



Richfield City Council Agenda

April 28, 2026 -- 7:00 PM

Richfield Municipal Center
Council Chambers
6700 Portland Avenue South

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Presentations**
 - a. **STEM School Choir**
4. **Approval of the Agenda**
5. **Approval of Minutes**
 - a. **Meeting Minutes from (1) City Council Work Session from April 14, 2026, and (2) City Council Regular Meeting from April 14, 2026.**
6. **Open Forum**

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 Council Agenda and Minutes page on richfieldmn.gov/citycouncil
7. **Proclamations and Presentations**
 - a. **Proclamation celebrating Asian and Pacific American Heritage Month**
8. **Consent Calendar**

Consent Calendar contains several separate items, which are acted upon by the City Council in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further Council action on these items is necessary. However, any Council Member may request that an item be removed from the Consent Calendar and placed on the regular agenda for Council discussion and action. All items listed on the Consent Calendar are recommended for approval.

 - a. **Approve Disbursements/Claims**
 - b. **Approval of the bid tabulation and authorize the Mayor and City Manager to execute a contract with Concrete Idea, Inc., for the Safe Routes to School Sheridan Hills Elementary sidewalk project in the amount of \$429,153.25 and authorize the City Manager to approve contract changes up to \$175,000 without further City Council consideration.**
 - c. **Adoption of a resolution for reimbursement of certain expenditures from the proceeds of street reconstruction bonds and utility bonds to be issued by the City for the Penn Avenue (CSAH 32) Reconstruction Project.**
 - d. **Adoption of a resolution authorizing execution of Minnesota Department of Transportation (MnDOT) Agreement No. 1062789 for the disbursement of state general obligation bond funds for the Sheridan Hills Safe Routes to School project.**
 - e. **Consider approval of an Encroachment Agreement between the City of Richfield and Herspace, LLC, allowing the property owner at 6440 Nicollet Avenue to maintain an existing private parking lot and commercial sign within public right-of-way.**
9. **Consideration of Items, if Any Removed From Consent Calendar**
10. **Public Hearings**
11. **Proposed Ordinances**
12. **Resolutions**
13. **Other Business**
14. **City Manager's Report**
15. **Council Discussion**
 - a. **Hats off to Hometown Hits**
 - b. **Council Liaison Reports**
16. **Adjournment**

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

Includes Materials - Materials relating to these agenda items can be found in the Council Chambers Agenda Packet book located by the entrance. The complete Council Agenda Packet is available electronically on the City of Richfield website.



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

City Council Work Session

April 14, 2026

ITEM #1	CALL TO ORDER
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Mayor Supple called the work session to order on April 14, 2026, at 5:05 p.m., in the Bartholomew Room.

Council Present: Mary Supple, Mayor; Walter Burk, Sean Hayford Oleary, Sharon Christensen, Rori A. Coleman-Woods.

Absent: None.

Staff Present: Katie Rodriguez, City Manager; Sack Thongvanh, Assistant City Manager; Kristin Asher, Public Works Director; Chris Link, Assistant Public Works Director; Karl Huemiller, Recreation Director; Melissa Poehlman, Community Development Director; Julie Urban, Assistant Community Development Director; Jennifer Anderson, Support Services Manager; and Michelle Friedrich, City Clerk.

Guests: Katrina Joseph, City Prosecuting Attorney; Greg Holly, City Prosecuting Attorney.

ITEM #2	ITEM DISCUSSION
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a. City Council Policy Proposals.

City Manager Rodriguez reviewed the policy topic order and gave a brief overview of the work session discussion items. She noted Council Members ranked policy proposals in order of importance with the highest-ranked item 1. Kratom Policy; followed by 2. the Sidewalk Policy; 3. Section 8 Discrimination Prohibition Policy; and 4. Gun Safety Policy.

Kratom Policy Discussion

Mayor Supple introduced the Kratom Policy topic, citing concerns about limited regulation and its growing discussion at local and state levels. Support Services Manager Anderson reported increased attention to the issue, noted differing views on regulation of natural and synthetic forms, and confirmed local availability. Staff added the Advisory Board of Health will conduct further review with policy consideration anticipated in early 2027. Council supported continued research, including health impacts, youth access, and other unregulated substances, with staff assessing availability including online access, with general Council agreement on the proposed timeline and process for future policy consideration.

Gun Safety Policy Discussion

Mayor Supple introduced the gun safety policy topic, noting that state-level action is unlikely in the near term. She emphasized the importance of discussing potential local options despite legal limitations, citing recent community impacts, including the Annunciation Catholic Church shooting. Mayor Supple added the topic was brought forward to explore possible approaches, even if immediate policy changes may be constrained.

City Prosecuting Attorney Joseph provided legal context on firearm regulation, noting that state preemption currently prevents municipalities from enacting or enforcing stricter gun laws than state law. They explained that even if preemption were lifted, local regulations would likely face significant legal challenges, including constitutional issues and potential litigation. Courts, particularly at the federal level, have recently taken a narrow view of firearm restrictions, making enforcement and defense of local ordinances difficult. Staff emphasized these constraints while acknowledging the council's role in setting policy.

Council and City Prosecuting Attorney Joseph discussed future prospects for firearm-related legislation, noting that issues such as ghost guns and other regulations may reemerge depending on legislative changes. City Prosecuting Attorney Joseph reiterated that local ordinances would remain unenforceable under current state preemption and could face legal challenges even if allowed. Council noted examples from other cities, such as adopting contingent ordinances, were discussed. Council also considered more targeted approaches—such as restrictions in public buildings—as potentially more defensible, while acknowledging ongoing legal, political, and enforcement uncertainties. City Manager Rodriguez noted Council would be provided more information on the topic at a future work session.

Sidewalk Policy Discussion

Council Member Hayford Oleary introduced a discussion on developing a long-term sidewalk and street design policy, emphasizing a “100-year vision” that incorporates sidewalks during reconstruction, traffic calming measures, and safer street design. Discussion included challenges related to tree placement, infrastructure constraints, and costs associated with grants, retrofitting, and maintenance.

Council and staff discussed balancing future sidewalk expansion planning with consideration of roadway width, tree canopy planning, and safety needs—particularly in residential areas and school zones. There was general support for a long-term, network-based pedestrian plan and prioritization of sidewalk connections. Staff and council also noted financial considerations, including infrastructure costs and future maintenance, emphasizing that the policy should establish minimum goals and direction first, and balancing funding strategies to follow accordingly through future planning processes and budgets.

Section 8 Discrimination Policy Discussion

Council Member Burk introduced the Section 8 Discrimination Prohibition Policy topic related to affordable housing. He noted the proposed ordinance would prohibit landlords from discriminating against prospective tenants. Staff provided an update on potential tenant protections, including non-discrimination policies related to Section 8 housing. Discussion included landlord feedback, administrative burdens, and ongoing efforts through the “Bring It Home” program, which aims to support tenants and landlords using housing vouchers.

Council discussed feedback from landlords regarding pre-eviction protections and researching the financial impacts to landlords. Staff noted current workload and that conditions differ from when the temporary emergency pre-eviction protection ordinance was initially adopted. Council and staff discussed obtaining additional landlord input before considering a permanent change to pre-eviction notice requirements and Section 8 policies. Council was divided with some members supporting

further study and allowing the current emergency ordinance to expire, while others supported extending the emergency ordinance.

Council and staff discussion included challenges related to housing programs, landlord participation, and regulatory requirements. Council discussed impacts with a temporary extension to the existing emergency ordinance and noted when the current emergency ordinance is set to expire. Council directed staff to implement the staff suggested timelines to consider both pre-eviction notification and Section 8 policy changes, including additional feedback from landlords and tenants, and allowing the current emergency pre-eviction notification ordinance to expire.

ITEM #3	ADJOURNMENT
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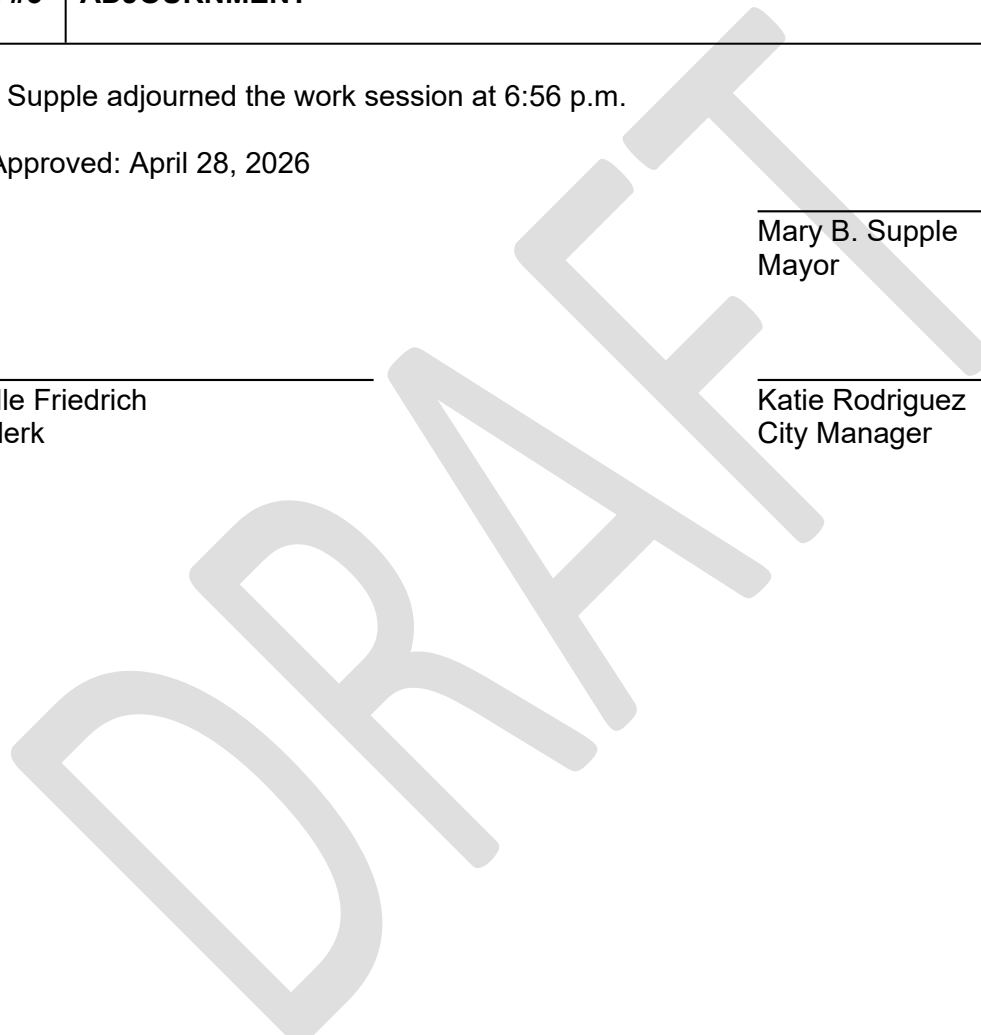
Mayor Supple adjourned the work session at 6:56 p.m.

Date Approved: April 28, 2026

 Mary B. Supple
 Mayor

 Michelle Friedrich
 City Clerk

 Katie Rodriguez
 City Manager





CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Council Regular Meeting

April 14, 2026

ITEM #1	CALL TO ORDER
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The meeting was called to order by Mayor Supple at 7:00 p.m. on April 14, 2026, in the Council Chambers.

Council Present: Mary Supple, Mayor; Walter Burk, Sean Hayford Oleary, Sharon Christensen, and Rori A. Coleman-Woods.

Staff Present: Katie Rodriguez, City Manager; Jennifer Anderson, Support Services Manager; Mary Tietjen, City Attorney; and Michelle Friedrich, City Clerk.

Guests: None.

ITEM #2	PLEDGE OF ALLEGIANCE
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Mayor Supple led the Pledge of Allegiance.

ITEM #3	APPROVAL OF AGENDA
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MOTION: made by Council Member Hayford Oleary, seconded by Council Member Coleman-Woods to approve the agenda as presented.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen, and Council Member Coleman-Woods.

Motion carried: 5-0

ITEM #4	APPROVAL OF MINUTES
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MOTION: made by Council Member Hayford Oleary, seconded by Council Member Coleman-Woods to approve the minutes of the (1) City Council Work Session from March 24, 2026, and (2) Regular Meeting from March 24, 2026.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen, and Council Member Coleman-Woods.

Motion carried: 5-0

ITEM #5	OPEN FORUM
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Mayor Supple noted the process for individuals wishing to speak during Open Forum and reviewed the three-minute time limit for public comments and explained the use of time warning cards to alert the speaker when their time is almost expired. Instructions were given for speakers to state their name and city of residence before speaking.

Two residents addressed the Council during the Open Forum opportunity.

Birgit Johnson, Richfield resident, encouraged openness to outside perspectives and questioned current definitions of conservatism. Ms. Johnson raised concerns about federal spending and immigration policies, including impacts on Minnesota communities, and emphasized that conservatism should focus on stability and long-term planning.

Theresa Guthrie, Richfield resident, raised concerns about immigration enforcement impacts, called for accountability and higher standards from government agencies, and noted issues with incomplete state projects and leadership oversight.

ITEM #6	PROCLAMATIONS AND PRESENTATIONS
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- a. Proclamation celebration Arab American Heritage Month.

Mayor Supple read and presented the proclamation to Richfield School Board Member Callmie Dennis and Richfield Schools Director of Student Support Services Christina Gonzalez.

- b. Proclamation celebrating Earth Day.

Mayor Supple read and presented the proclamation to Richfield Recreation Director Karl Huemiller.

- c. Proclamation celebrating Arbor Day.

Mayor Supple read and presented the proclamation to Richfield Recreation Director Karl Huemiller.

- d. Presentation of the 2025 Food Safety Awards.

Support Services Manager Jennifer Anderson presented the annual Richfield Food Safety Awards, recognizing restaurants for excellence in food safety practices and inspection performance. She noted the program was established in 2006 and evaluates establishments on risk management, employee health policies, and training. Support Services Manager Anderson presented the 2025 awards to Broadway Pizza (full-service category) and Five Guys (fast food category), with both recognized for consistently high standards.

ITEM #7	CONSENT CALENDAR
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City Manager Rodriguez presented the consent calendar.

- a. Approve Disbursements/Claims

U.S. BANK	4-10-2026
A/P Checks/ETF's: (3-14-2026 through 4-3-2026)	\$1,941,220.34
Payroll (3-27-2026)	\$1,136,746.51

Payroll (4-10-2026) <i>Incluetes health insurance premiums for April 2026.</i>	\$1,411,657.06
TOTAL	\$4,489,623.91

- b. Approval of a Stormwater Construction and Maintenance Agreement with Woodlawn Terrace Cooperative located at 7421 Lyndale Ave South.
- c. Approval of the bid tabulation and authorize the Mayor and City Manager to execute a contract with Visu-Sewer for the 2026 Sanitary Sewer Lining Cured-in-Place-Pipe (CIPP) Project in the amount of \$790,929.60 and authorize the City Manager to approve contract changes up to \$175,000 without further City Council consideration.
- d. Approval of the bid tabulation and authorize the Mayor and City Manager to execute a contract with GMH Asphalt Corporation for the 2026 Mill and Overlay Project.
- e. Approval of a resolution prohibiting on-street parking on County State Aid Highway 52 (Nicollet Avenue) from 77th Street to 66th Street.

**RESOLUTION NO. 2026-12418
PROHIBITING ON-STREET PARKING ON COUNTY STATE AID HIGHWAY 52
(NICOLLET AVENUE) FROM 77TH STREET TO 66TH STREET**

- f. Approval of the updated Climate Action Plan.

