**AGENDA**

**Mankato City Council**
**Regular Meeting**
**October 28, 2024 - 6 p.m.**
**IGC - Mankato Room**

1. **Call Meeting to Order**

   Roll Call

   Pledge of Allegiance

2. **Approval of Agenda**

3. **Approval of Minutes**

   Regular Meeting of October 15, 2024

4. **Public Open Forum (15 Minutes)**

   Citizens may address the Council on matters not on the agenda, and are encouraged to register with the City Clerk prior to the start of the meeting. Those wishing to speak are limited to three minutes and must state their name and address for the record.

5. **Consent Calendar**

   **NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.**

   A. Motion approving All Seasons Arena Renovation change orders and design contract amendment.

   B. Motion awarding quote for flood damage repairs on Range Street.

   C. Resolution accepting and authorizing the City Manager to execute Redevelopment Grant Agreement for 101 East Main Street, 121 East Main Street and 118 South 2nd Street (Hotel Mankato).

D. Resolution authorizing the City Manager to submit Contamination Cleanup Grant application to the Minnesota Department of Employment and Economic Development for 101-121 East Main Street, 118 South 2nd Street (Hotel Mankato LLC).

E. Resolution authorizing City Manager to submit EPA Brownfield Community-wide Assessment Grant Application.

F. Resolution approving update to the Transit Procurement Plan.

6. **City Manager's Report**

A. Resolution adopting the 2025-2029 Strategic Plan.

B. Update on Blue Earth Nicollet County Humane Society (BENCHS).

7. **Reports of City Council Members**

8. **Miscellaneous Business**

View all city committee meetings by clicking on our City Calendar

Work Session, November 4, 2024, 6 p.m, Minnesota River Room

Regular Council Meeting, November 12, 2024, 6 p.m., Mankato Room (with EDA to follow if needed)

Regular Council Meeting, November 25, 2024, 6 p.m., Mankato Room (with Work Session to follow)

9. **Adjournment**

**MINUTES**

**Mankato City Council**
**Regular Meeting**
**October 15, 2024 - 6 p.m.**
**IGC - Mankato Room**

1. **Call Meeting to Order**

**Roll Call**

**Members Present:** Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, Kevin Mettler, Mike Laven, and Mayor Najwa Massad.

**Members Excused:** Jessica Hatanpa.

**Staff Present:** City Manager Susan Arntz, Community Development Director Mark Konz, Interim Public Works Director Karl Keel, Interim City Engineer Alec Pietz, Economic Development Coordinator Courtney Kramlinger, and City Clerk Renae Kopischke.

Pledge of Allegiance

2. **Approval of Agenda**

Ms. Melby-Kelley moved and Mr. Laven seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the minutes of the Regular Meeting of September 23, 2024 as written. The motion carried unanimously.

4. **Public Open Forum (15 Minutes)**

No one spoke.

5. **Consent Calendar**

**NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.**

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the Consent Calendar as written. With all members voting in favor, the motion carried.

A. Resolution approving application for Eagles Aerie 269 Mankato to conduct lawful gambling at The Square Deal, 521 South Front Street.

B. Resolution approving abatement agreement and authorizing the abatement of code violations and public nuisances at 312 Hubbell Avenue.

C. Resolution accepting donation from the Twilight Garden Club for the Hubbard House gardens and park.

D. Report on project and motion approving Change Orders for All Seasons Arena.

E. Resolution amending the rental density map established in Mankato City Code Section 5.42, Subd. 20, for Blocks 2-5, Groh Farm Subdivision; by request of Michael Drummer.

F. Resolution approving a Certificate of Design Compliance for the construction of a new, approximately 5,500 square foot structure in the Highway Gateway Overlay District (1511 Adams Street); by request of Ophthalmology Associates.

G. Resolution approving purchase of Automatic Voice Announcement System.

H. Motion awarding quote for flood damage repairs on Cross Street.

I. Resolution authorizing the City Manager to enter into a Professional Services Agreement with ISG for design and construction engineering services for flood damage repairs at the Sibley Park ballfields.

J. Resolution authorizing the City Manager to enter into a Professional Services Agreement with HR Green for design and construction engineering services for the 2026 Minnesota River Trail Project.

K. Resolution accepting project feasibility report and ordering improvements on City Project 11064; Cree Court outfall.

L. Resolution authorizing the City Manager to enter into FAA Memorandum of Agreement 697DCM-25-L-00006 for NAVAIDS at the Mankato Regional Airport (MKT).

6. **Public Hearings**

A. Ms. Kramlinger reported that on August 12, 2024, the Economic Development Authority (EDA) reviewed a development proposal from Hotel Mankato, LLC and adopted a motion directing staff to prepare tax increment documents and to set a date for a public hearing. She explained that the proposal involves demolishing two vacant buildings and constructing two adjoining hotels totaling approximately 250,000 square feet with a total of 282 hotel guest rooms, a rooftop restaurant including an outdoor patio, a 168-stall underground parking garage and nine surface parking stalls. She noted that the estimated total project cost is $92,710,000 and construction is expected to begin in late 2024 or early 2025 and be completed in 2026.

Mr. Kramlinger mentioned the previous redevelopment plans for 121 East Main Street and how a tax increment financing district (43-1) encompassing 121 East Main Street and 118 South 2nd Street was established on March 14, 2022, with a development agreement being executed for the mixed-use project; however, the costs significantly increased, which delayed redevelopment and led to redesigning and expanding the plans. She added that while new plans were underway, a portion of the Landmark building's roof collapsed in February 2023, which caused the redevelopment plans to again evolve as the condition of the building significantly worsened. She indicated that due to the substandard condition of the building, the proposal changed and included demolishing the building and constructing a new building on the site while also expanding the boundaries to include the former City Center Hotel at 101 East Main Street, which has been vacant since June 2023. She explained that the existing tax increment district 43-1 will need to be decertified before a new tax increment district can be established, and the existing development agreement from 2022 that was associated with the mixed-use proposal will also need to be terminated.

Ms. Kramlinger commented that the developer is requesting pay-as-you-go tax increment financing (TIF) from the City through the creation of a redevelopment TIF district. She summarized the proposed uses of TIF assistance for the project and stated that the developer would be eligible to receive an increment annually on a pay-as-you-go basis, from the remaining increment that is not retained for the City's 5% admin retainage. She stated that the anticipated principal value of the pay-as-you-go note for the developer project costs is $5,152,848, plus 5% carrying interest costs. She added that the TIF projections assume the developer will receive TIF reimbursement in the amount of $171,916 in year 2027 and $390,884 annually in years 2028-2052.

Ms. Kramlinger explained that the City would not upfront the funds as that would require either internal City debt financing or bond issuance; instead, the developer would receive two payments per year after the property taxes are paid for a term of 26 years or less, depending on if the reimbursable costs are repaid earlier. She touched on the extraordinary costs that would make the project unfeasible without some level of assistance.

Ms. Kramlinger reported that on October 1, 2024, the Minnesota Department of Employment and Economic Development (DEED) notified the City of a redevelopment grant award for the project in the amount of $1,114,071. She noted that the City is currently waiting to receive the grant agreement which will outline the approved grant activities which will be brought to the City Council at a future meeting. She indicated that the City also intends to submit an application to DEED for a contamination cleanup grant on November 1, 2024.

Ms. Kramlinger noted that if the project doesn't proceed, property taxes will likely remain around $74,062 per year for the site (based on 2024 property taxes); however, if the TIF district is approved, the base property tax will remain as is and be collected and distributed to the taxing jurisdictions (state, county, city, and school district) throughout the duration of the TIF district and the increment generated by the new buildings, which is projected to be $640,800 per year, will be captured and reimbursed to the City and developer for eligible costs and up to a maximum amount as approved by the Council. She added that the City would receive a 5% fee to cover administrative costs of the district and noted that at the end of the 26-year term, the full property taxes go onto the ad valorem tax rolls and become part of the City's general fund.

Ms. Kramlinger summarized the development agreement that contemplates pay-as-you-go reimbursement. She mentioned that the repayment of the tax increment is contingent on the available tax increment generated by the project, which means that if there is a "shortfall" or the tax increment is not generated as contemplated, the City is not financially responsible for the difference or the "shortfall."

Mr. Laven asked if there would be any liability if the project did not move forward. Ms. Arntz responded that there would not be a liability on behalf of the city. She commented on the property remaining vacant if the development does not occur and how it would likely continue to deteriorate. She noted how the redevelopment benefits the community.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad closed the public hearing.

Mr. Laven moved and Ms. Melby-Kelley seconded the motion to approve the Resolutions Terminating Development Agreement, Decertifying Tax Increment District No. 43-1, and Establishing Development District No. 50 and Tax Increment District No. 50-1 – Hotel Mankato LLC (101 East Main Street, 121 East Main Street, 118 South 2nd Street). The motion carried unanimously.

B. Mr. Konz stated that the applicant is requesting that the property located at 1918 South Riverfront Drive be rezoned to R-T, Residential Transition. He noted that the property currently has a zoning designation of B-1, Community Business District, and is a single-family residence, which is legally nonconforming in the B-1, Community Business District. He indicated that the property owner is seeking a rezoning of the property from the current B-1, Community Business District, to R-T, Residential-Transition, in order to construct a garage. He mentioned that the R-T district is intended for these situations and the district lists existing single- and two-family dwellings as permitted and conforming uses.

Mr. Konz commented that the rezoning does not affect the Land Use Plan. He added that the long-term development plan for the area will remain commercial, and, if the property is acquired for commercial purposes, rezoning back to commercial will be necessary.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad closed the public hearing.

Mr. Dieken moved and Mr. Mettler seconded the motion to approve the Ordinance rezoning property to R-T, Residential Transition, from B-1, Community Business District (1918 South Riverfront Drive). The motion carried unanimously.

C. Mr. Pietz stated that this is an Improvement Hearing on Capital Improvement Project 11084; Victory Drive and Hazeltine Road intersection and lighting improvements. He indicated that on October 1, 2024, letters were sent to properties abutting this project notifying the property owners of the October 15 improvement hearing and, to date, staff have received no objections to the proposed project. He reviewed the resultant costs and funding sources for the project.

Mr. Laven mentioned comments he had received regarding the timing of the signals along Victory. Mr. Pietz replied that a survey would be done with a recommendation being made regarding the signals and synchronization.

Mayor Massad opened the public hearing.

Tony Steffensmeier, 130 and 140 St. Andrews Drive, stated he contacted staff and some of his concerns were addressed. He mentioned the 67 acres and the development being the cause of the intersection improvements and touched on the eventual continuation of the road from Casey's to their building location and how there would be another assessment.

Brief discussion on the development agreement that was recorded previously on the property.

Mayor Massad closed the public hearing.

Mr. Dieken moved and Mr. Laven seconded the motion to approve the Resolution receiving feasibility report, ordering improvement, preparation of plans, specifications, and ordering advertisement of bids, and the Resolution declaring cost be assessed and ordering preparation of proposed assessment on Improvement 11084 (with petition). The motion carried unanimously.

7. **City Manager's Report**

A. Ms. Arntz stated that as part of the Public Works Facility Project for Blue Earth County, the County has made a request for utility services for their facility to be provided by the City of Mankato. She indicated that the County desires to attach the property to municipal services as an environmental benefit, versus constructing a well and septic system for the facility.

Ms. Arntz noted that the City Code contemplates that the City may entertain service agreements for such services to parties outside the community. She provided an overview of the draft agreement.

Ms. Arntz explained that included in the City Code is language that indicates that service providers outside the City Limits would be charged 200% the rate of users in the City Limits. She stated that the County has asked that the City consider making an exemption for public entities given that the fees for the utility services would be paid by taxpayers, and a majority of them are from Mankato. She suggested that this item be further discussed in 2025.

Mr. McLaughlin moved and Mr. Mettler seconded a motion to approve the Resolution authorizing the City Manager to enter into a Sanitary Sewer and Water Service Agreement with Blue Earth County for the Blue Earth County Public Works Facility. The motion carried unanimously.

Mr. Arntz congratulated new Public Safety Director Jeremy Clifton and noted that Karl Keel would be serving as the Interim Public Works Director and Alec Pietz would be serving as the Interim City Engineer.

It was noted that leaf pickup begins on Monday, October 28 and goes until November 22.

8. **Reports of City Council Members**

None.

9. **Miscellaneous Business**

View all city committee meetings by clicking on our City Calendar

Regular Council Meeting, October 28, 2024, 6 p.m., Mankato Room (with Work Session to follow)

Work Session, November 4, 2024, 6 p.m., Minnesota River Room

Regular Council Meeting, November 12, 2024, 6 p.m., Mankato Room (with EDA to follow if needed)

10. **Adjournment**

There being no further business before the Council, Mr. Laven moved and Mr. McLaughlin seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:49 p.m.

Minutes Approved.

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Mayor Massad

ATTEST:

____________________________

Renae Kopischke
City Clerk

AGENDA RECOMMENDATION

**Consent Calendar** **5. A.**

**City Council Regular Meeting**
**Meeting Date:** 10/28/2024

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**Agenda Item:**
Motion approving All Seasons Arena Renovation change orders and design contract amendment.

**Recommendation/Action(s):**
Motion approving change orders and design contract amendment.

**Summary:**
**Change Orders for Consideration**

Staff is recommending approval of the following change orders. The All Seasons Arena Board approved these at their October 11 meeting.

Met-Con, Trade Package 1A
Change Order #7, ($4,100)
CO #7 includes the following:

- Decrease for removing the ceiling paint in the ice plant room addition. Painting the fireproof insulation will add cost in the future if any changes or rework need to be completed after the project is finished.
- Decrease for removing the epoxy floor finish and prep work in the mechanical room adjacent to the concessions. The exterior wall is not finished, and this is not a public space. The floor will get a concrete sealer to protect it from moisture.

Laketown Electric, Trade Package 26A
Change Order #4, $355.00
CO #4 includes the following:

- Increase for the addition of an outlet for the Live Barn AV equipment located in the concessions storage room

The above change orders total a decrease of $3,745. If approved, the newly adjusted contingency will be increased to $139,882.02.

Staff recommends a motion approving the change orders.

**Design Contract Amendment**

ISG has submitted a contract amendment request for the amount of $33,950. This is for additional design services related to the unforeseen conditions found during the project and the necessary research and staff time required to respond to the contractor and owner requests. The request includes 194 hours of additional staff time. The amendment would be paid out of the owner contingency which, if approved, would reduce the contingency to $105,932.02.

Staff recommends a motion approving the amendment.

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**Attachments**

Met Con CO

Laketown CO

ISG Amendment

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Change Order
No. 7

Date: October 7th, 2024

| | |
|---|---|
| Project: All Seasons Arena Renovation | City Project No.: 11075<br>State Project No.: |
| Contractor: Met-Con Construction | Date of Contract: 4/16/24 |

The Contract is modified as follows upon execution of this Change Order:

**Description:** Change Order 007 –

PCI 057 – Omit painting of the sprayed fireproofing in refrigeration room N-123, not needed in this area and will facilitate less costs in the future for ceiling mounted items

PCI 058 – Credit Epoxy Flooring in storage S-218, room is in back-of-house area and not needed

**Attachments:**

| ITEM | DESCRIPTION | UNIT | EST QTY | UNIT PRICE | TOTAL AMOUNT |
|---|---|---|---|---|---|
| 057 | PCI 057 – Credit Painting of Ceiling in Area C Mechanical Room N-123 | 1 | | $-1,200.00 | $(1,200.00) |
| 058 | PCI 058 – Credit Epoxy Flooring and prep in work room S-218 | 1 | | $-2,900.00 | $(2,900.00) |
| | | | | | |
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| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | **TOTAL CHANGE ORDER** | **$(4,100.00)** |

**CHANGE IN CONTRACT PRICE:**

| | | |
|---|---|---|
| **Original Contract Price:** | **$** | **2,986,800.00** |
| Total from previously approved Change Orders: | $ | 269,595.02 |
| Contract Price prior to this Change Order: | $ | 3,256,395.02 |
| Net increase (decrease) of this Change Order: | $ | (4,100.00) |
| **New Contract Price:** | **$** | **3,252,295.02** |

**CHANGE IN CONTRACT TIME:**

| | |
|---|---|
| Original date of substantial completion: | 09/12/2025 |
| New change in contract duration from previously approved Change Orders: | 0 |
| New date of substantial completion: | 09/12/2025 |

*The Contractor shall not make claim of any kind or character whatsoever for any other costs or expenses which he may have incurred or which he may hereinafter incur in performing the work and furnishing the materials required by the agreement. All Change Orders that exceed $25,000 must be approved by the City Council.*

| PREPARED | REVIEWED | RECOMMENDED |
|---|---|---|
| By: Jared Mueller | By: | By: |
| *Jared Mueller, Knutson Construction* | *Knutson Construction - CMa* | *Facilities Manager (Auth. Signature)* |
| Date: 09/11/2024 | Date: | Date: |

| ACCEPTED | APPROVED | APPROVED |
|---|---|---|
| By: ______________________ | By: ______________________ | By: ______________________ |
| *Contractor (Auth. Signature)* | *City Manager (Auth. Signature)* | *Owner (Auth. Signature)* |
| Date: ______________________ | Date: ______________________ | Date: ______________________ |

☐ Facilities Manager (original) Contractor ☐ Facilities Supervisor ☐ DSAE (for funding review-if necessary)

# COST PROPOSAL

**All Seasons Arena Owners Representative**
1251 Monks Avenue
Mankato, MN 56001

| | | | |
|---|---|---|---|
| **To:** | Jim Tatge<br>City of Mankato<br>P.O. Box 3368 10 Civic Center Plaza<br>Mankato, 56002-3368 | **Knutson PCI #:**<br>**Knutson Job #:**<br>**Date Submitted:** | CONT-057<br>2340015 |
| **From:** | Jared Mueller<br>Knutson Construction Rochester<br>5985 Bandel RD NW<br>Rochester, MN 55901 | **Status:**<br>**Source Type:**<br>**Reason:** | Pricing |

**Description of Proposed Change**

Credit painting ceiling in Area C Addition - Owner Requested

**Additional Scope of Work Details**

**COST SUMMARY**

| Description | Vendor | Phase Qty | Phase UofM | Qty | UofM | Rate / Fee % | Amount |
|---|---|---|---|---|---|---|---|
| Trade Package 01A | Met-Con Construction | | LS | | LS | | $-1,200.00 |

**Total Cost Proposal Amount: $-1,200.00**

Days Impact (calendar days):

*Please allow the above stated additional calendar days to the project schedule to complete this work scope change. The price quoted and days extension requested are for the direct impact of the requested change. We reserve the right to seek additional compensation and / or time extension for the cumulative effect of changes on the entire project that cannot be foreseen at this time.*

*Please provide written approval to Knutson Construction if this cost proposal is to be approved and the work stated herein shall be incorporated into the project scope*

Met-Con Construction, Inc.
15760 Acorn Trail
Faribault, MN 55021
Ph : (507)332-2266

# Change Request

**To:** Jared Mueller
Knutson Construction
111 South Secon Street,
Suite 610
Mankato, MN 56001
Ph: 507-280-9788

**Date:** 9/25/24
**Job:** 34680 City Mankato/All Seasons Arena
**Phone:**

**Description:** RFC #025

Source: Other

We are pleased to offer the following specifications and pricing to make the following changes:

Per owner request, credit painting ceiling in area C addition N-123 Refrigeration Room.

| Description | Labor | Material | Equipment | Subcontract | Other | Price |
|---|---|---|---|---|---|---|
| Painting & VWC | | | | $-1,200.00 | | $-1,200.00 |
| | | | | | Subtotal: | $-1,200.00 |
| | | Sub OH&P | | | | $0.00 |
| | | Self-Perform OH&P | | | | $0.00 |
| | | Performance Bond | | | | $0.00 |
| | | | | | **Total:** | **$-1,200.00** |

The schedule is not affected by this change.

If you have any questions, please contact me at (507)332-2266.

Submitted by: Bauer, Jennifer
Met-Con Companies-USE V#13417

Approved by: ______________________________
Date: ______________________________

Cc: Justin Fahey (Knutson Construction)

Right-Way Painting

September 24, 2024

Met-con
15760 Acorn Trail
Faribault, MN 55021

Project: All Seasons Arena Renovations

Mankato, MN

**Ceiling N-123**

Delete Painting the ceiling in room N-123 Deduct $1200.00
Labor $900.00
Materials $300.00

Thank you,

Bob Caswell

# COST PROPOSAL

**All Seasons Arena Owners Representative**
1251 Monks Avenue
Mankato, MN 56001

| | | | |
|---|---|---|---|
| **To:** | Jim Tatge<br>City of Mankato<br>P.O. Box 3368 10 Civic Center Plaza<br>Mankato, 56002-3368 | **Knutson PCI #:**<br>**Knutson Job #:**<br>**Date Submitted:** | CONT-058<br>2340015 |
| **From:** | Jared Mueller<br>Knutson Construction Rochester<br>5985 Bandel RD NW<br>Rochester, MN 55901 | **Status:**<br>**Source Type:**<br>**Reason:** | Submitted-Proceeding |

**Description of Proposed Change**

Credit Epoxy flooring and prep work in S-218

**Additional Scope of Work Details**

**COST SUMMARY**

| Description | Vendor | Phase Qty | Phase UofM | Qty | UofM | Rate / Fee % | Amount |
|---|---|---|---|---|---|---|---|
| Trade Package 01A | Met-Con Construction | | LS | | LS | | $-2,900.00 |

**Total Cost Proposal Amount: $-2,900.00**

Days Impact (calendar days):

*Please allow the above stated additional calendar days to the project schedule to complete this work scope change. The price quoted and days extension requested are for the direct impact of the requested change. We reserve the right to seek additional compensation and / or time extension for the cumulative effect of changes on the entire project that cannot be foreseen at this time.*

*Please provide written approval to Knutson Construction if this cost proposal is to be approved and the work stated herein shall be incorporated into the project scope*

Met-Con Construction, Inc.
15760 Acorn Trail
Faribault, MN 55021
Ph : (507)332-2266

# *Change Request*

**To:** Jared Mueller
Knutson Construction
111 South Secon Street,
Suite 610
Mankato, MN 56001
Ph: 507-280-9788

**Date:** 9/25/24
**Job:** 34680 City Mankato/All Seasons Arena
**Phone:**

**Description:** RFC #026

Source: Other

We are pleased to offer the following specifications and pricing to make the following changes:

Per owner request, credit epoxy (EPX-1) flooring and prep work in S-218. Per discussion, leave flooring as is and seal since this is a mechanical room.

| Description | Labor | Material | Equipment | Subcontract | Other | Price |
|---|---|---|---|---|---|---|
| Epoxy Floor | | | | $-2,900.00 | | $-2,900.00 |
| | | | | | Subtotal: | $-2,900.00 |
| | | | Sub OH&P | | | $0.00 |
| | | | Self-Perform OH&P | | | $0.00 |
| | | | Performance Bond | | | $0.00 |
| | | | | | **Total:** | **$-2,900.00** |

The schedule is not affected by this change.

If you have any questions, please contact me at (507)332-2266.

Submitted by: Bauer, Jennifer
Met-Con Companies-USE V#13417

Approved by: ______________________
Date: ______________________

Cc: Justin Fahey (Knutson Construction)

CONCRETE TREATMENTS INC

Printed: Sep 24, 2024
12510 Fletcher Lane Suite C, Rogers, MN 55374
Phone: 763.425.4800

# Change Order

**Owner Info** None

**Job Info** 1251 Monks Ave
Mankato, MN 56001

| Change Order ID |
|---|
| 0003 |

## 6045 All Seasons Arena Renovation (Met-Con)

| CO ID | Created / Approved Date | | Price |
|---|---|---|---|
| 0003 | Created: | Sep 23, 2024 | -$2,900.00 |

| Description |
|---|
| CO3: deduct for room 218 |

| Items | Cost Types | Description | Qty / Unit | Unit Price | Price |
|---|---|---|---|---|---|
| topping deduct<br>Deduct | | | 92 | -$8.00 | -$736.00 |
| urethane slurry deduct<br>Deduct | | | 92 | -$17.00 | -$1,564.00 |
| cove base deduct<br>Deduct | | | 60 | -$10.00 | -$600.00 |

| Status | Signature | Date |
|---|---|---|
| Approved by: ____________________ | | ___/___/_____ |

| Approval Comments |
|---|
| |

**Please Note:** A signature of Approval OR **Electronic Acceptance** is required before change order is effective. This change order becomes part of the existing contract.

