform Relocation Assistance and Real

Property Acquisition Act of 1970, as required under 49 CFR Part 24. WHAHLT shall also be responsible for providing all relocation notices, counseling, and services required by said regulations. In addition, WHAHLT shall comply with the acquisition and relocation requirements of the Minn. Stat. Sections 117.50 through 117.56 (the “Minnesota Relocation Act”).

4. Labor Standards, Employment and Contracting. WHAHLT shall notify the HRA prior to initiating any rehabilitation activities, including advertising for contractual services, which will include costs likely to be subject to the provisions of Federal Labor Standards and Equal Employment Opportunity and related implementing regulations.

5. Documentation. WHAHLT must maintain the following records and reports relating to Eligible Properties acquired pursuant to this Agreement: income documentation for buyer of property financed with CDBG Funds or AHTF Funds, appraisals, environmental reports, purchase agreements, settlement statements, and deed document number/filing information per property. WHAHLT shall submit copies of the foregoing documentation to HRA with respect to any Eligible Property acquired pursuant to this Agreement prior to closing with the buyer. The HRA will issue a clear to close once documentation has been submitted.

6. Suspension and Termination. If WHAHLT materially fails to comply with any term of this Agreement after written notice and an opportunity to cure, this Agreement may be terminated. The time period for said opportunity to cure will be dependent upon the relevant time period requirements of the applicable law, regulation, program, or otherwise.

7. Notice. All communications, notices, and demands of any kind which either party may be required or may desire to give to or serve upon the other shall be made in writing, and such notice shall be deemed sufficiently given if and when it is addressed to then other party as provided below and either (a) delivered personally, (b) deposited in the United States mail, registered or certified, with postage prepaid, (c) deposited with an overnight delivery service for next day delivery, or (d) telecopied:

To HRA: Richfield Housing and Redevelopment Authority
Attention: Melissa Poehlman, Executive Director
6700 Portland Avenue
Richfield, Minnesota 55423-2599
Fax: (612) 861-8974

To WHAHLT: West Hennepin Affordable Housing Land Trust
Attention: Brenda Lano, Executive Director
5100 Thimsen Avenue
Suite 120
Minnetonka, MN 55345-4117

8. Data Practices. WHAHLT agrees to abide by the provisions of the Minnesota Government Data Practices Act and all other applicable State and Federal laws, rules, and regulations relating to data privacy and confidentiality, and as any of the same may be amended.

9. Access to Records. HRA shall have the authority to review any and all procedures and all materials, notices, and documents prepared by WHAHLT in implementation of this Agreement.
10. Indemnification. WHAHLT agrees to hold harmless, indemnify and defend HRA, its elected officials, officers, agents, and employees against any and all claims, losses, or damages, including attorneys' fees, arising from, allegedly arising from, or related to, the provision of services under this Agreement by WHAHLT, its employees, agents, officers, or volunteer workers.
11. Independent Contractor. Nothing in this Agreement is intended, nor may be construed, to create the relationship of partners or employer/employee between the parties. WHAHLT, its officers, agents, employees, and volunteers are, and will remain for all purposes and services under this Agreement, independent contractors.
12. Entire Agreement. The entire agreement of the parties is contained in this document. This Agreement supersedes all previous written and oral agreements and negotiations between the parties relating to the subject matter of this Agreement except as provided in paragraph 17 of this Agreement.
13. Severability. The invalidity, illegality or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.
14. Assignment of Agreement. The parties shall not assign this Agreement without the express written consent of the other party.
15. Modification. No provision, term or clause of this Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by both parties.
16. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, all of which, when taken together, shall constitute one agreement.
17. Headings. The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
19. Invalidity. If for any reason any portion or paragraph of this Agreement shall be declared void and unenforceable by any court of law or equity, it shall only affect such particular portion or paragraph of this Agreement, and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.
20. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

21. Electronic Signatures. This Agreement may be executed with electronic signatures.

(Signature page follows)

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and WHAHLT has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA

By _____
Its Chairperson

By _____
Its Executive Director

WEST HENNEPIN AFFORDABLE HOUSING LAND
TRUST

By _____
Its Executive Director

**EXHIBIT A
PROCEDURES
Memorandum of Understanding**

Properties, In General:

- WHAHLT will identify, purchase, and rehabilitate at least three Eligible Properties for subsequent resale to households earning at or below 80% of the Area Median Income.
- The HRA agrees to cover up to \$80,000 of the Development Gap for Eligible Properties. Development Gap means the estimated total development costs less the sales price of the improved property up to a maximum gap amount as shown on “Exhibit B” or other developer pro forma approved by the HRA.