MOTION: made by Council Member Coleman-Woods, seconded by Council Member Christensen to approve consent calendar items 7a-f as presented.

Council provided clarification that parking changes on Nicollet Avenue (Item 7e) will take effect after construction is completed and new signage is installed. Council noted 77th to 70th Street will be under construction in the first year, with remaining parking changes implemented the following year when construction is completed.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen, and Council Member Coleman-Woods.

Motion carried: 5-0

ITEM #8	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
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None.

ITEM #9	PUBLIC HEARINGS
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None.

ITEM #10	PROPOSED ORDINANCES
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None.

ITEM #11	RESOLUTIONS
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None.

ITEM #12	OTHER BUSINESS
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- a. Consider confirmation of the appointment of Kate Croteau as Human Resources Director for the City of Richfield effective May 18, 2026.

Council Member Christensen presented staff report item 12a, appointing Kate Croteau as Human Resources Director for the City of Richfield, with an effective date of May 18, 2026.

City Manager Rodriguez thanked the council for elevating the HR Director position, noted a stronger candidate pool, and shared positive references for the selected candidate.

MOTION: made by Council Member Christensen, seconded by Council Member Coleman-Woods to approve the appointment of Kate Croteau as the Human Resources Director for the City of Richfield effective May 18, 2026.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen, and Council Member Coleman-Woods.

Motion carried: 5-0

ITEM #13	CITY MANAGER’S REPORT
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City Manager Rodriguez reported at the last meeting there were three residents who addressed the concerns at the previous meeting. She noted one resident spoke on the importance of immigrants to the community, and two expressed concerns about the city’s use of nonprofit contracts for social services and noted no questions were raised for follow-up. Council and staff discussed confirmation of the towing contract approval process through the nonprofit contract for social services.

ITEM #14	COUNCIL DISCUSSION
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- a. Hats off to Hometown Hits.

Council Member Coleman-Woods reported updates from the Community Services and Sustainability Commissions, including upcoming Earth Day activities with volunteer and community participation opportunities. Congratulations were extended to the Richfield High School boys basketball team for placing third in state, and anticipation was noted for the upcoming baseball season.

Council Member Hayford Oleary noted the Transportation Commission continues discussions on Penn Avenue, including planning for a future open house. He added updates focus on potential improvements and context-sensitive design considerations for the area north of 69th from the residential area.

Council Member Burk mentioned the Human Rights Commission is identifying potential speakers for future presentations and may reach out for participation and cooperation.

Mayor Supple provided meeting dates for the property tax “open book” meetings, including an in-person session in Richfield on April 20 for property valuation questions. Mayor Supple expressed appreciation to Representative Howard for submitting a state bonding request for an emergency water interconnect and noted previous bonding fund requests included Nicollet Avenue. Mayor Supple noted the business stabilization program for immigrant-impacted businesses open through April 27, and the significant philanthropic funding supporting rental assistance and food security efforts within the City of Richfield. Mayor Supple noted participation with Council Member Hayford Oleary at the Job Olympics event and expressed appreciation for the high school hosted event.

b. Council Liaison Reports

Brief reports noted above in Hats off to Hometown Hits.

ITEM #15	ADJOURNMENT
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MOTION: made by Council Member Coleman-Woods, seconded by Council Member Burk to adjourn the meeting at 7:35 p.m.

Voting Aye: Mayor Supple, Council Member Burk, Council Member Hayford Oleary, Council Member Christensen, and Council Member Coleman-Woods.

Motion carried: 5-0

Date Approved: April 28, 2026

Mary Supple
Mayor

Michelle Friedrich
City Clerk

Katie Rodriguez
City Manager



Proclamation of the City of Richfield

WHEREAS, Asian and Pacific American Heritage Month, from May 1st through May 31st, pays tribute to Asian and Pacific Americans, the fastest-growing ethnic minority group in the United States of America, for their contributions to the United States and to celebrate the diverse culture and rich history; and

WHEREAS, May was designated as Asian and Pacific American Heritage Month because of the first documented arrival of Japanese immigrants to the United States on May 7, 1843, and the completion of the first transcontinental railroad on May 10, 1869, which relied heavily on Chinese immigrant laborers; and

WHEREAS, the first documented arrival of an Asian or Pacific Islander to Minnesota was Mr. Wang See Ling, who settled in Duluth, Minnesota, in 1875; and

WHEREAS, Minnesota has provided asylum and relocation for many Asian refugees, from the Vietnamese, Laotians, Cambodians and Hmong in the 1970s and 1980s, and Tibetans and Karen peoples during the 1990s, while other Asian and Pacific Islanders have immigrated to Minnesota in their pursuit of opportunities and freedom; and

WHEREAS, Asian and Pacific Americans have been subjected to discriminatory treatment throughout their time in the United States, including the Chinese Exclusion Act, the immoral internment of Japanese-Americans during World War II, the systematic housing discrimination in Richfield as a result of racial covenants, and recent irrational and unsubstantiated blame for COVID-19; and

WHEREAS, at least 5.5% of the population in Richfield is of Asian or Pacific Islander origin, according to 2024 estimates by the U.S. Census Bureau; and

WHEREAS, Asian and Pacific Americans have made the United States better through initiative, creativity, hard work and the sharing of their cultural heritage, and deserve to be recognized for their achievements and participation in Richfield civic life; and

WHEREAS, the Richfield Human Rights Commission supported a proclamation celebrating Asian and Pacific American Heritage Month at its April 7th, 2026, meeting;

Now, THEREFORE, I, Mary Supple, mayor of Richfield, on behalf of the Richfield City Council, do proclaim the month of May as Asian and Pacific American Heritage Month in the City of Richfield and call on the people of Richfield to observe this month with appropriate programs, activities, and ceremonies, and continue to honor the contributions of Asian and Pacific Islander Americans throughout the year.

PROCLAIMED this 28th day of April, 2026.

Mary B. Supple, Mayor



Report Prepared By:
Sam Ellison, Project Engineer

Department Director:
Kristin Asher, Public Works Director

Item for Consideration:

Approval of the bid tabulation and authorize the Mayor and City Manager to execute a contract with Concrete Idea, Inc., for the Safe Routes to School Sheridan Hills Elementary sidewalk project in the amount of \$429,153.25 and authorize the City Manager to approve contract changes up to \$175,000 without further City Council consideration.

EXECUTIVE SUMMARY

The City has received funding from MNDOT's Safe Routes to School program to construct approximately 1500 feet of sidewalk along the north side of 64th Street between Thomas and Russel Avenue S and between 64th Street and 65th Street on the west side of Russel Ave within City right-of-way. This project is located north and east of Sheridan Hills Elementary School. This project will improve safety for pedestrians and multi-modal users.

RECOMMENDED ACTION

By Motion:

- **Approve the bid tabulation and authorize the Mayor and City Manager to execute a contract with Concrete Idea, Inc., for the Safe Routes to School Sheridan Hills Elementary Sidewalk project in the amount of \$429,153.25; and**
- **Authorize the City Manager to approve contract changes up to \$175,000 without further City Council consideration.**

HISTORICAL CONTEXT

See executive summary.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Equity: Executing an agreement like this is standard city business. The Safe Routes to School program promotes equity by creating improved non-motorized routes to school that help promote active transportation and provide alternative forms of transportation for students to get to school. Narrowing the roadway reduces the speed of drivers, making it safer for non-motorized people. Reduced crossing distances at crosswalks greatly improves the safety of the pedestrians crossing by reducing the time needed to cross and improves the visibility of pedestrians to drivers.

Strategic Plan: Authorizing this agreement will progress towards sustainable

infrastructure financing and climate resilience by leveraging the availability of state-funded grant programs to improve active transportation infrastructure within the city.

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

- Contracts estimated to have a value over \$175,000 must be made by sealed bids, solicited by public notice, and awarded to the lowest responsible bidder.
- This project is identified in the City's Capital Improvement Plan.

CRITICAL TIMING ISSUES

- Public Works staff is in communication with the prospective contractor about the project schedule.
- Award of the contract at the April 28, 2026, City Council meeting will allow the contractor to begin ordering construction materials and will ensure project completion by Fall 2026, ideally prior to the start of the 2026-27 school year.

FINANCIAL IMPACT

- Six bids were opened and read aloud at the bid opening on April 2, 2026, ranging from \$429,153.25 to \$644,051.80.
- The engineer's estimate for the Project was \$513,065.00.
- Funding for the Safe Routes to School project will come primarily from MNDOT's Safe Routes to School grant funding account.
- The original amount of the grant award from State Aid was \$478,039.
- Design and engineering are not eligible uses of the Safe Routes to School grant funding. These portions of the project are being paid using Municipal Sate Aid funding.
- Sources and Uses for the project are attached.

LEGAL CONSIDERATIONS

- The bid opening held on April 2nd, 2026, was in accordance with legal requirements.
- The ad for bid was published on March 19th, 2026 in the Sun Current and March 11th, 2026, on QuestCDN .
- The City Attorney will review the final construction contract prior to execution by the Mayor and City Manager.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. 2026-04-02 Sheridan Hills SRTS 2026 Sidewalks Minutes
2. 2026 Sidewalks - Sheridan Hills-V2

CITY OF RICHFIELD, MINNESOTA

Bid Opening
April 2, 2026
10:00 a.m.

PROJECT: Sheridan Hills Safe Routes to School 2026 Sidewalks
Bid No.: 2026-05 (Quest No 10072172)

Pursuant to requirements of Resolution No. 1015 and the City Code, a meeting of the Administrative Staff was called by City Clerk Friedrich who announced the purpose of the meeting was to receive; open and read aloud bids for the Sheridan Hills Safe Routes to School 2026 Sidewalks, as advertised in the official newspaper on March 19, 2026, and published in www.questcdn.com on March 11, 2026.

Present: Michelle Friedrich, City Clerk
Jake Whipple, Civil Engineer
Matt Hardegger, Transportation Engineer
Cathryn DeBaker, Administrative Assistant, Bolton and Menk
Zack Johnston, Engineer, Bolton and Menk

The following bids were submitted and read aloud:

Bidder's Name	Bond	Non-Collusion	Intent to Comply	Responsible Contractor Certificate	Total Base Bid
Concrete Idea Inc.	Provided	Provided	Provided	Provided	\$429,153.25
New Look Contracting, Inc.	Provided	Provided	Provided	Provided	\$454,761.80
Pember Companies, Inc.	Provided	Provided	Provided	Provided	\$502,368.24
McNamara Contracting	Provided	Provided	Provided	Provided	\$517,700.00
Thomas and Sons Construction	Provided	Provided	Provided	Provided	\$563,172.75
Urban Companies	Provided	Provided	Provided	Provided	\$644,051.80

City Clerk Friedrich referenced the apparent low bidder, and noted all bids would be tabulated and considered at the April 14, 2026, City Council Meeting.

Michelle Friedrich, City Clerk

Sheridan Hills - SRTS
 Richfield Project No.
 SAP Nos.

157-364-002

Sources and Uses Tracking

	Council Action			Council Action
	Grant Application	Preliminary Design Approval	Engineers Estimate	Contract Award
	January 2025	November 2025	April 2026	May 2026
Estimated Uses:				
Design	\$75,000	\$42,692	\$42,692	\$45,000
Construction	\$458,685	\$437,725	\$513,065	\$429,153
Change Orders	\$0	\$0	\$0	\$0
Right of Way	\$0	\$500	\$500	\$0
Legal	\$0	\$1,000	\$1,000	\$0
Construction Admin/Engineering/Staff	\$75,000	\$40,000	\$50,000	\$50,000
Contingency	\$85,800	\$88,000	\$10,261	\$8,583
	20% Contingency	20% Contingency	2% Contingency	2% Contingency
Total Uses	\$694,485	\$609,917	\$617,518	\$532,736
Sources:				
SRTS Grant	\$544,500	\$544,500	\$544,500	\$401,343
Municipal State Aid Funds	\$150,000	\$84,192	\$94,192	\$103,583
Water Utility Fund	\$0	\$0	\$0	\$27,810
Total Sources	\$694,500	\$628,692	\$638,692	\$532,736
Difference	\$15	\$18,775	\$21,174	\$0

Notes

Low Risk
Medium Risk
High Risk



Report Prepared By:
Scott Kulzer, Senior Analyst

Department Director:
Kristin Asher, Public Works Director

Item for Consideration:
Adoption of a resolution for reimbursement of certain expenditures from the proceeds of street reconstruction bonds and utility bonds to be issued by the City for the Penn Avenue (CSAH 32) Reconstruction Project.

EXECUTIVE SUMMARY

Consistent with City Council direction, the Capital Improvement Plan (CIP), and the City's Comprehensive Plan, staff is working with Hennepin County towards the reconstruction of Penn Avenue (CSAH 32) from Trunk Highway 62 to 75th Street.

Following an extensive public engagement process that began in 2025 and will extend through much of 2026, County staff, City staff, and the engineering consultant will develop a preliminary design layout to bring to the City Council for approval prior to beginning the final design process in late 2026. Construction is identified in the County's CIP for 2028-2029.

Approval of the proposed reimbursement resolution will enable City staff to incur costs related to the project prior to sale of the street reconstruction bonds and utility bonds. The resolution allows project costs incurred up to 60 days prior to Council approval, as well as certain costs incurred more than 60 days prior to Council approval of the resolution, to be reimbursed using the proceeds of the street reconstruction bonds and utility bonds.

RECOMMENDED ACTION

Adopt a resolution for reimbursement of certain expenditures from the proceeds of street reconstruction bonds and utility bonds to be issued by the City for the Penn Avenue (CSAH 32) Reconstruction Project.

HISTORICAL CONTEXT

- The existing roadway design on Penn Avenue is outdated and lacks proper accommodations for all users.
- The pavement and underground infrastructure condition along Penn Avenue continues to deteriorate.
- County and City staff have identified a need for complete reconstruction of the roadway and utilities in the Penn Avenue corridor between Trunk Highway 62 and 75th Street.
- The preliminary design will be presented to the City Council for approval in late

2026, at which point County staff, City staff, and the engineering consultant will begin final design engineering with the intent of constructing the project in 2028-2029.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

This item is standard city business for issuing bonds related to a street reconstruction project.

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

- The reconstruction of Penn Avenue is identified in the City's Capital Improvement Plan.
- The reimbursement resolution is standard procedure and allows the City to pay for any project costs incurred prior to the sale of bonds.

CRITICAL TIMING ISSUES

County staff, City staff, and the engineering consultant are moving through the preliminary design engineering phase of the project with the intent to start final design of the project in late 2026 and construction of the project in 2028.

FINANCIAL IMPACT

- Adoption of the proposed reimbursement resolution provides approval for City staff to incur costs for the Penn Avenue Reconstruction project prior to sale of the bonds.
- The resolution as written allows for the reimbursement from bond proceeds of up to \$14,000,000, however, staff does not anticipate the City's project expenses to be that amount, and the bond sale will likely be lower.
- A combination of street reconstruction bonds and utility bonds are proposed for the City's share of the project funding.
- It is anticipated the bonds will be sold when the most accurate project cost estimates are determined based on final design.
- The current Penn Avenue Reconstruction Project funding sources and uses breakdown is attached to this staff report.