TOTAL AMOUNT OF CHANGE ORDER: -$2,900.00

Change Order
No. 4

Date: October 7th, 2024

| | |
|---|---|
| Project: All Seasons Arena Renovation | City Project No.: 11075<br>State Project No.: |
| Contractor: Laketown Electric | Date of Contract: 4-16-24 |

The Contract is modified as follows upon execution of this Change Order:

**Description:** Change Order 004 –

PCI 056 – Owner requested additional outlet be added to power some existing AV equipment in Storage S-215. Feed from circuit L3-39 – 20 amp 120 volt in EMT conduit

**Attachments:**

| ITEM | DESCRIPTION | UNIT | EST QTY | UNIT PRICE | TOTAL AMOUNT |
|---|---|---|---|---|---|
| 056 | Added Electrical in Room S-215 per owner request | 1 | | $355.00 | $355.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | **TOTAL CHANGE ORDER** | **$ 355.00** |

**CHANGE IN CONTRACT PRICE:**

| | | |
|---|---|---|
| **Original Contract Price:** | **$** | **395,782.00** |
| Total from previously approved Change Orders: | $ | 38,236.96 |
| Contract Price prior to this Change Order: | $ | 434,018.96 |
| Net increase (decrease) of this Change Order: | $ | 355.00 |
| **New Contract Price:** | **$** | **434,373.96** |

**CHANGE IN CONTRACT TIME:**

| | |
|---|---|
| Original date of substantial completion: | 09/12/2025 |
| New change in contract duration from previously approved Change Orders: | 0 |
| New date of substantial completion: | 09/12/2025 |

*The Contractor shall not make claim of any kind or character whatsoever for any other costs or expenses which he may have incurred or which he may hereinafter incur in performing the work and furnishing the materials required by the agreement. All Change Orders that exceed $25,000 must be approved by the City Council.*

| PREPARED | REVIEWED | RECOMMENDED |
|---|---|---|
| By: Jared Mueller | By: | By: |
| *Jared Mueller, Knutson Construction* | *Knutson Construction - CMa* | *Facilities Manager (Auth. Signature)* |
| Date: 09/11/2024 | Date: | Date: |

| ACCEPTED | APPROVED | APPROVED |
|---|---|---|
| By: ______________________ | By: ______________________ | By: ______________________ |
| *Contractor (Auth. Signature)* | *City Manager (Auth. Signature)* | *Owner (Auth. Signature)* |
| Date: ______________________ | Date: ______________________ | Date: ______________________ |

☐ Facilities Manager (original) ☐ Contractor ☐ Facilities Supervisor ☐ DSAE (for funding review-if necessary)

Knutson Construction

# COST PROPOSAL

**All Seasons Arena Owners Representative**
1251 Monks Avenue
Mankato, MN 56001

**To:** Jim Tatge
City of Mankato
P.O. Box 3368 10 Civic Center Plaza
Mankato, 56002-3368

**Knutson PCI #:** CONT-056
**Knutson Job #:** 2340015
**Date Submitted:**

**From:** Jared Mueller
Knutson Construction Rochester
5985 Bandel RD NW
Rochester, MN 55901

**Status:** Pricing
**Source Type:**
**Reason:**

**Description of Proposed Change**

RFI 96 - added electrical

**Additional Scope of Work Details**

**COST SUMMARY**

| Description | Vendor | Phase Qty | Phase UofM | Qty | UofM | Rate / Fee % | Amount |
|---|---|---|---|---|---|---|---|
| Electrical - RFI 96 | Laketown Electric Corp. (Mankato) | | LS | | LS | | $355.00 |

**Total Cost Proposal Amount: $355.00**

Days Impact (calendar days):

*Please allow the above stated additional calendar days to the project schedule to complete this work scope change. The price quoted and days extension requested are for the direct impact of the requested change. We reserve the right to seek additional compensation and / or time extension for the cumulative effect of changes on the entire project that cannot be foreseen at this time.*

*Please provide written approval to Knutson Construction if this cost proposal is to be approved and the work stated herein shall be incorporated into the project scope*

# PR# RFI #96 Receptacle in room S-215

**Date: 9/16/2024**
**To: Jared Mueller**
**Company: Knutson Construction**
**Project: All Seasons Arena**

**Add 1-4 plex receptacle to room S-215, tie onto the 20 amp 120 volt circuit L3-39**
**½" EMT conduit from the new receptacle to the existing receptacle within this room**

**Labor: 3 hours $285.00**
**Material: $70.00**

**Total $355.00**

*Exclusions:*
*Utility Costs, Overtime Labor or Weekend Work, Low Voltage Devices/Cabling (Phone/Data, Fire Alarm, A/V, Security/Access Control/CCTV). Unless noted otherwise in this proposal.*

Thank You,

Laketown Electric Corporation

# AIA® Document G802® – 2017

## *Amendment to the Professional Services Agreement*

**PROJECT:** *(name and address)*
All Seasons Arena Renovation
Mankato, MN

**AGREEMENT INFORMATION:**
Date:

**AMENDMENT INFORMATION:**
Amendment Number: 003
Date: October 7, 2024

**OWNER:** *(name and address)*
ASA Joint Powers Board
1251 Monks Avenue
Mankato, MN 56001

**ARCHITECT:** *(name and address)*
I&S Group, Inc. (ISG)
115 E. Hickory Street, Suite 300
Mankato, Minnesota 56001

The Owner and Architect amend the Agreement as follows:
Additional services to include:
PR #2 – 6 hours of service outside of original design scope to include:
· Redesign of pipe chase to accommodate transmission mains.
· Updating structural details to accommodate transmission mains.
· Updated Sheets – G1-21, A1-21, A1-21C, A1-31C, S1-05, S1-11C, S2-12, S3-21C, and S6-12
PR #3 – 94 hours of service outside of original design scope to include:
· Exterior ramp change to eliminate ramp and redesign exterior with stairs.
· Floor topping on 2nd floor including research of what the floor construction was and acquiring original drawings. Research and proposal of multiple solutions to achieve what was desired while keeping budget and structural requirements in mind.
· Relocation of electrical components to accommodate the change of the exterior ramp.
· Updated Sheets – G1-21, G1-22, C2-10, C3-11, C4-10, A1-11, A1-12, A1-13, A1-15, A1-21, A1-21C, A1-22, A1-22C, A1-32C, A1-42, A1-42C, A1-71, A1-72, A2-11, A2-12, A3-12, A3-21, A3-31, A3-32, A7-12, S1-05, S1-11, S1-11C, S1-31, S1-31C, S2-14, S3-21C, S4-11C, S5-11, S6-25, E2-11, E2-11C, E4-11, E4-12, E5-11, E5-12, and E5-13
PR #4 - Sump system for added drain tile – 14 hours of service outside of original design scope.
· Updated sheets – P2-10D, P2-11D, P6-11, E2-11D, E5-11, and E5-13
PR #5 – 20 hours of service outside of original design scope to include.
· Moving roof drains due to site conditions per request of mechanical contractor.
· Reworking site conditions outside of addition and modifying curbing at the request of the owner.
· Updated sheets – C0-21, C3-11, C4-10, A1-31C, P210C, P2-11C, and P4-11
PR #6 - Reworking exterior façade to accommodate brick on the exterior of the building next to the addition – 20 hours
· Updated sheets – A1-21, A1-21C, A1-22, A1-22C, A2-11, A2-12, A3-30, A7-12, S1-11C, and S2-12

Assistance with contractor coordination for structural changes to the chiller curbs and redesign of curbs -15 hours

RFI Responses – 25 Hours of additional outside of our original design scope.
· Additional redesign of basis of design due to site conditions owner requests and construction manager requests. Beyond the standard responses we have included additional drawings and details to provide more clarity and transparency as to the solutions. This has also resulted in additional conversations and coordination with the design team and sub-contractors.

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:
$33,950.00

Schedule Adjustment:

**SIGNATURES:**

| ARCHITECT | OWNER |
|---|---|
| I&S Group, Inc. (ISG) | ASA Joint Powers Board |
| **ARCHITECT** *(Firm name)* | **OWNER** *(Firm name)* |
| Justin Steffl | |
| **SIGNATURE** | **SIGNATURE** |
| Justin Steffl, Senior Project Manager | |
| **PRINTED NAME AND TITLE** | **PRINTED NAME AND TITLE** |
| October 7, 2024 | |
| **DATE** | **DATE** |

AGENDA RECOMMENDATION

**City Council Regular Meeting** **5. B.**

**Meeting Date:** 10/28/2024

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**Agenda Item:**

Motion awarding quote for flood damage repairs on Range Street.

**Recommendation/Action(s):**

Motion awarding quote.

**Summary:**

A portion of Range Street sustained damage during the June 2024 flooding event where groundwater pressure caused a portion of the street and storm drainpipe on Range Street to fail. Staff have obtained a quote from Dirt Merchant, Inc to complete the work and the estimated cost of the work is $21,686.00.

Staff submitted the City's preliminary damage assessment to FEMA on June 23, had our recovery scoping with FEMA on August 4, and turned our damage inventory to FEMA prior to the November 3 deadline. The Range Street repairs are included in both the assessment and inventory.

This motion is being brought before the Council as the repair of Range Street is an unbudgeted expense. Staff recommends the Council approve the motion awarding a quote to Dirt Merchant, Inc for flood damage repairs on Range Street.

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AGENDA RECOMMENDATION

**Consent Calendar** 5. C.

**City Council Regular Meeting**

**Meeting Date:** 10/28/2024

**Agenda Item:**

Resolution accepting and authorizing the City Manager to execute Redevelopment Grant Agreement for 101 East Main Street, 121 East Main Street and 118 South 2nd Street (Hotel Mankato).

**Recommendation/Action(s):**

Adoption of the attached resolution.

**Summary:**

On July 22, 2024, the City Council approved the submission of a redevelopment application to the Minnesota Department of Employment and Economic Development (DEED) for the Hotel Mankato project. In October 2024, DEED awarded a grant for the project.

The Hotel Mankato project was awarded a $1,114,071 redevelopment grant. Hotel Mankato, LLC, will redevelop the property located at 101 East Main Street, 121 East Main Street and 118 South 2nd Street. The redevelopment includes demolishing two vacant buildings and constructing two adjoining hotels totaling approximately 250,000 square feet with a total of 282 hotel guest rooms, a rooftop restaurant including an outdoor patio, and a 168-stall underground parking garage.

The eligible redevelopment costs include building and site demolition, public site improvements (sidewalks, site lighting, curb cuts) and public utilities (water, sanitary, storm connections). It is anticipated redevelopment will begin in late 2024 or early 2025. The matching funds of $1,114,072 have been committed and will be paid by the developer, Hotel Mankato, LLC. A portion of the match for the grant will be reimbursed to the developer with an increment that is generated from the redevelopment.

The grant agreement is attached. If acceptance of the grant is approved by the City Council, the City Manager will execute the grant agreement with DEED. A subrecipient agreement would be entered between the City and Hotel Mankato, LLC. A draft subrecipient agreement is attached.

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**Attachments**

Resolution

General Location Map

Grant Agreement

Subrecipient Agreement

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# RESOLUTION ACCEPTING MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT REDEVELOPMENT GRANT AND AUTHORIZING CITY MANAGER TO EXECUTE GRANT AGREEMENT AND SUBRECIPIENT AGREEMENT

WHEREAS, the City of Mankato approved applications to the Minnesota Department of Employment and Economic Development (DEED) for the Redevelopment Grant Program; and

WHEREAS, DEED awarded the City of Mankato a grant in the amount of $1,114,071 for the Hotel Mankato Project; and

WHEREAS, the City of Mankato desires to promote redevelopment of brownfield properties within Mankato.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mankato that the City of Mankato accepts the Redevelopment grant award of $1,114,071 for the Hotel Mankato Project.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Manager, or her successor in office, is hereby authorized to execute the Redevelopment grant agreement and subrecipient agreement on behalf of the City.

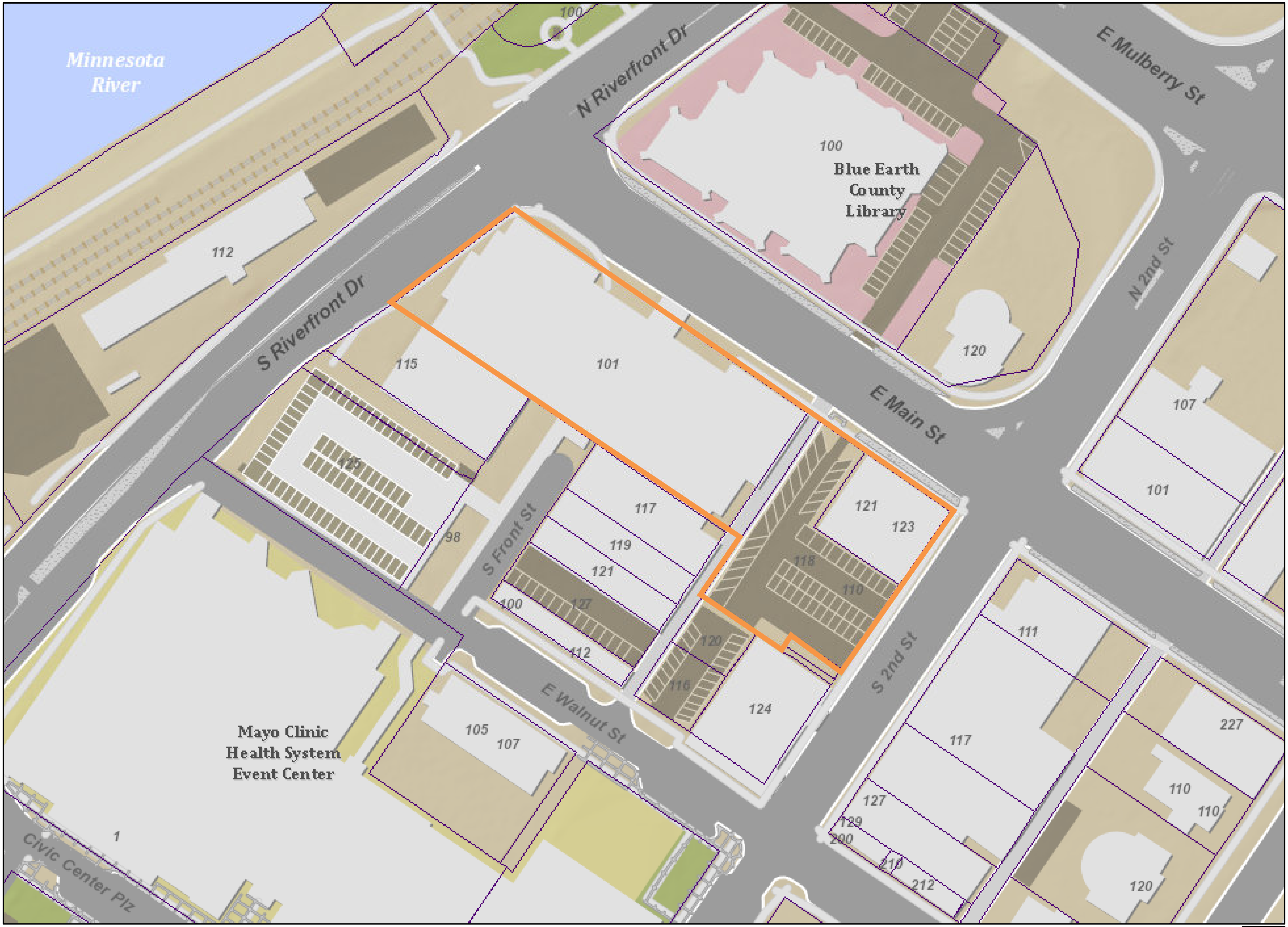
This resolution shall become effective immediately upon passage.

Dated this 28th day of October, 2024.

________________________________
Najwa Massad, Mayor

ATTEST: ________________________________
Renae Kopischke, MMC
City Clerk

# General Location Map




Date: July 2024

Author:



N

# STATE OF MINNESOTA
# GRANT CONTRACT AGREEMENT NO. RDGP-24-0013-o-FY25
# Hotel Mankato Project

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development ("State") and the city of Mankato, 10 Civic Center Plaza, Mankato, MN 56001 ("Grantee").

## Recitals

1. Under Minn. Stat. § 116J.575 the State is empowered to enter into this grant contract agreement.
2. The State is in need of programs that create jobs, increase local property tax and provide other public benefits by redeveloping underused or unproductive sites.
3. Pursuant to Minn. Stat. § 16B.98, the Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State.

## Grant Contract Agreement

**1 Term of Grant Contract Agreement**

***1.1 Effective date:***
September 27, 2024, or the date the State obtains all required signatures under Minn. Stat. § 16B.98, Subd. 5, whichever is later. Per Minn. Stat. § 16B.98, Subd. 5, the Grantee must not begin work until this grant contract agreement is fully executed and the State's Authorized Representative has notified the Grantee that work may commence. Per Minn. Stat. § 16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed.

***1.2 Expiration date:***
December 31, 2027, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

***1.3 Survival of Terms.***
The following clauses survive the expiration or termination of this grant contract agreement:
5. Reporting Requirements; 7. Monitoring and Corrective Action; 10. Liability; 11. State Audits; 12. Government Data Practices and Intellectual Property Rights; 14. Publicity and Endorsement; 15. Governing Law, Jurisdiction and Venue; 17. Data Disclosure; 18. Conflict of Interest; 19. Grant Repayment; and 20. Minnesota Business Subsidy Law.

**2 Grantee's Duties**

***2.1 Duties, Deliverables, and Completion Dates.***
The Grantee, who is not a state employee, will perform the following duties and provide the deliverables as outlined below.

***(a)*** Comply with required grants management policies and procedures set forth through Minn. Stat. § 16B.97, Subd. 4 (a) (1).

***(b)*** Administer these grant funds in accordance with Minn. Stat. §§ 116J.571 through 116J.575 and the application submitted on August 1, 2024 for funding for the Mankato Hotel Project, which is incorporated into this grant contract agreement and the provisions of this grant contract agreement. Any modification made to the approved application must be approved by the State.

- ***(c)*** It is expected that the site will be redeveloped as proposed in the grant application and upon which funding was based. Any material change in the development plans for the site must be presented to the State and approved. Promptly notify the State of any proposed material change in the scope of the project as submitted in the grant application, eligible approved Redevelopment Costs as defined Section 4.1(c) of this grant contract agreement, or the project's timeline, which must be approved by the State, prior to implementation.
- ***(d)*** It is also expected that the project will begin as described in the application. To validate that the project has started, and eligible work has commenced, a Payment Request, as outlined in Section 4.2(a), must be submitted to the State on or before December 31, 2025, or such a later date requested by the Grantee and approved by the State in writing. If a Payment Request is not submitted, the State's obligation to fund the Grant may be terminated as described in Section 16.1(b). Invoices must be for approved Redevelopment Costs incurred after the grant contract agreement is fully executed.
- ***(e)*** Provide evidence to the State prior to the closeout of the grant that the Redevelopment activities have been completed.
- ***(f)*** Adhere to all other requirements of this grant contract agreement.

### *2.2 Provisions for Contracts and Sub-grants*

***(a) Contract Provisions.***
The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be in compliance with all applicable OSHA regulations.

***(b) Ineligible Use of Grant Funds*.**
The dollars awarded under this grant contract agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest-bearing loan, a non-interest-bearing loan, a deferred loan, a forgivable deferred loan or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant contract agreement, including the requirement that these dollars are grant funds only and cannot be used, treated, or converted into any type of loan.

***(c) Payment of Contractors and Subcontractors.***
The Grantee must provide evidence that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

## 3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant contract agreement, time is of the essence.

## 4 Consideration and Payment

### *4.1 Consideration*

The State will pay the Grantee under this grant contract agreement as follows:

***(a) Travel Expenses***

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract agreement are considered administrative in nature and not permitted and will not exceed $0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state. This does not include costs for contractors to complete the activities listed in Section 4.1(c), which may be considered eligible at the discretion of the State.

***(b) Program Income***

Program income generated from grant-funded activities on hand at the end of the grant period must be returned to the State unless the State has approved re-use of the income.

***(c) Eligible Costs***

The following table represents the total approved Redevelopment Costs. The Grantee may not use these funds for administrative costs associated with managing this grant or the project this grant is funding.

| Grant Eligible Activities | Amount |
|---|---|
| Building and Site Demolition | $1,485,290.00 |
| Public Site Improvements (Sidewalks, Site Lighting, and Curb Cuts) | $668,353.00 |
| Public Utilities (Water, Sanitary, and Storm Connections) | $74,500.00 |
| Total | $2,228,143.00 |

***(d) Total Obligation***

The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed $1,114,071.00.

In accordance with Minn. Stat. § 116J.575, Subd. 1, the grant may pay for up to 50% of the eligible costs for a qualifying site. This requires a local match of at least 50%. For the purpose of this project, based on the budget above, the local match portion is at least $1,114,072.00, which may come from any other funding source available to the Grantee.

***4.2 Payment***

***(a) Invoices***

The State will disburse funds to the Grantee pursuant to this Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices for the activities defined in Section 4.1(c) of this grant contract agreement. The amount of grant funds requested by the Grantee cannot exceed 50% of the total approved Redevelopment Costs incurred by the Grantee as supported by invoices. The State will provide payment request forms. Every effort should be made to submit invoices within the same fiscal year the costs were incurred. In order to ensure that all funds are drawn prior to the expiration date of the grant, all payment requests must be received at least 30 days prior to the grant-term expiration date.

***(b) Unexpended Funds***

Any grant funds not reimbursed to the Grantee shall revert back to the State.

### *4.3 Contracting and Bidding Requirements*

Per Minn. Stat. § 471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

***(a)*** **Prevailing wages**

For projects that include construction work of $25,000 or more, prevailing wage rules apply per; Minn. Stat. §§ 177.41 through 177.44, consequently, the bid request must state the project is subject to *prevailing wage*. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

Prevailing wage rates are required to be paid on an economic development project site if that project receives or will be receiving state financial assistance in the form of a grant where a single business receives $200,000 or more of the grant proceeds, a loan or the guaranty or purchase of a loan if a single business receives $500,000 or more of the loan proceeds, or certain tax incentives, per Minn. Stat. § 116J.871. For economic development projects subject to the prevailing wage requirements in Minn. Stat. § 116J.871, Grantee must ensure that Grantee and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as described in Exhibit A, "Prevailing Wage Certification – Minn. Stat. § 116J.871", to the following email address: wagedata.deed@state.mn.us.

***(b)*** The grantee must not contract with vendors who are suspended or debarred in MN: http://www.mmd.admin.state.mn.us/debarredreport.asp

## 5 Reporting Requirements

The Grantee must submit to the State annual reports on the use of grant funds and the progress of the Project covering July 1st through June 30th of each year. Each annual report must be received by the State no later than July 25th of each year. The annual report must identify specific Project goals listed in the application and quantitatively and qualitatively measure the progress of such goals. Grant payments shall not be made on grants, or subsequent grant awards made to the Grantee, with past due reports. In addition, the Grantee shall submit a final annual report. The State will provide annual reporting form.

## 6 Conditions of Payment

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state or local law.

## 7 Monitoring and Corrective Action

The Grantee agrees to permit monitoring by the State to determine grant contract agreement performance and compliance with grant contract agreement provisions. The Grantee further agrees to cooperate with the State in performing and completing such monitoring activities and the Grantee agrees to implement and comply with such corrective action as is proposed by the State. The Grantee must provide any financial records, timesheets or other supporting documentation, upon the request of the State.

## 8 Authorized Representative

The State's Authorized Representative is Erin Welle, Project Manager, 180 East 5th Street, Suite 1200, St. Paul, MN 55101, (651) 259-7453, erin.welle@state.mn.us, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Courtney Kramlinger, Economic Development Coordinator, 10 Civic Center Plaza, Mankato, MN 56001, (507) 387-8711, ckramlinger@mankatomn.gov. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

**9 Assignment, Amendments, Adjustments, Waiver and Grant Contract Agreement Complete**

***9.1 Assignment***

The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement or their successors in office.

***9.2 Amendments***

Any amendments to this grant contract agreement, with the exception of Grant Adjustment Notices (GANs), must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement or their successors in office.

***9.3 Grant Adjustment Notices (GANs)***

GANs must be approved by the State in writing and may require a written change request by the Grantee. A GAN may be used for non-substantive changes that do not affect grant requirements, including, but not limited to, changing grant status activity, or changing budget amounts within approved grant eligible activities that do not increase the awarded value. All other changes require formal amendment as stated in Section 9.2.

***9.4 Waiver***

If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

***9.5 Grant Contract Agreement Complete***

This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

**10 Liability**

Subject to the provisions and limitations of Minn. Stat. § 466, the Grantee must indemnify, save and hold the State, its agents and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents, employees or independent contractors. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

**11 State Audits**

Under Minn. Stat. § 16B.98, Subd. 8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the Commissioner of Administration, by the State granting agency and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

The Grantee shall maintain adequate financial records consistent with generally accepted accounting principles. The Grantee shall submit accounting system records that track the use of grant proceeds and all matching funds by eligible Redevelopment Costs for each year in which grant disbursements and expenditures were made. The records shall reflect both expenditures and revenues and shall be submitted after all grant proceeds and matching funds have been expended or at the State's request.

## 12 Government Data Practices and Intellectual Property Rights

### *12.1 Government Data Practices*

The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the Grantee under this grant contract agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

### *12.2 Intellectual Property Rights*

The Grantee represents and warrants that Grantee's intellectual property used in the performance of this grant contract agreement does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of Grantee's intellectual property used in the performance of this grant contract agreement infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing intellectual property as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

## 13 Workers Compensation

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

## 14 Publicity and Endorsement

### *14.1 Publicity*

Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications or services provided resulting from this grant contract agreement. For DEED logos, please contact the State's Authorized Representative.

### *14.2 Endorsement*

The Grantee must not claim that the State endorses its products or services.

## 15 Governing Law, Jurisdiction and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## 16 Termination

### *16.1 Termination by the State*

**(a) Without Cause.** The State may terminate this grant contract agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

**(b) With Cause.** The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

### *16.2 Termination by the Commissioner of Administration*

The Commissioner of Administration may immediately and unilaterally cancel this grant contract agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

### *16.3 Termination for Insufficient Funding*

The State may immediately terminate this grant contract agreement if:

***(a)*** It does not obtain funding from the Minnesota Legislature.

***(b)*** Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

## 17 Data Disclosure

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

## 18 Conflicts of Interest

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn. Stat. § 16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making (Current Policies tab). When a conflict of interest concerning State grant-making is suspected, disclosed or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

The Grantee must complete a Conflict-of-Interest Disclosure Form.

**19 Grant Repayment**

If a project fails to substantially provide the public benefits listed in the grant application within five years from the date of the grant award, the State may require that 100% of the grant amount be repaid by the Grantee over a term not to exceed ten years. The State may exercise discretion to require repayment of only a portion of the grant amount taking into account the public benefits generated by the completed development.

**20 Minnesota Business Subsidy Law**

The Grantee must comply, if appropriate, with the Minnesota Business Subsidy Law, Minn. Stat. §§ 116J.993 through 116J.995.

*(The rest of this page is left intentionally blank)*

1. STATE ENCUMBRANCE VERIFICATION

*Individual certifies that funds have been encumbered as required by Minn. Stat.§* 16A.15.

Signed: Robin Culbertson

Date: 10/15/24

SWIFT Contract/PO No(s): 258784 PR 90634 PO 3-584012

2. GRANTEE

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

By: ____________________

Title: City Manager

Date: ____________________

By: ____________________

Title: ____________________

Date: ____________________

3. STATE OF MINNESOTA: DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

By: ____________________

(WITH DELEGATED AUTHORITY)

Title: Deputy Commissioner

Date: ____________________

Distribution:
- Agency
- Grantee
- State's Authorized Representative

DEPARTMENT OF LABOR AND INDUSTRY

To: Minnesota Department of Labor and Industry

Prevailing-wage compliance unit

443 Lafayette Road N.

St. Paul, MN 55155

Re: Prevailing-wage certification – Minnesota Statutes § 116J.871

________________________ is a recipient of financial assistance from the ________________________ for the project identified below.

As required by Minn. Stat. § 116J.871, subd. 2(a), ____________________________________________________ hereby certifies to the commissioner of the Department of Labor and Industry, that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided, in whole or part, will be paid the prevailing-wage rate as defined in Minn. Stat. § 177.42, subd. 6. Prevailing wages paid to laborers and mechanics at the project site shall comply with the prevailing-wage rates determined for _________________ county, Minnesota.

________________ understands that failure to pay prevailing wages is a misdemeanor and that each day of violation is a separate offense under Minn. Stat. § 116J.871, subd. 3.

Project name: ____________________________________________________________
(Insert project name)

Project start date: ____________________________________________________________
(Insert project start date)

Project site address: ____________________________________________________________
(Insert project site address)

Financial assistance contract number: ____________________________________________________________
(Insert financial assistance contract number)

By: ________________________________________ Signature: ________________________________________
(Print name of authorized representative) (Signature of authorized representative)

Its: ________________________________________ Date: ________________________________________
(Authorized representative's title) (Date signed and certified)

## Information for recipients

Recipients must ensure all laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance from a state agency or allocating agency will be provided is performed under contracts that specifically include the prevailing-wage rate requirements of the Minnesota Prevailing Wage Act (“MPWA”), Minnesota Statutes sections 177.41-.44 and Minnesota Rules, sections 5200.1000-.1120.