Identification of Eligible Property:

- WHAHLT will identify Eligible Properties.
- WHAHLT will provide the HRA with the identity of the Eligible Property so that the HRA may decide whether the HRA will use CDBG or AHTF funds to acquire said Eligible Property.

Purchase of Eligible Property:

- WHAHLT will identify one or more Eligible Properties and only purchase an Eligible Property after receipt of the HRA’s express written consent.
- HRA may express its written consent via email to WHAHLT at blano@homeswithinreach.org.
- WHAHLT shall be responsible for the timely completion of all CDBG or AHTF required documentation.

Rehabilitation of Eligible Property:

- After WHAHLT has purchased an Eligible Property, WHAHLT will submit a rehabilitation plan to the HRA and the HRA will agree in writing to the plan, prior to WHAHLT beginning its rehabilitation efforts at that Eligible Property.

Subsequent Resale of Certain Eligible Property to End Buyer:

- After WHAHLT completes the rehabilitation of an Eligible Property, WHAHLT will market said Eligible Property and execute a purchase agreement with an end buyer whose household income is at or below 80% of Area Median Income.
- WHAHLT will maintain long-term affordability by retaining ownership of the land through its land trust.

Reimbursement of Acquisition/Rehabilitation Costs (or Payment of the Development Gap):

- WHAHLT will use its own funds to purchase an eligible property.
- Following the acquisition of the property, WHAHLT may request that the HRA provide payment up to 60% of the total requested amount towards the estimated Development Gap.
- The remaining 40% of the total requested amount will be paid upon sale of the Eligible Property and submittal of all required documentation to the HRA.
- The maximum amount of reimbursement available under this Agreement is \$80,000 per Eligible Property up to a total of \$240,000.

**EXHIBIT B
DEVELOPER PRO FORMA**

| Sources & Uses - Preliminary | | | | |
|-------------------------------------|-------------------|-------|----|---------------------------|
| Name of Property: | | | | |
| Date: | | | | |
| | | | | |
| Sources: | | | | Comments |
| | | | | |
| Homebuyer Mortgage | | | \$ | |
| 20 AHIF | | | \$ | Project Costs |
| 20 Richfield Tax Increment | | | \$ | Land & Project Costs |
| 20 HOME | | | \$ | Land |
| 20 MH Impact | | | \$ | Project Costs |
| 20 Bond Proceeds | | | \$ | Land |
| 20 Met Council | | | \$ | Rehab |
| | | Total | \$ | |
| | | | | |
| Uses: | | | | |
| | | | | |
| Acquisition Costs | | | \$ | |
| Closing Costs | | | \$ | |
| Inspection/other | | | \$ | |
| | Acquisition costs | | \$ | |
| Adm Fee | | | \$ | Project Fee & HOME Fee |
| Holding/Closing Costs/ LC/ Taxes | | | \$ | Special Assessments of \$ |
| Rehab Costs | | | \$ | |
| | | Total | \$ | |



Report Prepared By:

Celeste McDermott, Housing Specialist

Hilary Lovelace, Housing Specialist

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of a resolution authorizing the Executive Director to execute a Contract for Demolition with Harkness Excavating for the demolition of 6804 14th Avenue South.

EXECUTIVE SUMMARY

In September 2025, the Housing and Redevelopment Authority (HRA) acquired the substandard property at 6804 14th Avenue with the intent of preparing the site for future redevelopment through the Richfield Rediscovered Program. The property has since been cleared of debris and abated for hazardous materials. In recent years, the HRA has required the buyer of the lot to remove the structures from a property. However, given the poor condition of this particular property, staff recommends that the HRA undertake demolition of all structures.

A priority of the Richfield Rediscovered Program is to incorporate deconstruction into the demolition process when feasible. Deconstruction involves the careful removal of salvageable building materials for recycling or reuse, thereby reducing the amount of material sent to landfills. However, the cost to deconstruct and demolish has greatly increased since the last time the HRA utilized deconstruction services. The cost estimate to deconstruct and demolish the structures on this property is \$59,530. A grant from Hennepin County would reduce the total cost to \$41,530; however, the bid for demolition alone is significantly less at \$22,304.

Given the substantial difference in cost between deconstruction before demolition and demolition alone, staff is recommending the HRA approve and execute a Contract with Harkness Excavating for full demolition of all structures.

RECOMMENDED ACTION

By motion: Approve a resolution authorizing the Executive Director to execute a Contract with Harkness Excavating for full demolition of all structures at 6804 14th Avenue South.

HISTORICAL CONTEXT

- 6804 14th Avenue South was identified as substandard through an inspection of the home which identified a variety of code, environmental health, and structural deficiencies.
- Constructed in 1950, the one-and-a-half-story home has 825 finished square

feet. It has a floating slab with no basement, two bedrooms, and one bathroom. The property has two garages and a shed.