LEGAL CONSIDERATIONS

The City Attorney's office has reviewed the resolution and will be available to answer questions.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. Resolution 2026-XXXXX Penn Avenue Reimbursement for Bond
2. 260420_Penn Ave Sources and Uses Tracking

RESOLUTION NO. XXXXX

Motion by:
Seconded by:

**DECLARING THE OFFICIAL INTENT OF THE
CITY OF RICHFIELD TO REIMBURSE CERTAIN EXPENDITURES FROM THE
PROCEEDS OF BONDS TO BE ISSUED BY THE CITY WITH RESPECT TO THE PENN
AVENUE RECONSTRUCTION PROJECT**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City of Richfield, Minnesota (the “City”) expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax-exempt bonds; and

WHEREAS, the City has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHFIELD, MINNESOTA AS FOLLOWS:

1. Hennepin County proposes to undertake the Penn Avenue (CSAH 32) Reconstruction Project within the City (the “Project”) with cost participation from the City.
2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of bonds in an estimated maximum principal amount of \$14,000,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.
3. This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20 percent of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the Project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.
4. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the bonds described in paragraph 2 are consistent with the City’s budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City’s budget or financial policies to pay such Project expenditures.

RESOLUTION NO. XXXXX

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

The foregoing resolution was moved by Council Member _____ and seconded by Council Member _____.

The following voted in the affirmative: _____

The following voted against: _____

Councilmember _____ was absent.

Adopted by the City Council of the City of Richfield, Minnesota, this 28th day of April, 2026.

VOTING AYE

- Supple, Mary
- Burk, Walter
- Christensen, Sharon
- Coleman-Woods, Rori
- Hayford Oleary, Sean

VOTING NAY

- Supple, Mary
- Burk, Walter
- Christensen, Sharon
- Coleman-Woods, Rori
- Hayford Oleary, Sean

Mary B. Supple, Mayor

ATTEST:

Michelle Friedrich, City Clerk

Penn Avenue Reconstruction

Richfield Project No.

SAP Nos.

TBD

TBD

Sources and Uses Tracking - updated 4/20/2026

			Council Action				Council Action	Council Action
	2025 CIP	2026 CIP	30% Engineer's Estimate and Project Approval	2027 CIP Estimate	60% Engineer's Estimate	90% Engineer's Estimate	Final Engineer's Estimate and Project Bid	Contract Award
Planned Construction Year:	2028-2029	2028-2029						
Estimated Uses:								
Design	\$1,360,000	\$1,550,000						
Penn Ave Reconstruction	\$4,000,000	\$5,000,000						
Public Utility Improvements	\$5,000,000	\$6,000,000						
Stormwater Improvements								
Change Orders								
Right of Way								
Legal	Included above	Included above						
Constrction Admin/Engineering								
Staff								
Contingency								
Bond Issuance Costs								
	20% Contingency	20% Contingency						
Total Uses	\$10,360,000	\$12,550,000						
Sources:								
Street Reconstruction Bonds	\$5,000,000	\$5,500,000						
Utility Bonds	\$5,000,000	\$6,500,000						
Municipal State Aid	\$600,000	\$800,000						
Total Sources	\$10,600,000	\$12,800,000						
Difference	\$240,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0

Notes

Anticipated Debt Issuance (updated 04/2026):

Street Reconstruction Bonds

2028

Low Risk

Utility Bonds

2028

Medium Risk

High Risk



Report Prepared By:

Matt Hardegger, Transportation Engineer

Department Director:

Kristin Asher, Public Works Director

Item for Consideration:

Adoption of a resolution authorizing execution of Minnesota Department of Transportation (MnDOT) Agreement No. 1062789 for the disbursement of state general obligation bond funds for the Sheridan Hills Safe Routes to School project.

EXECUTIVE SUMMARY

The City has received funding from MNDOT's Safe Routes to School program to construct sidewalk and intersection improvements along 64th Street and Russell Ave in the area of Sheridan Hills Elementary. Based on the low bid for the project, the grant award is \$401,343.25. This funding was awarded in April 2025 as a grant of up to \$544,500.

MnDOT's Safe Routes to School infrastructure funding is financed by state general obligation bond funding, which carries with it statutory obligations for the users and requires a council resolution accepting the terms of the funding as part of the grant agreement process.

RECOMMENDED ACTION

By Motion: Approve the resolution authorizing execution of Minnesota Department of Transportation (MnDOT) Agreement No. 1062789 for the disbursement of state general obligation bond funds for the Sheridan Hills Safe Routes to School project.

HISTORICAL CONTEXT

Richfield was awarded a grant of up to \$544,500 in April 2025 through MnDOT's 2024 Safe Routes to School infrastructure funding solicitation. That solicitation was created using a combination of general funds appropriated in the 2023 legislative session and previously authorized General Obligation bonds. Project owners that utilize state funding are required to execute an agreement with MnDOT and adopt a resolution agreeing to the terms of the grant agreement in order to have eligible project expenditures reimbursed.

Bids for the Sheridan Hills Safe Routes to School project were opened on April 2, 2026. The low bid amount was \$429,153.25. The project scope includes \$27,810 of non-participating work which is ineligible for state aid reimbursement, so the grant award was capped at \$401,343.25.

The non-participating items are for watermain and fire hydrant relocation required to build the sidewalk. These costs are not eligible for grant reimbursement as part of this grant program. These costs will be paid using water utility funds.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Equity: Executing an agreement like this is standard city business. The Safe Routes to School program promotes equity by creating improved non-motorized routes to school that help promote active transportation and provide alternative forms of transportation for students to get to school. Narrowing the roadway reduces the speed of drivers, making it safer for non-motorized people. Reduced crossing distances at crosswalks greatly improves the safety of the pedestrians crossing by reducing the time needed to cross and improves the visibility of pedestrians to drivers.

Strategic Plan: Authorizing this agreement will progress towards sustainable infrastructure financing and climate resilience by leveraging the availability of state-funded grant programs to improve active transportation infrastructure within the city.

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

- The Safe Routes to School program is established and governed by Minnesota Statutes, Section 174.40.
- Minnesota Statutes, Section 465.03 requires every acceptance of a grant or devise of real personal property on terms prescribed by the donor be made by resolution by a two-thirds majority of the City Council.

CRITICAL TIMING ISSUES

This agreement must be executed prior to construction of the project. The contract start date is June 8, 2026.

FINANCIAL IMPACT

- The grant agreement authorizes MnDOT to disburse \$401,343.25 of bond funding to the City of Richfield to construct the Sheridan Hills Elementary Safe Routes to School project, on a reimbursable basis.
- The \$27,810 of non-participating expenses will be paid for by the City's water utility fund.
- Remaining project costs, including \$45,000 for design, \$50,000 for construction administration, and \$8,583 for contingency, will be paid for using the City's Municipal State Aid funds.

LEGAL CONSIDERATIONS

The City Attorney has reviewed the grant agreement and will be available to answer questions.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. Resolution_2026-XXXXX SRTS_Grant_SAP_157-364-002

2. 157-364-002SRTSAgreeCOMPLETE

RESOLUTION NO. XXXXX

Motion by:
Seconded by:

**AUTHORIZING EXECUTION OF MNDOT AGREEMENT #1062789
SETTING GRANT TERMS AND CONDITIONS FOR THE DISBURSEMENT OF
STATE ACTIVE TRANSPORTATION FUNDING FOR SAP 157-364-002**

WHEREAS, the City of Richfield has applied to the Commissioner of Transportation for a grant from the Safe Routes to School Account; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this project is available; and

WHEREAS, the amount of the grant has been determined to be \$401,343.25 by reason of the lowest responsible bid;

NOW, THEREFORE, BE IT RESOLVED, that the City of Richfield does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.40, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Safe Routes to Schools Account any amount appropriated for the project but not required. The proper City officers are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of April, 2026.

VOTING AYE

- Supple, Mary**
- Burk, Walter**
- Christensen, Sharon**
- Coleman-Woods, Rori**
- Hayford Oleary, Sean**

VOTING NAY

- Supple, Mary**
- Burk, Walter**
- Christensen, Sharon**
- Coleman-Woods, Rori**
- Hayford Oleary, Sean**

Mary B. Supple, Mayor

ATTEST:

Michelle Friedrich, City Clerk

**SAFE ROUTES TO SCHOOL (SRTS) PROGRAM
GRANT AGREEMENT**

This Agreement between the Minnesota Department of Transportation (“MnDOT”) and the Grantee named below is made pursuant to Minnesota Statutes Section 174.40 and pursuant to Minn. Laws 2023, Chapter 72- H.F. 669. The provisions in that section and the Exhibits attached hereto and incorporated by reference constitute this Agreement and the persons signing below agree to fully comply with all of the requirements of this Agreement. This Agreement will be effective on the date State obtains all required signatures under Minnesota Statutes §16C.05, subdivision 2.

1. Public Entity (Grantee) name, address and contact person:

City of Richfield
6700 Portland Ave S
Richfield, MN 55423

Contact Person/Title: Joe Powers, City Engineer, 612-861-9791, jpowers@richfieldmn.gov

2. Project(s):

Name of Project & Project Number (See Exhibit C for location)	Amount of SRTS Funds	Amount of Required Matching Funds	Completion Date
SAP 157-364-002	\$401,343.25	\$27,810.00	December 31, 2029

3. Total Amount of SRTS Grant for all projects under this Agreement: \$401,343.25

4. The following Exhibits for each project are attached and incorporated by reference as part of this Agreement:

- Exhibit A Completed Sources and Uses of Funds Schedule
- Exhibit B Project Schedule, Workforce Certificate, and Equal Pay Certificate
- Exhibit C Bond Financed Property Certification
- Exhibit D Grant Application
- Exhibit E Grantee Resolution Approving Grant Agreement
- Exhibit F General Terms and Conditions

5. Additional requirements, if any: None

6. Any modification of this Agreement must be in writing and signed by both parties.

(The remaining portion of this page was intentionally left blank.)

PUBLIC ENTITY (GRANTEE)

The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

Approval and Certifying Encumbrance as required by Minnesota Statutes § 16A.15 and 16C.05

By: _____
State Aid Programs Manager
(with delegated authority)

Date: _____

**DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT**

By: _____

Date: _____

EXHIBIT A

SOURCES AND USES OF FUNDS SCHEDULE

SOURCES OF FUNDS		USES OF FUNDS	
Entity Supplying Funds	Amount	Expenses	Amount
State Funds:		Items Paid for with SRTS Grant Funds:	
2023 SRTS Funds Grant (SAAS Acct 386)	\$401,343.25	Construction of sidewalks	\$401,343.25
Other:			
Subtotal	\$401,343.25	Subtotal	\$401,343.25
Public Entity Funds:		Items paid for with Non-SRTS Grant Funds:	
Matching Funds		Construction of sidewalks	\$27,810.00
Local Match	\$27,810.00		
Other:			
Subtotal	\$27,810.00	Subtotal	\$27,810.00
TOTAL FUNDS	\$429,153.25	TOTAL PROJECT COSTS	\$429,153.25

EXHIBIT B

PROJECT SCHEDULE, WORKFORCE CERTIFICATE, AND EQUAL PAY CERTIFICATE

Award Date: April 28, 2026
Construction Start Date: June 8, 2026
Construction Substantial Complete Date: August 21, 2026
Contract Final Completion Date: December 31, 2029

INSERT APPARENT LOW BIDDER WORKFORCE CERTIFICATE BID FORM

Contractor/consultant Concrete Idea, Inc. has certified that it is not subject to the Workforce Certificate and Equal Pay Certificate requirements in Statute 363A.36 and 363A.44 because Contractor Concrete Idea, Inc. employs fewer than 40 full-time employees.

INSERT APPARENT LOW BIDDER EQUAL PAY CERTIFICATE BID FORM

Contractor/consultant Concrete Idea, Inc. has certified that it is not subject to the Workforce Certificate and Equal Pay Certificate requirements in Statute 363A.36 and 363A.44 because Contractor Concrete Idea, Inc. employs fewer than 40 full-time employees.

EXHIBIT C

BOND FINANCED PROPERTY CERTIFICATION

State of Minnesota
General Obligation Bond Financed Property

The undersigned states that it has a fee simple, leasehold and/or easement interest in the real property located in the County(ies) of **Hennepin**, State of Minnesota that is generally described or illustrated graphically in **Attachment 1** attached hereto and all improvements thereon (the “Restricted Property”) and acknowledges that the Restricted Property is or may become State bond-financed property. To the extent that the Restricted Property is or becomes State bond-financed property, the undersigned acknowledges that:

- A. The Restricted Property is State bond-financed property under Minn. Stat. Sec. 16A.695, is subject to the requirements imposed by that statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget; and
- B. The Restricted Property is subject to the provisions of the Safe Routes to School Program Grant Agreement between the Minnesota Department of Transportation and the undersigned dated _____, 20__; and
- C. The Restricted Property shall continue to be deemed State bond-financed property for 37.5 years or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget.