Recipients also must ensure that contractors and their subcontractors will comply with the requirements of the MPWA, including recordkeeping, completion and submission of certified payroll reports, posting and contract requirements and the requirement that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided are paid the applicable prevailing-wage rate(s) for each classification of work they perform. These requirements and enforcement provisions are set forth at Minn. Stat. § 116J.871, subd. 2(a).

In accordance with the MPWA and because the commissioner, pursuant to Minn. Stat. § 177.30(a)(7), has deemed certain payroll information necessary and appropriate, recipients must also ensure that each employer performing work at the project site during construction, installation, remodeling or repairs for which financial assistance from a state agency is provided will prepare, maintain as required, and provide to the Department of Labor and Industry upon request, certified payroll reports with respect to the wages and benefits paid to employees specifying for each employee: the employee’s name; prevailing-wage job classifications; hours worked each day; total hours; rates of pay; gross amount earned; each deduction for taxes; total deductions; net pay per week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs.

These same certified payroll records must be submitted to the contracting authority no more than 14 days after the end of each pay period and retained by the employer for a minimum of three years after the final payment is made on the project. Minn. Stat. §§ 177.30 (a)(7), 177.43, subd. 3. A sample certified payroll form is available at dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf. The state agency or allocating agency awarding the financial assistance is considered the contracting authority. Minn. Stat. § 116J.871, subd. 2(b).

Recipients of financial assistance from a state agency or allocating agency should contact the Department of Labor and Industry for applicable prevailing-wage rates and guidance on how to comply with prevailing wage-requirements in section 116J.871 and the MPWA:

Division of Labor Standards

Karen Bugar, State Program Administrative Director

443 Lafayette Road N, St. Paul, MN 55155

651-284-5091 or dli.prevwage@state.mn.us

**Email a completed copy of this form to dli.prevwage@state.mn.us or mail a copy of this form to the Department of Labor and Industry at the address on page 1 of this form. A copy should also be submitted to the state agency or allocating agency awarding the financial assistance.**

**SUBRECIPIENT FUNDING AGREEMENT**
**MINNESOTA DEED REDEVELOPMENT GRANT PROGRAM**
**HOTEL MANKATO PROJECT**

**THIS AGREEMENT**, is entered into by and between the City of Mankato, a Minnesota municipal corporation, whose address is 10 Civic Center Plaza, Mankato, MN 56001 (hereinafter referred to as "City"), and Hotel Mankato, LLC, a Minnesota Limited Liability Company (hereinafter referred to as "Subrecipient").

**WHEREAS,** in cooperation with Subrecipient, the City applied to and received approval for funds in the amount of $1,114,071.00 from the State of Minnesota, acting by and through its Department of Employment and Economic Development, Business and Community Development Division ("DEED") under its Redevelopment Grant Program (the "Redevelopment Grant"); and

**WHEREAS,** the City desires to award proceeds of the Redevelopment Grant in the amount of $1,114,071.00 (the "Subgrant") to Subrecipient, to assist Subrecipient with the development of the site on the real property located at 101 E. Main Street, 121 E. Main Street and 118 S. 2nd Street, Mankato, MN and shown on attached **Exhibit A** (the "Property") by funding a portion of the costs for the Hotel Mankato Project identified in the Redevelopment Grant Agreement and Application to DEED described in Section 1 below (the "Project").

**WHEREAS,** the Subrecipient will provide no less than fifty percent (50%) of the Project costs up to $1,114,071.00 as the required local match under the Redevelopment Grant (the "Match Funds").

**NOW, THEREFORE,** in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **AWARD.** The City awards the Subgrant to Subrecipient for redevelopment activities as described in the Redevelopment Program Grant Agreement No. RDGP-24-0013-o-FY25 between the City and DEED attached to this Agreement as **Exhibit B** (the "Redevelopment Grant Agreement") and the Application to DEED submitted on August 1, 2024, on file in the City's Office (the "Grant Application"), both of which are incorporated into this Agreement. In the event of a conflict between the Redevelopment Grant Agreement, this Agreement and the Grant Application, the documents shall be deemed to be controlling in the following order: 1) the Redevelopment Grant Agreement; 2) this Agreement; 3) the Grant Application. The Subgrant and Match Funds must be used exclusively to pay or reimburse actual project costs as reflected in the budget incorporated into the DEED Grant Agreement ("**Project**"). Administrative costs incurred by the Subrecipient are not eligible for reimbursement under this Agreement. Notwithstanding anything to the contrary, the Subrecipient understands and agrees that any reduction or termination of the Redevelopment Grant will result in a like reduction or termination of the Subgrant, and that any material change in the timeline or scope of the Project must be approved in writing by the City and DEED.

DEED expects the Project to achieve the following benefits (the "**Project Benefits**"):

Local Tax Base Increase: <u>$566,738</u>
New Jobs: <u>111 FTEs</u>
Retained Jobs: <u>0 FTEs</u>
Private Investment (construction costs): <u>$92,710,000</u>

2. **PERFORMANCE.** The Subrecipient must comply with all requirements applicable to the City in the Redevelopment Grant Agreement. Any action or inaction of Subrecipient which could result in a default under the Redevelopment Grant Agreement will constitute noncompliance with this Agreement. If the City finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, the City may take action to protect its interests, including refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed. If action to correct substandard performance is not taken by the Subrecipient within 30 calendar days, or such longer period specified by the City after written notice by the City, the City may terminate this Agreement.

3. **PERFORMANCE MONITORING.** The Subrecipient shall comply with all requirements in the DEED Grant Agreement and submit any reporting information on the Project or the Development that is requested by DEED or the City. City shall submit annual reports and a final report (on or before Jun 25th of each year) in the form required by DEED on the distribution of funds and the progress of the Project from the date of this Agreement through June 30th of each year. The City will monitor the Subrecipient's performance against the Project Benefits per the Project's application for DEED funds. If applicable, an approval from the Minnesota Pollution Control Agency or other appropriate State or Federal agency is required upon completion of cleanup activities.

4. **TIME OF PERFORMANCE.** Subrecipient must not begin work under the grant agreement until the grant agreement is fully executed. Subrecipient must provide invoices for eligible grant activities identified in the grant agreement so that the City can submit the first payment request to DEED before December 31, 2025, or the grant may be terminated. Subrecipient shall complete the Project on or before December 31, 2027 (the "End Date"). In order to ensure funds are drawn prior to the End Date, completed disbursement requests shall be received by the City at least forty-five (45) days prior to the End Date.

5. **CONDITIONS PRECEDENT TO DISBURSEMENT.** The following requirements are conditions precedent to the City's disbursement of any of the Subgrant proceeds.

A. The Subrecipient must have provided evidence satisfactory to the City showing that Subrecipient has site control of the Property.

B. The Subrecipient must have provided to the City such evidence of compliance with all of the provisions of this Agreement as the City may reasonably request.

6. **DISBURSEMENT.** It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed $<u>1,114,071.00</u>. The City will make disbursements only upon receipt of a written disbursement request in the form provided

by DEED (the "Disbursement Request") from Subrecipient acceptable to the City and DEED. Payment requests may be made no more than once per month and must be accompanied by itemized invoices from each provider to be paid or cost to be reimbursed, whether such costs are being reimbursed by the Subgrant or not, with specific reference to the eligible Project line item. The City will, upon its approval of the Disbursement Request, forward the Disbursement Request to DEED for approval. Upon DEED approval of the Disbursement Request and receipt by the City of the approved amounts of Redevelopment Grant funds, the City will disburse the approved amount of Subgrant funds in accordance with the information provided in the Disbursement Request. In order to ensure that all funds are drawn prior to the City's Redevelopment Grant Agreement term end date, all payment requests must be received by forty-five (45) days prior to the End Date. The Subgrant dollars are grant funds only and cannot be used, treated or converted into any type of loan.

7. **NOTICES.** Communication and details concerning this Agreement must be directed to the following Agreement representatives:

***City:***
Attn: Courtney Kramlinger
10 Civic Center Plaza
Mankato, MN 56001
Telephone: (507) 387-8711
E-mail: ckramlinger@mankatomn.gov

***Subrecipient Contact Information:***
Name: Bryan Sowers
Company: Hotel Mankato, LLC
Address:
Phone:
E-mail:

**8. GENERAL CONDITIONS.**

A. **General Compliance.** The Subrecipient agrees to comply with all applicable federal, state and local laws and regulations governing the Project and Redevelopment Grant funds provided under this Agreement, including without limitation all applicable OSHA regulations, especially the federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65), Minnesota Statutes §§116J.551 - .559, and all federal Davis Bacon and related act requirements.

B. **Subcontracts.**

1. *Compliance with Laws.* The Subrecipient must require that contractors performing work being paid with the Subgrant funds comply with all applicable federal, state and local laws and regulations governing the Project.

2. *OSHA.* Subrecipient must require that contractors performing work being paid with the Subgrant funds be in compliance with all applicable OSHA regulations, especially the Federal Hazardous Waste Operations and Emergency Response Standards (29 C.F.R. 1910.120 and 29 C.F.R. 1926.65).

C. **Termination.** In the event the Redevelopment Grant Agreement is terminated, this Agreement shall contemporaneously terminate. Upon termination, Subrecipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

D. **Independent Contractor.** Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an independent contractor with respect to the services to be performed under this Agreement. The City is exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance because the Subrecipient is an independent contractor.

E. **Indemnification and Hold Harmless.** The Subrecipient shall hold harmless, defend and indemnify the City and DEED from any and all liability, claims, actions, suits, charges, damages, losses, costs, expenses, and judgments whatsoever, including reasonable attorneys' fees, that arise directly or indirectly out of the Subrecipient's, its contractor's or subcontractor's performance or nonperformance under this Agreement. Claims included in this indemnification include any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B; the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended, United States Code Title 42, Sections 9601 et. seq.; and the Federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code Title 42, Sections 6901 et. seq.

F. **Insurance.**

1. *Insurance Required.* During the term of this Agreement, Subrecipient and its contractors and subcontractors rendering services being paid with funds from this Agreement shall procure and maintain Public Liability and Automobile Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form with "Broad Form" property damage liability coverage, with XCU exclusion removed, in limits of not less than $1,500,000 per occurrence for personal injury, bodily injury and death, and limits of $1,500,000 for property damage liability, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. If per person limits are specified, they shall be for not less than $1,500,000 per person and be for the same coverages. Coverages of Subrecipient and its contractors/subcontractors shall include:

a. Public liability including premises and operations coverage;
b. Independent contractors' protective contingent liability;
c. Personal injury;
d. Owned, non-owned, and hired vehicles;
e. Contractual liability covering customary construction contract and subcontract indemnity provisions;
f. Products—completed operations; and
g. Workers' Compensation coverage in required statutory limits. Policy shall carry an "all states" endorsement.

2. *Additional Insurance Requirements.* All insurance required in this Article shall be taken out and maintained in responsible insurance companies organized under the laws of the United States and licensed to do business in Minnesota. City shall be named as an additional insured under the Public Liability and Automobile Liability Insurance. City does not represent or guarantee that the types of limits or coverages provided above are adequate to protect Subrecipient's interests and liabilities.

3. *Certificates of Insurance.* Certificates showing that the above-described insurance is carried in the specified amounts shall be furnished to City prior to the disbursement of any of the Subgrant proceeds, and a certificate showing continued maintenance of such insurance shall be on file with City during the term of this Agreement. The form of each certificate of insurance shall contain an unconditional requirement that the insurer notify City without fail not less than 30 days prior to any cancellation, non-renewal or modification of the policy or coverages evidenced by said certificate and shall further provide that failure to give such notice to City will render any such change or changes in said policy or coverages ineffective as against City.

4. *Contractor/Subcontractor Evidence of Insurance.* The Subrecipient must not commence work until any and all contractors/subcontractors have obtained the required proof of insurance which clearly evidences required insurance coverages. If the Subrecipient fails to furnish proof of insurance coverages from the contractors/subcontractors when requested by the City, the City may withhold payments and/or pursue any other rights or remedy allowed under this Agreement, law, equity, and/or statute.

**9. ADMINISTRATIVE REQUIREMENTS.**

A. **Accounting Standards.** The Subrecipient agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.

B. **Records.**

1. *Retention.* The Subrecipient shall maintain adequate financial records consistent with generally accepted accounting principles. Audits and records, including but not limited to all financial and environmental documents related to the funds provided under this Agreement, shall be accessible to authorized representatives of the City for purposes of examination and audit. In addition, the Subrecipient shall give DEED, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to this Agreement for a minimum of six (6) years from the end of the Redevelopment Grant Agreement term end date.

2. *Close-Out.* The Subrecipient's obligation to the City does not end until all close-out requirements are completed. Activities during this close-out period include: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and receivable accounts to the City), determining the custodianship of records and resolving audit findings.

C. **Procurement.** The Subrecipient must maintain an inventory record of all nonexpendable personal property procured with funds provided under this Agreement. Program income is income generated from grant-funded activities, including interest earned on grant funds. All unexpended program income must revert to the City upon termination of this Agreement.

## 10. MISCELLANEOUS.

A. **Assignability.** The Subrecipient may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the City; provided, however, that claims for money due or to become due to the Subrecipient from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the City.

B. **Antitrust.** The Subrecipient hereby assigns to the State of Minnesota any and all claims for overcharges for goods and/or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

C. **Governing Law and Venue.** This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in Blue Earth County, Minnesota.

D. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement.

E. **Survival.** Any terms of this Agreement which by their nature extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.

F. **Job Listing Agreement.** Minnesota Statutes §116L.66, subd.1, requires a business or private enterprise to list any vacant or new positions with the state workforce center if it receives $200,000 or more a year in grants from the State. If applicable, the business or private enterprise shall list any job vacancy in its personnel complement with Minnesota Works.net at www.minnesotaworks.net as soon as it occurs.

G. **Government Data Practices.** The Subrecipient must comply with the Minnesota Government Data Practices Act, Minnesota Statute Chapter 13, as it applies to all data provided by City under this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Subrecipient under this Agreement. The civil remedies of Minnesota Statute §13.08 apply to the release of the data referred to in this clause. If the Subrecipient receives a request to release the data referred to in this clause, the Subrecipient must immediately notify City. City will give the Subrecipient instructions concerning the release of the data to the requesting party before the data is released. The Subrecipient's response to the request shall comply with applicable law.

H. **Intellectual Property Rights.** In the event that Subrecipient secures a copyright protection on any of the materials, reports, or data created as part of the project, the Subrecipient agrees to and does hereby grant to the State of Minnesota and its officers, agents, and employees, acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so for use by the State, its divisions, instrumentalities and local subdivisions, all material now or hereafter covered by any such copyright.

I. **Publicity.** Any publicity regarding the subject matter of this Agreement must identify the State of Minnesota as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Subrecipient individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Agreement. For DEED logos and formatting, please contact the State's Authorized Representative.

J. **Payment of Contractors and Subcontractors.** The Subrecipient must ensure that all contractors and subcontractors performing work covered by this Agreement are paid for their work that is satisfactorily completed.

K. **Conflict of Interest.** The State of Minnesota through City will take steps to prevent individual and organizational conflicts of interest in reference to Subrecipient per Minn.Stat.§16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making. When a conflict of interest concerning State grant-making and subsequent City grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

Organizational conflicts of interest occur when:

- a Subrecipient is unable or potentially unable to render impartial assistance or advice to City due to competing duties or loyalties.
- a Subrecipient's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.
- a Subrecipient has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

Organizational conflicts include any individual part of the Subrecipient. Individual conflicts of interest occur when:

- a Subrecipient uses his/her status or position to obtain special advantage, benefit, or access to the Subrecipient's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
- a City employee is an employee or board member of a Subrecipient that is an immediate family member of an owner, employee or board member of the Subrecipient.

The City and the Subrecipient must act immediately upon any suggestion, inquiry, or intimation that an individual or organizational conflict of interest exists at any point in the grant process. Steps must be taken to identify and avoid or mitigate any potential conflicts. The conflict of interest guidelines continue throughout the life of the grant agreement.

The Subrecipient must complete and submit a Conflict of Interest Disclosure Form (See Exhibit D) indicating whether or not a perceived, potential, or actual conflict of interest exists. If the Subrecipient identifies an actual, potential or perceived conflict of interest on the form, the Subrecipient must identify and submit its conflict of interest avoidance or mitigation plan. City will review the form and the Subrecipient's individual or organizational conflict of interest avoidance or mitigation plan and other relevant facts, if needed, to determine if an actual, potential or perceived conflict of interest exists, as defined by policy or other relevant law. If it does, City will pursue appropriate actions to mitigate, neutralize, or avoid the potential, perceived or actual individual or organizational conflicts of interest. These may include, but not be limited to, termination of the grant agreement; disqualification from future grant awards, if it is determined that it improperly failed to disclose a known individual or organizational conflict of interest or misrepresented information regarding such conflict; revising the Subrecipient's duties so that the conflict is mitigated; allowing the Subrecipient to propose the exclusion of task areas that create a conflict, if appropriate; allowing the individual with the conflict to be removed from taking any actions in relation to the grant agreement.

In cases where a perceived, potential, or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Subrecipient throughout the life of the grant agreement, they must immediately notify City for appropriate action steps to be taken, as defined above.

All of the above provisions apply to any sub- subrecipients and applicable language must be included in the Subrecipient / sub-subrecipient agreements.

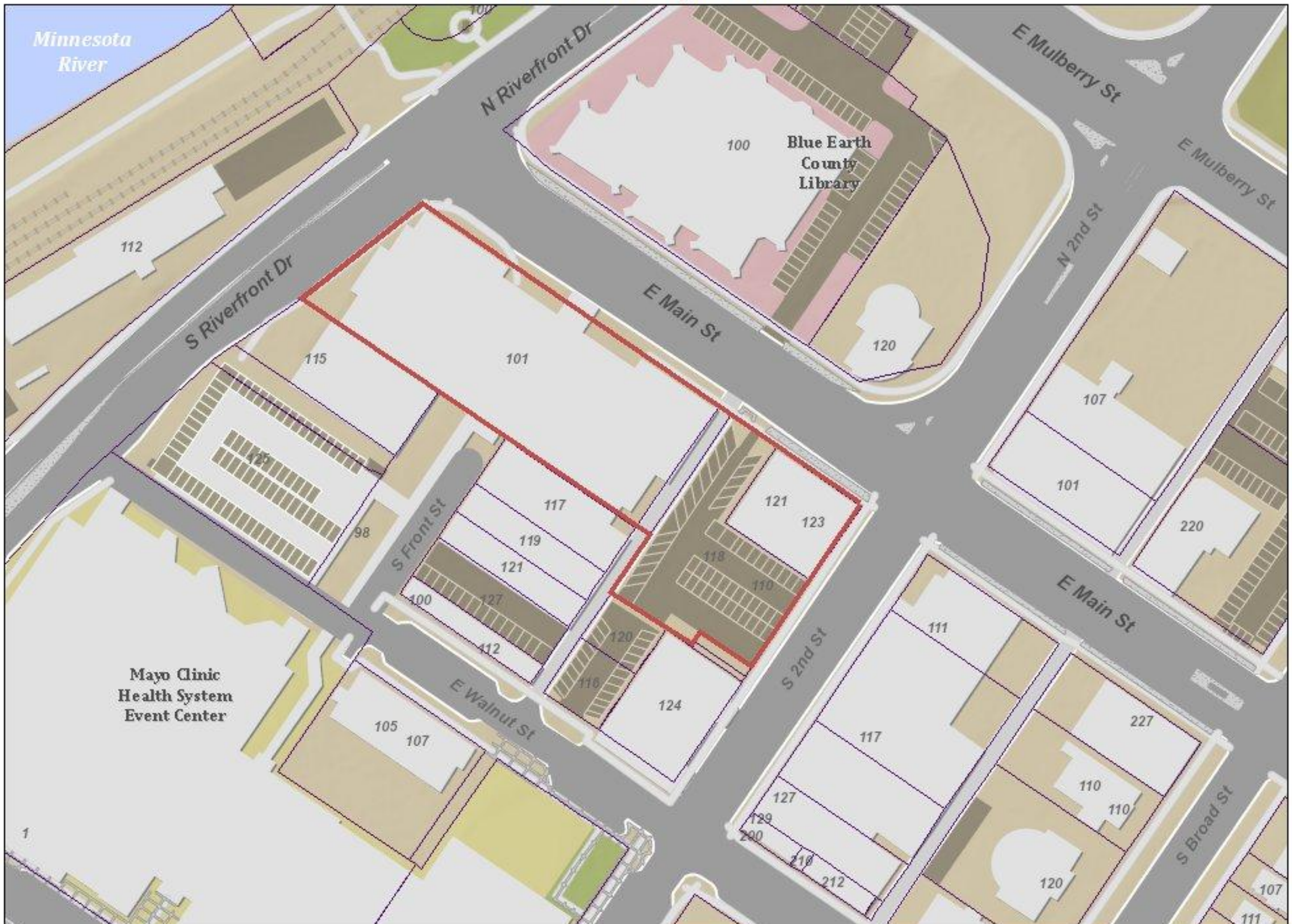
L. **Severability.** In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

M. **Entire Agreement.** This Agreement, including Exhibits A, B and C constitutes the entire Agreement between the City and Subrecipient and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto.

| **City of Mankato** | **Hotel Mankato, LLC** |
|---|---|
| By:________________________ | By: ________________________ |
| Susan MH Arntz, City Manager | Bryan Sowers, Vice President |
| Date:______________________ | Date:______________________ |

EXHIBIT A
PROPERTY MAP

Hotel Mankato Project Location




Date: October 2024
Author:

EXHIBIT B

Redevelopment Development Program

Grant Agreement No. RDGP-24-0013-o-FY25

SC #: 258784

# STATE OF MINNESOTA
# GRANT CONTRACT AGREEMENT NO. RDGP-24-0013-o-FY25
# Hotel Mankato Project

This grant contract agreement is between the State of Minnesota, acting through the Department of Employment and Economic Development ("State") and the city of Mankato, 10 Civic Center Plaza, Mankato, MN 56001 ("Grantee").

## Recitals

1. Under Minn. Stat. § 116J.575 the State is empowered to enter into this grant contract agreement.
2. The State is in need of programs that create jobs, increase local property tax and provide other public benefits by redeveloping underused or unproductive sites.
3. Pursuant to Minn. Stat. § 16B.98, the Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State.

## Grant Contract Agreement

**1 Term of Grant Contract Agreement**

***1.1*** ***Effective date:***
September 27, 2024, or the date the State obtains all required signatures under Minn. Stat. § 16B.98, Subd. 5, whichever is later. Per Minn. Stat. § 16B.98, Subd. 5, the Grantee must not begin work until this grant contract agreement is fully executed and the State's Authorized Representative has notified the Grantee that work may commence. Per Minn. Stat. § 16B.98, Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed.

***1.2*** ***Expiration date:***
December 31, 2027, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

***1.3*** ***Survival of Terms.***
The following clauses survive the expiration or termination of this grant contract agreement: 5. Reporting Requirements; 7. Monitoring and Corrective Action; 10. Liability; 11. State Audits; 12. Government Data Practices and Intellectual Property Rights; 14. Publicity and Endorsement; 15. Governing Law, Jurisdiction and Venue; 17. Data Disclosure; 18. Conflict of Interest; 19. Grant Repayment; and 20. Minnesota Business Subsidy Law.

**2 Grantee's Duties**

***2.1*** ***Duties, Deliverables, and Completion Dates.***
The Grantee, who is not a state employee, will perform the following duties and provide the deliverables as outlined below.

***(a)*** Comply with required grants management policies and procedures set forth through Minn. Stat. § 16B.97, Subd. 4 (a) (1).

***(b)*** Administer these grant funds in accordance with Minn. Stat. §§ 116J.571 through 116J.575 and the application submitted on August 1, 2024 for funding for the Mankato Hotel Project, which is incorporated into this grant contract agreement and the provisions of this grant contract agreement. Any modification made to the approved application must be approved by the State.

*(c)* It is expected that the site will be redeveloped as proposed in the grant application and upon which funding was based. Any material change in the development plans for the site must be presented to the State and approved. Promptly notify the State of any proposed material change in the scope of the project as submitted in the grant application, eligible approved Redevelopment Costs as defined Section 4.1(c) of this grant contract agreement, or the project's timeline, which must be approved by the State, prior to implementation.

*(d)* It is also expected that the project will begin as described in the application. To validate that the project has started, and eligible work has commenced, a Payment Request, as outlined in Section 4.2(a), must be submitted to the State on or before December 31, 2025, or such a later date requested by the Grantee and approved by the State in writing. If a Payment Request is not submitted, the State's obligation to fund the Grant may be terminated as described in Section 16.1(b). Invoices must be for approved Redevelopment Costs incurred after the grant contract agreement is fully executed.

*(e)* Provide evidence to the State prior to the closeout of the grant that the Redevelopment activities have been completed.

*(f)* Adhere to all other requirements of this grant contract agreement.

***2.2 Provisions for Contracts and Sub-grants***

***(a) Contract Provisions.***
The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable state and federal laws. Along with such provisions, the Grantee must require that contractors performing work covered by this grant be in compliance with all applicable OSHA regulations.

***(b) Ineligible Use of Grant Funds.***
The dollars awarded under this grant contract agreement are grant funds and shall only be used by Grantee or awarded by Grantee to third parties as grant funds and cannot take the form of a loan under any circumstance. Grantee shall not use, treat, or convert the grant funds into an interest-bearing loan, a non-interest-bearing loan, a deferred loan, a forgivable deferred loan or any other type of loan. Further, Grantee shall include in any contract or sub-grant awarding the grant funds to a third party all the provisions and requirements of this grant contract agreement, including the requirement that these dollars are grant funds only and cannot be used, treated, or converted into any type of loan.

***(c) Payment of Contractors and Subcontractors.***
The Grantee must provide evidence that all contractors and subcontractors performing work covered by this grant are paid for their work that is satisfactorily completed.

**3 Time**

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant contract agreement, time is of the essence.

**4 Consideration and Payment**

***4.1 Consideration***
The State will pay the Grantee under this grant contract agreement as follows:

***(a) Travel Expenses***
Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract agreement are considered administrative in nature and not permitted and will not exceed $0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state. This does not include costs for contractors to complete the activities listed in Section 4.1(c), which may be considered eligible at the discretion of the State.

***(b) Program Income***
Program income generated from grant-funded activities on hand at the end of the grant period must be returned to the State unless the State has approved re-use of the income.

***(c) Eligible Costs***
The following table represents the total approved Redevelopment Costs. The Grantee may not use these funds for administrative costs associated with managing this grant or the project this grant is funding.

| Grant Eligible Activities | Amount |
|---|---|
| Building and Site Demolition | $1,485,290.00 |
| Public Site Improvements (Sidewalks, Site Lighting, and Curb Cuts) | $668,353.00 |
| Public Utilities (Water, Sanitary, and Storm Connections) | $74,500.00 |
| Total | $2,228,143.00 |

***(d) Total Obligation***
The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed $1,114,071.00.

In accordance with Minn. Stat. § 116J.575, Subd. 1, the grant may pay for up to 50% of the eligible costs for a qualifying site. This requires a local match of at least 50%. For the purpose of this project, based on the budget above, the local match portion is at least $1,114,072.00, which may come from any other funding source available to the Grantee.