- The HRA purchased the property in September 2025 for \$150,000.
- The property was abated of hazardous materials and cleared of a significant amount of debris.
- Two bids for the demolition were received. The second bid from Bollig and Sons was significantly higher at \$33,838.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

The Strategic Plan prioritizes Climate Resilience, and deconstruction supports Climate Resilience; however, given the significant cost, deconstruction is not feasible in this instance.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

Program Guidelines for Richfield Rediscovered require deconstruction of structures unless it is deemed not feasible.

CRITICAL TIMING ISSUES

- Site preparation needs to be completed in order to begin marketing the property to builders and potential buyers for the construction of a new single-family home or duplex.
- The existing home is vacant, in bad condition, and poorly secured, so demolition should occur soon.
- The Contract requires all demolition to be completed no later than May 31, 2026.

FINANCIAL IMPACT

- The 2026 Budget estimates just \$15,000 for demolition expenses. Sufficient funding is available in the Housing and Redevelopment Fund to cover the \$22,304 in costs, and the increased amount will be reflected in the 2026 Revised Budget.
- Deconstruction would cost an additional \$19,226.

| | Deconstruction & Demolition | Demolition Only |
|-----------------------|-----------------------------|-----------------|
| Deconstruction cost | \$39,100 | |
| Hennepin County Grant | (\$18,000) | |
| Demolition Cost | \$20,430 | \$22,304 |
| Total due from HRA: | \$41,530 | \$22,304 |

LEGAL CONSIDERATIONS

The Contract was prepared by the HRA Attorney.

ALTERNATIVE RECOMMENDATION(S)

1. Approve a resolution authorizing the Executive Director to execute a Contract with Better Futures for the Deconstruction and a Contract with Harkess Excavating for

- the demolition of the remaining structure.
2. Decline to deconstruct or demolish current structures and require that future buyers do it instead.

ATTACHMENTS

1. 021726 Resolution Demolition 6804 14th Ave S
2. 02172026 - Demo Contract 6804 14th

HRA RESOLUTION NO. _____

**RESOLUTION AUTHORIZING DEMOLITION OF REAL PROPERTY
LOCATED AT 6804 14TH AVENUE SOUTH**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (HRA) desires to prepare certain real property for development pursuant to and in furtherance of the Richfield Rediscovered Program adopted by the HRA, said real property being described as:

Address: 6804 14th Avenue South

Legal: The East half of the South Sixty-six (66) feet of the North One Hundred Twenty-six (126) feet of Block Six (6), Rich Fields, Hennepin County, Minnesota

WHEREAS, the existing home and structures are vacant, in bad condition, and poorly secured; and

WHEREAS, HRA funds are available in the Housing and Redevelopment Fund for demolition purposes; and

WHEREAS, the cost of deconstruction before demolition is nearly two times more than the cost of demolishing structures from the property thereby making deconstruction infeasible; and

WHEREAS, two bids for demolition were received and Harkness Excavating submitted the low bid of \$22,304, and

NOW THEREFORE, BE IT RESOLVED, the Housing and Redevelopment Authority in and for the City of Richfield authorizes the Executive Director and Chairperson to execute a Contract for Demolition with Harkness Excavating for the demolition of structures at 6804 14th Avenue South in an amount not to exceed \$22,304.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 17th day of February, 2026.

Erin Vrieze Daniels, Chair

ATTEST:

Sean Hayford O'leary, Secretary

CONTRACT FOR DEMOLITION

THIS CONTRACT is made and entered into this ____ day of _____, 2026, by and between **TMS Companies, Inc.** (the “**Contractor**”) and the **Housing and Redevelopment Authority in and for the City of Richfield, State of Minnesota** (the “**HRA**”) (collectively, the “**Parties**”), for the demolition of buildings located at 6804 14th Ave, Richfield, MN 55423 (the “**Property**”).

RECITALS

WHEREAS, the HRA requires the demolition of buildings on the Property (the “**Work**”).

WHEREAS, the HRA has awarded the Work to the Contractor;

WHEREAS, the Contractor represents that it has the necessary personnel, experience, competence, and legal right to perform the Work;

NOW, THEREFORE, in consideration of the mutual obligations of the Parties hereto, each of them does hereby covenant and agree as follows:

Section 1. Definitions

“**City**” means the City of Richfield, Minnesota.

“**Contract**” or “**Agreement**” means this agreement between the HRA and Contractor for the performance of the Work, together with all exhibits, amendments, or modifications to the Contract.

“**Final Completion**” means all items of the Work, “punch list items” and site work are completed and Contractor is eligible for Final Payment.