Date: _____, 20__

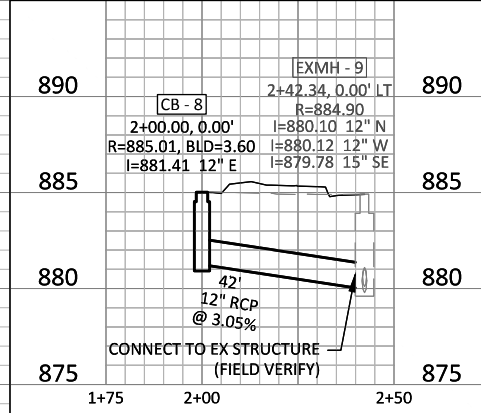
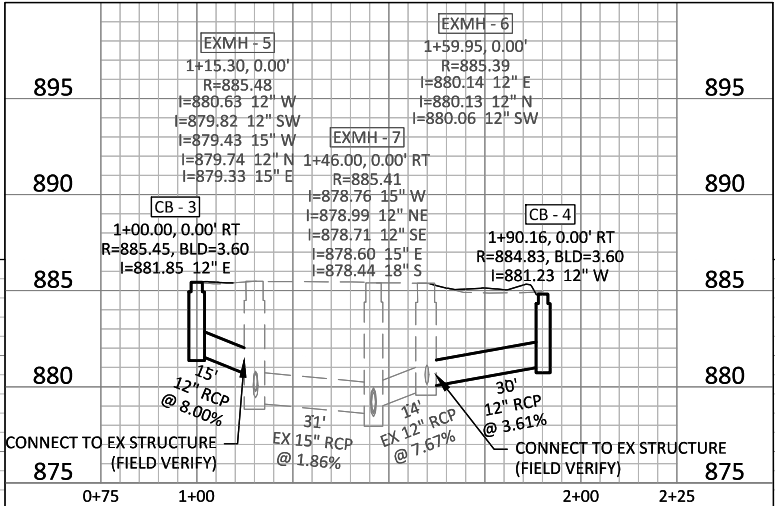
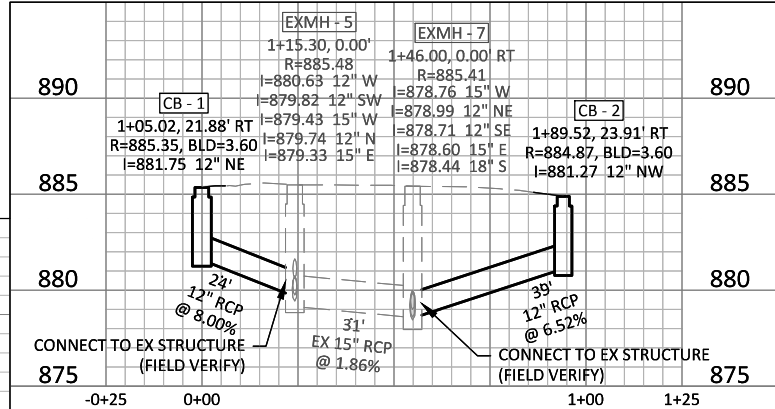
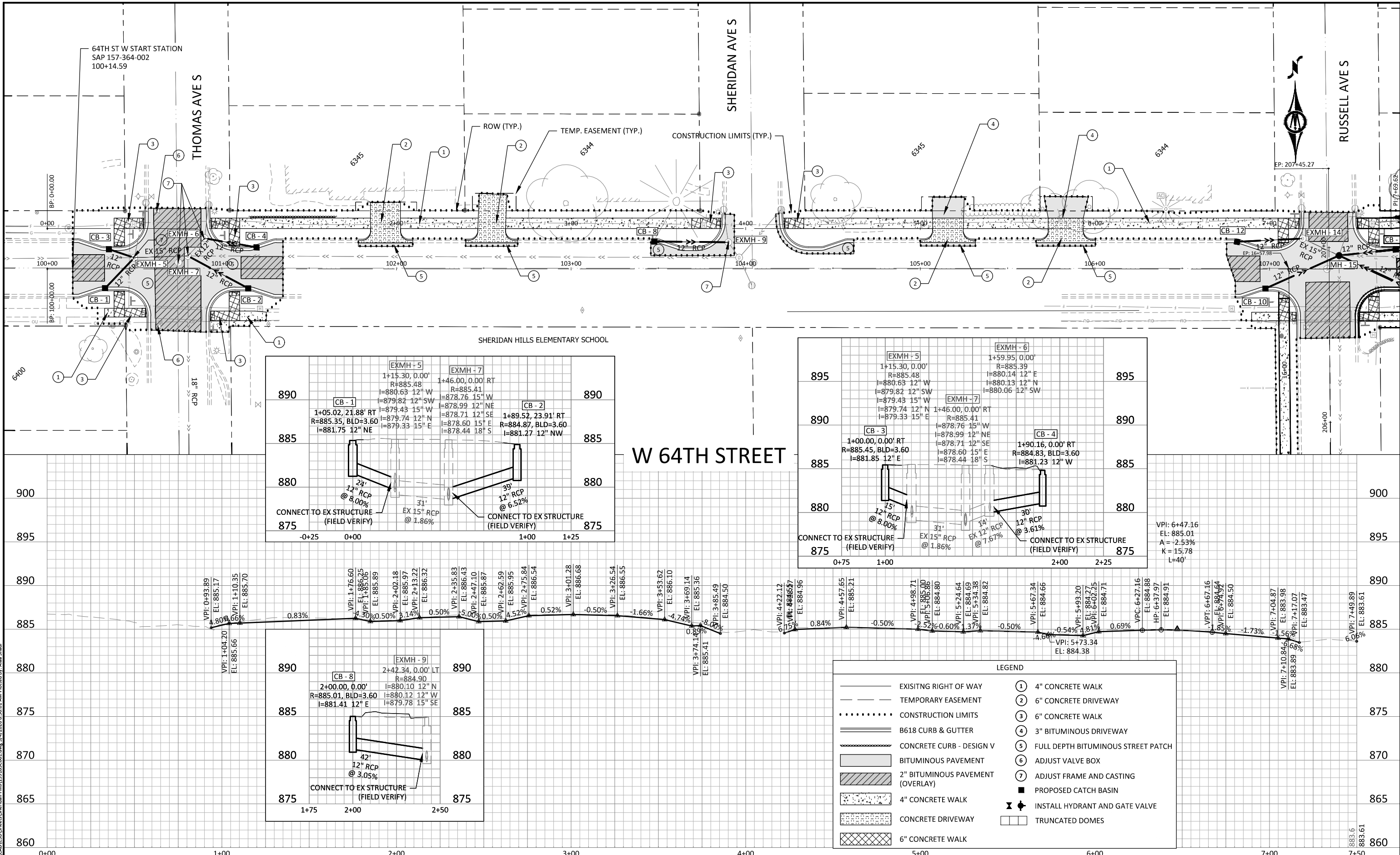
City of Richfield, a political subdivision of
the State of Minnesota

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Attachment 1 to Exhibit C

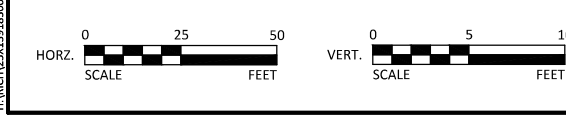
GENERAL DESCRIPTION OF RESTRICTED PROPERTY



LEGEND

	EXISTING RIGHT OF WAY	①	4" CONCRETE WALK
	TEMPORARY EASEMENT	②	6" CONCRETE DRIVEWAY
	CONSTRUCTION LIMITS	③	6" CONCRETE WALK
	B618 CURB & GUTTER	④	3" BITUMINOUS DRIVEWAY
	CONCRETE CURB - DESIGN V	⑤	FULL DEPTH BITUMINOUS STREET PATCH
	BITUMINOUS PAVEMENT	⑥	ADJUST VALVE BOX
	2" BITUMINOUS PAVEMENT (OVERLAY)	⑦	ADJUST FRAME AND CASTING
	4" CONCRETE WALK	■	PROPOSED CATCH BASIN
	CONCRETE DRIVEWAY	⊗	INSTALL HYDRANT AND GATE VALVE
	6" CONCRETE WALK	□	TRUNCATED DOMES

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I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

RYAN PETERSON
LIC. NO. 42844 DATE 03/04/2026



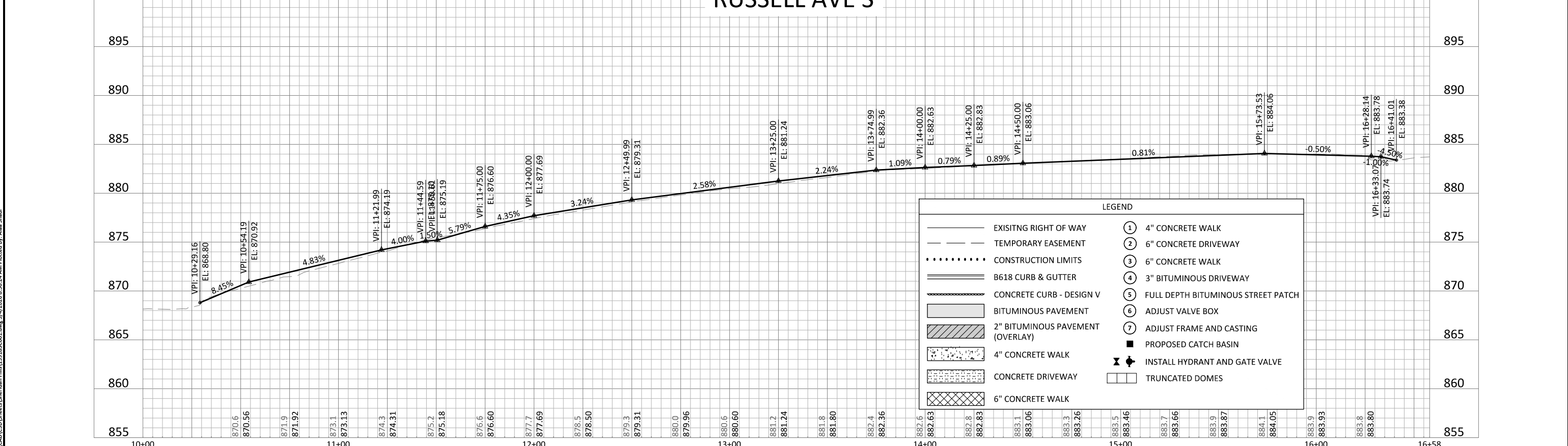
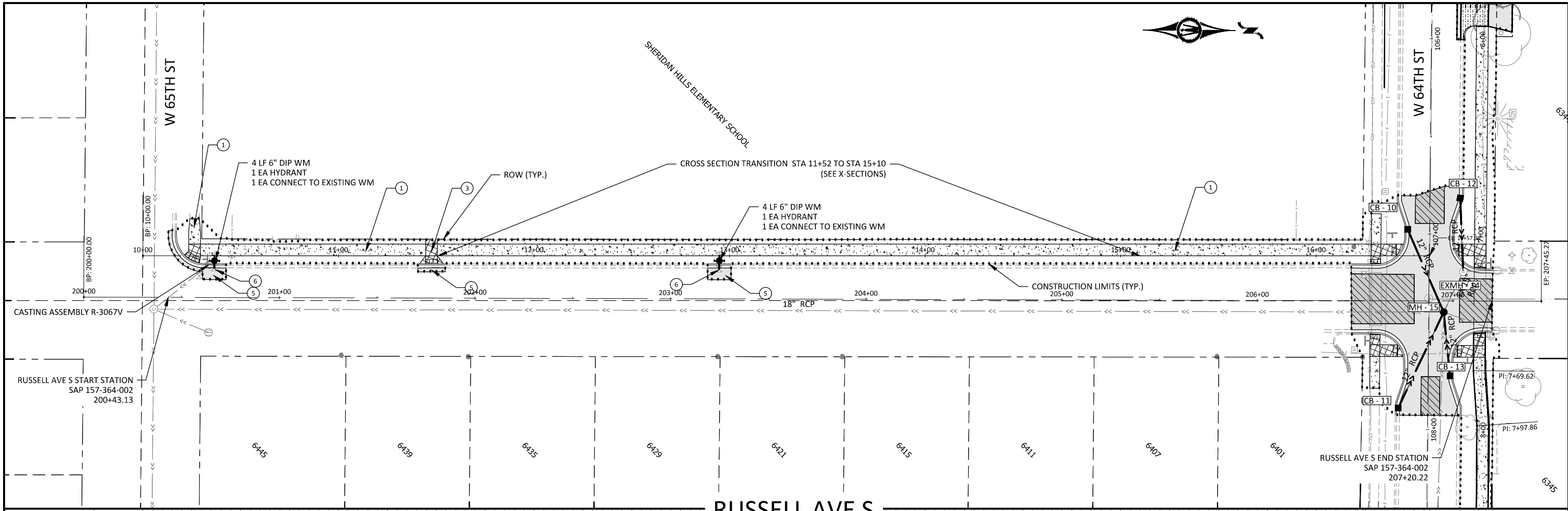
12224 NICOLLET AVENUE
BURNSVILLE, MN 55337
Phone: (952) 890-0509
Email: Burnsville@bolton-menk.com
www.bolton-menk.com



DESIGNED	NO.	ISSUED FOR	DATE
AMS			
AMS			
ZRJ			
CLIENT PROJ. NO.	26-05		

CITY OF RICHFIELD, MINNESOTA
SAP 157-364-002
SHERIDAN HILLS SR26 SIDEWALK
CONSTRUCTION PLAN & PROFILE

SHEET 15 OF 24



LEGEND

—	EXISTING RIGHT OF WAY	①	4" CONCRETE WALK
- - -	TEMPORARY EASEMENT	②	6" CONCRETE DRIVEWAY
.....	CONSTRUCTION LIMITS	③	6" CONCRETE WALK
=====	B618 CURB & GUTTER	④	3" BITUMINOUS DRIVEWAY
=====	CONCRETE CURB - DESIGN V	⑤	FULL DEPTH BITUMINOUS STREET PATCH
=====	BITUMINOUS PAVEMENT	⑥	ADJUST VALVE BOX
=====	2" BITUMINOUS PAVEMENT (OVERLAY)	⑦	ADJUST FRAME AND CASTING
=====	4" CONCRETE WALK	■	PROPOSED CATCH BASIN
=====	CONCRETE DRIVEWAY	⊕	INSTALL HYDRANT AND GATE VALVE
=====	6" CONCRETE WALK	□	TRUNCATED DOMES

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I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

RYAN PETERSON
 LIC. NO. 42844 DATE 03/04/2026



12224 NICOLLET AVENUE
 BURNSVILLE, MN 55337
 Phone: (952) 890-0509
 Email: Burnsville@bolton-menk.com
 www.bolton-menk.com



DESIGNED	NO.	ISSUED FOR	DATE
AMS			
DRAWN	AMS		
CHECKED	ZRJ		
CLIENT PROJ. NO.	26-05		

CITY OF RICHFIELD, MINNESOTA
 SAP 157-364-002
SHERIDAN HILLS SR26 SIDEWALK
 CONSTRUCTION PLAN & PROFILE

SHEET 17 OF 24

EXHIBIT D

GRANT APPLICATION

Attach the grant application for the project

Minnesota Safe Routes to School (SRTS) Program: Infrastructure Solicitation Application

I. Project Information

A. Applicant Entity Information

Name	Matt Hardegger
Entity Name	City of Richfield
Job Title/Position	Transportation Engineer
Phone	(612) 861-9792
Email	mhardegger@richfieldmn.gov
Entity Type	State Aid City
Address	6700 Portland Ave S Richfield, MN 55423
County	Hennepin
MnDOT District	Metro District

B. Project Sponsor Information

As a grant applicant, are you representing a township, non-state aid city, or a school or school district? If yes, you are required to have a project sponsor.

No, I am not a township, non-state aid city, or a school or school district

C. Project Funding

Has this project been selected for federal funding?	No
Is this project applying for competitive funding from another source in addition to this program?	No
SRTS Grant Request	544500

Total project cost 544500

Are funds from all sources committed? Yes

D. Project Location

Will any proposed infrastructure improvements be constructed on the right-of-way or property of a township, city, or county other than the applicant entity or project sponsor? No

Beginning Point - Latitude 44.88715547058378

Beginning Point - Longitude -93.31395644282873

E. Brief Project Description

Enter a brief description or title of your project. Example: Construct shared use path along north side of CSAH 12 (Cedar Street) including bumpouts at all quadrants at the CSAH 12 and Main Street intersection in the City of Moose River. Construct sidewalk along north side of MSAS 364 (64th Street) from Thomas Ave to east of Russell Ave, and along west side of Russell Ave from MSAS 364 to MSAS 102 (65th Street). Project includes bumpouts at intersection of 64th Street with Thomas and Russell Avenues.

F. Eligibility Check

The applicant must have a full resolution (not just a letter of support) from their council or governing board approving the project and pledging support to fund engineering, right of way, inspection, and other non-SRTS eligible costs, as well as SRTS-eligible items in excess of the SRTS Infrastructure grant amount. The applicant understands this eligibility requirement and has executed the signed resolution for attachment to the application. Yes

Schools, school districts, townships, and non-state aid cities will need a state aid city or county to serve as their project sponsor. If a project sponsor is required, the applicant must have a full resolution (not just a letter of support) from the sponsoring entity's council supporting the project and agreeing to act as the project sponsor. The applicant understands this eligibility requirement and has obtained the signed resolution for attachment to the application.

Not applicable (application is from a state aid city, county, or Federally Recognized Indian Tribe)

The applicant must have a full resolution (not just a letter of support) from all non-Tribal entities (except MnDOT) other than the applicant entity or project sponsor whose property or right-of-way will be impacted by the proposed project. The applicant understands this eligibility requirement and has obtained, if required, the signed resolution(s) from all impacted entities for attachment to the application.

Not applicable (no other public entity right-of-way is impacted)

Does the applicant entity have the ability to maintain the infrastructure improvement and provide an expected service life of a minimum of 10 years? The applicant affirms to the best of their current knowledge and belief that this requirement will be met.

Yes - project will be maintained and provide a service life of 10 or more years

Does the school district have plans to relocate or repurpose the school facilities benefiting from the infrastructure improvement within the next 10 years? The applicant affirms to the best of their current knowledge and belief that this requirement will be met.

No - benefiting school facilities will not be relocated or repurposed in the next 10 years

Projects are required to be ready for construction in 2025 or 2026. The applicant understands this eligibility requirement and will award a contract and be under construction by December 31, 2026.

Yes

Please select the anticipated construction year

2026

Safe Routes to School Infrastructure grant funds cannot be used on impacts to trunk highways or trunk highway right-of-way without an explicit letter of support from the MnDOT District Engineer. The applicant understands this eligibility requirement and has obtained, if required, the letter of support for attachment to the application.