***4.2 Payment***

***(a) Invoices***
The State will disburse funds to the Grantee pursuant to this Contract, based upon payment requests submitted by the Grantee and reviewed and approved by the State. Payment requests must be accompanied by supporting invoices for the activities defined in Section 4.1(c) of this grant contract agreement. The amount of grant funds requested by the Grantee cannot exceed 50% of the total approved Redevelopment Costs incurred by the Grantee as supported by invoices. The State will provide payment request forms. Every effort should be made to submit invoices within the same fiscal year the costs were incurred. In order to ensure that all funds are drawn prior to the expiration date of the grant, all payment requests must be received at least 30 days prior to the grant-term expiration date.

***(b) Unexpended Funds***
Any grant funds not reimbursed to the Grantee shall revert back to the State.

### *4.3 Contracting and Bidding Requirements*

Per Minn. Stat. § 471.345, grantees that are municipalities as defined in Subd. 1 must follow the law.

***(a)*** **Prevailing wages**

For projects that include construction work of $25,000 or more, prevailing wage rules apply per; Minn. Stat. §§ 177.41 through 177.44, consequently, the bid request must state the project is subject to *prevailing wage*. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

Prevailing wage rates are required to be paid on an economic development project site if that project receives or will be receiving state financial assistance in the form of a grant where a single business receives $200,000 or more of the grant proceeds, a loan or the guaranty or purchase of a loan if a single business receives $500,000 or more of the loan proceeds, or certain tax incentives, per Minn. Stat. § 116J.871. For economic development projects subject to the prevailing wage requirements in Minn. Stat. § 116J.871, Grantee must ensure that Grantee and all contractors and subcontractors comply with applicable prevailing wage requirements including submitting all required certified payroll records, as described in Exhibit A, "Prevailing Wage Certification – Minn. Stat. § 116J.871", to the following email address: wagedata.deed@state.mn.us.

***(b)*** The grantee must not contract with vendors who are suspended or debarred in MN: http://www.mmd.admin.state.mn.us/debarredreport.asp

**5 Reporting Requirements**

The Grantee must submit to the State annual reports on the use of grant funds and the progress of the Project covering July 1st through June 30th of each year. Each annual report must be received by the State no later than July 25th of each year. The annual report must identify specific Project goals listed in the application and quantitatively and qualitatively measure the progress of such goals. Grant payments shall not be made on grants, or subsequent grant awards made to the Grantee, with past due reports. In addition, the Grantee shall submit a final annual report. The State will provide annual reporting form.

**6 Conditions of Payment**

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state or local law.

**7 Monitoring and Corrective Action**

The Grantee agrees to permit monitoring by the State to determine grant contract agreement performance and compliance with grant contract agreement provisions. The Grantee further agrees to cooperate with the State in performing and completing such monitoring activities and the Grantee agrees to implement and comply with such corrective action as is proposed by the State. The Grantee must provide any financial records, timesheets or other supporting documentation, upon the request of the State.

**8 Authorized Representative**

The State's Authorized Representative is Erin Welle, Project Manager, 180 East 5th Street, Suite 1200, St. Paul, MN 55101, (651) 259-7453, erin.welle@state.mn.us, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Courtney Kramlinger, Economic Development Coordinator, 10 Civic Center Plaza, Mankato, MN 56001, (507) 387-8711, ckramlinger@mankatomn.gov. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

**9 Assignment, Amendments, Adjustments, Waiver and Grant Contract Agreement Complete**

***9.1 Assignment***
The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement or their successors in office.

***9.2 Amendments***
Any amendments to this grant contract agreement, with the exception of Grant Adjustment Notices (GANs), must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract agreement or their successors in office.

***9.3 Grant Adjustment Notices (GANs)***
GANs must be approved by the State in writing and may require a written change request by the Grantee. A GAN may be used for non-substantive changes that do not affect grant requirements, including, but not limited to, changing grant status activity, or changing budget amounts within approved grant eligible activities that do not increase the awarded value. All other changes require formal amendment as stated in Section 9.2.

***9.4 Waiver***
If the State fails to enforce any provision of this grant contract agreement, that failure does not waive the provision or the State's right to enforce it.

***9.5 Grant Contract Agreement Complete***
This grant contract agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract agreement, whether written or oral, may be used to bind either party.

**10 Liability**
Subject to the provisions and limitations of Minn. Stat. § 466, the Grantee must indemnify, save and hold the State, its agents and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract agreement by the Grantee or the Grantee's agents, employees or independent contractors. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract agreement.

**11 State Audits**
Under Minn. Stat. § 16B.98, Subd. 8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the Commissioner of Administration, by the State granting agency and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

The Grantee shall maintain adequate financial records consistent with generally accepted accounting principles. The Grantee shall submit accounting system records that track the use of grant proceeds and all matching funds by eligible Redevelopment Costs for each year in which grant disbursements and expenditures were made. The records shall reflect both expenditures and revenues and shall be submitted after all grant proceeds and matching funds have been expended or at the State's request.

**12 Government Data Practices and Intellectual Property Rights**

***12.1 Government Data Practices***

The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract agreement, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the Grantee under this grant contract agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

***12.2 Intellectual Property Rights***

The Grantee represents and warrants that Grantee's intellectual property used in the performance of this grant contract agreement does not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of Grantee's intellectual property used in the performance of this grant contract agreement infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing intellectual property as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

**13 Workers Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

**14 Publicity and Endorsement**

***14.1 Publicity***

Any publicity regarding the subject matter of this grant contract agreement must identify the State as the sponsoring agency. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications or services provided resulting from this grant contract agreement. For DEED logos, please contact the State's Authorized Representative.

***14.2 Endorsement***

The Grantee must not claim that the State endorses its products or services.

**15 Governing Law, Jurisdiction and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement. Venue for all legal proceedings out of this grant contract agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**16 Termination**

***16.1 Termination by the State***

**(a) Without Cause.** The State may terminate this grant contract agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

**(b) With Cause.** The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

***16.2 Termination by the Commissioner of Administration***

The Commissioner of Administration may immediately and unilaterally cancel this grant contract agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

***16.3 Termination for Insufficient Funding***

The State may immediately terminate this grant contract agreement if:

***(a)*** It does not obtain funding from the Minnesota Legislature.

***(b)*** Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

**17 Data Disclosure**

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

**18 Conflicts of Interest**

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn. Stat. § 16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making (Current Policies tab). When a conflict of interest concerning State grant-making is suspected, disclosed or discovered, transparency shall be the guiding principle in addressing it.

In cases where a potential or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the Grantee throughout the life of the grant contract agreement, they must immediately notify the State for appropriate action steps to be taken, as defined above.

The Grantee must complete a Conflict-of-Interest Disclosure Form.

**19 Grant Repayment**

If a project fails to substantially provide the public benefits listed in the grant application within five years from the date of the grant award, the State may require that 100% of the grant amount be repaid by the Grantee over a term not to exceed ten years. The State may exercise discretion to require repayment of only a portion of the grant amount taking into account the public benefits generated by the completed development.

**20 Minnesota Business Subsidy Law**

The Grantee must comply, if appropriate, with the Minnesota Business Subsidy Law, Minn. Stat. §§ 116J.993 through 116J.995.

*(The rest of this page is left intentionally blank)*

SC #: ________

1. STATE ENCUMBRANCE VERIFICATION

*Individual certifies that funds have been encumbered as required by Minn. Stat.§ 16A.15.*

Signed: Robin Culbertson

Date: 10/15/24

SWIFT Contract/PO No(s): 258784 PR 90634 PO 3-584012

2. GRANTEE

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

By:______________________________

Title: City Manager

Date:______________________________

By:______________________________

Title:______________________________

Date:______________________________

3. STATE OF MINNESOTA: DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

By:______________________________
(WITH DELEGATED AUTHORITY)

Title: Deputy Commissioner

Date:______________________________

Distribution:
Agency
Grantee
State's Authorized Representative

**DEPARTMENT OF LABOR AND INDUSTRY**

To: Minnesota Department of Labor and Industry

Prevailing-wage compliance unit

443 Lafayette Road N.

St. Paul, MN 55155

Re: Prevailing-wage certification – Minnesota Statutes § 116J.871

Insert recipient's name __________ is a recipient of financial assistance from the Insert state agency or allocating agency __________ for the project identified below.

As required by Minn. Stat. § 116J.871, subd. 2(a), Insert name of recipient, address and email __________ hereby certifies to the commissioner of the Department of Labor and Industry, that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided, in whole or part, will be paid the prevailing-wage rate as defined in Minn. Stat. § 177.42, subd. 6. Prevailing wages paid to laborers and mechanics at the project site shall comply with the prevailing-wage rates determined for Insert county name __________ county, Minnesota.

Insert recipient's name __________ understands that failure to pay prevailing wages is a misdemeanor and that each day of violation is a separate offense under Minn. Stat. § 116J.871, subd. 3.

| | |
|---|---|
| Project name: | __________ (Insert project name) |
| Project start date: | __________ (Insert project start date) |
| Project site address: | __________ (Insert project site address) |
| Financial assistance contract number: | __________ (Insert financial assistance contract number) |

By: __________ (Print name of authorized representative) Signature: __________ (Signature of authorized representative)

Its: __________ (Authorized representative's title) Date: __________ (Date signed and certified)

(Page 1 of 2)

443 Lafayette Road N., St. Paul, MN 55155 • 651-284-5005 • dli.mn.gov

## Information for recipients

Recipients must ensure all laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance from a state agency or allocating agency will be provided is performed under contracts that specifically include the prevailing-wage rate requirements of the Minnesota Prevailing Wage Act ("MPWA"), Minnesota Statutes sections 177.41-.44 and Minnesota Rules, sections 5200.1000-.1120.

Recipients also must ensure that contractors and their subcontractors will comply with the requirements of the MPWA, including recordkeeping, completion and submission of certified payroll reports, posting and contract requirements and the requirement that laborers and mechanics at the project site during construction, installation, remodeling or repairs for which the financial assistance will be provided are paid the applicable prevailing-wage rate(s) for each classification of work they perform. These requirements and enforcement provisions are set forth at Minn. Stat. § 116J.871, subd. 2(a).

In accordance with the MPWA and because the commissioner, pursuant to Minn. Stat. § 177.30(a)(7), has deemed certain payroll information necessary and appropriate, recipients must also ensure that each employer performing work at the project site during construction, installation, remodeling or repairs for which financial assistance from a state agency is provided will prepare, maintain as required, and provide to the Department of Labor and Industry upon request, certified payroll reports with respect to the wages and benefits paid to employees specifying for each employee: the employee's name; prevailing-wage job classifications; hours worked each day; total hours; rates of pay; gross amount earned; each deduction for taxes; total deductions; net pay per week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs.

These same certified payroll records must be submitted to the contracting authority no more than 14 days after the end of each pay period and retained by the employer for a minimum of three years after the final payment is made on the project. Minn. Stat. §§ 177.30 (a)(7), 177.43, subd. 3. A sample certified payroll form is available at dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf. The state agency or allocating agency awarding the financial assistance is considered the contracting authority. Minn. Stat. § 116J.871, subd. 2(b).

Recipients of financial assistance from a state agency or allocating agency should contact the Department of Labor and Industry for applicable prevailing-wage rates and guidance on how to comply with prevailing wage-requirements in section 116J.871 and the MPWA:

Division of Labor Standards

Karen Bugar, State Program Administrative Director

443 Lafayette Road N, St. Paul, MN 55155

651-284-5091 or dli.prevwage@state.mn.us

**Email a completed copy of this form to dli.prevwage@state.mn.us or mail a copy of this form to the Department of Labor and Industry at the address on page 1 of this form. A copy should also be submitted to the state agency or allocating agency awarding the financial assistance.**

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Rev: 05/2024

EXHIBIT C

# Disbursement Request Form

EXHIBIT D

## Conflict of Interest Disclosure Form

This form gives Subrecipients an opportunity to disclose any actual, potential or perceived conflicts of interest that may exist when receiving a grant. It is the Subrecipient's obligation to be familiar with the Office of Grants Management (OGM) Policy 08-01, Conflict of Interest Policy for State Grant-Making and to disclose any conflicts of interest accordingly.

All Subrecipients must complete and sign a conflict of interest disclosure form.

- ☐ I or my subgrant organization do NOT have an ACTUAL, POTENTIAL, or PERCEIVED conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

- ☐ I or my subgrant organization have an ACTUAL, POTENTIAL, or PERCEIVED conflict of interest. (*Please describe below*):

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: _Bryan Sowers________________________

Signature: ________________________________________

Title: Vice President______________________________

Organization: Hotel Mankato, LLC___________________

Date: _____________________________________________

**AGENDA RECOMMENDATION**

**Consent Calendar** **5. D.**

**City Council Regular Meeting**

**Meeting Date:** 10/28/2024

**Agenda Item:**

Resolution authorizing the City Manager to submit Contamination Cleanup Grant application to the Minnesota Department of Employment and Economic Development for 101-121 East Main Street, 118 South 2nd Street (Hotel Mankato LLC).

**Recommendation/Action(s):**

Adoption of the attached resolution.

**Summary:**

The Minnesota Department of Employment and Economic Development (DEED) is accepting applications for the contamination cleanup grant program. The program offers grants to assist communities with cleaning up contaminated sites for private or public redevelopment to convert contaminated properties into a more productive use. Eligible costs include remediating contamination. Grants can assist with up to 75 percent of the costs to clean up polluted sites and require a 25 percent local match.

The next grant round has applications due November 1, 2024. DEED anticipates awarding 35 percent of the available funding to projects outside the seven county metropolitan area and 65 percent of the funding to projects within the seven county metropolitan area.

Hotel Mankato, LLC proposes redeveloping the property at 101 East Main Street, 121 East Main Street, and 118 South 2nd Street by demolishing two vacant buildings and constructing two adjoining hotels totaling approximately 250,000 square feet with a total of 282 hotel guest rooms, a rooftop restaurant including an outdoor patio, 168-stall underground parking garage and nine surface parking stalls. At the intersection of Riverfront Drive and Main Street, a four-story extended stay Element by Westin is proposed which will include 126 all-suite guest rooms. At the intersection of Second and Main Street, a 10-story AC by Marriott is proposed with 156 hotel guest rooms. The two hotels would be adjoined by a common lobby with a direct connection to the existing City skywalk, providing hotel guests with direct access to the Civic Center.

The hotels will share common guest amenities, including a pool, fitness center, guest laundry, lounge spaces, business pods, and a conference room. A courtyard area will be provided between the Element and common lobby with grilling stations, fire pits, and an outdoor social lounge area.

The City of Mankato would be seeking $323,887.50 in contamination cleanup grant funds to assist with the cleanup necessary for the redevelopment of the property. Eligible costs would be for excavation, transportation and disposal of contaminated soil and environmental oversight. The redevelopment is planned to begin in late 2024 or early 2025. The 25 percent match would be paid by the developer.

At the October 15, 2024, City Council meeting, resolutions were passed approving the use of Tax Increment Financing (TIF) for the redevelopment. Additionally, DEED awarded a redevelopment grant for the project in October 2024 in the amount of $1,114,071. The identified TIF-eligible costs and grant eligible costs exceed the amount of available increment. If a cleanup grant were to be awarded, there would still be TIF eligible costs in excess of the amount of increment that would be available to the Developer.

The application deadline is November 1, 2024. To be eligible, the City Council must approve a resolution authorizing submission of the grant application.

If a grant is awarded, the final grant agreement will be submitted to the City Council for approval prior to execution. It is anticipated grant awards will be made in December 2024 or January 2025.

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**Attachments**

Resolution
General Location Map
Grant Application

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**A RESOLUTION OF THE CITY COUNCIL AUTHORIZING SUBMISSION OF CONTAMINATION CLEANUP GRANT PROGRAM APPLICATION**

BE IT RESOLVED that the City of Mankato has approved the Contamination Cleanup grant application submitted to the Department of Employment and Economic Development (DEED) on November 1, 2024, by the City of Mankato for the 101 E. Main Street, 121 E. Main Street and 118 S. 2nd Street (Hotel Mankato) site.

BE IT RESOLVED that the City of Mankato act as the legal sponsor for project(s) contained in the Contamination Cleanup Grant Program to be submitted on November 1, 2024 and that the City Manager is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of City of Mankato.

BE IT FURTHER RESOLVED that the City of Mankato has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that the City of Mankato has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Mankato may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that the City of Mankato certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the City Manager is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

This resolution shall become effective immediately upon passage.

Dated this 28th day of October, 2024.

I CERTIFY THAT the above resolution was adopted by the City Council of the City of Mankato on October 28, 2024.

SIGNED: ________________________

Najwa Massad

Title: Mayor

Date: October 28, 2024

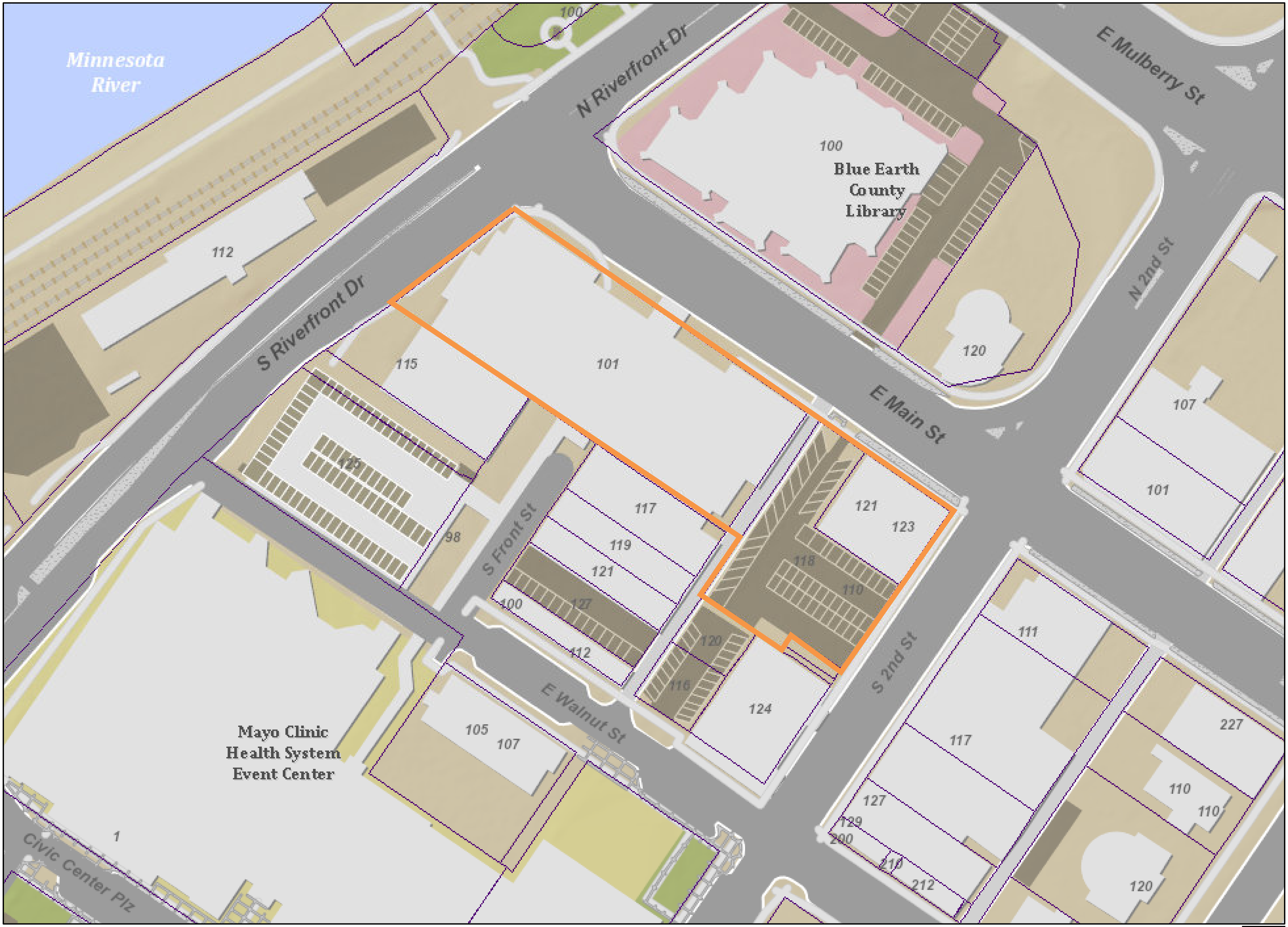
WITNESSED: ______________________

Renae Kopischke, MMC

Title: City Clerk

Date: October 28, 2024

# General Location Map




**Date: July 2024**

**Author:**

# Contamination Cleanup Application Submittal Checklist

## Logistics

- ☐ Two complete paper copies (complete copies include all attachments)
- ☐ Two complete electronic copies (i.e. two flash drives, emailed applications will not be accepted)
- ☐ All the above submitted to DEED by 4:00 p.m. on May 1 or November 1

## Application Form Content

- ☐ Applicant Information Cover Page
- ☐ I. Site Identification and History
- ☐ II. Contamination
- ☐ III. Cost Analysis: Investigation, Cleanup, and Project Budget (Completed Budget Spreadsheet Attachment and Construction Sources and Uses table)
- ☐ IV. Development Plan After Cleanup
- ☐ V. Cleanup and Project Schedule
- ☐ VI. Payment Information (Applicant's State SWIFT Vendor Number, Location Code, and Address)
- ☐ VII. Resolutions (Statutory Cities must authorize Mayor and Clerk)
- ☐ VIII. Applicant Disclosures and Certifications (Conflict of Interest and Pre-Award Risk Assessment)

## Application Attachments

- ☐ Project Summary
- ☐ Appraisal or Assessor's Valuation (all parcels must have a current value)
- ☐ Site maps and photographs illustrating ALL features requested in Question 4
- ☐ Response Action Plan (RAP) and MPCA approval(s)
- ☐ Additional environmental reports such as site assessments or other relevant documents
- ☐ Completed Budget Spreadsheet Attachment
- ☐ Invoices for eligible costs incurred (if applicable)
- ☐ Council action/minutes or other documentation demonstrating local approvals/entitlements
- ☐ Construction financing commitments, terms sheets, or letters of interest
- ☐ HUD 'Invitation to Apply' letter (if applicable)
- ☐ Current property tax statements for each parcel
- ☐ Developer letter or commitment or development agreement
- ☐ End-user or business tenant letter(s) of commitment (if applicable)
- ☐ Resolution from applicant agency (Statutory Cities **MUST** authorize Mayor and Clerk) **MUST BE SUBMITTED AT TIME OF APPLICATION**
- ☐ Resolution from municipality in which the site is located (if different from applicant agency)
- ☐ Conflict of Interest form completed and signed by the applicant
- ☐ Pre-Award Risk Assessment completed and signed by the applicant (attached org chart)

# MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC

DEVELOPMENT

651-259-7451 or toll free at 1-800-657-3858

**Address:**
Brownfields and Redevelopment Unit
Great Northern Building
180 East Fifth Street, Suite 1200
St. Paul, MN 55101

# INSTRUCTIONS

## PURPOSE/BACKGROUND:

The Contamination Cleanup Grant program was established by the 1993 legislature and Minn. Stat. §§ 116J.551 - 116J.558 gives the Minnesota Department of Employment and Economic Development (DEED) authority to award grants to investigate and clean contaminated sites to allow for redevelopment. The purpose of the Contamination Cleanup Grant Program is to reduce the potential threat to public health and the environment, create new jobs, increase the tax base, and provide other public benefits by redeveloping polluted and unproductive sites.

## APPLICATION DEADLINES:

The Contamination Cleanup Grant Program operates on a semi-annual grant cycle. Deadlines for submitting applications are **May 1** and **November 1 by 4:00 p.m.** each year. If these days fall on a weekend, the deadline will be the following business day. **Four complete sets of applications are required for each project: 2 paper copies and 2 electronic copies (on separate flash drives).** An applicant may apply for more than one project, but separate applications must be completed and submitted for each site.

**NOTE: Emailed applications will not be accepted**. **Please fill out the entire application. All applications must be complete upon submission to qualify for a grant. This includes the fully signed, required resolutions. Applications should be in a binder or bound with attachments clearly marked and tabbed.**

## GRANT ELIGIBLE COSTS:

The Contamination Cleanup Grant can pay up to 75% of the cost of cleaning contamination defined under the Minnesota Superfund law (Minn. Stat. § 115B.02), as well as petroleum contamination. Types of petroleum costs that may be eligible under this program are cleanup of rail yards, scrap yards, bulk oil storage facilities, and under and above-ground storage tanks that are not eligible for reimbursement under the Minnesota Petrofund (see Minn. Stat. § 115C.01). See the required cleanup budget section of these instructions for examples of eligible and ineligible costs.

## GRANT FUNDING AVAILABILITY:

The total legislative appropriation for this grant program is approximately $15 million for the biennium. Since the program runs on a semi-annual grant cycle, the funds will be divided among the four cycles run during the biennium. Up to $500,000 of this funding can be awarded per fiscal year for DEED’s Investigation and RAP (Response Action Plan) Development Grants.
The legislature has designated that at least 35% of available funds be spent on remediating sites located outside of the 7-county metropolitan area unless sufficient applications are not received. This allows the grant program

to assist with cleanup efforts statewide.

If this application is awarded, there is a mechanism for development authorities or municipalities to recover costs from a responsible party. See Minn. Stat. § 116J.557 for further details.

## ELIGIBLE GRANT APPLICANTS:

Eligible applicants for this program are statutory or home rule charter cities, economic development authorities, housing and redevelopment authorities, counties, or port authorities. While these are the eligible applicants, the site can be either privately or publicly owned.

## GRANT ELIGIBLE QUALIFYING SITES:

A site must meet each of the following criteria to qualify for a Contamination Cleanup Grant:

1) A grant may not be given to a municipality in the Twin Cities Metropolitan Area unless it is participating in the Metropolitan Council Local Housing Incentives Program. For information on participating in the Local Housing Incentives Program, visit https://metrocouncil.org/Communities/Services/Livable-Communities-Grants/LCA-Participating-Communities.aspx.

2) A site may not be scheduled for funding under the Federal Superfund Program (United States Code, title 42, section 9601 et seq.) or the Minnesota Environmental Response and Liability Act (Minn. Stat. §§ 115B.01 to 115B.24) under the current or next fiscal year.

3) A site must contain contaminants, pollutants or hazardous substances as referenced in Minn. Stat. § 115B.02 or petroleum that is not eligible for reimbursement from the Minnesota Petrofund. A site must also have a Minnesota Pollution Control Agency (MPCA) approved RAP. Asbestos abatement in buildings does not qualify under this grant program unless it is part of demolition necessary for RAP implementation.