“**HRA**” means the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.

“**Property**” means 6804 14th Ave, Richfield, MN 55423.

“**Substantial Completion**” means the time at which the HRA determines that the Work has progressed to a point where it is sufficiently complete, leaving only minor “punch list” and close out items and other minor site work required to be completed for full payment of the contract price.

“Work” means the entire completed demolition and all other activities to be performed by Contractor on the Property as provided for in this Contract.

Section 2. General Requirements

2.1. Rights of the HRA. The HRA and the City reserve the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in this Contract. The HRA also reserves the right to cancel the Contract without penalty, if circumstances arise which prevent the HRA from completing the project. In the event of any conflict between the General Conditions and this Contract, this Contract shall control.

2.2. Interest of Members of City or HRA. The Contractor agrees that no member of the governing body, officer, employee, or agent of the City or the HRA shall have any interest, financial or otherwise, direct or indirect, in the Contract.

2.3. Equal Opportunity Statement. Contractor agrees to comply with the provisions of all applicable federal, state, and City statutes, ordinances, and regulations pertaining to civil rights and nondiscrimination including without limitation Minnesota Statutes, Section 181.59 as amended, incorporated herein by reference.

2.4. Transfer of Interest. The Contractor shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation, without the prior written approval of the HRA, provided, however, that claims for money due or to income due to the Contractor may be assigned to a bank, trust company, or other financial institution, or to a Trustee in Bankruptcy without such approval. Notice of any such assignment or transfer shall be furnished to the HRA. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

2.5. Independent Contractor. It is expressly understood that the Contractor is an “independent contractor” and not an employee of the City or the HRA. The Contractor shall have control over the manner in which the services are performed under this Agreement. The Contractor shall supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement. The Contractor shall not be entitled to any benefits from the City or the HRA, including, without limitation, insurance benefits, sick and vacation leave, workers’ compensation benefits, unemployment compensation, disability, severance pay, or retirement benefits.

2.6. Accounting Standards. The Contractor agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by normally accepted accounting practices to properly account for expenses incurred under this contract.

2.7. Retention of Records. The Contractor shall retain all records pertinent to expenditures incurred under this Contract for a period of three years after the resolution

of all audit findings. Records for non-expendable property acquired with funds under this contract shall be retained for three years after final disposition of such property.

2.8. Government Data. The Contractor agrees to comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and all other applicable state and federal laws relating to data privacy or confidentiality, as those laws may be amended. The Contractor shall immediately report to the HRA any requests from third parties for information relating to this agreement. All data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing its obligations is subject to the requirements of the Act, and the Contractor must comply with those requirements as if it were a government entity. The HRA agrees to promptly respond to inquiries from the Contractor concerning data requests. The Contractor agrees to hold the City and the HRA, its officers, department heads and employees harmless from any claims resulting from the Contractor's failure to disclose data maintained by the Contractor and authorized for release by the HRA, and from Contractor's unlawful disclosure or use of data protected under state and federal laws.

Section 3. Contract Price

3.1. Upon compliance with all the requirements of this Contract, Contractor shall be paid the Contract Price of \$22,304.00, pursuant to Section 28 of this Contract.

Section 4. Project Schedule

4.1. Contractor shall commence the Work on or after Contract execution and Substantial Completion of the Work shall be achieved no later than May 31, 2026, or (5) days thereafter. If the Work is not substantially completed by May 5, 2026, damages of \$100.00 will be deducted from the Contract Price for each day the requirements of this contract have not been fulfilled.

Section 5. Local Permit Requirements and Related Submittals

5.1. Contractor shall obtain permits required by the City, including a plumbing permit (for water & sanitary sewer disconnects) and a demolition permit. Questions about these permits, permit fees, and the scheduling process for the required inspections should be directed to the Building Inspections Department at Richfield City Hall (612-861-9860).

5.2. No less than 2 days prior to beginning the Work, the Contractor shall provide:

- Description of proposed dust and noise control measures for the Property.

5.3. Upon completion of the Work, Contractor shall provide:

- Copies of any permits required by government agencies other than the City, such as transport or disposal permits.

- Copies of any test results required by government agencies other than the City, including but not limited to testing required as part of the asbestos abatement process.
- Copies of all landfill records indicating receipt and acceptance of hazardous wastes by a landfill licensed to accept hazardous wastes.

Section 6. Job Conditions - General

6.1. Contractor will disconnect and abandon utilities serving the Property, including water, sanitary sewer, electricity, gas and telecommunications; or arrange for disconnection and abandonment of same. Contractor shall not begin Work before field-verifying that disconnection and abandonment has been completed.