Not applicable (the proposed project does not have trunk highway impacts)

All non-Tribal eligible applicants for Safe Routes to School infrastructure funds must have adopted subdivision regulations that require Safe Routes to School infrastructure in developments authorized on or after June 1, 2016. The applicant understands this eligibility requirement and can attach proof of compliance to the application via ordinance or other language that demonstrates how it is applied.

Yes

Only construction costs are eligible for the program. Development of engineering and construction plans are not eligible expenses nor are right-of-way acquisition costs. All selected projects must follow the State Aid process, which includes identifying applicable design standards and developing a construction plan set signed by a licensed engineer. The applicant must have the ability to develop this plan set or the funds to pay a consultant to develop this plan set. Exhibits from engineering studies do not qualify as a construction plan set. The applicant understands this requirement and has the ability or funds to develop the plan set.

Yes

Safe Routes to School funds cannot be used to pay school, local entity, or Federally Recognized Indian Tribe staff time to construct or install any improvements. School, local entity, or Federally Recognized Indian Tribe staff time is not an eligible cost for SRTS Infrastructure funds. All selected projects must be put out to bid and awarded to a contractor. The applicant understands this program requirement and plans to bid the project out to a contractor.

Has the project received a legislative appropriation (also known as an "earmark")? No

Statute 16B.981 Subd. 2 (6) requires that no current principals of a grantee have been convicted of a felony financial crime in the last 10 years. A principal is defined as a public official, a board member, or staff (paid or volunteer) with the authority to access funds provided by this grant opportunity or to determine how those funds are used. Political subdivisions as defined in Statute 465.719 (including school districts) and Federally Recognized Indian Tribes are not subject to this requirement. Checking "yes" is acknowledgement that if selected to receive a grant and if required by statute, the applicant will be required to complete a form certifying that no current principal of its organization has been convicted of a felony financial crime in the last 10 years.

G. Project Evaluation

Name	Matt Hardegger
Job Title / Role	Transportation Engineer
Email	mhardegger@richfieldmn.gov
Phone	6128619792

II. Project Improvements & Safety

H. School Information

School 1: School Name Sheridan Hills Elementary School

School 1: School Location 6400 Sheridan Ave S, Richfield, MN, 55423

School 1: Grades Available K-5

School 1: Number of Students Enrolled 407

School 1: Percentage of Students Walking or Biking to School 5

School 1: Percentage of Students Taking Bus to School 73

School 1: School Type Public

I. Safety Concerns

At any location in the project area, do pedestrians or bicyclists travel where safe infrastructure is not provided? Yes

Check any that apply below: Pedestrians walk along the grass or ditch.
People cross a roadway at any point other than an intersection or marked crossing

Have safety risks or hazards related to vehicles been identified within the project area that prevent people from safely walking or biking in or near the project area? Yes

Check any that are present in the project area: Low stop or yield compliance for pedestrians or cyclists
Low visibility of pedestrians or cyclists / Drivers unable to see pedestrians or cyclists

List and concisely describe the safety risks, hazards, or uncomfortable walking or biking conditions that have been identified above, including the locations of these risks and conditions. Applicants may also reference any survey data, crash data, pedestrian or bicycle plan, or other relevant sources. Upload any referenced sources when submitting this application. Each attachment must be referenced in the application, otherwise the attachment will not be considered in the scoring of the application.

There are two existing gaps in the sidewalk network near this school. Russell Ave has no sidewalk between 64th and 65th Streets, and the sidewalk on the north side of 64th Street between Penn Ave and Russell Ave ends roughly 150' east of Russell Ave, with no ramp to cross to the existing sidewalk on the south side of 64th Street. Both of these gaps require students to walk in the street and cross at non-intersection locations with no markings.

Responses to a 2023 caregiver survey cited both lack of sidewalks and unsafe intersections as concerns for parents letting their children walk to/from school. Responses also specifically cited a lack of driver yielding at 64th St/Thomas Ave as an area of concern.

There have been 3 vehicle crashes in the project area since 2014.

J. Types of Improvements

Curbs and medians

New curb and gutter
Curb extensions (concrete)

Signage and striping

New crosswalk striping

Sidewalks and trails

New sidewalks
ADA ramps

Provide a full project description including specific locations of each improvement identified above. Please include descriptions for other improvements not listed above as well. Include any project maps or design exhibits. These exhibits may be uploaded with your application.

Sidewalk will be constructed on the north side of 64th Street from Thomas Avenue to 150' east of Russell Avenue. Sidewalk will be constructed on the west side of Russell Ave from 65th to 64th Streets. ADA-compliant curb ramp will be constructed in NW corner of 65th/Russell intersection, and NW/NE corners of 64th/Sheridan intersection. ADA-compliant curb ramps with curb extensions will be constructed in all 4 corners of the intersections of 64th/Thomas and 64th/ Russell

K. Project Improvements

Schools: Describe how listed improvements would connect students to schools within your community. If your school provides hazard busing or has a no walking/biking to school policy in place currently, would these be removed or altered with construction of this project?

The area within the walk zone for Sheridan Hills is 50% renters and 12% under 18 year olds, with the high density rental properties concentrated to the northeast and southeast of the school. Expanding the sidewalk network in this neighborhood creates improved conditions for a significant potential population that could walk/bike to and from school, but face gaps in the existing sidewalk network.

While this project does not directly address or remove any hazard busing boundaries, it does create improved conditions on the school side of those boundaries for any caregivers who choose to still walk with their child across these boundaries.

Safety Risk Mitigation: Explain how each of the listed improvements in "Section J. Types of Improvements" would mitigate the safety risks and hazards described in "Section I. Safety Concerns."

Sidewalk gaps: The residential streets north of the school do not have sidewalks, and there are limited ways to access the sidewalk network at those locations. The proposed sidewalk on the north side of 64th Street creates a "collector" sidewalk that walkers from the north can use to filter to the improved intersections proposed. Filling the 150' sidewalk gap east of Russell creates a direct path for students coming from the northeast, who currently would either need to cross at Penn or walk in the street to get to Russell. The Russell Ave gap completes the network around the school property and allows for full movement of students to all entrances of the facility, reducing the amount of time students would have to walk in the street.

Intersection safety: Currently walkers from the northeast of the school must cross 64th Street at either a busy intersection (Penn Ave), at intersections that do not have ADA-compliant pedestrian ramps, or at uncontrolled locations along the street. Project will construct pedestrian ramps to create accessible crossing locations at Russell Ave and Thomas Ave. Additional curb extensions will also increase visibility of students waiting to cross the street at these intersections, which may improve driver yielding at Thomas Ave (a cited safety concern from caregivers).

III. Community Engagement & Transportation Policies

L. Plans, Policies, & Studies

Does the applicant entity or project sponsor have a Safe Routes to School (SRTS) plan or any other non-motorized transportation plan(s) in place or under development?

Yes - please attach to application

Describe the contents and extents of the Safe Routes to School (SRTS) plan and/or non-motorized transportation plan(s). Include the year of adoption for each document listed.

Citywide Comprehensive Plan for Richfield Public Schools, adopted in 2014. Design Assistance Study including campus completed in 2024.

Has the adopted plan received any updates, addendums, surveys, public engagement sessions, or any other changes since it was adopted?

Yes - please attach to application

Briefly describe the updates

Annual travel tallies and surveys are conducted by the district. 2022 Tally and 2023 Caregiver survey for Sheridan Hills Elementary are attached. Comprehensive Plan update will be complete in 2025

Are the improvements in this project identified in any of the above listed plan(s)?	Yes
Please provide the page number(s) on which the project is identified	Richfield Design Assistance Study, pages 27-31 (PDF #s)
Describe how the proposed improvements in this project were identified, planned, and prioritized. Also, include any community/stakeholder engagement or public outreach activities.	Project was identified as part of a Safe Routes to School Design Assistance Study. Stakeholder meetings were conducted with district staff, city staff, elected and appointed officials, and Bloomington Public Health. The stakeholder group brainstormed, refined, and selected locations and concepts for projects around the school. Project prioritization was decided by discussions between school district and city staff. Community outreach and engagement will occur during the project's design phase.
Has the applicant entity and/or project sponsor adopted a Complete Streets Policy or other policies or practices encouraging and promoting Complete Streets policies and practices in planning, design and construction? If yes, please describe these policies or practices and attach them to the application. If no, please mark "N/A".	Complete Streets Policy adopted in 2013. City utilizes Public Engagement Process for Public Works Projects to guide collaboration and engagement with local residents on design aspects of street projects.

IV. Equity Score

M: Implementing the 6E Strategies

Check all of the 6E Strategies implemented at the school(s) or school district(s). Please describe events, policies and programs serving these strategies.	<ul style="list-style-type: none"> Evaluation Equity Engagement/Enforcement Education Encouragement Engineering
EVALUATION: Please describe events, policies and programs serving this strategy.	District conducts annual SRTS Parent Surveys and Travel Tallies
EQUITY - Please describe events, policies and programs serving this strategy.	District policies and activities prescribe a combination of universal programming and smart, targeted intervention. District conducts regular outreach activities and frequent dialogue with the Richfield Latino Families Association.
ENGAGEMENT/ENFORCEMENT: Please describe events, policies and programs serving this strategy.	District conducts regular outreach activities to school families and conducts annual SRTS parent surveys.

EDUCATION: Please describe events, policies and programs serving this strategy.

Walk! Bike! Fun! education provided to all students 4th grade and up via SRTS Coordinator. In 2023-24, this was 130 students at Sheridan Hills.

ENCOURAGEMENT: Please describe events, policies and programs serving this strategy.

Schools participate in Walk & Roll to School Day and post crossing guards at intersections near buildings.

ENGINEERING: Please describe events, policies and programs serving this strategy.

District participates in demonstration projects to improve walking & biking conditions.

N. Advancing Equity

Priority Populations

Residents of Color
Low Income
Low or No Vehicle Availability
High Density Residential
Aged Under 18
Aged 65+
Limited or Non-English Speaking
Renter or Non-Owner
Disabled or Low Mobility

Describe how the ability for priority populations to use active transportation will be advanced with this proposed project. Include specific project area schools and statistics that support the priority population boxes checked above.

According to MnDOT's STEPP tool, Sheridan Hills has 61% students of color or American Indian, 48.8% students eligible for free/reduced lunch, 21% students receiving special education services, and 26.9% students who are English learners.

In the adjacent neighborhood (an area bounded by Hwy 62, Penn Ave, 66th Street, and Xerxes Ave), city data indicates that there are 522 rental properties in the adjacent neighborhood. This includes 165 naturally occurring affordable housing rentals, 30 of which are subsidized. The EPA's EJScreen tool indicates that 11% of residents have low income, 40% are people of color, 10% persons with disabilities, 50% rent their primary home, 13% are under the age of 18, 21% are over the age of 65, and 9% of households have limited English. According to 2019-2023 ACS data, 15% of households in this Census block group (024100.02) have no vehicle.

This project will add to the sidewalk network in the area and provide safer crossing infrastructure at two intersections, primarily for routes to the east of the school property, where the majority of the high density residential properties are located.

O. Safe Routes to School Equity Score

V. Attachments

Approved applicant entity resolution of support (PDF) <https://www.formstack.com/admin/download/file/17466031341>

For all eligible non-Tribal applicants: Applicant entity subdivision certification, regulations, or ordinances. (PDF) <https://www.formstack.com/admin/download/file/17466031345>

Engineering or planning-based cost estimate with itemized breakdown (Excel) <https://www.formstack.com/admin/download/file/17466031369>

Timeline of project indicating major milestones and their anticipated completion dates (PDF) <https://www.formstack.com/admin/download/file/17466031393>

Safe Routes to School (SRTS) Plan and/or other non-motorized transportation plan or study that identifies the proposed project or improvements (PDF) - or - a link to the documents if publicly available elsewhere <https://www.formstack.com/admin/download/file/17466031394>

Any revisions, addenda or public engagement surveys updating the above documents (if applicable) (PDF) <https://www.formstack.com/admin/download/file/17466031395>

At least one location map with project routes or improvements identified. If you choose to include project photos, please make sure the project location map is the first page in this attachment (PDF) <https://www.formstack.com/admin/download/file/17466031396>

Upload additional supporting document here. Please merge multiple similar documents together (say three letters of support) or if additional upload slots are required. <https://www.formstack.com/admin/download/file/17466031397>

Upload additional supporting document here. Please merge multiple similar documents together (say three letters of support) or if additional upload slots are required. <https://www.formstack.com/admin/download/file/17466031442>

Upload additional supporting document <https://www.formstack.com/admin/download/file/17466031459> here. Please merge multiple similar documents together (say three letters of support) or if additional upload slots are required.

VI. Conflict of Interest Disclosure

Having had the opportunity to review the above Organizational Conflict of Interest Checklist, the applicant hereby indicates that it has, to the best of its knowledge and belief: Determined that no potential organization conflict of interest exists

VII. Affirmation of Noncollusion

The Applicant affirms that this solicitation response has been submitted without collusion. Yes

VIII. 2024 SRTS Infrastructure Application Submittal

The applicant affirms to the best of their current knowledge and belief that this grant application submittal is accurate and complete. Yes

EXHIBIT E

GRANTEE RESOLUTION APPROVING GRANT AGREEMENT

RESOLUTION NO.

**AUTHORIZING EXECUTION OF MNDOT AGREEMENT #1062789 SETTING GRANT
TERMS AND CONDITIONS FOR THE DISBURSEMENT OF STATE ACTIVE
TRANSPORTATION FUNDING FOR SAP 157-364-002**

WHEREAS, the City of Richfield has applied to the Commissioner of Transportation for a grant from the Safe Routes to School Account; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this project is available; and

WHEREAS, the amount of the grant has been determined to be \$401,343.25 by reason of the lowest responsible bid;

NOW, THEREFORE, BE IT RESOLVED, that the City of Richfield does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.40, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Safe Routes to Schools Account any amount appropriated for the project but not required. The proper City officers are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Adopted by the City Council of the City of Richfield, Minnesota this 28th day of April, 2026.

Mary B. Supple, Mayor

ATTEST:

Michelle Friedrich, City Clerk

EXHIBIT F

GENERAL TERMS AND CONDITIONS FOR SAFE ROUTES TO SCHOOLS (SRTS) GRANTS

Article I DEFINITIONS

Section 1.01 **Defined Terms.** The following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined) unless the context specifically indicates otherwise:

“Advance(s)” - means an advance made or to be made by MnDOT to the Public Entity and disbursed in accordance with the provisions contained in Article VI hereof.

“Agreement” - means the Safe Routes to Schools Grant Agreement between the Public Entity and the Minnesota Department of Transportation to which this Exhibit is attached.

“Certification” - means the certification, in the form attached as **Exhibit C**, in which the Public Entity acknowledges that its interest in the Real Property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695 and is subject to certain restrictions imposed thereby.

“Code” - means the Internal Revenue Code of 1986, as amended, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

“Commissioner” - means the Commissioner of Minnesota Management & Budget.

“Commissioner’s Order” - means the “Fourth Order Amending Order of the Commissioner of Minnesota Management & Budget Relating to Use and Sale of State Bond Financed Property” dated July 30, 2012, as it may be amended or supplemented.

“Completion Date” - means the projected date for completion of the Project as indicated in the Agreement.

“Construction Contract Documents” - means the document or documents, in form and substance acceptable to MnDOT, including but not limited to any construction plans and specifications and any exhibits, amendments, change orders, modifications thereof or supplements thereto, which collectively form the contract between the Public Entity and the Contractor(s) for the completion of the Construction Items on or before the Completion Date for either a fixed price or a guaranteed maximum price.