4) Finally, to qualify for this grant program, it is expected that the site will be improved with buildings or other improvements within a reasonable period of time, and that these buildings or improvements will provide **a substantial increase in the property tax base** or will be used for an important publicly owned or tax-exempt facility. The final development of polluted sites may include, for example, commercial, industrial, office or housing development.

## REQUIRED APPRAISALS OR ASSESSMENTS FOR GRANTS:

1) Attach an appraisal completed by a qualified independent appraiser licensed under chapter 82B using accepted appraisal methodology which shows the current market value (pre-cleanup) of the property, separately considering the effect of the contaminants on the market value. This value should include both the value of the land and, if applicable, any buildings on the Site. Along with the appraisal, please include the projected value after cleanup and development.

2) Or submit the assessed value of the property for the latest year, as determined by the local assessor, shown on the most recent valuation notice used under Minn. Stat. § 273.121. If a property is publicly owned, its value should still be assessed. Along with the assessed value, please include the projected value after cleanup and development.

## REQUIRED CLEANUP BUDGET:

A detailed cleanup budget and a Sources and Uses table for redeveloping the site must be submitted. While the redevelopment of the site is considered in the application and must be outlined in Section V. Cleanup and Project Schedule, grant funds can only be used toward site remediation. The cleanup budget spreadsheet attached to this application should include only eligible remediation costs, which are the statutorily defined as "cleanup costs" and "project costs."

Budget estimates should be as accurate as possible. If additional work not anticipated in the current application is necessary, this is the responsibility of the applicant. A second application for cost overruns may be submitted, but cleanup work must stop and there is no guarantee of a supplemental grant award. On the same note, the budget should not be inflated but rather should be based on careful investigation and planning.

**Cleanup Costs**: Includes the costs of developing and implementing a response action plan but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

**Project Costs:** Includes the cleanup costs for the site (see above definition), and the cost of related site acquisition, demolition of existing improvements, and installation of public improvements, if necessary, for the applicant to implement the response action plan.

Examples of eligible and ineligible costs include:

- Eligible Costs, if necessary, to implement the Response Action Plan (RAP)
  - Investigation – match only, and if not already funded under a DEED Investigation and RAP Development Grant or another grant source
  - Cleanup - Contaminated soil, ground water or vapor mitigation
  - Public Acquisition - match only
  - Environmental Consulting Fees
  - Demolition – see question 9 in the application

- Ineligible Costs
  - Project/Grant Administration
  - Costs of appraisals or other application costs
  - Development Costs
  - Asbestos Abatement in Buildings – unless included in building demolition required by RAP
  - Contingencies
  - Demolition necessary only for redevelopment purposes
  - Costs related to soils containing debris or geotechnically unstable soils

## GRANT LOCAL MATCH REQUIREMENT:

It is required that the municipality or other local source pay for 25 percent of the project costs as a local match to obtain a cleanup grant. Of this local match, the municipality must pay an amount equal to 12 percent of the cleanup costs from the municipality's general fund, a property tax levy or other unrestricted money available to the municipality. This 12 percent cannot include funds from other grant sources or Tax Increment Financing.

The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

## GRANT AWARD CRITERIA:

Environmental contamination affects many communities throughout Minnesota; therefore, this program is competitive. The law allows DEED to make grants for sites that meet all the statutory requirements and for sites that provide the highest return in public benefits for the public costs incurred. DEED has cleanup grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grants funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project. **Be advised that if awarded, the application will be incorporated into the grant contract. The schedule provided in the application should be as accurate and realistic as possible. Significant changes to this schedule may result in grant termination.**

To evaluate the applications for public benefits with respect to the costs incurred, the law specifies priorities which DEED must consider. The legislative priorities listed below have been assigned maximum point values to systematically award grants in each cycle. Please note, an application must receive a minimum of 50 points to be eligible for funding.

1) The potential increase in the property tax base of the local taxing jurisdictions relative to the fiscal needs of the jurisdictions, which will result from developments that will occur because of completion of the approved response actions. *Maximum = 15 points*

2) The social value to the community that will result from cleaning up and redeveloping the site. Social value includes the project's time frame, the number of new jobs, the importance of the proposed public facilities and the removal of blight at the site, the readiness of the project, the development potential and the financial health of the project. *Maximum = 65 points*

3) MPCA review of the reduction or elimination of potential threat to human health and the environment due to cleaning the site. *Maximum = 25 points*

4) The likelihood that the site will be cleaned without use of government money in the reasonably foreseeable future by considering but not limited to the current market value of the site versus the cleanup cost. Maximum = 25 points.

5) The amount of cleanup costs for the site. *Maximum = 10 points*

6) The amount and level of the commitment of municipal or other local resources to pay for the cleanup costs. *Maximum = 5 points*

**Please note that the DEED Review is a closed process. Reviewers may request clarification, but unanswered questions will not receive a score. Additional materials and required attachments will not be accepted after the application deadline without prior request or approval.**

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Brownfields and Redevelopment Unit

# Contamination Cleanup Grant Application

| | | |
|---|---|---|
| **Applicant (Public Entity) *** | | |
| Head of Applicant Agency (e.g., Mayor)<br>*Name and Title* | | |
| Address | | |
| City | | Zip Code: |
| Email of Agency Head | | |
| If the applicant is a city, what form of government? | ☐ Home Rule | ☐ Statutory City |
| **Project Contact for the Public Entity** | | |
| Phone | | |
| Email | | |
| Address | | |
| City | | Zip Code: |
| **Project Manager for this project from the Public Entity, in the event of an award*** | | |
| Phone | | |
| Email | | |
| **Application Author** | | |
| Phone | | |
| Email | | |

*If awarded, please note that the applicant is responsible for administering the grant and ensuring all grant terms and conditions are met.

## PROJECT SUMMARY - Please attach a summary of the project.

## I. SITE IDENTIFICATION AND HISTORY

### *SITE INFORMATION*

1. Name of Site/Project: Click or tap here to enter text.

   Site Address: Click or tap here to enter text.

   City: Click or tap here to enter text. Zip Code: Click or tap here to enter text.

   Acreage of Site: Click or tap here to enter text.

   Property Identification Number(s): Click or tap here to enter text.

   Minnesota Legislative District in which the site is located # _________A #__________B

   Note: The Minnesota Legislature has a tool to look up legislative district numbers. You must have a precise address and know the zip code of the site. Go to: Legislative Website

2. A. Current property owner(s): Click or tap here to enter text.

   When was the property purchased? Click or tap here to enter text.

   For what amount? $Click or tap here to enter text.

   From whom was the property purchased? Click or tap here to enter text.

   B. Who will develop the site? Click or tap here to enter text.

   Will the developer/affiliate own the property at any time? ☐ Yes ☐ No

   When was/will the property be purchased? Click or tap here to enter text.

   For what amount? $Click or tap here to enter text.

   C. Who will own the site after development? Click or tap here to enter text.

   When was/will the property be purchased? Click or tap here to enter text.

   For what amount? $ Click or tap here to enter text.

   D. What is the relationship (if any) between the current owner, the developer, and/or the future owner(s)?

   Click or tap here to enter text.

## *SITE VALUATION: ASSESSMENT OR APPRAISAL*

3. DEED requires an appraisal or current assessed value as shown below. A current market value must be provided even for tax exempt properties without an assessed value.

**Attach an appraisal** completed by a qualified independent appraiser licensed under chapter 82B using accepted appraisal methodology which shows the current market value (pre-cleanup) of the property, separately considering the effect of the contaminants on the market value. This value should include both the value of the land and, if applicable, any buildings on the Site. Along with the appraisal, please include the projected value after cleanup and development.

| | |
|---|---|
| Current Appraised Value | |
| Projected Value | |

**Or attach documentation** showing the assessed value of the property for the latest year, as determined by the local assessor, shown on the most recent valuation notice used under Minn. Stat. § 273.121. Along with the assessed value, please include the projected value after cleanup and development.

| | |
|---|---|
| Current Assessed Value | |
| Projected Value | |

## *MAPS AND SITE FEATURES*

4. Attach accurate and legible site and location maps, showing locations of prominent and relevant site features such as buildings, retaining walls, etc. Maps must include site boundaries, a north arrow and bar scale, and show the following:

   ☐ Current condition of the site including labeled structures.
   ☐ Location(s) and depth of contamination.
   ☐ Color-coded excavation depths.
   ☐ Specifically, where and for what activities DEED money will apply.
   ☐ Proposed development of the site including labeled structures.

   Attaching Site photographs is recommended.

## *HISTORY*

5. Provide the timeline and history of the site. This includes, but is not limited to, when the site was first developed, former uses and occupants of the site, known and/or suspected causes of contamination, etc. Also describe the current condition of the site and include a description of existing structures and current occupants of the site.

   Click or tap here to enter text.

## *CURRENT AND FUTURE SITE USE*

6. Zoning/Land Use:

A. Current: ☐ Industrial ☐ Commercial ☐ Residential ☐ Mixed-use
☐ Other (Specify) Click or tap here to enter text.

B. After Cleanup: ☐ Industrial ☐ Commercial ☐ Residential ☐ Mixed-use
☐ Other (Specify) Click or tap here to enter text.

7. Current buildings on site:

| | Number of buildings | How many are occupied? | If vacant, for how long? |
|---|---|---|---|
| Industrial | | | |
| Commercial | | | |
| Residential | | | |

8. Year building(s) was/were constructed: Click or tap here to enter text.

9. Is demolition required for RAP implementation? ☐ Yes ☐ No

If yes, demolition must be addressed in the RAP and data showing soil contamination below buildings is required.

## II. CONTAMINATION

10. Is the site enrolled in an MPCA Program? ☐ Yes ☐ No

| Program | Site I.D. | Project Manager | Contact Information |
|---|---|---|---|
| VIC | | | |
| PBP | | | |
| Other | | | |

11. Current environmental consultant:

Consultant Company: Click or tap here to enter text.

Consultant Name: Click or tap here to enter text.

Consultant Contact Information: Click or tap here to enter text.

**Please attach the Response Action Plan (RAP)** including any amendments or addendums and MPCA approvals of the reports.

12. What contaminants have been identified at the site?

    Click or tap here to enter text.

13. What is the likely source of contamination?

    Click or tap here to enter text.

14. Has the site been identified as a state or federal Superfund site? ☐ Yes ☐ No

15. Summary of Contamination Information:

    A. Describe the occurrence of the contamination across the site and how it is addressed in the RAP. Describe the sampling protocol and how the extent and magnitude of documented releases was determined. Also describe excavation areas including depths, volumes, concentrations, and rationale.

       Click or tap here to enter text.

    B. Complete the following table for soil contamination (be sure to include areas of contamination that have been identified at the site but will not be treated or removed as part of the approved RAP):

| **General contaminant type** (i.e., DRO, VOCs, metals, etc.) | **Total volume of identified contaminated soil** (cyds) | **Total volume of identified contaminated soil to be remediated** (cyds) | **Remedy** | **RAP Cleanup Goal** (i.e., residential SRVs, industrial SRVs, etc.) |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

    C. Complete the following table for groundwater contamination. If no or limited groundwater investigation has been conducted, indicate this. Also indicate if a groundwater investigation was conducted but no contamination was detected.

| **General contaminant type** (i.e., DRO, VOCs, metals, etc.) | **Affected aquifer** (i.e., water table, deeper aquifers) | **Approximate dimensions of contaminant plume on-site** (Specify if the plume extends off-site) | **Remedy** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

    D. List all compounds comprising the identified release in soil and the corresponding average and maximum concentration for each compound. Also include petroleum in the table. If distinct areas of contamination are present at the site, please describe separately.

It is acceptable to provide an overview with estimated average and maximum concentrations if the amount of analytical data is overwhelming. For PAHs, provide individual compound concentrations or Benzo(a)pyrene equivalent concentrations for the carcinogenic PAH compounds.

| **Compound** | **Tier I SRV (residential)** | **Average Concentration** | **Maximum Concentration** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

E. Do the same as in D. for groundwater.

| **Compound** | **HRL** | **Average Concentration** | **Maximum Concentration** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

F. If groundwater at the site is contaminated, note the geologic makeup of the affected aquifer (sand/gravel, till, lacustrine clay, etc.), and the estimated average linear velocity (be sure to indicate how this number was determined).

Click or tap here to enter text.

G. Do the same as in E. for soil vapor.

| **Compound** | **ISV** circle one: **residential/commercial** | **33X ISV** | **Maximum Concentration** |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

H. Describe possible exposure scenarios posed by identified contamination at the site (i.e., ingestion or human contact with contaminated soil, consumption of contaminated groundwater, ecological impacts, etc.), and nearby receptors that could be affected by contaminants migrating from site (high value wetland/creeks/rivers, etc.).

Click or tap here to enter text.

## III. COST ANALYSIS: INVESTIGATION, CLEANUP AND PROJECT COST BUDGET

16. Total cleanup costs as defined on Page iv: $Click or tap here to enter text.

17. DEED request amount: $Click or tap here to enter text.

(Up to 75% of the total cleanup cost is eligible)

18. Follow this link and choose the Forms tab to download the fillable Contamination Cleanup Budget Spreadsheet. This budget spreadsheet is a **REQUIRED** component of the application.

19. What is the breakdown of sources for the costs presented in the budget?

| Source* | Restricted / Unrestricted | Amount | Status (committed, pending decision etc.) | Date |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| **Total** | | **$** | | |

*12% of the cleanup costs must be paid with unrestricted funds, as defined on page iv. Please indicate which source(s) will contribute to the unrestricted match.

20. If requesting project costs (e.g., demolition), explain how these costs are necessary to remediate the contamination.

Click or tap here to enter text.

21. If any of the activities listed in the budget are partially or fully completed, how were those activities financed? If work has occurred, attach the invoices for which reimbursement will be requested.

Click or tap here to enter text.

### *FINANCIAL INFORMATION*

22. Is there a possibility the site will be cleaned up without a DEED Cleanup grant? ☐ Yes ☐ No

Explain your answer to the question above. Click or tap here to enter text.

23. Is anyone with a past affiliation to the site contributing to the cleanup? ☐ Yes ☐ No

If yes, explain: Click or tap here to enter text.
If no, why not? Explain any efforts made to address financial contribution to the cleanup: Click or tap here to enter text.

## IV. DEVELOPMENT PLAN AFTER CLEANUP

24. Provide a detailed description of the development plan for the site. Include information such as the number and size of buildings, any known future tenants, etc.:

Click or tap here to enter text.

25. Describe how redevelopment of this site will spur future development of adjacent sites by identifying nearby properties with redevelopment potential.

Click or tap here to enter text.

26. Have all the required local approvals/entitlements necessary for this project to proceed been obtained (planning commission, zoning, etc.)? ☐ Yes ☐ No

If yes, attach council action/minutes or other documentation to confirm.
If not, what approvals remain and what is the timeline for obtaining these approvals? Include this information in the Cleanup and Project Schedule in Section V.

Click or tap here to enter text.

27. What are the development's construction costs? Note the below tables should have the same total.

| | |
|---|---|
| Total | $ |
| Public | $ |
| Private | $ |

**Construction sources and uses of funds for the development**

| Construction Activity | Cost | Source of Funds | Date Funds |
|---|---|---|---|

| | | (List individually) | **Committed** |
|---|---|---|---|
| | $ | | |
| | $ | | |
| | $ | | |
| **Total** | **$** | | |

**Construction Activity:** May include building construction or other non-cleanup costs.
**Commitment Date**: If the construction financing is pending, list the expected closing date.

28. Is all the construction financing in place for the development of the site? ☐ Yes ☐ No

If yes, attach any funding commitments. *
If not, what is the process and timeline to secure the funds and when is closing anticipated?

Click or tap here to enter text.

*Attach any letters of interest, term sheet(s) from lenders or other funding sources. In addition, include this information in the Project Schedule in Section V.

29. Is a HUD application being submitted? ☐ Yes ☐ No

If yes, have you received an "Invitation to Apply" from HUD?
☐ Yes. Please attach letter.
☐ No. Where are you in the HUD financing process? Click or tap here to enter text.

## *PROPERTY TAX INFORMATION*

30. Current property taxes (as determined by the County or City Assessor) for the site:
$Click or tap here to enter text.

Attach a current property tax statement for each parcel.

31. Projected property taxes after development is completed: $Click or tap here to enter text.

How was this figure determined? Click or tap here to enter text.

## *JOB CREATION*

32. Project the number of new full-time equivalent (FTE) jobs created after cleanup and development of the

site. These should include permanent jobs that did not exist in Minnesota prior to development and do not include temporary or construction jobs.

Total New Jobs: Click or tap here to enter text. FTEs

*New Jobs Table*

| Position Title | Total # of Full-Time Jobs (FTE) | Total # of Part-Time Jobs | Part-time Hours Per Week | Expected Hiring/Start Date |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

## *JOB RETENTION*

33. Project the number of retained FTE jobs after cleanup and development of the site. These should include permanent jobs that existed either on-site or elsewhere in Minnesota prior to development.

Total Retained Jobs: Click or tap here to enter text. FTEs

*Retained Jobs Table*

| Position Title | Total # of Full-Time Jobs (FTE) | Total # of Part-Time Jobs | Part-time Hours Per Week | Former Location of Retained Jobs |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

## *HOUSING DATA*

34. If the site will be redeveloped for residential use, provide the following data:

RENTAL:

| | |
|---|---|
| Total number of units | |
| Monthly rental cost per unit | $ |
| Number of affordable units* | |
| Level of affordability | |
| Construction cost per unit | $ |

OWNER OCCUPIED:

| | |
|---|---|
| Total number of units | |

| | |
|---|---|
| Purchase price per unit | $ |
| Number of affordable units/homes* | |
| Level of affordability | |
| Construction cost per unit | $ |

*for purposes of this program, DEED considers affordable housing to be at or below 60% area median income (AMI)

## *DEVELOPER/END-USER/TENANT COMMITMENT*

35. If there is a developer, complete the following and **attach a letter of commitment**.

| | |
|---|---|
| Developer | |
| Contact Person | |
| Title | |
| Phone Number / Email | |

36. If there is an end-user or third party, such as a business tenant, complete the following and **attach a letter(s) of commitment**.

| | |
|---|---|
| Third Party/Company Name | |
| Contact Person | |
| Title | |
| Phone Number / Email | |

## V. CLEANUP AND PROJECT SCHEDULE

37. Provide a detailed schedule outlining the individual tasks for both cleanup and development of the site. Indicate in the following table the expected month and year of individual tasks for the project. At a minimum, timelines should include local approvals, financing commitments, response actions/cleanup activities, demolition, construction start and end date, and any other project activities.

    **IMPORTANT NOTE:** DEED has cleanup grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grants funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project.

    **If awarded, this schedule will be incorporated into the grant contract. Be as accurate and realistic as possible. Significant changes to this schedule may result in grant termination.**

**Scheduled Tasks**

| Task | 20__ | | | | | | | | | | | | 20__ | | | | | | | | | | | | 20__ | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Cleanup Start date: Click or tap to enter a date.
Cleanup Completion date: Click or tap to enter a date.
Construction Completion date: Click or tap to enter a date.
Benefits achievement date: Click or tap to enter a date.

38. Please list any factors which would change or delay this schedule. Click or tap here to enter text.

## VI. PAYMENT INFORMATION

39. Most grant payments take place through electronic funds transfer (EFT). To ensure payment, a SWIFT Vendor Number assigned by Minnesota Management and Budget is required.

| | |
|---|---|
| Financial Contact Person | |
| Phone | |
| Email | |
| Applicant's SWIFT Vendor Number and Location Code | |
| Address Associated with SWIFT Vendor Number and Location Code | |

State Vendor info may be found at: Supplier Portal

## VII. RESOLUTIONS

40. Resolutions must be adopted prior to the application deadline and submitted with the application. The two required elements are:

1. A resolution from the governing body of the city where the project site is located, which approves the application.

2. A resolution from the applicant committing the local match and authorizing contract signatures**.** **Note**: Pursuant to Minn. Stat. § 412.201, **Statutory Cities must authorize the Mayor and Clerk to execute all contracts.**

Blank resolution templates are included on the following pages. The applicant may choose to reformat or combine them, but the adopted resolution must include all the following statements. **Resolutions that do not contain all statements will not be accepted.**

**RESOLUTION # 1 - Municipality Approving the Application**

BE IT RESOLVED that the ________________________ (Municipality of project location) has approved the Contamination Cleanup grant application submitted to the Department of Employment and Economic Development (DEED) on _______________ (Date), by_________________ (Applicant) for the ____________________(Site name) site.

I certify that the above resolution was adopted by the city council on _________________ (Date)
Signed: _____________________________ (Authorized Official)
Title: _______________________________
Date: _______________________________
Witnessed by: ____________________________
Title: _______________________Date: ___________________

*add this Section FOR METRO COMMUNITIES only:
BE IT FURTHER RESOLVED that the city of _________________________ is located within the seven county metropolitan area defined in section 473.121, subdivision 2, and is participating in the local housing incentives program under section 473.254.

**RESOLUTION # 2 - Committing Local Match and Authorizing Contract Signature**

BE IT RESOLVED that_____________________ (Applicant) act as the legal sponsor for project(s) contained in the Contamination Cleanup Grant Program to be submitted on _____________(Date) and that ______________________(Title of Authorized Official) is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of _____________ (Applicant)

BE IT FURTHER RESOLVED that______________________ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that _________________ (Applicant) has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state,______________________ (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that _______________ (Applicant) certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the Mayor and the Clerk (for Statutory Cities), or Title of Authorized Official(s), are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

*Note: Do not include the name, only the title of the official(s).*

**Pursuant to Minn. Stat. § 412.201, Statutory Cities must authorize both the Mayor and Clerk to execute all contracts**, whereas Home Rule Charter Cities or other public entities may differ.

I CERTIFY THAT the above resolution was adopted by the ________________ (City Council, County Board, etc.) of ____________________________ (Applicant) on _____________________ (Date)

SIGNED: (Authorized Official) WITNESSED:

________________________________ ________________________(Signature)

______________________ (Title & Date) _______________________ (Title & Date)

## VIII. Applicant Disclosures and Certifications

### *Applicant Conflict of Interest Disclosure Form*

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee's obligation to be familiar with the Office of Grants Management (OGM) Policy 08-01: Grants Conflict of Interest (Current Policies tab) and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict-of-interest disclosure form.

☐ I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

☐ I or my grant organization have an ACTUAL or POTENTIAL conflict of interest.

(*Please describe*): *Click or tap here to enter text.*

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: *Click or tap here to enter text.*

Signature: ________________________________

Organization: *Click or tap here to enter text.*

Date: *Click or tap here to enter text.*

### *Applicant Pre-Award Risk Assessment*

To comply with Minn. Statute 16B.981, our agency must collect and analyze certain information before we can execute a grant contract agreement. Please answer the following questions and submit back to us with the required documentation.

The submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject an organization to suspension or debarment proceedings, as well as other remedies available to the State, by law.
Applicant Name:
Contact Name:

1. Describe your organization's experience administering grants?

   *Click or tap here to enter text.*

2. What is your organization's history managing state or federal funds?

   *Click or tap here to enter text.*

3. Has your organization been awarded funding from DEED in the past 5 years? ☐ Yes ☐ No

If yes, what DEED program(s) awarded the funding and what are the names of the projects?

*Click or tap here to enter text.*

4. Describe your organization's current staffing and budget capacity related to administering state grant funds.

   *Click or tap here to enter text.*

5. Minn. Stat. § 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, 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.
   By signing here, I warrant that no current principal of my organization has been convicted of a felony financial crime in the last 10 years.

   **Attach** an organizational chart or list of principals that you are certifying below.

   The submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject me/my organization to suspension or debarment proceedings, as well as other remedies available to the State, by law.

   I certify that this information is true, correct, and reliable.

   Printed name: *Click or tap here to enter text.*

   Signature: ________________________________

   Title and Organization: *Click or tap here to enter text.*

   Date: *Click or tap here to enter text.*

AGENDA RECOMMENDATION

**Consent Calendar** 5. E.

**City Council Regular Meeting**
**Meeting Date:** 10/28/2024

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**Agenda Item:**
Resolution authorizing City Manager to submit EPA Brownfield Community-wide Assessment Grant Application.

**Recommendation/Action(s):**
Adoption of the attached resolution.

**Summary:**
The Environmental Protection Agency (EPA) administers a community-wide assessment grant program that provides funding to inventory, characterize, assess, and conduct planning and community involvement related to brownfields sites. Brownfields are properties where the redevelopment or reuse of the property may be complicated by the presence or potential presence of contamination. Some examples of brownfield sites include former gas stations and dry cleaners. Completing an environmental assessment is often the first necessary step in brownfield redevelopment, as it identifies whether the soil or groundwater is contaminated and helps to define the extent of the contamination. If contamination is found, the assessment then allows the property owner and their development team, including their environmental consultant, architect, and engineers, to devise a plan to address any issues discovered by developing a cleanup plan and/or potentially revising the building plans to avoid contact with the contamination. There are numerous benefits to brownfield redevelopment, including both from an environmental and economic perspective. Additional information on the benefits of brownfield redevelopment can be found from Minnesota Brownfields.

The City was awarded a U.S. EPA brownfield assessment grant in the amount of $300,000 for Fiscal Year 2017 and in the amount of $300,000 for Fiscal Year 2021. Both grants have been expended. EPA has increased the maximum grant award amount to $500,000 for Fiscal Year 2025 and also increased the term of the grant from three years to four years. With the City's previous EPA assessment grants, activities completed include the Riverside North Area Wide Plan, Jefferson Quarry Redevelopment Plan, and environmental site assessments for scattered properties within Mankato.

A few examples of environmental site assessments completed with the past EPA assessment grants that assisted with reuse and redeveloping include 304 North 2nd Street (Silos), 121 East Main Street (Landmark), 228 Poplar Street (Locale Brewing Company) and 505-507 North Riverfront Drive (Studio 5).

A number of brownfield sites have been redeveloped throughout the City over the past few years, most with funding assistance through the Minnesota Department of Employment and Economic Development (DEED) and the Minnesota Pollution Control Agency (MPCA). The DEED and MPCA grant programs have been vital to brownfield redevelopment efforts and the receipt of an EPA assessment grant would add another possible resource for sites that don't fit well into the priorities of the DEED or MPCA programs. It is anticipated that the number of brownfields undergoing redevelopment will continue to increase, especially as redevelopment opportunities arise within the City Center and along prominent corridors, such as Madison Avenue and North Riverfront Drive. Due to a long history of commercial and industrial development, these areas have a higher concentration of brownfield sites and conducting site assessments in these areas will help to facilitate redevelopment. Resources, including cleanup grants and loans, may be available through DEED and EPA for contaminated sites that will be undergoing redevelopment. Additionally, the completed site investigations may reveal that no contamination exists at the site and redevelopment can proceed.