6.2. HRA shall ensure that the buildings are vacated and use of the property is discontinued prior to start of Work.

6.3. HRA assumes no responsibility for actual condition of structures to be demolished. Conditions existing at time of inspection for bidding purposes will be maintained by HRA to the extent practicable. Contractor may salvage any and all materials and equipment from the Property. Variations within structures may occur due to removal and salvage operations prior to the start of demolition Work.

6.4. Contractor shall provide all labor, materials, equipment, employee training, compliance with all regulations, permits, notifications, licenses and agreement necessary to perform the Work described in this Contract.

6.5 Contractor operations shall not at any time encroach on adjacent residential properties. Where residents occupy the adjacent properties, the Contractor shall stake and mark the boundaries of the property to identify the limits of operations for its employees and subcontractors.

6.6 Where adjacent buildings are occupied, the HRA requires Contractors to advise the inhabitants as to when they will start Work activities and of what hazards are involved. Each Contractor shall also furnish the occupants of the adjoining properties a phone number where they can reach the Contractor in case of an emergency or problem.

6.7 As directed by the City Inspector, a silt fence or other appropriate erosion control measures shall be erected around the perimeter of the Property to prevent erosion and unwanted run-off onto adjacent properties, streets, and alleys. Silt fences must conform to standards set by the Minnesota Pollution Control Agency and the City.

6.8. All materials from undertaking the Work shall become the property and responsibility of the Contractor.

6.9. Contractor may choose to salvage materials and equipment. Any salvaged items must be removed from the Property in a timely manner as they are salvaged. On site storage or sale of salvaged items is prohibited.

6.10. The use of explosives and on site burning by the Contractor are prohibited.

6.11. Contractor shall provide water, electricity, communications and toilet facilities on site as necessary to complete the Work.

6.12. Contractor shall provide and maintain uninterrupted vehicular access to the Property, including temporary demolition facilities, storage and work areas, for not only persons and equipment involved in the project but also emergency vehicles.

6.13. Contractor shall keep fire hydrants and water control valves free from obstruction and accessible for use.

6.14. Contractor shall take all necessary safeguards to prevent damage or injury to neighboring property.

6.15. Prior to closing or rerouting existing traffic lanes or sidewalks in any public street easement or right-of-way adjacent to streets, the Contractor shall obtain written permission from the City Engineer. Expenses related to lane closures, including but not limited to traffic barriers, signs and similar equipment as well as traffic control personnel, shall be the responsibility of the Contractor.

6.16. The Contractor may conduct Work on the Property from 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 5 p.m. on Saturdays. No Work shall be conducted on Sundays or legal holidays.

6.17. The Contractor shall not crush any materials on-site.

6.18. Contractor shall maintain the Property in a safe and neat manner. Adjacent properties, streets and right-of-ways shall be kept free of dirt and debris.

6.19. If Contractor is negligent in carrying out any of the conditions in this Section 6, the HRA reserves the right to perform this Work with its own workforce at overtime rates. The costs of such Work will be charged to the Contractor.

Section 7. [Left Blank]

Section 8. [Left Blank]

Section 9. Demolition

9.1. Contractor shall use water sprinkling, temporary enclosures and other suitable methods to limit dust and dirt rising and scattering in air. Contractor shall comply with any and all governing regulations pertaining to environmental protection. Contractor shall not use water when it may create hazardous or objectionable conditions such as flooding or pollution.

9.2. Contractor shall clean adjacent structures and improvements of dust, dirt and debris caused by demolition operations and return adjacent areas to condition existing prior to start of Work.

9.3. Contractor shall demolish buildings, other structures, improvements, and landscaping completely and remove all debris from the Property. Contractor may use such methods as required to complete the Work subject to the limitations of governing regulations.

9.4. Contractor shall proceed with demolition in a systematic manner, from top of structures to ground, and will complete demolition work above each floor or tier before disturbing supports on lower levels.

9.5 After the Building has been removed from the Property, Contractor shall remove all foundation walls and the basement floor slab, and shall remove all other at grade masonry, concrete slabs, sidewalks, steps, and driveways from the Property. ALL ASPHALT, MASONRY, AND NON-MASONRY MATERIAL MUST BE TRANSPORTED AWAY FROM THE SITE.

9.6 Immediately upon the removal of the Building from its foundation, Contractor shall furnish and erect on the Property a wood slat snow fence or an approved substitute, either one being in good repair and reasonably acceptable to HRA. The fence shall be at least four feet in height, shall completely enclose the open basement, and shall remain in place until the basement is filled, at which time it shall be removed;

9.7. Contractor shall locate demolition equipment throughout the building and remove materials so as to not impose excessive loads to supporting walls, floor or framing.