“Construction Items” - means the work to be performed under the Construction Contract Documents.

“Contractor” - means any person engaged to work on or to furnish materials and supplies for the Construction Items including, if applicable, a general contractor.

“Draw Requisition” - means a draw requisition that the Public Entity, or its designee, submits to MnDOT when an Advance is requested, as referred to in Section 4.02.

“G.O. Bonds” - means the state general obligation bonds issued under the authority granted in Article XI, Sec. 5(a) of the Minnesota Constitution, the proceeds of which are used to fund the SRTS Grant, and any bonds issued to refund or replace such bonds.

“Grant Application” - means the grant application that the Public Entity submitted to MnDOT which is attached as **Exhibit D**.

“SRTS Grant” - means a grant from MnDOT to the Public Entity under the SRTS in the amount specified in the Agreement, as such amount may be modified under the provisions hereof.

“SRTS” - means the Safe Routes to School Program pursuant to Minn. Stat. Sec. 174.40 and rules relating thereto.

“MnDOT” - means the Minnesota Department of Transportation.

“Outstanding Balance of the SRTS Grant” - means the portion of the SRTS Grant that has been disbursed to the Public Entity minus any amounts returned to the Commissioner.

“Project” - means the Project identified in the Agreement to be totally or partially funded with a SRTS grant.

“Public Entity” - means the grantee of the SRTS Grant and identified as the Public Entity in the Agreement.

“Real Property” - means the real property identified in the Agreement on which the Project is located.

Article II GRANT

Section 2.01 **Grant of Monies.** MnDOT shall make the SRTS Grant to the Public Entity, and disburse the proceeds in accordance with the terms and conditions herein.

Section 2.02 **Public Ownership,** The Public Entity acknowledges and agrees that the SRTS Grant is being funded with the proceeds of G.O. Bonds, and as a result all of the Real Property must be owned by one or more public entities. The Public Entity represents and warrants to MnDOT that it has one or more of the following ownership interests in the Real Property: (i) fee simple ownership, (ii) an easement that is for a term that extends beyond the date that is 37.5 years from the Agreement effective date, or such shorter term as authorized by statute, and which cannot be modified or terminated early without the prior written consent of MnDOT and the Commissioner; and/or (iii) a prescriptive easement for a term that extends beyond the date that is 37.5 years from the Agreement effective date.

Section 2.03 **Use of Grant Proceeds.** The Public Entity shall use the SRTS Grant solely to reimburse itself for expenditures it has already made, or will make, to pay the costs of one of the following applicable activities: (i) acquisition of land or permanent easements, (ii) predesign, design, preliminary and final engineering and environmental studies authorized under Minn. Stat. Sec. 174.40, subdiv. 1b, or (iii) construction and reconstruction of publicly owned infrastructure in this state with a useful life of at least 10 years that provides nonmotorized transportation to and from a school.

Section 2.04 **Operation of the Real Property.** The Real Property must be used by the Public Entity in conjunction with or for nonmotorized transportation. The Public Entity shall have no intention on the effective date of the Agreement to use the Real Property as a trunk highway or any part of a trunk highway. The Public

Entity must annually determine that the Real Property is being used for the purposes specified in this Section and, upon written request by either MnDOT or the Commissioner, shall supply a notarized statement to that effect.

Section 2.05 Sale or Lease of Real Property. The Public Entity shall not (i) sell or transfer any part of its ownership interest in the Real Property, or (ii) lease out or enter into any contract that would allow another entity to use or operate the Real Property without the written consent of both MnDOT and the Commissioner. The sale or transfer of any part of the Public Entity's ownership interest in the Real Property, or any lease or contract that would allow another entity to use or operate the Real Property, must comply with the requirements imposed by Minn. Stat. Sec. 16A.695 and the Commissioner's Order regarding such sale or lease.

Section 2.06 Public Entity's Representations and Warranties. The Public Entity represents and warrants to MnDOT that:

- A. It has legal authority to execute, deliver and perform the Agreement and all documents referred to therein, and it has taken all actions necessary to its execution and delivery of such documents.
- B. It has the ability and a plan to fund the operation of the Real Property for the purposes specified in Section 2.04, and will include in its annual budget all funds necessary for the operation of the Real Property for such purposes.
- C. The Agreement and all other documents referred to therein are the legal, valid and binding obligations of the Public Entity enforceable against the Public Entity in accordance with their respective terms.
- D. It will comply with all of the provisions of Minn. Stat. Sec. 16A.695, the Commissioner's Order and the SRTS. It has legal authority to use the G.O. Grant for the purpose or purposes described in this Agreement.
- E. All of the information it has submitted or will submit to MnDOT or the Commissioner relating to the SRTS Grant or the disbursement of the SRTS Grant is and will be true and correct.
- F. It is not in violation of any provisions of its charter or of the laws of the State of Minnesota, and there are no actions or proceedings pending, or to its knowledge threatened, before any judicial body or governmental authority against or affecting it relating to the Real Property, or its ownership interest therein, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into the Agreement or any document referred to herein, or to perform any of the acts required of it in such documents.
- G. Neither the execution and delivery of the Agreement or any document referred to herein nor compliance with any of the provisions or requirements of any of such documents is prevented by, is a breach of, or will result in a breach of, any provision of any agreement or document to which it is now a party or by which it is bound.
- H. The contemplated use of the Real Property will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record relating thereto.

- I. The Project will be completed and the Real Property will be operated in full compliance with all applicable laws, rules, ordinances, and regulations of any federal, state, or local political subdivision having jurisdiction over the Project and the Real Property.
- J. All applicable licenses, permits and bonds required for the performance and completion of the Project and for the operation of the Real Property as specified in Section 2.04 have been, or will be, obtained.
- K. It reasonably expects to possess its ownership interest in the Real Property described in Section 2.02 for at least 37.5 years, and it does not expect to sell such ownership interest.
- L. It does not expect to lease out or enter into any contract that would allow another entity to use or operate the Real Property.
- M. It will supply whatever funds are needed in addition to the SRTS Grant to complete and fully pay for the Project.
- N. The Construction Items will be completed substantially in accordance with the Construction Contract Documents by the Completion Date and all such items will be situated entirely on the Real Property.
- O. It will require the Contractor or Contractors to comply with all rules, regulations, ordinances, and laws bearing on its performance under the Construction Contract Documents.
- P. It shall furnish such satisfactory evidence regarding the representations and warranties described herein as may be required and requested by either MnDOT or the Commissioner.
- Q. It has made no material false statement or misstatement of fact in connection with its receipt of the G.O. Grant, and all the information it has submitted or will submit to the State Entity or Commissioner of MMB relating to the G.O. Grant or the disbursement of any of the G.O. Grant is and will be true and correct.

Section 2.07 Event(s) of Default. The following events shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement upon either MnDOT or the Commissioner giving the Public Entity 30 days' written notice of such event and the Public Entity's failure to cure such event during such 30-day time period for those Events of Default that can be cured within 30 days or within whatever time period is needed to cure those Events of Default that cannot be cured within 30 days as long as the Public Entity is using its best efforts to cure and is making reasonable progress in curing such Events of Default; however, in no event shall the time period to cure any Event of Default exceed six (6) months unless otherwise consented to, in writing, by MnDOT and the Commissioner.

- A. If any representation, covenant, or warranty made by the Public Entity herein or in any other document furnished pursuant to the Agreement, or to induce MnDOT to disburse the SRTS Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.
- B. If the Public Entity fails to fully comply with any provision, covenant, or warranty contained herein.

- C. If the Public Entity fails to fully comply with any provision, covenant or warranty contained in Minn. Stat. Sec. 16A.695, the Commissioner's Order, or Minn. Stat. Sec. 174.40 and all rules related thereto.
- D. If the Public Entity fails to use the proceeds of the SRTS Grant for the purposes set forth in Section 2.03, the Grant Application, and in accordance with the SRTS.
- E. If the Public Entity fails to operate the Real Property for the purposes specified in Section 2.04.
- F. If the Public Entity fails to complete the Project by the Completion Date.
- G. If the Public Entity sells or transfers any portion of its ownership interest in the Real Property without first obtaining the written consent of both MnDOT and the Commissioner.
- H. If the Public Entity fails to provide any additional funds needed to fully pay for the Project.
- I. If the Public Entity fails to supply the funds needed to operate the Real Property in the manner specified in Section 2.04.

Notwithstanding the foregoing, any of the above events that cannot be cured shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement immediately upon either MnDOT or the Commissioner giving the Public Entity written notice of such event.

Section 2.08 **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of MnDOT, MnDOT or the Commissioner may enforce any or all of the following remedies.

- A. MnDOT may refrain from disbursing the SRTS Grant; provided, however, MnDOT may make such disbursements after the occurrence of an Event of Default without waiving its rights and remedies hereunder.
- B. If the Event of Default involves a sale of the Public Entity's interest in the Real Property in violation of Minn. Stat. Sec. 16A.695 or the Commissioner's Order, the Commissioner, as a third party beneficiary of the Agreement, may require that the Public Entity pay the amounts that would have been paid if there had been compliance with such provisions. For other Events of Default, the Commissioner may require that the Outstanding Balance of the SRTS Grant be returned to it.
- C. Either MnDOT or the Commissioner, as a third party beneficiary of the Agreement, may enforce any additional remedies it may have in law or equity.

The rights and remedies specified herein are cumulative and not exclusive of any rights or remedies that MnDOT or the Commissioner would otherwise possess.

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained herein within 30 days of demand by the Commissioner, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor of MnDOT and/or the Commissioner, then such amount may, unless precluded by law, be offset against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

Section 2.09 **Notification of Event of Default.** The Public Entity shall furnish to MnDOT and the Commissioner, as soon as possible and in any event within seven (7) days after it has obtained knowledge of

the occurrence of each Event of Default, a statement setting forth details of each Event of Default and the action which the Public Entity proposes to take with respect thereto.

Section 2.10 Effect of Event of Default. The Agreement shall survive Events of Default and remain in full force and effect, even upon full disbursement of the SRTS Grant, and shall only be terminated under the circumstances set forth in Section 2.11.

Section 2.11 Termination of Agreement and Modification of SRTS Grant.

A. If the Project is not started within five (5) years after the effective date of the Agreement or the SRTS Grant has not been disbursed within four (4) years after the date the Project was started, MnDOT's obligation to fund the SRTS Grant shall terminate. In such event, (i) if none of the SRTS Grant has been disbursed by such date, MnDOT shall have no obligation to fund the SRTS Grant and the Agreement will terminate, and (ii) if some but not all of the SRTS Grant has been disbursed by such date, MnDOT shall have no further obligation to provide any additional funding for the SRTS Grant and the Agreement shall remain in force but shall be modified to reflect the amount of the SRTS Grant that was actually disbursed and the Public Entity is still obligated to complete the Project by the Completion Date.

B. The Agreement shall terminate upon the Public Entity's sale of its interest in the Real Property and transmittal of the required portion of the proceeds of the sale to the Commissioner in compliance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order, or upon the termination of the Public Entity's ownership interest in the Real Property if such ownership interest is an easement.

Section 2.12 Excess Funds. If the full amount of the G.O. Grant and any matching funds referred to in Section 5.13 are not needed to complete the Project, then, unless language in the G.O. Bonding Legislation indicates otherwise, the G.O. Grant shall be reduced by the amount not needed.

Article III
COMPLIANCE WITH MINNESOTA STATUTE, SEC. 16A.695
AND THE COMMISSIONER'S ORDER

Section 3.01 State Bond Financed Property. The Public Entity acknowledges that its interest in the Real Property is, or when acquired by it will be, "state bond financed property", as such term is used in Minn. Stat. Sec. 16A.695 and the Commissioner's Order and, therefore, the provisions contained in such statute and order apply, or will apply, to its interest in the Real Property, even if the SRTS Grant will only pay for a portion of the Project.

Section 3.02 Preservation of Tax Exempt Status. In order to preserve the tax-exempt status of the G.O. Bonds, the Public Entity agrees as follows:

- A. It will not use the Real Property or use or invest the SRTS Grant or any other sums treated as "bond proceeds" under Section 148 of the Code (including "investment proceeds," "invested sinking funds" and "replacement proceeds") in such a manner as to cause the G.O. Bonds to be classified as "arbitrage bonds" under Code Section 148.
- B. It will deposit and hold the SRTS Grant in a segregated non-interest-bearing account until such funds are used for payments for the Project.
- C. It will, upon written request, provide the Commissioner all information required to satisfy the informational requirements set forth in the Code, including Sections 103 and 148, with respect to the G.O. Bonds.

- D. It will, upon the occurrence of any act or omission by the Public Entity that could cause the interest on the G.O. Bonds to no longer be tax exempt and upon direction from the Commissioner, take such actions and furnish such documents as the Commissioner determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal taxation, which such action may include: (i) compliance with proceedings intended to classify the G.O. Bonds as a “qualified bond” within the meaning of Code Section 141(e), or (ii) changing the nature of the use of the Real Property so that none of the net proceeds of the G.O. Bonds will be deemed to be used, directly or indirectly, in an “unrelated trade or business” or for any “private business use” within the meaning of Code Sections 141(b) and 145(a).
- E. It will not otherwise use any of the SRTS Grant or take, permit or cause to be taken, or omit to take, any action that would adversely affect the exemption from federal income taxation of the interest on the G.O. Bonds, and if it should take, permit or cause to be taken, or omit to take, as appropriate, any such action, it shall take all lawful actions necessary to correct such actions or omissions promptly upon obtaining knowledge thereof.

Section 3.03 Changes to G.O. Compliance Legislation or the Commissioner’s Order. If Minn. Stat. Sec. 16A.695 or the Commissioner’s Order is amended in a manner that reduces any requirement imposed against the Public Entity, or if the Public Entity’s interest in the Real Property becomes exempted from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order, then upon written request by the Public Entity, MnDOT shall execute an amendment to the Agreement to implement such amendment or exempt the Public Entity’s interest in the Real Property from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order.

Article IV DISBURSEMENT OF GRANT PROCEEDS

Section 4.01 The Advances. MnDOT agrees, on the terms and subject to the conditions set forth herein, to make Advances of the SRTS Grant to the Public Entity from time to time in an aggregate total amount not to exceed the amount of the SRTS Grant. If the amount of SRTS Grant that MnDOT cumulatively disburses hereunder to the Public Entity is less than the amount of the SRTS Grant delineated in Section 1.01, then MnDOT and the Public Entity shall enter into and execute whatever documents MnDOT may request in order to amend or modify this Agreement to reduce the amount of the SRTS Grant to the amount actually disbursed. Provided, however, in accordance with the provisions contained in Section 2.11, MnDOT’s obligation to make Advances shall terminate as of the dates specified in Section 2.11 even if the entire SRTS Grant has not been disbursed by such dates.

Advances shall only be for expenses that (i) are for those items of a capital nature delineated in Source and Use of Funds that is attached as **Exhibit A**, (ii) accrued no earlier than the effective date of the legislation that appropriated the funds that are used to fund the SRTS Grant, or (iii) have otherwise been consented to, in writing, by the Commissioner.