The EPA community-wide assessment grant application is due on November 14, 2024. The program can provide up to $500,000 in funds for inventory, community engagement, site reuse planning, assessment and cleanup planning for brownfield sites. EPA assessment funds are highly competitive as more communities throughout the United States seek funds. Because of the competitive nature of the funds, staff began a dual-procurement process to work with an experienced environmental consulting firm. This allows the City to seek proposals from consulting firms to both assist with the grant application and, if awarded a grant, the implementation of the project. Staff reviewed the four proposals submitted and scored them based on their identification of key personnel and experience/capability, resources and key personnel available to perform work in a reasonable time frame, respondent's approach to successfully completing each scope of service task, specific experience, references and/or considerations the respondent has that makes it uniquely qualified and reasonable overall cost/hours/rate schedule.

After reviewing the proposals received, staff recommends working with Stantec to complete the grant application, and if awarded funds by EPA, implement the grant. Based on the review criteria, Stantec had the highest score of the four proposals. Areas in which Stantec scored higher than the other proposals include their ability and experience for reuse and cleanup planning and community engagement methodologies. The City contracted with Stantec for the application and implementation of the Fiscal Year 2017 and 2021 EPA brownfield assessment grants which were successfully administered. Should funds be awarded, the City would contract with Stantec for implementation of the grant.

Local matching funds are not a requirement of the funding, but can make an application more competitive. Some staff time could be considered an in-kind match and there is a possibility, depending on the proposed end use, that Community Development Block Grant Funds (CDBG) could be used to further investigate or clean up a site. CDBG funds would only be used if the Council has determined that the site redevelopment helps meet a community need and formally includes the use of funds in an Annual Action Plan.

Should the Council support the submission of an EPA assessment grant application, the attached resolution can be adopted. It is anticipated grant awards will be announced in mid to late spring 2025.

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**Attachments**

Resolution

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**A RESOLUTION OF THE CITY COUNCIL SUPPORTING AN ENVIRONMENTAL PROTECTION AGENCY COMMUNITY-WIDE ASSESSMENT GRANT APPLICATION**

WHEREAS, the City of Mankato recognizes the many benefits of brownfield redevelopment, including, but not limited to a cleaner environment, the reduction of possible threats to human health, the revitalization of established neighborhoods, and the utilization of existing infrastructure; and,

WHEREAS, the City of Mankato desires to encourage brownfield redevelopment through the completion of environmental assessments on brownfield property, especially within targeted redevelopment areas; and,

WHEREAS, the Environmental Protection Agency provides brownfield assessment grants in order to inventory, characterize, assess, and conduct planning and community involvement related to brownfields sites.

NOW, THEREFORE, BE IT RESOLVED, that the City of Mankato approves submission of a brownfield community-wide assessment grant application and the City Manager is hereby authorized to submit the application materials to the Environmental Protection Agency for funding of this grant on behalf of the City of Mankato.

This Resolution shall become effective upon its passage and without publication.

Passed this 28th day of October, 2024.

___________________________________
Najwa Massad
Mayor

Attest: ___________________________________
Renae Kopischke, MMC
City Clerk

**AGENDA RECOMMENDATION**

**Consent Calendar** **5. F.**

**City Council Regular Meeting**
**Meeting Date:** 10/28/2024

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**Agenda Item:**
Resolution approving update to the Transit Procurement Plan.

**Recommendation/Action(s):**
Adoption of the attached resolution.

**Summary:**
This procurement policy is an update to the revised February 2021 policy, incorporating recent federal procurement requirements, and guiding the way departments work together to fulfill procurement goals.

Federal Transit Administration (FTA) regulations (2 CFR § 200.319(c) and FTA Circular 4220.1F, Chapter III, § 3a) require written procurement procedures when utilizing federal and state funds. This policy is designed to meet FTA and Minnesota Department of Transportation (MnDOT) requirements in this regard.

This policy establishes guidelines and minimum standards for use in the management of third-party contracts. This manual is intended to ensure compliance with the Federal Transit Administration (FTA) and the Minnesota Department of Transportation's standards to ensure full and open competition and equitable treatment of all potential sources for all purchases made with funding derived from the federal, state, and local governments. In all purchasing activity, the goal is to ensure maximum open and free competition consistent with:

- General Procurement Standards, 2 CFR § 200.318 – 200.327
- Third Party Contracting Guidance, FTA Circular 4220.1F, Revision 4, dated March 18, 2013
- FTA Best Practices Procurement & Lessons Learned Manual, FTA Report No. 0105, dated October 2016
- City of Mankato Financial Management Policies, May 22, 2023

The goal of this procurement policy is to provide an atmosphere in which all procurement transactions will be conducted in a manner providing full and open competition while preventing the use of state or federal funds for unallowable costs, as discussed in 2 C.F.R. 200 and other applicable regulations.

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**Attachments**

Resolution

Transit Procurement Policy Update

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RESOLUTION ADOPTING THE MANKATO TRANSIT SYSTEM PROCUREMENT POLICY UPDATE

WHEREAS, THE City of Mankato is a direct recipient of federal and state funds for a public transit system; and

WHEREAS, as a direct recipient of federal and state funds, the City of Mankato is required to have written procurement procedures when utilizing federal and state funds; and

WHEREAS, the previous policy, revised February 2021 and adopted by the City Council in April 2021 requires updating; and

WHEREAS, the updated policy requires adoption by the governing body for revisions that have taken place; and

WHEREAS, the updated plan has been reviewed by city staff and found to contain all necessary elements for federal and state compliance.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANKATO, MINNESOTA that the Mankato Transit System Procurement Policy update for 2024 be adopted.

This resolution shall become effective upon passage without further publication.

Adopted this 28th day of October 2024.

______________________________
Najwa Massad, Mayor

ATTEST: ____________________________
Renae Kopischke, MMC
City Clerk

OCTOBER 2024

# MANKATO TRANSIT PROCUREMENT POLICY

# 1. Purpose and Introduction

## 1.1. Objective

The objective of this policy is to update the revised February 2021 policy which met standards but did not reflect the way departments work together to fulfill procurement goals.

Federal Transit Administration (FTA) regulations (2 CFR § 200.319(c) and FTA Circular 4220.1F, Chapter III, § 3a) require written procurement procedures when utilizing federal and state funds. This policy is designed to meet FTA and Minnesota Department of Transportation (MnDOT) requirements in this regard.

This policy supersedes any existing purchasing policy. When any conflict exists between this policy and the existing policies, the procedures in this policy shall prevail. Procurements by City of Mankato when utilizing federal funds shall conform to applicable Federal law and the standards identified in this policy. City of Mankato shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchases. If an employee determines that a conflict exists between these policies and state or local law, report the conflict to a supervisor who shall contact MnDOT and communicate the conflict seeking a resolution.

## 1.2. Purpose

This policy establishes guidelines and minimum standards for use in the management of third-party contracts. This manual is intended to ensure compliance with Federal Transit Administration (FTA) and the Minnesota Department of Transportation's standards to ensure full and open competition and equitable treatment of all potential sources for all purchases made with funding derived from the federal, state, and local governments. In all purchasing activity, the goal is to ensure maximum open and free competition consistent with:

- General Procurement Standards, 2 CFR § 200.318 – 200.327
- Third Party Contracting Guidance, FTA Circular 4220.1F, Revision 4, dated March 18, 2013
- FTA Best Practices Procurement & Lessons Learned Manual, FTA Report No. 0105, dated October 2016
- City of Mankato Financial Management Policies, May 22, 2023

The goal of this procurement policy is to provide an atmosphere in which all procurement transactions will be conducted in a manner providing full and open competition while preventing the use of state or federal funds for unallowable costs, as discussed in 2 C.F.R. 200 and other applicable regulations.

## 1.3. Procurement Planning

Planning is the first step in the procurement process. Effective planning requires the internal organizational capability with the proper checks and balances to facilitate the procurement process with the highest degree of integrity. Mankato Transit System invests the time and resources to establish standards of conduct, organize effectively, and develop short- and long-range plans to avoid last minute or ill-planned procurements, which are contrary to open, efficient and effective procurements. Procurement planning is a cooperative, continuous, and comprehensive process with Mankato/North Mankato Planning Organization (MAPO) and MnDOT.[1]

### 1.4. Policy Review and Amendment

Once per year the Associate Director Transportation Planning Services, Transit Superintendent, and Transit Administrative Supervisor shall meet and review this policy for revisions or updates. The Mankato City Council will be notified of changes to this policy at their next regularly scheduled meeting and act upon the revisions or updates to the Policy.

If changes or revisions to this policy are adopted, the updated policy will be uploaded to BlackCat Transit Data Management System[2] with an indication of the date when the changes were adopted.

## 2. Code of Ethics and Conflict of Interest Policy

### 2.1. Purpose

Federal grant management rules (2 CFR § 200.318(c)(1)) require each recipient to maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. This policy must address personal conflicts of interest, gifts, and violations. These items are addressed in the City of Mankato Financial Management Policies, May 22, 2023, and included below for ease of reference.

### 2.2. Personal Conflicts of Interest

The credibility of the City of Mankato rests heavily upon the confidence which taxpayers have in City employees to render fair and impartial services to all without regard to personal interest and/or political influence. The delivery of public services to our citizens requires that employees avoid any activity which suggests a conflict of interest between their private interests and City responsibilities.

City employees and their family members shall not engage in or have financial interest in any business or other activity which could reasonably lead to a conflict of interest with the employee's primary City responsibilities. "Family members" shall be deemed to include the employee; the spouse, parents, children, and siblings of the employee; the parents, children and siblings of the spouse [or partner]; and direct descendants of any family members. No employee, officer, or agent of City of Mankato may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of City of Mankato may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Any Employee determined to be in violation of this section, could be subject to discipline action up to and including termination.

[1] MnDOT Agreement #1029081

[2] Minnesota - Log In (blackcattransit.com)

Examples of activities which violate this policy include, but are not limited to:

- having an interest in any business which has contracts or other direct dealings with the City of Mankato.
- activities which require the employee to interpret City Codes, ordinances, or regulations when such activity involves matters with which the employee has business and/or family ties.
- consulting activities carried out within the City of Mankato if such consulting involves talents or skills primarily related to the employee's City work responsibilities.
- using City time or equipment to engage in activities intended to produce income for the employee.

## 2.3. Organizational Conflicts of Interest

All potential conflicts of interest must be disclosed in writing to the federal awarding agency.

City officials need to be aware of other interests' employees may have or own. For example, if they are involved in a sideline business or a spouse involved in a business.

- Officials must be aware of their own business interests.
- Officials need to keep note of other businesses employees may be involved with.
- Officials should state to their employees and ask questions whether they are involved with other businesses.
- All employees should read and understand the code of Conduct in the City of Mankato employee handbook.

Federal award recipients must disclose, in a timely manner, all violations of Federal criminal law in writing that involve fraud, bribery or gratuities that affect a federal award. This information must be reported to the federal agency or pass-through entity. If you fail to do so you may forfeit a portion or all the federal award.

## 2.4. Receipt or Solicitation of Gifts (Gift Law)

No employee shall receive or solicit any gift from any person, business or organization having any business, administrative, legislative, and contractual or any other relationship with the City. A gift is any money, tangible or intangible personal property, food, beverage, loan, forbearance or forgiveness of indebtedness, promise, service, or entertainment that is given and received without the giver receiving consideration of equal or greater value in return.

Gifts may not be accepted which are intended for a specific employee or official. Goodwill gestures not exceeding an estimated $5 are permitted. An example of an acceptable goodwill gesture is holiday cookies from a resident which can be shared among employees. Employees attending a grand opening, expo, or other public event, where food, gifts or small memorabilia are available to the public, are permitted. City employees are also permitted to accept food or beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program. The prohibitions do not apply if a gift is given to a staff member due to their membership in a group when an equivalent gift is given to the other members of the group.

The law prohibits gifts to city officials, not to cities themselves. Cities may accept gifts of real or personal property and use them in accordance with the terms prescribed by the donor. Unless otherwise set forth in City Code or state law, a resolution accepting the gift and the donor's terms must receive an affirmative vote of two-thirds of the members of the City Council. A city may not, however, accept gifts for religious or sectarian purposes.

### 2.5. Penalties

Violations of a provision of this Code of Ethics and Conflict of Interest may result in discipline to the extent possible under criminal or civil penalties under State or Federal Law.

- An employee shall be subject to individual disciplinary action up to and including discharge as determined by the City Manager.
- The City Manager, member of the City Council, or officer or agent of the City of Mankato shall be subject to individual disciplinary action or sanction as determined by the City Council.
- Bidders or potential contractors' violations may be considered to make such proposal or bid ineligible or non-responsive.
- Contractors or their agents' violations may be considered a breach of contract and may be subject to cancellation of a contract, suspension, and debarment from future contracting with the City of Mankato.

## 3. Responsibilities

### 3.1. Third-Party Contracting Capacity

City of Mankato must maintain adequate technical capacity to carry out its FTA and State assisted projects and comply with Federal and State rules. Third party contracting capability must be adequate to undertake its procurements effectively and efficiently in compliance with applicable Federal, State, and local requirements.

### 3.2. Contract Administration System

Mankato Transit System must maintain a contract administration system to ensure that it and its third-party contractors comply with the terms, conditions, and specifications of their contracts or purchase orders and applicable Federal, State, and local requirements.

#### 3.2.1. Adequate Third-Party Contract Provisions

Third-party contracts must include provisions that are adequate to form a sound and complete agreement. Provisions identified in the solicitation must carry over into the contract.

#### 3.2.2. Revenue Contracts

Entry into a contract with a third-party to generate revenue in connection with a transit related activity, or to create business opportunities utilizing an FTA or State funded asset is encouraged.

Revenue from the sale of advertising when the advertising media (bench, bus, shelter) is included in an open federal grant can be reported as program income earned to reduce the non-federal share of future Awards, not the Award from which it was earned. Account for this type of program income on the appropriate Federal Financial Report (FFR) in Line Q - Total Federal Program Income Earned.[3]

### 3.2.3. Record Keeping

Prepare and maintain adequate and readily accessible project performance and financial records, covering procurement transactions as well as other aspects of project implementation. Maintain records in the event of litigation or in other limited circumstances, until six years[4] after Mankato Transit System and any contractors or subcontractors have made final payment, and all other pending matters are closed or unless otherwise required to be retained for longer pursuant to City's retention schedule. For all procurements above the micro-purchase level, maintain the following:

(a) Procurement Method: Provide rationale for the method of procurement used for each contract, including sole source justification for acquisitions that do not qualify for competitive bidding process under state law.

(b) Contract Type: State the reason for selecting the contract type used.

(c) Contractor Selection: State the reasons for selecting or rejecting the contractors.

(d) Contractor Responsibility: Provide a written determination of responsibility for the successful contractor.

(e) Cost or Price: Evaluate and state the justification for the contract cost or price.

(f) Reasonable Documentation: Retain documentation commensurate with the size and complexity of the procurement.

(g) Vendor Verification: Include verification of acceptance with a selected vendor, supplier, or manufacturer, through the Federal System of Award Management (SAM) system for each project and associated project file.

Provide FTA and MnDOT officials, Minnesota Department of Management and Budget, the State Auditor, or any of their representatives, access to and the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with Federal assistance.

## 3.3. Determination of Needs

Maintain and follow adequate procedures for determining the types and amounts of products and services to acquire.

A City expenditure must meet the following standards:

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[3] FTA Circular 5010.1E

[4] General Records Retention Schedule for Minnesota Cities, March 2021.

- Public Purpose – There must be a public purpose for the expenditure.
- Authority – There must be specific or implied authority for the expenditure in statute or the City's charter.
- Proper Procedure – City processing guidelines must be followed including obtaining an appropriate receipt or invoice, meeting approval requirements, and timely processing of information.

Comply with the following requirements when determining the types and amounts of products and services for acquisition:

### 3.3.1. Eligibility

All products and services acquired with FTA or State funds must be eligible under the Federal or State law authorizing the FTA or State assistance award and any regulations thereunder. All products and services to be acquired with FTA or State funds must also be eligible for support within the scope of the underlying grant or cooperative agreement from which the FTA or State assistance to be used is derived.

### 3.3.2. Necessity

Adhere to the following standards for avoiding the purchase of duplicative and/or unnecessary products and services.

(a) Unnecessary Reserves: Limit the acquisition of Federally or State-assisted property, goods, and services to the amount needed to support its public transportation system.

(b) Acquisition for Assignment Purposes: Contract only for current and reasonably expected public transportation needs and not add quantities or options to third-party contracts solely to permit assignment to another party at a later date. These limits on assignments, however, do not preclude joint procurements that are entered into simultaneously by two or more parties to obtain advantages unavailable for smaller procurements such as participation in MnDOT Sponsored Vehicle Procurements.

(c) Procurement Size: For every procurement, consider whether to consolidate or break out the procurement to obtain the most economical purchase. Absent efforts to foster greater opportunities for Disadvantaged Business Enterprises (DBEs), small and minority firms and women's business enterprises (irrespective of whether they qualify as DBEs), do not split a larger procurement merely to gain the advantage of micro-purchase or small purchase procedures.

(d) Options: Justify, as needed, all option quantities included in every solicitation and contract. An option is a unilateral right in a contract by which, for a specified time, to acquire additional equipment, supplies, or services than originally procured. An option may also extend the term of the contract.

(e) Lease Versus Purchase: Review lease versus purchase alternatives for acquiring property and prepare or obtain an analysis to determine the most economical alternative. If chosen to lease an asset, then prepare a written comparison of the cost of leasing the asset compared with the cost of purchasing or constructing the asset.

(f) Lease of Rolling Stock: For rolling stock and related equipment, the Fixing America's Surface Transportation (FAST) Act requires reporting to MnDOT, on behalf of FTA, within three years of executing a rolling stock lease that includes:

(1) An evaluation of the overall costs and benefits of leasing rolling stock; and

(2) A comparison of the expected short-term and long-term maintenance costs under a lease versus maintenance costs when buying rolling stock.

(g) Specifications: Procurement specifications shall clearly describe the products or services to be procured and shall state how the proposals will be evaluated. Procurement specifications shall not be exclusionary, discriminatory, unreasonably restrictive, or otherwise in violation of Federal or Minnesota laws or regulations.

## 3.4. Contract Price and Cost Analysis

The Common Grant Rules requires a cost analysis or price analysis in connection with every procurement action, including contract modifications before receiving bids or proposals. The method and degree of analysis depends on the facts and circumstances surrounding each procurement. City shall negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

### 3.4.1. Price Analysis

Costs estimated for proposal purposes shall be presented in such a manner and in such detail that any significant cost can be compared with the actual cost accumulated and reported therefor. City shall make independent estimates before receiving bids or proposals. In any event the cost accounting practices used in estimating costs in pricing a proposal and in accumulating and reporting costs on the resulting contract shall be consistent with respect to:

(a) The classification of elements or functions of cost as direct or indirect;

(b) The indirect cost pools to which each element or function of cost is charged or proposed to be charged; and

(c) The methods of allocating indirect costs to the contract.

### 3.4.2. Cost Analysis

Obtain a cost analysis when a price analysis will not provide sufficient information to determine the reasonableness of the contract cost, or when only a sole source is available, even if the procurement is a contract modification or change order. Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable for the City.

Obtain a cost analysis when the offeror submits elements (labor hours, overhead, materials) of the estimated cost, such as for professional consulting or Architectural and Engineering contracts.

Not necessary if it is possible to justify price reasonableness based on a catalog or market price of a commercial product sold in substantial quantities to the public or based on prices set by law or regulation.

## 3.5. Contractor Responsibilities

In awarding contracts financed in whole or in part with FTA financial assistance, follow guidance in this section to evaluate contractor capabilities to perform the contract.

In addition to the Federal rules[5] that require contract awards be made only to responsible contractors, Federal law at 49 U.S.C. § 5325(j) and Minnesota Statute 16C.285 limits third-party contractor awards to those contractors capable of successfully performing under the terms and conditions of the proposed contract. Before selecting a contractor for the award, consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

### 3.5.1. Debarment and Suspension

U.S. Department of Transportation (DOT) regulations apply to each third-party contract at tiers of $25,000 or more, to each third-party contract at any tier for a federally required audit, and to each third-party contract at any tier that must be approved by an FTA official irrespective of the contract amount (2 C.F.R.1200). Apply DOT's debarment and suspension requirements to itself and each third-party contractor at every tier to the extent required by regulations that incorporate the requirements of the Office of Management and Budget[6] (OMB).

(a) Search and ensure that every offeror considered appears as a registered vendor within the results of a System for Award Management SAM.gov search and print the screen with the results of the search to be included in the procurement file. Verify that the prospective third-party vendor is not listed as a debarred contractor on SAM.gov.

(b) Verify that the prospective third-part vendor is not listed as a Suspended/Debarred Vendor with the state of Minnesota.[7] Print the screen with the results of the search for inclusion in the procurement file.

### 3.5.2. Lobbying Certification and Disclosure

If a third-party contract exceeds $100,000, before awarding the contract, obtain a signed lobbying certification, and if applicable, a lobbying disclosure from a prospective third-party contractor. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of

[5] 2 CFR § 200.318(h)

[6] Guidelines to Agencies on Governmentwide Debarment and Suspension (non-procurement)

[7] https://mn.gov/admin/osp/government/suspended-debarred/

any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award

### 3.5.3. Protest Procedure Provision Requirement

Insert protest procedures set forth in Section 7.6 herein in all solicitation documents having an estimated value of $100,000 or greater.

### 3.5.4. Required Contract Clauses

In addition to the requirements outlined above, there are various required clauses that will apply to third-party contracts, depending upon the type of procurement and the anticipated dollar value of said contract. Assess each procurement and determine the applicable FTA third party terms and conditions that should be included in the solicitation and contract documents. Coordination with MnDOT on the appropriate clauses will be completed. See the following guidance to identify the required clauses:

- FTA Circular Subject: Third Party Contracting Guidance (FTA C. 4220.1F, Appendix D)
- FTA Master Agreements[8]
- ProcurementPRO[9] (free web-based application).
  If used, confirm accuracy with FTA C. 4220.1F, Appendix D.

In addition to other provisions required by the Federal agency or non-Federal entity and if not otherwise listed in resources linked above, all contracts made by City of Mankato under the Federal award must contain provisions covering the following, as applicable:

- Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity" and implementing regulations at 41 CFR pa1t 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity Department of Labor."
- Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by City of Mankato must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages

[8] https://www.transit.dot.gov/funding/grantee-resources/sample-fta-agreements/fta-grant-agreements
[9] https://www.nationalrtap.org/Technology-Tools/ProcurementPRO

specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. City of Mankato shall report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a halftime the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business film or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

- Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251- 1387), as amended-Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-767 1q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

## 3.6. Bonding

Federal rules require bonds for all construction contracts exceeding the Simplified Acquisition Threshold[10] unless FTA determines that other arrangements adequately protect the Federal interest. City of Mankato requires performance and payment bonds for contracts over $175,000 (Simplified Acquisition Threshold).

- Bid Guarantee equivalent to 5 percent of its bid price ensures the bidder will honor its bid upon acceptance.
- Performance Bond for 100 percent of the contract price to ensure completion of the obligations under the third-party contract. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- Payment Bond for 100 percent of the contract price to ensure the contractor will pay all people supplying labor and material for the third-party contract. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

### 3.6.1. Payment Bond Thresholds

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold,[11] when bonding is required, MnDOT may accept the bonding policy and requirements of the Subrecipient provided that MnDOT has decided that the Federal interest is adequately protected. FTA determined the following amounts are adequate to protect their interest:

- Contracts less than $1 Million – Fifty percent of the contact price
- Contracts more than $1 Million but less than $5 Million - Forty percent of the contract price
- Contracts more than $5 Million – Two and one half million dollars

### 3.6.2. Acceptable Sureties

The Common Grant Rule for non-governmental recipients requires the non-governmental recipient to obtain construction bonds from companies holding certificates of authority as acceptable sureties under Department of the Treasury regulations, "Surety Companies Doing Business with the United States," 31 CFR Part 223. For a current list of approved sureties, see Department of the Treasury's Listing of Approved Sureties.[12] As FTA encourages governmental recipients to require similarly acceptable sureties, it shall be the policy to accept such sureties.

[10] $175,000 City of Mankato Financial Management Policies, May 22, 2023.
[11] $175,000 City of Mankato Financial Management Policies, May 22, 2023.
[12] Department of Treasury Circular 570 http://fms.treas.gov/c570/c570.html

## 3.7. Buy America Preference Requirements

Transit projects exceeding $150,000 with FTA assistance to purchase iron or steel products, manufactured products including rolling stock purchases, construction materials, and capital leases will comply with FTA's Buy America requirements, unless FTA has granted a waiver authorized under the Buy America provisions. FTA's Buy America regulations are complex and differ from the Federal "Buy American Act" regulations in FAR Subparts 25.1 and 25.2.[13]

- Requirements apply to third-party procurements by FTA grant recipients. A grantee must include in its bid or request for proposal (RFP) specification for procurement of iron, steel, or manufactured goods (including rolling stock) an appropriate notice of the Buy America provision and require, as a condition of responsiveness, that the bidder submit with the bid or offer a completed Buy America certificate.[14]

- Final assembly for rolling stock also must occur in the U.S. Additionally, rolling stock procurements are subject to the pre-award and post-delivery Buy America audit provisions.[15]

Provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States of America, even when Buy America and other regulations do not apply.[16]

# 4. Sources of Acquisitions

## 4.1. Force Account

The use of force account labor is a project management function, rather than a procurement and contract administration function, except in the general sense of the ability to perform work with its own forces rather than contracting with another entity to acquire the property or services needed, and the cost implications of the decision. Mankato Transit System does not charge force account labor to its FTA grants.

## 4.2. Joint Procurements

One or more entities agree from the onset to use a single solicitation document and enter into a single contract with a vendor for delivery of products or services. The following apply:

- The item, due to nature of the item or lack of availability of vendors, is available only from a single source or the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

- Solicitation documents may not be drafted for the purpose of accommodating the needs of other parties that may later want to participate in the benefits of the contract.

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[13] FTC C. 4220.1F, Chapter IV(2)(c)(5)
[14] 49 CFR §§661.6 or 661.12.
[15] 49 U.S.C. § 5323(m) and 49 CFR part 663
[16] 2 C.F.R. § 200.322

- Ensure the joint procurement solicitation and contract complies with all Federal and State requirements and includes all required clauses and certifications.

## 4.3. State or Local Government Purchasing Schedules or Contracts

An arrangement that a state or local government establishes with several vendors, such as cooperative purchasing, who agree to provide essentially an option to the state or local government, and its subordinate government entities, to acquire specific property or services in the future at established prices.  An arrangement like the General Services Administration's (GSA) Cooperative Purchasing Program for Federal Government use.

When this method is used, obtain Buy America certification before entering into the purchase order.  This method cannot be used to circumvent FTA's Buy America requirements.

### 4.3.1. Small Quantity of Rolling Stock

Conducting a stand-alone procurement for fewer than five buses require written justification for not using an innovative procurement tool authorized in section 3019 of the FAST Act.[17]

### 4.3.2. Applicability of Federal Provisions

While MnDOT takes precautions to ensure that all Federal requirements, clauses, and certifications are in the master intergovernmental contract or in the recipient's purchase document, it is ultimately Mankato Transit System's responsibility to ensure such documents and certifications are obtained.  Solicitation of these vendors is conducted in the same manner as any other procurement.  If such requirements, clauses, and certifications were not included request the vendor append the required Federal clauses in the purchase order or other document that effects the procurement.