9.8. Contractor shall provide and maintain interior and exterior shoring, bracing or other structural support to preserve structural stability and prevent movement, settlement or collapse of the building.

9.9. Contractor shall break up any concrete slabs-on-grade and remove from the Property.

9.10. Contractor shall demolish footings, foundation walls, tunnels and other below-grade structures and remove from the Property.

9.11. After removing all foundation walls and the basement floor slab, as provided above, Contractor shall fill the basement to ground surface level with clean compactable

soil. The basement hole MUST BE inspected by the City Inspector prior to filling, and any unauthorized debris removed. The fill must not contain any hazardous substance or disposed building material.

9.12. All sheds and other accessory structures, clothesline and other poles, and landscape structures shall be removed from the Property.

9.13. Contractor may not cut or remove a tree from the Property without prior permission from HRA. If any trees are cut or destroyed by Contractor without prior approval, Contractor will pay to HRA damages of \$200 per tree. Any such damages shall be deducted from Contractor's payment. Any trees approved by the HRA for removal and cut or felled in the moving process shall be removed immediately, and the tree stumps may remain.

9.14. Contractor shall provide certificate of well abandonment if required.

Section 10. Debris Control

10.1. Contractor shall maintain the Property free of extraneous debris.

10.2. Contractor shall prohibit overloading of trucks to prevent spillage on access and haul routes.

10.3. Contractor shall maintain a sweeping and clean-up program to prevent deposition, release and disbursement of soils and debris onto paved surfaces.

Section 11. Disposal

11.1. Contractor shall move from the Property all debris, rubbish and other materials resulting from demolition operations.

11.2. Contractor shall transport materials from the Property and legally dispose of them off-site in accordance with governing regulations.

Section 12. Earthwork

12.1. Contractor shall rough grade the Property using clean fill after completing all abatement and demolition activities; taper edges of all excavated areas to minimize slope of 2 to 1, keeping soil disturbance to a minimum. Property must be seeded, and erosion control measures must remain in place until turf is established. The Contractor must comply with all requirements of the Minnehaha Creek Watershed District related to the Work. Final payment will not be made until turf is established.

Section 13. Excusable Delays

13.1. The following circumstances, and only these circumstances, will, at the HRA's discretion, be considered legitimate cause for a change in the commencement and/or completion dates specified in Section 4 of this Agreement:

- a. Material delay -- material delays that are beyond the control of the Contractor, which can be shown to have directly caused the overall late completion.
- b. Adverse weather and emergency conditions -- weather or emergency conditions that directly affect the scheduling of exterior work over a significant portion of the term of this Agreement.
- c. Strikes -- Contractors who face union work stoppage in the case where they have to rely on such a work force in order to complete the Work.
- d. Amendments -- amendments in the original scope of Work, which can be reasonably shown to require an extension of the time allowed for completion.
- e. Other delays -- act or neglect of the HRA, or of an employee of either, or of a separate contractor employed by the HRA, or by changes ordered in the Work or by unavoidable casualties or other causes beyond the Contractor's control.

Section 14. Change Order

14.1. The HRA has the right, within the general scope of the Work and without notice to any surety or sureties of the Contractor, if any, to make changes in the Work, either by altering the nature of the same or by adding to or deducting from it.

14.2. This is a lump sum contract. The Contractor must immediately contact the HRA prior to exceeding the Contract Price set out in Section 3.1. In the event an unknown condition is encountered during the Contractor's performance of the Work, the Contractor must notify the HRA's project manager immediately. The appropriate course of action will be determined and, if necessary, a change order will be authorized prior to the start of the Work. Change orders for additional payment will not be granted due to the Contractor underestimating quantities of material(s), winter weather conditions or the amount of labor required in order to perform the Work. For change orders related to Hazardous or Regulated Materials, the HRA reserves the right to subcontract the Work to another contractor.

14.3. All changes shall, except in the case of emergencies endangering the safety of persons or property, be made by written change order. The parties shall determine the effect of any change order on the Contract Price and project schedule by mutual

agreement. The Contractor must promptly comply with any and all written change orders. No such change order shall be deemed to invalidate the remaining terms and conditions contained in this Contract.

Section 15. Waiver of Liability

15.1 It is agreed that the Work is undertaken at the sole risk of the Contractor. The Contractor does expressly forever release the HRA and the City from any claims, demands, injuries, damage actions, or causes of action whatsoever, arising out of or connected with the Work.