It is the intent of the parties hereto that the rate of disbursement of the Advances shall not exceed the rate of completion of the Project or the rate of disbursement of the matching funds required, if any, under Section 5.13. Therefore, the cumulative amount of all Advances disbursed by the State Entity at any point in time shall not exceed the portion of the Project that has been completed and the percentage of the matching funds required, if any, under Section 5.13 that have been disbursed as of such point in time. This requirement is expressed by way of the following two formulas:

Formula #1:

Cumulative Advances \leq (Program Grant) \times (percentage of matching funds, if any, required under Section 5.13 that have been disbursed)

Formula #2:

Cumulative Advances \leq (Program Grant) \times (percentage of Project completed)

Section 4.02 **Draw Requisitions.** Whenever the Public Entity desires a disbursement of a portion of the SRTS Grant the Public Entity shall submit to MnDOT a Draw Requisition duly executed on behalf of the Public Entity or its designee. Each Draw Requisition with respect to construction items shall be limited to amounts equal to: (i) the total value of the classes of the work by percentage of completion as approved by the Public Entity and MnDOT, plus (ii) the value of materials and equipment not incorporated in the Project but delivered and suitably stored on or off the Real Property in a manner acceptable to MnDOT, less (iii) any applicable retainage, and less (iv) all prior Advances.

Notwithstanding anything herein to the contrary, no Advances for materials stored on or off the Real Property will be made by MnDOT unless the Public Entity shall advise MnDOT, in writing, of its intention to so store materials prior to their delivery and MnDOT has not objected thereto.

At the time of submission of each Draw Requisition, other than the final Draw Requisition, the Public Entity shall submit to MnDOT such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the relevant Draw Requisition or to substantiate all payments then made with respect to the Project.

The final Draw Requisition shall not be submitted before completion of the Project, including any correction of material defects in workmanship or materials (other than the completion of punch list items). At the time of submission of the final Draw Requisition the Public Entity shall submit to MnDOT: (I) such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the final Draw Requisition or to substantiate all payments then made with respect to the Project, and (ii) satisfactory evidence that all work requiring inspection by municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such authorities and that all requisite certificates and other approvals have been issued.

If on the date an Advance is desired the Public Entity has complied with all requirements of this Agreement and MnDOT approves the relevant Draw Requisition, then MnDOT shall disburse the amount of the requested Advance to the Public Entity.

Section 4.03 **Additional Funds.** If MnDOT shall at any time in good faith determine that the sum of the undisbursed amount of the SRTS Grant plus the amount of all other funds committed to the Project is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the Project, then MnDOT may send written notice thereof to the Public Entity specifying the amount which must be supplied in order to provide sufficient funds to complete the Project. The Public Entity agrees that it will, within 10 calendar days of receipt of any such notice, supply or have some other entity supply the amount of funds specified in MnDOT's notice.

Section 4.04 **Condition Precedent to Any Advance.** The obligation of MnDOT to make any Advance hereunder (including the initial Advance) shall be subject to the following conditions precedent:

- A. MnDOT shall have received a Draw Requisition for such Advance specifying the amount of funds being requested, which such amount when added to all prior requests for an Advance shall not exceed the amount of the SRTS Grant set forth in Section 1.01.

- B. No Event of Default under this Agreement or event which would constitute an Event of Default but for the requirement that notice be given or that a period of grace or time elapse shall have occurred and be continuing.
- C. No determination shall have been made by MnDOT that the amount of funds committed to the Project is less than the amount required to pay all costs and expenses of any kind that may reasonably be anticipated in connection with the Project, or if such a determination has been made and notice thereof sent to the Public Entity under Section 4.03, then the Public Entity has supplied, or has caused some other entity to supply, the necessary funds in accordance with such section or has provided evidence acceptable to MnDOT that sufficient funds are available.
- D. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity has sufficient funds to fully and completely pay for the Project and all other expenses that may occur in conjunction therewith.
- E. The Public Entity has supplied to the State Entity all other items that the State Entity may reasonably require

Section 4.05 **Processing and Disbursement of Advances.** The Public Entity acknowledges and agrees as follows:

- A. Advances are not made prior to completion of work performed on the Project.
- B. All Advances are processed on a reimbursement basis.
- C. The Public Entity must first document expenditures to obtain an Advance.
- D. Reimbursement requests are made on a partial payment basis or when the Project is completed.
- E. All payments are made following the “Delegated Contract Process or State Aid Payment Request” as requested and approved by the appropriate district state aid engineer.

Section 4.06 **Construction Inspections.** The Public Entity shall be responsible for making its own inspections and observations regarding the completion of the Project, and shall determine to its own satisfaction that all work done or materials supplied have been properly done or supplied in accordance with all contracts that the Public Entity has entered into regarding the completion of the Project.

Article V MISCELLANEOUS

Section 5.01 **Insurance.** If the Public Entity elects to maintain general comprehensive liability insurance regarding the Real Property, then the Public Entity shall have MnDOT named as an additional named insured therein.

Section 5.02 **Condemnation.** If, after the Public Entity has acquired the ownership interest set forth in Section 2.02, all or any portion of the Real Property is condemned to an extent that the Public Entity can no longer comply with Section 2.04, then the Public Entity shall, at its sole option, either: (i) use the condemnation proceeds to acquire an interest in additional real property needed for the Public Entity to continue to comply with Section 2.04 and to provide whatever additional funds that may be needed for such purposes, or (ii) submit a request to MnDOT and the Commissioner to allow it to sell the remaining portion of its interest in the Real

Property. Any condemnation proceeds which are not used to acquire an interest in additional real property shall be applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order as if the Public Entity's interest in the Real Property had been sold. If the Public Entity elects to sell its interest in the portion of the Real Property that remains after the condemnation, such sale must occur within a reasonable time period after the date the condemnation occurred and the cumulative sum of the condemnation and sale proceeds applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order.

If MnDOT receives any condemnation proceeds referred to herein, MnDOT agrees to or pay over to the Public Entity all of such condemnation proceeds so that the Public Entity can comply with the requirements of this Section.

Section 5.03 Use, Maintenance, Repair and Alterations. The Public Entity shall not, without the written consent of MnDOT and the Commissioner, (i) permit or allow the use of any of the Real Property for any purpose other than the purposes specified in Section 2.04, (ii) substantially alter any of the Real Property except such alterations as may be required by laws, ordinances or regulations, or such other alterations as may improve the Real Property by increasing its value or which improve its ability to be used for the purposes set forth in Section 2.04, (iii) take any action which would unduly impair or depreciate the value of the Real Property, (iv) abandon the Real Property, or (v) commit or permit any act to be done in or on the Real Property in violation of any law, ordinance or regulation.

If the Public Entity fails to maintain the Real Property in accordance with this Section, MnDOT may perform whatever acts and expend whatever funds necessary to so maintain the Real Property, and the Public Entity irrevocably authorizes MnDOT to enter upon the Real Property to perform such acts as may be necessary to so maintain the Real Property. Any actions taken or funds expended by MnDOT shall be at its sole discretion, and nothing contained herein shall require MnDOT to take any action or incur any expense and MnDOT shall not be responsible, or liable to the Public Entity or any other entity, for any such acts that are performed in good faith and not in a negligent manner. Any funds expended by MnDOT pursuant to this Section shall be due and payable on demand by MnDOT and will bear interest from the date of payment by MnDOT at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per year based upon a 365-day year.

Section 5.04 Recordkeeping and Reporting. The Public Entity shall maintain books and records pertaining to Project costs and expenses needed to comply with the requirements contained herein, Minn. Stat. Sec. 16A.695, the Commissioner's Order, and Minn. Stat. Sec. 174.40 and all rules related thereto, and upon request shall allow MnDOT, its auditors, the Legislative Auditor for the State of Minnesota, or the State Auditor for the State of Minnesota, to inspect, audit, copy, or abstract all of such items. The Public Entity shall use generally accepted accounting principles in the maintenance of such items, and shall retain all of such books and records for a period of six years after the date that the Project is fully completed and placed into operation.

Section 5.05 Inspections by MnDOT. The Public Entity shall allow MnDOT to inspect the Real Property upon reasonable request by MnDOT and without interfering with the normal use of the Real Property.

Section 5.06 Liability. The Public Entity and MnDOT agree that each will be responsible for its own acts and the results thereof to the extent authorized by law, and neither shall be responsible for the acts of the other party and the results thereof. The liability of MnDOT and the Commissioner is governed by the provisions of Minn. Stat. Sec. 3.736. If the Public Entity is a "municipality" as that term is used in Minn. Stat. Chapter 466, then the liability of the Public Entity is governed by the provisions of Chapter 466. The Public Entity's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Public Entity, or subject to any exclusion from coverage in any insurance policy.

Section 5.07 Relationship of the Parties. Nothing contained in the Agreement is to be construed as establishing a relationship of co-partners or joint venture among the Public Entity, MnDOT, or the Commissioner, nor shall the Public Entity be considered to be an agent, representative, or employee of MnDOT, the Commissioner, or the State of Minnesota in the performance of the Agreement or the Project.

No employee of the Public Entity or other person engaging in the performance of the Agreement or the Project shall be deemed have any contractual relationship with MnDOT, the Commissioner, or the State of Minnesota and shall not be considered an employee of any of those entities. Any claims that may arise on behalf of said employees or other persons out of employment or alleged employment, including claims under the Workers' Compensation Act of the State of Minnesota, claims of discrimination against the Public Entity or its officers, agents, contractors, or employees shall in no way be the responsibility of MnDOT, the Commissioner, or the State of Minnesota. Such employees or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from MnDOT, the Commissioner, or the State of Minnesota, including tenure rights, medical and hospital care, sick and vacation leave, disability benefits, severance pay and retirement benefits.

Section 5.08 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing and personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the address of the party specified below or to such different address as may in the future be specified by a party by written notice to the others:

To the Public Entity: At the address indicated on the first page of the Agreement.

To MnDOT at: Minnesota Department of Transportation
Office of State Aid
395 John Ireland Blvd., MS 500
Saint Paul, MN 55155
Attention: Patti Loken, State Aid Programs Engineer

To the Commissioner at: Minnesota Management & Budget
400 Centennial Office Bldg.
658 Cedar St.
St. Paul, MN 55155
Attention: Commissioner

Section 5.09 Assignment or Modification. Neither the Public Entity nor MnDOT may assign any of its rights or obligations under the Agreement without the prior written consent of the other party.

Section 5.10 Waiver. Neither the failure by the Public Entity, MnDOT, or the Commissioner, as a third party beneficiary of the Agreement, in one or more instances to insist upon the complete observance or performance of any provision hereof, nor the failure of the Public Entity, MnDOT, or the Commissioner to exercise any right or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such provision or the right to exercise such right or remedy thereafter. In addition, no delay by any of the Public Entity, MnDOT, or the Commissioner in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 5.11 Choice of Law and Venue. All matters relating to the validity, interpretation, performance, or enforcement of the Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions arising from any provision of the Agreement shall be initiated and venued in the State of Minnesota District Court located in St. Paul, Minnesota.

Section 5.12 **Severability.** If any provision of the Agreement is finally judged by any court to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

Section 5.13 **Matching Funds.** Any matching funds as shown on Page 1 of the Grant Agreement that are required to be obtained and supplied by the Public Entity must either be in the form of (i) cash monies, (ii) legally binding commitments for money, or (iii) equivalent funds or contributions, including equity, which have been or will be used to pay for the Project. The Public Entity shall supply to MnDOT whatever documentation MnDOT may request to substantiate the availability and source of any matching funds.

Section 5.14 **Sources and Uses of Funds.** The Public Entity represents to MnDOT and the Commissioner that the Sources and Uses of Funds Schedule attached as **Exhibit A** accurately shows the total cost of the Project and all of the funds that are available for the completion of the Project. The Public Entity will supply any other information and documentation that MnDOT or the Commissioner may request to support or explain any of the information contained in the Sources and Uses of Funds Schedule. If any of the funds shown in the Sources and Uses of Funds Schedule have conditions precedent to the release of such funds, the Public Entity must provide to MnDOT a detailed description of such conditions and what is being done to satisfy such conditions.

Section 5.15 **Project Completion Schedule.** The Public Entity represents to MnDOT and the Commissioner that the Project Completion Schedule attached as **Exhibit B** correctly and accurately sets forth the projected schedule for the completion of the Project.

Section 5.16 **Third-Party Beneficiary.** The Governmental Program will benefit the State of Minnesota and the provisions and requirements contained herein are for the benefit of both the State Entity and the State of Minnesota. Therefore, the State of Minnesota, by and through its Commissioner of MMB, is and shall be a third-party beneficiary of this Agreement.

Section 5.17 **Public Entity Tasks.** Any tasks that the Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 5.18 **Data Practices.** The Public Entity agrees with respect to any data that it possesses regarding the G.O. Grant or the Project to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Minnesota Statutes Chapter 13, as such may subsequently be amended or replaced from time to time.

Section 5.19 **Non-Discrimination.** The Public Entity agrees to not engage in discriminatory employment practices regarding the Project and it shall fully comply with all of the provisions contained in Minnesota Statutes Chapters 363A and 181, as such may subsequently be amended or replaced from time to time.

Section 5.20 **Worker's Compensation.** The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. Secs. 176.181 subd. 2 and 176.182, as they may be amended or replaced from time to time with respect to the Project.

Section 5.21 **Antitrust Claims.** The Public Entity hereby assigns to MnDOT and the Commissioner of MMB all claims it may have for over charges as to goods or services provided with respect to the Project that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 5.22 **Prevailing Wages.** The Public Entity agrees to comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177, and specifically those provisions contained in Minn. Stat. § 177.41 through 177.435 as they may be amended or replaced from time to time with respect to the Project. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project.

Section 5.23 **Entire Agreement.** The Agreement and all of the exhibits attached thereto embody the entire agreement between the Public Entity and MnDOT, and there are no other agreements, either oral or written, between the Public Entity and MnDOT on the subject matter hereof.

Section 5.24 **E-Verification.** The Public Entity agrees and acknowledges that it is aware of Minn. Stat. § 16C.075 regarding e-verification of employment of all newly hired employees to confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such order.

Section 5.25 **Telecommunications Certification.** If federal funds are included in Exhibit A, by signing this agreement, Contractor certifies that, consistent with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232 (Aug. 13, 2018), and 2 CFR 200.216, Contractor will not use funding covered by this agreement to procure or obtain, or to extend, renew, or enter into any contract to procure or obtain, any equipment, system, or service that uses “covered telecommunications equipment or services” (as that term is defined in Section 889 of the Act) as a substantial or essential component of any system or as critical technology as part of any system. Contractor will include this certification as a flow down clause in any contract related to this agreement.

Section 5.26 **Title VI/Non-discrimination Assurances.** Public Entity agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. If federal funds are included in Exhibit A, Public Entity will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. MnDOT may conduct a review of the Public Entity’s compliance with this provision. The Public Entity must cooperate with MnDOT throughout the review process by supplying all requested information and documentation to MnDOT, making Public Entity staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by MnDOT.

Section 5.27 **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

Section 5.28 **Certification.** By signing this Agreement, the Grantee certifies that it is not suspended or debarred from receiving federal or state awards.



Report Prepared By:
Joe Powers, City Engineer

Department Director:
Kristin Asher, Public Works Director

Item for Consideration:

Consider approval of an Encroachment Agreement between the City of Richfield and Herspace, LLC, allowing the property owner at 6440 Nicollet Avenue to maintain an existing private parking lot and commercial sign within public right-of-way.

EXECUTIVE SUMMARY

The property at 6440 Nicollet Avenue was recently purchased by Herspace, LLC in order to operate a new co-working space franchised with The Coven. The property has an existing parking lot and commercial sign that are located within City right-of-way. Herspace, LLC desires to maintain the existing parking lot and sign structure in their current locations and configuration. This agreement outlines terms and conditions for the maintenance of the encroachments within the public right-of-way.

RECOMMENDED ACTION

Approve an Encroachment Agreement between the City of Richfield and Herspace, LLC, allowing the property owner at 6440 Nicollet Avenue to maintain an existing private parking lot and commercial sign within public right-of-way.