## 4.4. Existing Contracts

May be used as an acquisition source.  Existing contracts are formed to be limited to the original parties.

### 4.4.1. Permissible Actions

Exercise of Options held by another recipient of FTA assistance may be used with the following limitations:

(a) Consistency with the Underlying Contract.  Ensure that that terms and conditions of the option are substantially similar to the terms and conditions of the options as stated in the original contact at the time it was awarded.

(b) Price.  Option price must be better than prices available in the open market, or that when intended to exercise the options is more advantageous.

(c) Awards Treated as Sole Source Procurements:

[17] 49 USC § 5339(a)(10)(B)

(1) Failure to Evaluate Options before Awarding the Underlying Contract. If a contract has one or more options and those options were not evaluated as part of the original contract award, exercising those options after contract award will result in a sole source award.

(2) Negotiating a Lower Option Price. Exercising an option after a negotiated lower or higher price will also result in a sole source award unless that price can be reasonably determined from the terms of the original contract, or that price results from Federal actions that can be reliably measured.

(d) Assignment of Contract Rights (Piggybacking) – If found that inadvertently acquired contract rights are in excess of need, another MnDOT subrecipient may be assigned those contract rights if the original contract contains appropriate assignment provisions, allowing the other subrecipient to contract in the same manner as the original contract at the same or lower price. Contractual rights through assignment from another recipient of FTA assistance may be used after first determining the contract price remains fair and reasonable, and the contract provisions are adequate for compliance with all Federal requirements. A second price analysis is not necessary if one was performed for the original contract. Mankato Transit System, as a subrecipient, shall be responsible for ensuring the contractor's compliance with FTA's Buy America requirements and execution of all the required pre-award and post-delivery Buy America review certifications. Before proceeding with the assignment review the original contract to be sure that the quantities the assigning recipient acquired, coupled with the quantities needed, do not exceed the amounts available under the assigning recipient's contract.

### 4.4.2. Impermissible Actions

(a) Improper Contract Expansion - A contract has been improperly expanded when it includes a larger scope, greater quantities, or options beyond the recipient's reasonably anticipated needs, other than unanticipated change orders. A contract has also been improperly expanded when excess capacity has been added primarily to permit assignment of those contract rights to another entity.

(b) Cardinal Changes (Tag-On) - A significant change in contract work that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract, is a cardinal change. A change within the scope of the contract is not a cardinal change.

# 5. Procedures for Open Market Procurements

## 5.1. Solicitation Requirements and Restrictions

Every procurement solicitation issued above the micro-purchase level (currently established in Federal guidance at $10,000), must include the following information and be advertised in a manner that ensures adequate and open competition.

### 5.1.1. Description of the Property or Service

The solicitation and the contract awarded must include a clear and accurate description of technical requirements for the products or services to be acquired in a manner that provides for full and open competition.

Prepare descriptions of property, goods, or service in terms of functions to be performed or level of performance required, including the range of acceptable characteristics or minimum acceptable standards. Detailed product specifications should be avoided if possible; however, there is no prohibition against their use when appropriate.

#### 5.1.1.1. Brand Name or Equal

When it is impractical or uneconomical to provide a clear and accurate description of the technical requirements of the property to be acquired, a "brand name or equal" description may be used to define the performance or other prominent characteristics of a specific type of property.

### 5.1.2. Quantities

Additional quantities or options above needs at the time of acquisition, may not be added solely to allow assignment later.

### 5.1.3. Period of Performance

The period of performance generally should not exceed the time necessary to accomplish the purpose of the contract considering competition, pricing, fairness, and public perception. Document the rationale for determining the performance period in the procurement files.

### 5.1.4. Evaluation Factors

All solicitations shall identify all factors to be used in evaluating bids or proposals. At the discretion of Procurement Officer, the relative order of importance and/or weights shall be communicated to prospective offerors.

### 5.1.5. Award to Other Than the Low Bidder

Solicitations must specifically reserve the right to award a contract to other than the low bidder or offeror, if allowed to do so pursuant to state competitive bid law. If the solicitation documents do not specify this right, Mankato Transit System will be obligated to award the contract to the low bidder.

## 5.2. Permissible Contract Types

State the type of contract that will be awarded in all solicitation documents. The following types of contracts will typically be executed with the successful vendor:

### 5.2.1. Firm Fixed Price

A price that remains fixed irrespective of the contractor's cost experience in performing the contract. A firm fixed price contract may include an economic price adjustment provision, incentives, or both.

### 5.2.2. Cost Reimbursement

The contract provides for payment of the contractor's allowable incurred costs, to the extent prescribed in the contract. To the extent permitted under state law, allowable costs may include incentives if the recipient believes they can prove helpful. Cost-reimbursement contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed price contract.

### 5.2.3. Prohibited or Restricted Contract Types

- Cost plus Percentage of Cost type contracts are prohibited.
- Time and Materials type contracts may be used only after a written determination is made that no other contract type is suitable. In addition, the contract must specify a ceiling price that the Contractor may not exceed except at its own risk.

## 5.3. Other Federal Requirements

The solicitation and resulting contract must identify those Federal requirements that will affect contract scope and performance that a bidder or offeror must fulfill before and during contract performance.

## 5.4. Prohibited Practices

Solicitations with requirements that contain features that unduly restrict competition may not be used if they:

(a) Impose unreasonable business requirements for bidders or offerors.

(b) Impose unnecessary experience requirements for bidders and offerors.

(c) Use prequalification procedures that conflict with the prequalification standards described in Methods of Procurement (Section 5.2).

(d) Make a noncompetitive award to any person or firm on a retainer contract if that award is not for the property or services specified for delivery under the retainer contract.

(e) Impose unreasonable restrictive bonding requirements on bidders and offerors in excess of FTA and state requirements.

(f) Specify only a "brand name" product without allowing offers of an "equal" product or allowing an "equal" product without listing the salient characteristics that the "equal" product must meet to be acceptable for award.

(g) Specify in-state or local geographical preferences or evaluating bids or proposals in light of in-state or local geographic preferences, even if those preferences are imposed by State or local laws or regulations. The only exception expressly mandated or encouraged by Federal law that may be applicable is the procurement of Architectural and Engineering (A&E) Services. Geographic location may be a selection criterion in the procurement of A&E

services if an appropriate number of qualified firms are eligible to compete for the contract in view of the nature and size of the project.

(h) Engage in practices that result in organizational conflicts of interest when any of the following circumstances arise:

  (1) Lack of Impartiality or Impaired Objectivity – When the bidder or offeror is unable, or potentially unable, to provide impartial and objective assistance or advice due to other activities, relationships, contracts, or circumstances.

  (2) Unequal Access to Information – When the bidder or offeror has an unfair competitive advantage through obtaining access to nonpublic information during the performance of an earlier contract.

  (3) Biased Ground Rules – When during the conduct of an earlier procurement, the bidder or offeror has established the ground rules for a future procurement by developing specifications, evaluation factors, or similar documents.

(i) Support or acquiesce in noncompetitive pricing practices between firms or between affiliated companies.

(j) Take any arbitrary action in the procurement process.

# 6. Methods of Procurement

Use competitive procedure(s) appropriate for the acquisition undertaken. The procedures used must comply with Minnesota and local law as well as with Federal requirements. Federal restrictions vary with the type of procurement method used. The following guidance is based on the requirements of 2 CFR § 200.318 – 200.326, supplemented by FTA and State policies that address the needs of FTA recipients.

Prohibited Divisions (Bid Splitting): The size or dollar value of procurements may not be divided or reduced merely to come within the micro or small purchase limit or to avoid state competitive bid thresholds. The only allowable exception is for the express purpose of fostering greater opportunities for Disadvantaged Business Enterprises (DBEs), small and minority firms and women's business enterprises (irrespective of whether they qualify as DBEs) in Federally assisted procurements .

| Value of Purchase or Contract | Type of quote required – construction, contracted goods and services | Approval Required by | Contract Required |
|---|---|---|---|
| Less than $10,000 | Quotation (two if practicable) or open market | Department Head | No |
| $10,001 - $49,999 | Two telephone quotes are preferred | City Manager | No |
| $50,000 - $174,999 | Direct negotiation (at least two written quotes) but must first consider the availability, price and quality through the state's Cooperative Purchase Programs | City Manager | Construction yes. Commodities, at City Manager's discretion |
| Greater than $175,000* | Competitive Bidding (sealed bids) required. City Clerk must advertise in City's legal newspaper. | City Council | Yes |
| **Federal guidelines are less restrictive than MN State Statute. These amounts represent the more restrictive State Statute guidelines.* | | | |

## 6.1. Purchase Card

As approved by the City Manager and pursuant to Section 3.05 of the City Charter, purchase cards will be issued to departments and various divisions as deemed necessary for use during emergencies, employee travel, online purchase(s) or unpredictable circumstances. Each purchase card, unless otherwise authorized by the City Manager, will contain a maximum limit of $1,000 per purchase, with a total monthly transaction limit not to exceed $5,000. These limits can be increased with a request, accompanied by a demonstrated need, to the Director of Administrative Services or designee.

## 6.2. Micro Purchases

Approved in writing by the Director of Community Development and pursuant to Mankato's City Charter, Micro-Purchases are allowed for informal procurement of products and services that cost $10,000 or less (or current threshold established by Federal Acquisition Regulations (FAR)) as a means to expedite the completion of small purchase transactions and minimize the administrative burden and cost.

Micro-purchases should be distributed equitably among qualified suppliers. Two quotes if practicable or through the open market for the informal acquisition of products and services.

Micro purchases are exempt from FTA's Buy America requirements.

Davis-Bacon prevailing wage requirements apply to federally funded or assisted construction, alteration, or repair contracts of public buildings and public works exceeding $2,000, even though the recipient uses micro-purchase procurement procedures.

Every Micro-Purchase must be accompanied by a written determination that the price is fair and reasonable, and a description of how that determination was made.

## 6.3. Small Purchases

Approved in writing by the City Manager, Small Purchases are informal or formal procurement depending upon the dollar amount for the purchase of products and services, including construction services, that cost more than $10,000 but less than $175,000.

Every Small Purchase must be documented in the written procurement history file.

Price or rate quotations must be obtained from an adequate number (two preferred) of qualified sources and kept on file.

$10,000 but less than $50,000 – informal procurement, two telephone quotes are preferred and kept on file.

$50,000 but less than $175,000 – formal procurement methods with two or more responsible bidders willing and able to submit an offer, and kept on file, unless special circumstances are noted. Consult Cooperative Purchase Programs before procurement for minimized administrative burden and cost.

## 6.4. Competitive Bidding (Full and Open) Procurements

Approved by the City Council through a Resolution signed by the Mayor, Competitive Bidding Procurements are those purchases of products and services that cost greater than the current State threshold of $175,000 which is more restrictive than the Federal threshold of $250,000.

Every competitive purchase must comply with Minnesota Statutes Section 471.345.

There are two primary methods of procurement for large purchases of products and services:

- Sealed Bid Method – Invitation For Bid (IFB)

  Bids are publicly solicited, and a firm fixed price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the Invitation for Bids (IFB), is lowest in price.

- Competitive Proposals Method – Request for Proposals (RFP)

  Written proposals are publicly solicited, and a contract is awarded to the responsible offeror whose proposal, taking into consideration price and other factors, is considered to be the most advantageous or best value.

There may be alternatives to the primary methods and specialized procurements not covered by this plan. Consult the Third-Party Contracting Guidance.[18]

- Two-Step Procurement – Can be used for both sealed bid and competitive proposals.

[18] FTA Circular 4220.1F

- Architectural and Engineering (A&E) Services and Other Services that are directly in support of, directly connected to, directly related to, or lead to construction, alteration, or repair of real property.

- Design-Bid-Build procurement method requires separate contracts for design services and for construction.

- Design Build procurement method consists of contracting for design and construction simultaneously with contract award to a single contractor, consortium, joint venture, team, or partnership that will be responsible for both the project's design and construction.

## 6.4.1. Sealed Bid Method – Invitation For Bid (IFB)

The preferred method for acquiring products and services that, including construction services, cost greater than simplified threshold or Small Purchase threshold. May also be used for small purchases if it is determined to be appropriate. The sealed bid method of procurement is appropriate if the following conditions apply:

(a) Precise Specifications – A complete, adequate, precise, and realistic specification or purchase description is available.

(b) Adequate Sources – Two or more responsible bidders are willing and able to compete effectively for the business.

(c) Fixed Price Contract – The procurement generally lends itself to a firm fixed price contract.

(d) Price Determinative – The successful bidder can be selected on the basis of price and those price-related factors listed in the solicitation including, but not limited to, transportation costs, life cycle costs, and discounts expected to be taken. Apart from responsibility determinations, contractor selection may not be determined based on other factors whose costs cannot be measured at the time of award.

(e) Discussions Unnecessary – Award of the contract will be made based on price and price-related factors alone. Discussions with bidders are unnecessary.

See the Mankato Financial Management Policies for the appropriate steps.

### 6.4.1.1. Requirements for Sealed Bid Method of Procurement

(a) Funds Availability – Ensure funds have been appropriated for the project and included in the City's Capital Improvement Program (CIP) and Mankato/North Mankato Transportation Improvement Program (TIP) as appropriate for the funding year.

(b) Publicity – Make proper publication in the official City newspaper(s) for at least ten days before the last date for submission of bids. Other methods of notice may be used to supplement but not substitute for the official publication notice such as compiled vendor list, prospective offerors, or electronic advertising means. The published notice must contain the following:

  - A description of the project or purchase being sought
  - The availability and location of specifications

- Bid requirements such as a sealed bid or any accompanying bid security
- Where the bids must be submitted
- Deadline for submitting the bids
- Time and place of the opening of the bids
- The City Officers who will be present for the opening of the sealed bids
- Statement indicating that the City may delay the award until certain events occur
- Statement indicating that the City reserves the right to reject all bids submitted

(c) Adequate Sources – Must solicit from an adequate number of known suppliers.

(d) Adequate Specifications – Must describe the property or services in sufficient detail that a prospective bidders can submit a proper bid. Include any specifications and pertinent attachment.

(e) Sufficient Time – Bidders must be allowed sufficient time to prepare bids before the date of public bid opening. Minimum 10 days.[19]

(f) Public Bid Opening - All bids must be publicly opened at the time and place prescribed in the Invitation for Bids. Bids must remain unopened until the public opening; a bidder may withdraw the bid at any time prior.

(g) Fixed Price Contract - A firm fixed price contract must be awarded in writing to the lowest responsive and responsible bidder unless the Invitation for Bids specifically allowed for award of a fixed price incentive contract or the inclusion of an economic price adjustment provision.

(h) Rejection of Bids – Any or all bids may be rejected if there is a sound, documented business reason.

### 6.4.2. Competitive Proposals Method – Request for Proposals (RFP)

For the acquisition of products and services that cost greater than $175,000 when the nature of the procurement does not lend itself to the sealed bidding method and it is expected that more than one source will be willing and able to submit a proposal. May also be used for small purchases if it is determined to be appropriate. May not be used for the procurement of construction services. The competitive proposal method of procurement is appropriate when any of the following circumstances are present:

(a) Types of Specifications - The products or services are described in a performance, functional specification, detailed technical specifications, or other circumstances such as the need for discussions or the importance of basing contract award on factors other than price alone are present.

(b) Uncertain Number of Sources - Uncertainty about whether more than one bid will be submitted in response to an Invitation for Bids.

[19] City of Mankato Financial Management Policies, May 22, 2023

(c) Price Alone Not Determinative - Due to the nature of the procurement, contract award need not be based exclusively on price or price-related factors.

(d) Discussion Expected - Separate discussions with individual offerors are expected to be necessary after they have submitted their proposals.

#### 6.4.2.1. Requirements for Competitive Proposals

(a) Funds Availability – Ensure funds have been appropriated for the project and included in the City's Capital Improvement Program (CIP) and Mankato/North Mankato Transportation Improvement Program (TIP) as appropriate for the funding year.

(b) Publicity – Make proper publication in the official City newspaper(s). Other methods of notice may be used to supplement but not substitute for the official publication notice such as compiled vendor list, prospective offerors, or electronic advertising means. The published notice must contain the following:

(c) Evaluation Factors – All evaluation factors and their relative importance must be specified in the solicitation, but numerical or percentage ratings or weights need not be disclosed.

(d) Adequate Sources – Proposals must be solicited from an adequate number of qualified sources.

(e) Evaluation Method – A specific method must be established and used to conduct technical evaluations of the proposals received and to determine the most qualified offeror.

(f) Price and Other Factors - An award must be made to the responsible offeror whose proposal is most advantageous or that represents the "best value" with price and other factors considered.

(g) Best Value - Contract may be awarded to the offeror whose proposal provides the greatest value based upon an analysis of the tradeoff of qualitative technical factors and price or cost factors. To do so, the solicitation must inform potential offerors that the award will be made on a "best value" basis and identify what factors will form the basis for award.

## 6.5. Noncompetitive (Other Than Full and Open) Procurement

Normally, full and open competition is provided when soliciting bids or proposals. The Common Grant Rule[20] acknowledges that under certain circumstances, procurement may be conducted without providing for full and open competition only when the procurement is inappropriate for small purchase procedures, sealed bids, or competitive proposals, and at least one of the following circumstances are present:

(a) Adequate Competition. After soliciting several sources, review the specifications to determine if they are unduly restrictive, or if changes can be made to encourage submission of more bids or proposals. If found that specifications are not unduly restrictive, and changes cannot be made to encourage greater competition, perform a cost analysis in lieu of a price analysis from among the sources that submitted.

[20] 2 C.F.R. 200.320(f)(1) – (4)

(b) Sole Source. When supplies or services are available from only one responsible source, and no other supplies or services will satisfy its requirements, a sole source award may be justified. When an existing contract is changed beyond the scope of the agreement a sole source award must be justified.

(c) When Prohibited. Less than full and open competition is not justified based on:

- Failure to Plan. The recipient's lack of advance planning, or
- Limited Availability of Federal Assistance. Concerns about the amount of Federal assistance available to support the procurement (for example, expiration of Federal assistance previously available for award).

### 6.5.1. Sole Source

Unique Capability or Availability. The property or services are available from one source if one of the conditions described below is present:

(a) Unique or Innovative Concept. The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted and is available only from one source and has not in the past been available from another source.

(1) Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.

(2) Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.

(3) Unacceptable Delay. In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the needs.

(b) Single Bid or Single Proposal. Upon receiving a single bid or single proposal in response to a solicitation, determine if competition was adequate. This should include a review of the specifications for undue restrictiveness and will include a survey of potential sources that chose not to submit a bid or proposal.

(1) Adequate Competition. FTA acknowledges competition to be adequate when the reasons for few responses were caused by conditions beyond the recipient's control. Many unrelated factors beyond the recipient's control might cause potential sources not to submit a bid or proposal. If the competition can be determined adequate, FTA's competition requirements will be fulfilled, and the procurement will qualify as a valid competitive award.

(2) Inadequate Competition. FTA acknowledges competition to be inadequate when, caused by conditions within the recipient's control. For example, if the specifications used were within the recipient's control and those specifications were unduly restrictive, competition will be inadequate.

(c) Unusual and Compelling Urgency. The Common Grant Rule limits the number of sources from which it solicits bids or proposals when an unusual and urgent need for the property or services would be seriously injured unless it were permitted to limit the solicitation. Also allowed to limit the solicitation when the public need or emergency will not permit a delay resulting from competitive solicitation for the property or services.

(d) Procurement Procedures. When less than full and open competition is experienced, the Common Grant Rule directs:

(1) Potential Sources. Solicit offers from as many potential sources as is practicable under the circumstances.

(2) Sole Source Justification. If decided to solicit an offer from only one source, justify the decision adequately considering the standards of this section and ensure the justification listing the applicable standard is documented in writing and signed by the Procurement Officer.

(3) Cost Analysis. Prepare or obtain a written cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the costs and profits.

(4) Pre-award Review. Submit the proposed procurement to Mankato's Director of Administration for pre-award review and approval to proceed.

(5) Submit the proposed procurement for FTA pre-award review if FTA so requests.

## 6.6. Evaluation Requirements

When evaluating bids or proposals in response to a solicitation, consider all evaluation factors specified in the solicitation documents and evaluate proposals only on the factors included in the solicitation documents. If evaluation factors are modified, the solicitation must be re-opened.

When awarding contract that includes options, evaluate any option quantities or periods contained in a solicitation if intended to exercise those options after the contract is awarded. For competitive procurements, the use of a team to conduct the evaluation will be used.

## 6.7. Designating a Prospective Contractor

To designate a prospective contractor "responsible" as required by 49 U.S.C. § 5325, at a minimum, determine and ensure that the prospective contractor satisfies the criteria of Integrity and Ethics, Debarment and Suspension, Affirmative Action and DBE, Public Policy, Administrative and Technical Capacity, Licensing and Taxes, Financial Resources, Production Capability, Timeliness, and Performance Record.

## 6.8. Lowest Responsible Bidder

For contracts procured through sealed bids or multiple quotes, the City must award the contract to the lowest responsible bidder.[21] The bidder who submits the lowest bid or quote in dollars is not necessarily the "lowest responsible bidder." Responsibility in bids means financial responsibility, but also integrity, skill, and the likelihood of the bidder doing faithful and satisfactory work. A contract must be awarded to the lowest responsible bidder unless the "Best Value" alternative is followed.

## 6.9. Rejecting Bids or Offers

Solicitations must specifically reserve the right to reject bids or offers. The City has the right to reject any and all bids (requests for proposals, requests for bids, sealed bids). All data submitted in response to bid requests are private until bids are opened. If bids are rejected prior to the completion of the evaluation or selection process, all data, other than that made public at the bid opening, remain private until a re-solicitation of bids results in completion of the selection process. If the rejection occurs after the completion of the selection process, the data remains public. If a re-solicitation of bids does not occur within one year of the bid opening date, the remaining data becomes public.

# 7. Administrative Requirements and Considerations

## 7.1 Staff Responsibilities

Prior to development of the procurement solicitation, conduct a coordination meeting with necessary City staff to establish duties and responsibilities such as which department is responsible for delivering the project to the appropriate approval authority, and agree upon the designated Project Manager

Project Manager serves as the principal contact with the contractor and as the primary administrator of the contract. The designated Project Manager for each contract shall have responsibility for directing and overseeing the work performed by the contractor; reviewing and approving deliverables and invoices from the contractor; determining percentage of contract completion for progress payments (if applicable); making recommendations on the exercise of contract options (if applicable); recommending contract changes; preparing justifications for contract changes; performing independent cost estimates and cost or price analyses for contract changes; making recommendations on approval or rejection of subcontractors; assisting with the resolution of contract disputes; making recommendations on contract termination or other contractor disciplinary actions; maintaining complete contract files; and other contract administration duties that may be necessary.

## 7.2 Price Analysis

If determined that competition was adequate, a price analysis, rather than a cost analysis, is required to determine the reasonableness of the proposed contract price. A price analysis for

[21] Minn. Stat. § 412.311, subd. 1.

micro-purchases may be limited. Similarly, an abbreviated price analysis for small purchases may be used in most cases.

One method to record this price analysis is through the use of a preprinted form on which a contracting officer (or other responsible person) can annotate a finding of fair and reasonable pricing and check off the most common reasons why this would be so, such as catalog or market prices offered in substantial quantities to the general public, regulated prices (for example, for many utilities purchases), or a comparison with recent prices for similar goods and services.

## 7.3 Contract Scope and Cardinal Changes

Changes Clauses limit the authority of the issuer in two ways. First, they stipulate that changes are permitted only when they are "within the general scope of the contract." Second, they contain descriptive words setting forth the types of changes that may be made. For the change to be binding on the contractor, it must meet both tests, namely:

(a) It must be within the general scope, and

(b) it must be one of the types of changes described in the clause.

With respect to the FTA requirements governing changes, the change must be within the scope of the original contract. If it is not within the scope, it is considered a cardinal change. Such changes are not processed as changes under the Changes Clause but are processed as new procurements.

## 7.4 Change Clauses

Third party contracts should contain a Changes Clause except for routine supply contracts. The language of the clause may differ depending upon the nature of the contract and the end-item being procured, however, these clauses are intended to achieve the following purposes:

(a) Flexibility to unilaterally order changes in the work, which may be necessary due to advances in technology or changes in requirements.

(b) Provide the contractor a method of suggesting changes to the work, thus improving the quality of the contract end-items. The equitable adjustment provisions of the Changes Clause will encourage the contractor to suggest improvements when those suggestions will increase the contract price. When, however, the situation calls for suggestions regarding dollar savings, the Changes Clause may not incentivize the contractor if it stands to lose the dollar savings because of a price reduction in the contract. For this reason, value engineering clauses are included in contracts.

(c) Authority to order additional work that is within the general scope of the contract, thereby avoiding a separate procurement.

(d) Require the contractor to proceed with the changed work and resolve the issue of compensation later. This is important since it gives the recipient a unilateral contract right to order changes without having to agree beforehand on the price of the work. Emergency situations can thus be handled expeditiously without placing the contractor in a position of demanding a certain amount of compensation before the work can proceed. In the event of a failure to agree on price, the issue can be resolved by a third party in accordance with the dispute procedure in the Disputes Clause of the contract. But disputes concerning compensation will not impede the progress of the contract as changed.

## 7.5 Time Extensions

Contract time extensions shall be considered in light of whether they are permissible changes or impermissible cardinal changes. Once a third-party contract is awarded, an extension of the contract term length that amounts to a cardinal change, will require a sole source justification.

The funding approval authority has the sole authority to approve and execute contract modifications. The Procurement Officer for the contract shall recommend all contract time; prior to making a recommendation for a contract time extension. The Procurement Officer shall prepare a written justification and cost analysis for the contract time extension and shall negotiate the appropriate contract modification with the contractor.

## 7.6 Protest Procedures

Protests must be submitted in writing (defined as being sent or received via letter or facsimile on official firm/agency letterhead or by electronic mail), with sufficient documentation, evidence and legal authority to demonstrate that the Protestor is entitled to the relief requested. The protest must be certified as being true and correct to the best knowledge and information of the Protestor and be signed by the Protestor. The protest must also include a mailing address to which a response should be sent.

Protests received after the deadlines for receipt of protests specified above are subject to denial without any requirement for review or action.

All protests must be directed to the Procurement Officer at the address shown in the solicitation documents.

### 7.6.1 Pre-Proposal Protest Procedures

All protests concerning solicitation specifications, criteria and/or procedures shall be submitted in writing to the Procurement Officer as specified below not later than ten (10) business days prior to the deadline for submission of bids/proposals.