Section 16. Indemnification

16.1. Any and all claims that arise or may arise as a consequence of any act or omission on the part of the Contractor, its agents, servants, or employees while engaged in the performance of the Work shall in no way be the obligation or responsibility of the HRA or the City. To the fullest extent permitted by law, the Contractor agrees to defend, indemnify and hold harmless the City and the HRA, and their employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the Contractor's negligence or the Contractor's performance or failure to perform its obligations under this Agreement. The Contractor's indemnification obligation shall apply to the Contractor's subcontractor(s), or anyone directly or indirectly employed or hired by the Contractor, or anyone for whose acts the Contractor may be liable. The Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.

Section 17. Insurance

17.1. The Contractor agrees that in order to protect itself, the HRA, and the City under the indemnity provisions set forth in Section 16 of this Agreement, it will at all times during the term of this Agreement, maintain, at a minimum, the following insurance policies:

- a. Workers Compensation Insurance. The Contractor shall maintain worker's compensation insurance in compliance with all applicable statutes including Chapter 176 of the Minnesota Statutes. Such policy shall include Employer's Liability Coverage and at least such amount(s) as are customarily provided in worker's compensation policies issued in Minnesota. Contractor further agrees to require all subcontractors and independent contractors to maintain worker's compensation insurance in compliance with all applicable statutes and to monitor the compliance of such subcontractors and independent contractors with the applicable statutes.
- b. Commercial General Liability Insurance. The Contractor shall maintain Occurrence Based Commercial General Liability Insurance ("CGL"),

providing coverage on an "occurrence", rather than on a "claims made" basis, which policy shall include coverage for the Completed Operations Hazard, and which shall also include a Broad Form General Liability Endorsement, ISO number GL 0404, or an equivalent form (or forms), so long as such an equivalent form (or forms) *affords* coverage which is in all material respects at least as broad. Any equivalent form (or forms) of coverage shall be approved by the HRA.

The Contractor agrees to maintain total liability policy limits of at least One Million Dollars (\$1,500,000), applying to liability for Bodily Injury, Personal Injury, and Property Damage, which total limits may be satisfied by the limits afforded under its Occurrence Based CGL policy as specified above, or by such policy in combination with the limits afforded by an Umbrella Liability Policy (or policies) provided, however, that the coverage afforded under any such Umbrella Liability Policy shall be at least as broad as that afforded by the underlying occurrence based CGL Policy as specified above.

- c. Automobile Liability Insurance. The Contractor shall maintain automobile liability insurance covering liability for Bodily Injury and Property Damage arising out of the ownership, use, maintenance, or operation of all owned, non-owned, and hired automobiles and other motor vehicles. Such policy shall provide total liability limits for combined Bodily Injury and/or Property Damage in the amount of at least One Million Dollars (\$1,500,000) per accident, which total limits may be satisfied by the limits afforded under such policy, or by such policy in combination with the limits afforded by an Umbrella Liability Policy (or policies) provided, however, that the coverage afforded under any such Umbrella Liability Policy shall be at least as broad as that afforded by the underlying automobile liability insurance policy.

The HRA and the City shall be named as "additional insured" parties with respect to the insurance policies specified in (b) and (c) above. The Contractor shall not commence Work until a Certificate of Insurance evidencing all of the insurance policies required above is approved and a written Notice to Proceed is issued by an authorized representative of the HRA. The HRA shall, at any time during the term of this agreement, have the right to require that the Contractor secure any additional insurance, or additional feature to existing insurance, as the HRA may reasonably require for the protection of its interests or those of the public. It is expressly understood that the HRA does not in any way represent that the minimum insurance coverage set forth in this paragraph is sufficient or adequate to protect the interest or liabilities of the Contractor.

Section 18. Bond

18.1. No payment or performance bonds for the Work shall be required pursuant to Minn. Stat. § 574.26.

Section 19. Lien Waiver

19.1. Neither the Contractor nor any subcontractor or other person or entity furnishing labor, equipment, or materials in connection with the Work shall file any mechanic's lien against the HRA's buildings, structures or land or any part thereof, provided that the HRA makes all payments due to Contractor under this Contract. The Contractor shall protect, defend, indemnify, and hold harmless the HRA and the City from any and all claims, demands, or actions of whatever nature arising out of work, labor, equipment, or materials furnished by the Contractor or its subcontractors in connection with the Work, provided that the HRA makes all payments due to Contractor under this Contract. Payment of the Contract Price shall not be due until the Contractor has delivered to the HRA lien waivers acceptable to the HRA, which release the HRA from all liens that may arise in connection with the Work. The Contractor shall list on the attached Exhibit A the names of all suppliers and/or subcontractors that will provide materials, services, or labor in connection with the Work. The Contractor will notify the HRA of any changes in this list prior to the commencement of the Work.