HISTORICAL CONTEXT

The property at 6440 Nicollet Avenue was most recently occupied by Richfield Medical Group and the existing parking lot and sign have encroached on City right-of-way for at least 25 years. The new property owner (Herspace, LLC) desires to maintain the existing parking lot and sign structure. As the existing right-of-way is substantially wider than typical in this location and the encroachments do not present any conflict with current or future City needs, the City is amenable to allowing the maintenance of these encroachments. This agreement outlines terms and conditions for the maintenance of these encroachments by the property owner as well as processes for removal of the encroachments should the City require use of the right-of-way in the future.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Allowing the maintenance of these encroachments provides a reasonable and cost-effective solution for a local small business.

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

The City does not typically allow private improvements to be built in public right-of-way without an encroachment or other type of agreement.

CRITICAL TIMING ISSUES

The encroachment agreement should be approved as soon as possible to minimize any conflicts should the City require access to the right-of-way in this area. The property owner is also planning to modify (but not relocate) the existing sign, and this agreement should be in place prior to that work.

FINANCIAL IMPACT

None.

LEGAL CONSIDERATIONS

The City Attorney has drafted this agreement and will be available to answer questions.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

- 1. Encroachment Agreement (6440 Nicollet)-Herspace partial Executed

ENCROACHMENT AGREEMENT

THIS ENCROACHMENT AGREEMENT (“Agreement”) made and entered into as of this ____ day of _____, 2026, by and between Herspace LLC, a Minnesota limited liability company (“Owner”) and the City of Richfield, a Minnesota municipal corporation (“City”).

RECITALS

- A. Owner is the fee owner of certain real estate located at 6440 Nicollet Ave. S., Richfield, Minnesota 55423, (Torrens Certificate 1599458) (PID No. 27-028-24-24-0057) legally described as follows:

Tract B and C, Registered Land Survey No. 692, County of Hennepin

(“Property”).

- B. The Property is located on the intersection of W. 65th Street and Nicollet Avenue (collectively, the “Right of Way”) and bounded by the Right of Way on its North and East perimeters. Portions of the existing parking lot and a business monument sign are located within the Right of Way (collectively, the “Encroachments”) and within the area depicted on Exhibit A (the “Encroachment Area”). The parties acknowledge the Encroachments predate this Agreement and have existed without material interference.
- C. The City is willing to allow the Encroachments to remain within the Encroachment Area subject to the terms and conditions contained in this Agreement.

AGREEMENT

1. **Incorporation.** The recitals set forth above are incorporated herein and made part of this Agreement.
2. **Grant; Nature of Interest; Duration; Assignability.** The City warrants that it has the right to grant this limited use interest affecting the Encroachment Area. Subject to the terms herein, the City Grants Owner a nonexclusive license coupled with a contractual right to maintain, repair, replace-in-kind, and use the Encroachments within the Encroachment Area (the “Grant”). The parties acknowledge and agree this Agreement creates a license and contractual rights only and does not convey a fee interest or

easement in real property. Nothing herein shall be construed to create a prescriptive right against the City. The Grant is perpetual unless terminated in strict accordance with Section 6. This Agreement and the Grant shall run with Owner's leasehold and ownership interests in the Property and be binding upon and inure to the benefit of Owner's successors and assigns without need for further consent, including any purchaser, assignee, mortgagee or other successor of Owner; provided that Owner provides notice to City pursuant to Section 7 of any transfer.

3. **Scope; Permitted Activities; City Reservation Narrowed.** Owner may, subject to all applicable City permitting requirements: (a) operate and use the parking and sign Encroachments in the ordinary course; (b) maintain, repair, and replace the Encroachments in a manner substantially consistent with current size, footprint, and location; and (c) implement safety and code-compliant improvements within the Encroachment Area that do not materially expand the Encroachments. The City reserves the right to use the Right of Way, including the Encroachment Area, for public utility purposes; provided, however, City's exercise of such rights shall not unreasonably interfere with or materially impair the Encroachments, except as expressly permitted under Section 6 following compliance with all prerequisites state therein. Short-term, de minimis construction impacts authorized under Section 6 and performed in compliance with the Agreement shall not give rise to claims by Owner, except as provided for restoration and cost allocation below.
4. **Maintenance; Standards; Cure Rights.** Owner must maintain the Encroachment in a structurally sound and safe condition, consistent with applicable code, as may be reasonably determined by the City Building Official, City Engineer, or other designated City official. If City alleges noncompliance, City shall provide written notice describing the deficiency in reasonable detail and allow Owner not less than fourteen (14) days to cure (or, if cure cannot reasonably be completed within fourteen (14) days, to demonstrate good faith effort to cure within fourteen (14) days and diligently prosecute to completion). Only upon Owner's failure to timely cure after notice may City seek revocation under Section 6, and then solely to the minimum extent necessary to address the uncured deficiency.
5. **Risk Allocation; Indemnity; Insurance.** Owner shall indemnify, hold harmless, and defend the City and its officials, employees, contractors, and agents from and against third-party claims to the extent arising out of Owner's negligent acts or omissions, willful misconduct, or breach of this Agreement in connection with the Encroachments; provided that Owners shall have no obligation to indemnify for claims to the extent caused by the negligence or willful misconduct of the City or its officials, employees, contractors, or agents. Nothing herein waives any immunity, defenses, or liability limitations available to the City under law. Throughout the term, Owner shall maintain commercially reasonable insurance (which may be carried under blanket policies) covering liabilities arising from the Encroachments, and shall furnish certificates upon City's reasonable request.

6. **City Access; Limited Termination; Relocation and Restoration.** Except in an emergency threatening health, safety, or significant property damage, before the City constructs, reconstructs, or repairs utilities in the Right of Way that would materially interfere with the Encroachments, the City will make a good faith attempt to: (a) provide at least 30 days' prior written notice describing the work, schedule, and anticipated impact; (b) meet and confer in good faith with Owner to identify feasible alternatives, staging, and timing to avoid or minimize interference; and (c) consider reasonable design modifications to preserve continued use of the Encroachments. If feasible with the City's construction plans, the parties will agree to a written work plan allowing the City's work to proceed while preserving the Encroachments to the maximum extent practicable. The parties' preference and agreement is to avoid termination; termination is a last resort after compliance with this Section 6. Following City's work, the City may, at its cost and sole determination, restore the Encroachment Area and any disturbed portions of the Encroachments to substantially the same condition and functionality as existed immediately prior to disturbance, reasonable wear and tear and code changes excepted; provided that Owner shall bear incremental costs attributable to work requested by Owner. The City may terminate this Agreement, in whole or in part, only if: (i) after complying with the notice, meet-and-confer, and alternatives evaluation above, the City determines no feasible design, staging, timing, or relocation can reasonably accommodate the Encroachments; and (ii) the City provides at least 180 days' written notice of termination specifying the basis therefor. Any termination shall be no broader than necessary to permit the City's work. In the event of an emergency requiring immediate excavation to protect public health, safety, or property, the City may temporarily close or impair use of the Encroachment Area without prior notice; provided that the City shall provide prompt notice thereafter, minimize interference to the extent practicable, and restore or relocate the Encroachments as provided above when the emergency subsides. Owner shall be responsible for the City's reasonable and documented costs, as determined by the City, that are attributable solely to the presence of the Encroachments, excluding costs the City would have incurred regardless of the Encroachments. If the Agreement is finally terminated under this Section 6 and continued use or relocation is not feasible despite the City's compliance with all preconditions, Owner shall, within a reasonable period stated in the notice (not less than 60 days), remove the affected Encroachments and personal property at Owner's cost, and complete temporary or final restoration of the Right of Way surface, unless the City intends to commence work in the immediate future and indicates such to the Owner in writing.

7. **Notices.** Any notice, demand, or other communication under this Agreement by either party to the other will be sufficiently given or delivered if it is dispatched by certified or registered mail or delivered personally to the address below:

If to City:	City of Richfield Attn: City Engineer 6700 Portland Avenue S. Richfield, MN 55423
-------------	--

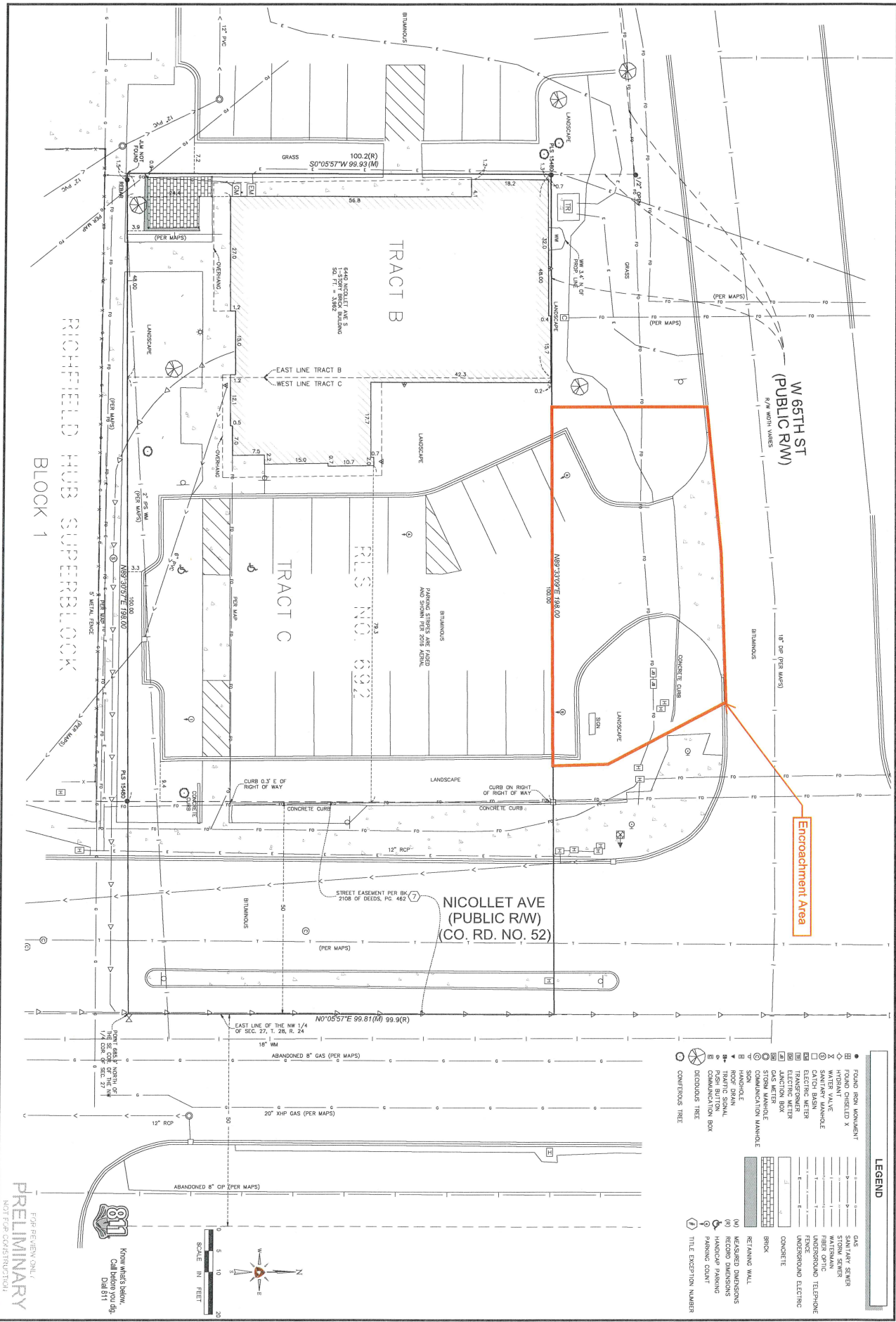
If to Owner: Herspace LLC
Attn: Nadia Siddiqui
6440 Nicollet Ave S
Richfield, MN 55423

8. **Recording; Covenants Running with Interests.** The City shall record this Agreement and any amendments thereto in the office of the Hennepin County Registrar of Titles. The recorded Agreement is intended to provide notice and to bind and benefit successors and assigns as stated in Section 2.
9. **Default; Remedies; Dispute Resolution.** In addition to specific procedures elsewhere, either party may provide written notice of default specifying the breach in reasonable detail. Except as otherwise provided herein, the breaching party shall have not less than thirty (30) days to cure monetary defaults and sixty (60) days to cure non-monetary defaults (commencing cure within such time and diligently prosecuting to completion if more time is reasonably required). Remedies shall be equitable in nature and limited to what is reasonably necessary to address the breach, and in the City's case shall be consistent with Section 6 prerequisites. The parties shall confer in good faith and, upon request, participate in non-binding mediation prior to litigation or termination, except for emergencies or to prevent imminent harm.
10. **Entire Agreement; Modification; No Waiver.** This Agreement constitutes the entire agreement between the parties and supersedes any other written or oral agreements between the parties regarding the Encroachments. Any modification of this Agreement must be in writing and signed by both parties. No waiver of any provision shall be effective unless in writing and signed by the waiving party, and no waiver shall be deemed a continuing waiver.
11. **No Public Dedication; Police Powers Preserved.** Nothing herein shall be construed as a dedication of the Encroachment Area to public use. The City's police powers and statutory immunities are preserved to the extent not expressly limited by this Agreement.
12. **Miscellaneous.** If any provision of this Agreement is held invalid, the remainder shall not be affected and shall be enforced to the fullest extent permitted. This Agreement may be executed in counterparts, each deemed an original. There are no third-party beneficiaries other than permitted successors and assigns expressly identified herein.

EXHIBIT A

Depiction of Encroachment Area

[to be inserted]



RICHFIELD HUB SUPERBLOCK
 BLOCK 1

W 65TH ST
 (PUBLIC R/W)
 6' W/10' VARIES

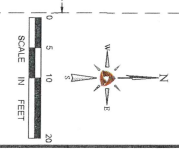
NICOLLET AVE
 (PUBLIC R/W)
 CO. RD. NO. 52

Encroachment Area

LEGEND	
●	FOUND IRON MONUMENT
⊕	FOUND CHIEFED X
⊗	HYDRANT
⊙	SAINTLY MANHOLE
⊚	SAINTLY MANHOLE
⊛	CATCH BASIN
⊜	ELECTRIC METER
⊝	ELECTRIC METER
⊞	JUNCTION BOX
⊟	STORM MANHOLE
⊠	COMMUNICATION MANHOLE
⊡	SPIN MANHOLE
⊢	ROOF BRAN
⊣	TRAFFIC SIGNAL
⊤	COMMUNICATION BOX
⊥	DECIDUOUS TREE
⊦	CONIFEROUS TREE
⊧	REINFORCED WALL
⊨	WEAVER DIMENSIONS
⊩	RECORD DIMENSIONS
⊪	FRANCHISE PARKING
⊫	PARKING COLUMN
⊬	TITLE EXCEPTION NUMBER
⊭	CONCRETE
⊮	BRICK
⊯	GAS
⊰	SANITARY SEWER
⊱	STORM SEWER
⊲	FIBER OPTIC
⊳	UNDERGROUND TELEPHONE
⊴	UNDERGROUND ELECTRIC

FOR REVIEW ONLY /
PRELIMINARY
 NOT FOR CONSTRUCTION

Know what's below.
 Call before you dig.
 Dial 811



JOB NO.	DRAWN BY	DATE	DESCRIPTION
4000210	ND		
SCALE	CHECKED BY		
1"=10'	DE		
FIELD DATE	FIELD CREW		
9/2025	ZQ		

DOCUMENT

ALTA/NSPS LAND TITLE SURVEY

CLIENT

PROPERTY ADDRESS
**6440 NICOLLET AVE S
 RICHFIELD, MN**

ALLIANT
 Energy Services