Section 20. Subcontractors

- 20.1. Contractor agrees to bind every subcontractor by the terms, conditions, and provisions set forth in the Contract that are applicable to the subcontractor's work, unless otherwise specifically agreed otherwise in writing by the HRA.
- 20.2. Contractor agrees to pay every subcontractor within 10 days of receipt of payment from the HRA pursuant to Minn. Stat. § 471.425.

Section 21. Assignment

21.1. This Contract shall be binding upon the Contractor, its legal representatives, heirs, successors, and assigns. No assignment or attempted assignment of this Contract or any rights hereunder shall be effective unless the written consent of the HRA is first obtained. No such assignment, even if consented to by the HRA, shall relieve the Contractor from liability under this Contract for the performance and completion of the Work in accordance with the Contract. Notwithstanding the foregoing, Contractor shall be entitled to use subcontractors to perform the Work.

Section 22. Entire Agreement

22.1. The Contract contains all the terms, conditions, and provisions pertaining to the Work to be completed by the Contractor, there being no other understandings, agreements, or warranties, express or implied. All prior negotiations and dealings regarding the subject matter of the Agreement are superseded by and merged into the Contract.

Section 23. Default

23.1. The occurrence of any of the following shall constitute default by the Contractor and, if not corrected within 15 days of the HRA providing the Contractor with notice of the default, shall allow the HRA to terminate this Agreement: (1) failure to perform the Work as stated in this Contract; (2) failure to perform or complete the Work by the completion date as set forth in this Contract or as otherwise agreed to by the parties; (3) filing bankruptcy; (4) making a material misrepresentation; (5) disregarding laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; (6) failure to make satisfactory progress toward completion of the Work; or (7) failure to perform any other material provision of this Agreement. The HRA may lawfully terminate this Contract if, after providing the Contractor with 15 days notice of the default, the Contractor does not correct the default. Upon default of this Agreement by the Contractor, the HRA may withhold any payment due the Contractor for purposes of set-off until such time as the exact amount of damages due is determined. Furthermore, the HRA may use any unpaid or retained amounts to correct any defective work or materials and to complete the Work as needed. Such withholding shall not constitute default or failure to perform on the part of the HRA.

Section 24. Governing Law

24.1. This Contract shall be construed in accordance with and governed by the laws of the state of Minnesota.

Section 25. Amendment

25.1. This Contract may be modified or amended only with the written approval of the HRA and the Contractor.

Section 26. Construction

26.1. In the event that any one or more of the provisions of this Contract, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions or any application thereof shall not in any way be affected or impaired thereby.

Section 27. Authority

27.1. Each of the undersigned parties warrants that it has the full authority to execute this Contract, and each individual signing this Contract on behalf of a corporation hereby warrants that he or she has full authority to sign on behalf of the corporation and that he or she represents and binds such corporation thereby.

Section 28. Waiver

28.1. No failure by the HRA to insist upon the strict performance of any covenant, duty, agreement, or condition contained in this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any

other covenant, agreement, term, or condition, nor does it imply that such covenant, agreement, term, or condition may be waived again.

Section 29. Nondiscrimination

29.1 In the hiring of employees to perform Work under this Contract, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.

Section 30. Notices

30.1 All notices and other communications under this Agreement must be in writing and must be given by registered or certified mail, postage prepaid, or delivered by hand at the addresses set forth below:

Notice to HRA: Attn: Housing Specialist
 6700 Portland Avenue
 Richfield, MN 55423

Notice to Contractor: Harkess Excavating
 113 Varner Way
 Buffalo, MN 55313
 612-978-4120

Section 31. Savings Clause

31.1 If any court finds any portion of this Agreement to be contrary to law, invalid, or unenforceable, the remainder of the Contract will remain in full force and effect.

Section 32. Payments to Contractor and Completion

32.1. The Contractor shall be paid upon completion of the Work in accordance with the payment schedule of the HRA, if any, and this section.

32.2. Prior to receiving payment for Substantial Completion of the Work, the Contractor shall in writing state that the respective portion of the Work has been substantially completed and is free and clear of all liens as provided in this Contract. Upon Substantial Completion and inspection and verification by the HRA, the payment for that portion of the Work shall be made. Final payment shall be made when Contractor certifies that Final Completion has been achieved and verified by the HRA.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed in their names and behalves and on or as of the date and year first above written.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD

By _____
Erin Vrieze Daniels,
Its Chair

By _____
Melissa Poehlman
Its Executive Director

Harkess Excavating

By _____
Its _____

By _____
Its _____

THIS INSTRUMENT DRAFTED BY:

Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

LIST OF SUPPLIERS AND SUBCONTRACTORS

| | |
|--|--|
| | |
| | |
| | |
| | |