The Procurement Officer may, within their discretion, postpone the deadline for submission of bids/proposals, but in any case, shall provide a written response to all protests not later than five (5) business days prior to the deadline for submission of bids/proposals. If the deadline for is postponed by the Procurement Officer as the result of a protest, the postponement will be announced through an addendum to the solicitation.

The decision by the Procurement Officer shall be the final decision on the matter but shall be subject to judicial review as set forth by FTA below.

### 7.6.2 Pre-Award Protest Procedures

With respect to protests made after the deadline for submission of bids/proposals but before contract award, protests shall be limited to those protests alleging a violation of Federal or State law, a challenge to the bids/proposals evaluation and award process, failure to have or follow its protest procedures or its failure to review a complaint or protest. Protests shall be submitted in writing to the Procurement Officer as specified below not later than five (5) business days after the Recommendation for Contract Award announcement.

The Procurement Officer may, within their discretion, postpone the award of the contract, but in any case, shall provide a written response to all protests not later than three (3) business days prior to the date of announcement the contract award.

The decision by the Procurement Officer shall be the final agency decision on the matter but shall be subject to judicial review as set forth or review by MnDOT as specified below.

### 7.6.3 Protest Response

The Procurement Officer shall issue written responses to all protests received by the required response dates. Responses shall be transmitted by first class mail using the U.S. Postal Service to the address indicated in the protest letter.

For convenience, a copy of the response to the Protester by facsimile and/or electronic mail if a facsimile number and/or electronic mail address are indicated in the protest letter. The response transmitted by U.S. Postal Service shall be the official response to the protest and Mankato Transit System will not be responsible for the failure of the Protester to receive the protest response by either facsimile or electronic mail.

### 7.6.4 Protest Appeals

MnDOT limits its reviews of protests to a grantee's failure to have or follow its protest procedures; a grantee's failure to review a complaint or protest when presented an opportunity to do so; or violations of Federal law or regulation.

Appeals to MnDOT must be received within five (5) working days of the date the Protester has received actual or constructive notice of the final decision or within five (5) working days of the date the Protester has identified other grounds for appeal to MnDOT.

## 7.7 Disputes

Notify FTA Program Manager and MnDOT Program Manager of protests or complaints involving contracts financed with state or Federal assistance or if the subject involves:

(a) Value exceeding $100,000,
(b) Involve a controversial matter, irrespective of amount, or
(c) Involve a highly publicized matter, irrespective of amount.

Provide the following information:

- A brief description of the dispute,
- The basis of disagreement, and
- If open, how far the dispute has proceeded, or
- If resolved, the agreement or decision reached, and
- Whether an appeal has been taken or is likely to be taken.

**Date: __________________________**

**Grantee/Sub-Grantee Name: _______________________________________________________________**
**Grantee/Sub-Grantee Project Contact Name: _________________________________________________**
**Contact Signature: _____________________________________________________________**

**Project Name: _____________________________________________________________________**
**Description: ____________________________________________________________________________________**

## History Detail Worksheet

### PLANNING DOCUMENTATION

**Identified Method of Procurement:**
(check the appropriate method of procurement planned)

☐ Micro Purchase <$10,000
☐ Small Purchase $10,001-$49,999
  ☐ Request for Quotes - 2+
☐ Small Purchase $50,000-$174,999
  ☐ Request for Quote - 2+

☐ Small Purchase > $175,000
☐ Request For Proposals (RFP)
☐ Invitations For Bid (IFB)
☐ Other: ________________________
  ☐ Sole Source ☐ Piggyback ☐ Non-Competitive Quotation
  ☐ Design-Bid-Build ☐ Design-Build ☐ Architectural/Engineering (A&E) Services

Description of rationale for method of procurement: ______________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

### SOLICITATION DOCUMENTATION

DETERMINATION THAT SOLICITATION IS COMPLETE AND MAXIMIZES COMPETITION

**SOLICITATION DOCUMENT DEVELOPED:**

- ☐ Micro Purchase (with federal funding) -- Scope of Work
- ☐ RFQ --- REQUEST FOR QUOTES
- ☐ RFP --- REQUEST FOR PROPOSALS (FORMAL SOLICITATION)
  - ☐ BEST VALUE REQUIREMENT
  - ☐ TIMELINE/ TABLE OF CONTENTS
  - ☐ REQUIRED ATTACHMENTS: (CHECK ALL THAT ARE APPLICABLE)
    - ☐ FEDERAL CLAUSES AND CERTIFICATIONS
    - ☐ DO NOT UNDULY RESTRICT COMPETITION
    - ☐ IDENTIFY ALL REQUIREMENTS THAT OFFERORS MUST FULFILL
    - ☐ IDENTIFY ALL FACTORS TO BE USED IN EVALUATION OF PROPOSALS
    - ☐ NON-COLLUSION DECLARATION
- ☐ IFB --- INVITATION FOR BID (LOW BID, NO REVIEW REQUIREMENT)
- ☐ SOLE SOURCE
  - ☐ SOLE SOURCE JUSTIFICATION (ATTACHED)

☐ Sole Source Cover Letter (attached)

☐ Functional Requirements (ITS)

☐ Completion of Independent Cost Estimate – Date submitted: _____________
☐ Completion of Solicitation document – Date submitted: _________________
☐ Written approval from Project Manager to proceed to solicitation – Date: ______________

**Number of potential bidders/proposers notified**: ___________ Date released: ___________

Method used to solicit potential bidders/proposer
☐ Local Newsprint – number ___ Print dates: _________ ☐ MN State Register: print dates: _________
☐ Attached Affidavits of Publication
☐ Agency Website ______________________________________
☐ Known Providers: number: ______ via: ☐ email ☐ via mail
☐ Other means (specify):

☐ Attached copies of Notices sent to bidders/proposers

**Number of proposals/bids received:** _____________ Date Proposals/bids Due: ___________

Analysis for procurements above the simplified acquisition threshold:
☐ Price Analysis Date completed: _____________ Submitted: _____________
☐ Cost Analysis Date completed: _____________ Submitted: _____________

## CONTRACT MANAGEMENT

**Identified Selection of Contract Type:**

☐ Firm Fixed Price Contract or Fixed Price Contract
(Firm Fixed to lowest responsive and responsible bidder/ Fixed Price based on negotiation of cost estimates)

☐ Cost Reimbursement
(Contract for projects where the requirement can only be defined over a period of time. AKA: On-call, task order Use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed price contract.

☐ Time & Materials
(cost-plus-fixed-fee. Restricted: only permitted to use; 1) determine no other type of contract is suitable; and 2) contract specifies a ceiling price that the contractor will not exceed except at its own risk)

** Cost Plus Percentage of Cost Contracts are Prohibited

Describe Method and Rationale for selection of contract type: ____________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
(i.e.: This project was released as an RFP as staff required specifications with evaluation and best value approach and was advertised in public newspapers of general circulation, via agency website, and in Construction Exchange listing)

Successful contractor identified: ________________________________________________

Basis for selection: ________________________________________________________
________________________________________________________
________________________________________________________

☐ Responsibility Determination completed for successful contractor.
- ☐ Excluded Parties List System was verified at https://www.sam.gov
  - ☐ Attached search page results (must show date of search)

| Name of Bidder/Proposer Not Recommended | Reason for Rejection |
|---|---|
| | |
| | |
| | |
| | |

☐ Submittal of proposer documentation and review materials for MnDOT Review
– Date submitted: _________________

☐ Written approval from Project Manager to proceed to Contract Award – Date submitted: _________________

The basis for the contract cost or price awarded: ______________________________________
________________________________________________________
________________________________________________________

## Formal Contract Provides the following:

- ☐ Outlines terms, conditions, parties involved, and dates contract commences and is completed.
- ☐ Signed and dated by both parties
- ☐ Specifications – Referenced in its entirety, including all attachments
  - ☐ Proposal (in its entirety)
    - ☐ all required attachments completed and submitted
    - ☐ price proposal ☐ bid
    - ☐ operations budget workbook (includes narrative and price breakdown)
    - ☐ other: ____________________________________________
- ☐ Attached Federal Clauses (completed and signed)
- ☐ Attached Debarment and Suspension Certification (completed and signed)
- ☐ Attached Lobbying Certification (completed and signed)
- ☐ Attached Disadvantaged Business Enterprises (DBE) Special Provisions
  - ☐ Bidders Form (for both RGN or for a Goal)
  - ☐ DBE Goal – required paperwork and compliance requirements

**AGENDA RECOMMENDATION**

**City Manager's Report** 6. A.

**City Council Regular Meeting**
**Meeting Date:** 10/28/2024

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**Agenda Item:**
Resolution adopting the 2025-2029 Strategic Plan.

**Recommendation/Action(s):**
Adoption of the attached resolution.

**Summary:**
The Strategic Plan is a road map that helps guide city service and initiatives needed by detailing challenges and strategies to address those challenges over the course of the next five years. The plan identifies opportunities for strategic focus that will help to drive resource allocation during the budget and capital investment planning process, focus on the work of personnel, and assure that the City's vision to "lead the way as a vibrant, diverse regional community" continues to be reinforced.

This strategic plan was the result of significant community, elected official, staff, and partner input. This year-long plus process included over six months of engagement comprised of a strategic planning council retreat, nine community focus groups, 907 online survey responses, two community town halls, three staff work sessions, one greater Mankato growth meeting, seven vision action labs, three strategic planning committee meetings, and 23 community review survey responses. The result was six goal areas to focus on over the next five years, along with accompanying outcomes and actions. The six goal areas the city will prioritize include Housing, Economy, Community Safety, Community Connection, Sustainable Infrastructure, and Adaptive Organization.

Although the initial plan is complete, there are many "next steps" that will help assure that the strategic plan is realized. As with any plan, the ways to achieve success for any given goal may change throughout the five-year plan. The annual budget and capital investment plan will be influenced by the strategic themes and provide an annual opportunity for the Council to catalyze achievement and set operational goals for the coming year. Key Performance Indicators (KPI's) will be reported on to help track performance towards these goals and staff will be sure to check in with the Council on

an ongoing basis to report on results and next steps.

**Attachments**

Resolution
Strategic Plan

**RESOLUTION ADOPTING THE CITY OF MANKATO 2025-2029 STRATEGIC PLAN**

WHEREAS, the Strategic Plan is a document that represents opportunities and strategic focus for the City of Mankato; and

WHEREAS, the City Council has created a long range Strategic Plan through a process of input from citizens, staff and elected officials; and

WHEREAS, the Strategic Plan was created for use as an aspirational guide for the City's growth, development, engagement, and investment for the next five years; and

WHEREAS, as a result of the input solicited through the extensive engagement process, the City Council and staff have identified six goal areas which will serve to focus our collective energy and align resources over the next five years; and

WHEREAS, the Strategic Plan also proposes outcomes and actions which will be further refined into measurable work plans for determining and assuring successful outcomes; and

WHEREAS, the City Council and staff intend to further reinforce the plan by continuously engaging the community in feedback and dialogue, collaborating with existing and new partners to activate the plan, and provide review opportunities for Council to update and advance the plan; and

WHEREAS, the Strategic Plan supports the Mission and Vision of the City of Mankato.

NOW THEREFORE BE IT RESOLVED by the City Council for the City of Mankato that the attached "City of Mankato Strategic Plan through 2029" is hereby adopted.

This Resolution shall become effective upon passage.

Dated this 28th day of October, 2024.

______________________________

Najwa Massad
Mayor

Attest: ______________________________

Renae Kopischke, MMC
City Clerk

# MANKATO

PLANNING THE WAY FOR THE FUTURE

# City of Mankato
## Strategic Plan 2025-2029

October 2024

# Table of **Contents**

# Strategic Planning

**Why is strategic planning important?**

The purpose of a strategic plan is threefold:

- Focus: Provides a framework with directions, goals, and strategies to accomplish the vision.
- Prioritization: Enables the City of Mankato to prioritize resources to achieve the goals of the community.
- Accountability: Drives regular progress reportsand refining of the goals.

The Strategic Plan serves as the blueprint for enhancing lives in the community. By engaging in a highly collaborative process with input from residents, business community, nonprofit organizations, City staff, religious leaders, and students, this five-year strategic plan includes measurable goals that reflect the needs of the community, while maintaining consideration of resources, capacity, and City Council priorities.

Whether it is increasing accessible housing, fostering economic development, improving infrastructure, or preserving spaces for recreation, this plan provides a clear roadmap. Through ongoing evaluation to adjust as needed, the City is committed to accountability and being responsive to challenges and opportunities to ensure that Mankato is leading the way as a vibrant and diverse regional community.

The City's last strategic plan was developed in 2018. Since then, Mankato has seen significant changes in population, leadership, community development, technology, and diversity. In May 2023, the City of Mankato began the process of reimagining the organization's strategic plan to align the City's existing initiatives, department work, City Council goals, and budget.

# Public Service Philosophy, **Vision, Values, + Goals**

## PUBLIC SERVICE PHILOSOPHY

THE FOUNDATION FOR SERVING MANKATO

Our organization is dedicated to serving Mankato and creating a community where everyone belongs. We care about making a positive difference in the lives of others through responsive and efficient City services. We embrace innovation to address community and organizational challenges. We listen and engage with each other and our community. We are empowered and trusted to make decisions that align with our vision and values and serve the greater good of the Mankato community.

## VISION

OUR DESIRED FUTURE STATE

Leading the way as a vibrant, diverse, regional community.

# VALUES

WHAT GUIDES US

**RESPECT**
We treat others with courtesy and dignity and value their perspectives. We embrace differences, creating a place where you belong.

**INTEGRITY**
We lead by example by being trustworthy, honest, and doing the right thing. Our actions reflect our words.

**POSITIVE ATTITUDE**
We use a positive approach, take initiative, are motivated to perform a good job, take pride in the work we do, and recognize individual and team contributions.

**TEAMWORK**
Together, we collaborate on ideas and share information, resources, and responsibility for the best possible outcomes.

**ACCOUNTABILITY**
We take responsibility for our actions and the completion of our work.

# 2025 - 2029 **GOALS**

1. SUSTAINABLE INFRASTRUCTURE
2. HOUSING
3. COMMUNITY CONNECTION AND LIVABILITY
4. COMMUNITY SAFETY
5. ECONOMY
6. ADAPTIVE ORGANIZATION

# Goal 1:
# Sustainable Infrastructure

| Goal Outcomes | Actions |
|---|---|
| **Well-maintained transportation assets** | 1. Continuous investments in preventative maintenance<br>2. Strategic city investments in neighborhood enhancements<br>3. Better, safer multi-modal opportunities for all users<br>4. Improve connectivity across community |
| **Increase ridership of the transit system** | 5. Improve access by providing more bus stops<br>6. Review frequency of schedules<br>7. Broaden span of service<br>8. Educate the community on how to use the transit system, communicate improvement, and show the value proposition |
| **Mankato's infrastructure investment and community enhancements are solid** | 9. Develop and make strategic investments in a program to create attractive streetscapes<br>10. Continued investment in public art<br>11. Continue to make strategic investments in infrastructure preservation and expansion<br>12. Connect and educate the community on infrastructure resources and programs |

| Goal Outcomes | Actions |
| --- | --- |
| **Clear vision on the city's work to protect the climate** | 13. Develop a climate action plan and prioritize the initiatives<br><br>14. Create education program to help people understand how to support environmental initiatives |
| **Better and safer multi-modal systems for all users to improve connectivity across the community** | 15. Continue to work with MNDOT and partners on I69 + HWY 14<br><br>16. Continue to work with MNDOT and N. Mankato on Veteran's Bridge<br><br>17. Update the Complete Streets Plan<br><br>18. Update Metropolitan Transportation Plan<br><br>19. Develop education and awareness campaigns for driver, pedestrian, bikes, and e-bike safety |

# Goal 2:
# **Housing**

| Goal Outcomes | Actions |
|---|---|
| **Preserve the existing affordable housing stock** | 1. Identify and monitor Naturally Occurring Affordable Housing (NOAH)<br><br>2. Education, awareness, and engagement for property owners on programs and available resources<br><br>3. Address barriers to accessing housing programs and resources<br><br>4. Make strategic City investments in neighborhood enhancements<br><br>5. Code updates, training, and alignment of city resources for improved code enforcement |
| **End homelessness in Mankato** | 6. Create a full-time (year-round 24/7) shelter with support services<br><br>7. Reduce and address barriers to housing and create low barrier housing opportunities<br><br>8. Develop an education and awareness campaign that addresses community perceptions of homelessness<br><br>9. Engage with the homeless population to identify challenges and solutions<br><br>10. Strengthen and continue building street outreach and case conferencing systems<br><br>11. Create a housing trust fund |

| Goal Outcomes | Actions |
| --- | --- |
| **Provide better and safer rental housing options** | 12. Update City code to provide staff with tools for enforcement<br><br>13. Partner and engage with landlords and tenants to provide education on city/county programs<br><br>14. Create funding programs for rental housing rehab |
| **Create diverse types of housing** | 15. Engage and expand partnerships with developers<br><br>16. Create development incentives (monetary and regulatory) to stimulate housing development<br><br>17. Continue to evaluate the Community Land Trust and create the Housing Land Trust<br><br>18. Review and update the development code to reduce barriers to housing development<br><br>19. Facilitate housing opportunities for federally defined affordable housing, seniors, people with disabilities, workforce, and first-time homebuyers<br><br>20. Educate and engage the community on affordable housing types |

# Goal 3:

# Community Connection and Livability

| Goal Outcomes | Actions |
|---|---|
| **A community where all people are connected, heard, and informed** | 1. Conduct education and awareness campaigns on City services<br><br>2. Meet the community where they're at in active and intentional engagement around City services<br><br>3. Develop and implement a toolkit for staff to improve community engagement<br><br>4. Continue to use and evaluate new engagement platforms |
| **Access to safe, well-maintained park and recreation assets for all** | 5. Develop an updated park and recreation system plan that inventories assets and conditions and identifies investments and policies based on community input, needs, and trends<br><br>6. Leverage partnerships to facilitate access to parks and recreation programs, services, and facilities<br><br>7. Conduct education and engagement campaign to build awareness of existing park and recreation amenities and opportunities |

| Goal Outcomes | Actions |
|---|---|
| **Comprehensive parks and recreation services for all** | 8. Create a Parks and Recreation department<br><br>9. Leverage partnerships to support services and facilities identified through the Parks and Open Spaces Operations and Capital Projects plan<br><br>10. Develop an education plan and engage internal/external stakeholders on the services and programs we want to create<br><br>11. Create a Parks and Recreation Commission |

# Goal 4:
# Community Safety

| Goal Outcomes | Actions |
|---|---|
| **Decrease fire injury, death, and property loss** | 1. Increase staffing 24/7 at both stations to improve response times and prevention efforts<br><br>2. Evaluate and improve commercial and rental property inspection process |
| **Increase community safety and security using data and community engagement** | 3. Continue to foster and grow neighborhood relationships and engagement opportunities<br><br>4. Data-driven engagement and community outreach to address violent crime<br><br>5. Evidence based enforcement and investigation of violent crime and gun violence |
| **Reduce crashes and injuries** | 6. More targeted enforcement based on crash data<br><br>7. Continual engagement to inform data-based traffic safety improvements and necessary educational outreach<br><br>8. Review and prioritize infrastructure and design improvements for high crash areas |

# Goal 5:
# **Economy**

| Goal Outcomes | Actions |
|---|---|
| **Mankato's business community is thriving and can grow** | 1. Continue to streamline the development process<br><br>2. Connect and educate the community on available business resources and programs<br><br>3. Analyze available land for business development and redevelopment opportunities |
| **Shared goals with community partners to advance economic development for Mankato** | 4. Align partnerships around the City's goals for economic development<br><br>5. Engage and support the City's partners addressing: childcare availability and affordability, small business support, workforce development, and retention and growth of existing businesses<br><br>6. Connect and educate the community on partnerships, resources, and programs for economic development |

# Goal 6:

# Adaptive Organization

| Goal Outcomes | Actions |
|---|---|
| **Mankato staff are supported in serving the community with opportunities for training and career development** | 1. Provide more training opportunities and address barriers to participation in training for all staff<br><br>2. Develop a leadership training program that provides ongoing opportunities throughout the year<br><br>3. Develop a Mankato mentorship program<br><br>4. Develop a cross-training program that will support sustainability and process continuity in the organization<br><br>5. Leverage regional partnerships to provide training opportunities for staff |
| **Employees are recognized, appreciated, and retained** | 6. Provide organizational team building experiences and opportunities to connect<br><br>7. Develop an employee recognition program that structures time to pause, celebrate, and recognize individual employee and team contributions throughout the year<br><br>8. Update employee orientation practices to provide employee connection opportunities |
| **Mankato has a culture that supports a diverse workforce** | 9. Evaluate, update, and communicate Mankato's comprehensive benefit package<br><br>10. Educate and engage employees on Mankato's culture and the resources offered to employees |

| Goal Outcomes | Actions |
|---|---|
| **Continuous innovation of city processes to deliver efficient and effective city services** | 11. Conduct regular and routine review of city processes and be flexible and willing to try new methods of business<br><br>12. Allocate resources dedicated to process improvement<br><br>13. Invest in and leverage technology to support improved city processes |

# Strategic Plan **Process**

### Strategic Planning Goals

The strategic planning effort began in May 2023 and set out to achieve the following goals:

- Develop an updated strategic plan to guide the City of Mankato over the next five years.
- Conduct intentional and inclusive engagement of all diverse segments of the Mankato community.
- Design a process and plan that identifies and/or confirms Mankato's mission, vision, values, goals, and strategic initiatives.
- Engage the organization in the development of the plan, strengthening alignment and connection to the plan and reinforcing a culture of strategic management.

### Strategic Planning Process

The development of the strategic plan was organized into four phases:

1. Community Profile
2. Outreach + Engagement
3. Strategic Plan Development
4. Strategic Plan Implementation

<u>Community Profile</u>

In preparation for a successful process, research was conducted to develop a community profile of Mankato. This is a current snapshot of the community and the organization, exploring trends and factors such as population growth demographics, housing, local economy, education, recreation and governing structure. The profile provides a broad understanding of the current state and valuable insights into ways the community has grown and evolved over the years. Results give a sense of where Mankato is going in the next five years by understanding where the community is now and has been.

<u>Outreach + Engagement</u>

The City of Mankato was very intententional in engagement with diverse stakeholder groups in the community and with staff in the development of the strategic plan. The process provided an opportunity to check in with stakeholders throughout the process to ensure the information gathered in the outreach reflected all needs and perspectives in Mankato.

The strategic planning process included a strategic planning workshop in October 2023 with City Council and department directors to begin aligning around a shared vision, clear mission, and actionable, measurable goals. In preparation for the workshop, the consultant team conducted one-on-one interviews with Council and staff to gather input on the strategic planning process and potential goal focus areas. The workshop provided the opportunity to get acquainted with the strategic planning process, explore the background and current context to inform the strategic plan, clarify roles and expectations of the team to forge a partnership to achieve the vision and goals, and gather final input for the communications and engagement strategy.

To support inclusive engagement of the diverse experiences and perspectives in the strategic planning process, the project team assembled the Strategic Planning Committee (SPC) comprised of 23 representatives from across Mankato, including the local businesses, public schools, higher education institutions, recreation, housing, transportation, medical, environmental sustainability, and the City of Mankato. Throughout the strategic planning process, the Strategic Planning Committee met three times to provide perspective, guidance, and feedback on the process. Specifically, the SPC informed the communication and engagement strategy and methods to ensure broad participation from community members. Additionally, the SPC provided feedback and guidance on the development of the mission, vision, values, and goal focus areas.

Over the course of the strategic planning process, the project team conducted inclusive engagement with the community and organization to gather input from the public and employees to develop the mission, vision, values, goals, and supporting strategies to achieve the goals. The engagement tools included one-on-one interviews, an online survey, fourteen community engagement sessions, and seven action labs.

| | |
|---|---|
| **900+** | **Survey Responses** |
| **9** | **Focus Groups** |
| **3** | **Town Halls** |
| **7** | **Action Labs** |
| **2** | **City Council + Leadership Team Workshops** |
| **3** | **Leadership Team Meetings** |

**Strategic Plan Development**

Between January-March 2024, 907 community members and City staff shared their perspectives, experiences, and ideas for the future of Mankato through the online survey. The project team reviewed and categorized thousands of comments and ideas to search for common themes and priorities for the community and organization, such as what people love most about Mankato, what should be preserved into the future, where the City should focus efforts and resources over the next five years, and how to support a resilient and high-performing organization.

In early April 2024, Mankato hosted six strategic planning town hall and engagement workshops with City staff, community members, and regional chamber of commerce and economic development organization Greater Mankato Growth. The events engaged about 500 City employees and community members to explore in more detail the themes that emerged from the community survey. Following the engagement sessions, the project team developed the draft strategic plan framework, including the vision and values, as well as clear strategic plan goal outcomes and supporting actions to advance the strategic plan goals.

The results of the strategic plan engagement was presented to City Council and they discussed the draft vision, values, and goal focus areas. Following the work session, the project team refined the Strategic Plan framework and prepared for a series of action planning labs with City staff.

In May 2024, the project team hosted seven action planning labs with hundreds of employees from all City departments. The action labs serve as a collaborative environment for the team to develop the outcomes for each goal focus area and identify specific and actionable strategies to achieve those outcomes. Employees worked with the project team to review hundreds of ideas and suggestions gathered throughout the community outreach process. Following the action labs, the project team reviewed the results of the action labs with the leadership team to discuss the implementation and alignment of the proposed strategies with the City's existing initiatives, master plans, and other guiding documents. The project team incorporated additional refinements, resulting in 78 actions for the six goal focus areas.

The final Strategic Plan represents the inclusion of hundreds of individuals within the organization and community coming together to develop a comprehensive, forward-thinking shared vision and road map for the City of Mankato over the next five years.

# Strategic Plan **Implementation**

Following the Council's adoption of the strategic plan, Mankato City staff will use input and direction from the Council to prioritize the actions for implementation based on staff capacity and available resources. Staff will identify leads for each action. These leads will be responsible for the following:

- Overseeing the implementation of the action
- Developing a project charter (will identify the project team, stakeholders, timeline, key performance indicators, etc.)
- Identifying resources for implementation
- Engaging and updating the Council, Boards/Commissions, Organization, and the Community as needed
- Reporting progress, challenges, and opportunities to consider during implementation
- Recommending updates to the action if needed

Once the action leads have been assigned and the work has been prioritized, the actions prioritized for implementation will be considered in the budget development process. This will help in identifying resources for the action implementation if needed.

At the end of the first year of implementation, an annual progress report will be prepared for the strategic plan. The progress report will document progress, challenges, opportunities, and potential updates to the actions as needed. This report will serve as a communication tool back to the Council, organization and the community to maintain accountability in implementing the vision and goals.

# STRATEGIC PLAN ROAD MAP


**1st Quarter**
- Strategic Plan Progress Report
- City Council Retreat + Strategic Planning Workshop

**2nd Quarter**
- Strategic Plan Updates
- Staff Develops Operational Budget

**3rd Quarter**
- Review Proposed Operational Budget
- Strategic Plan Prioritization for Upcoming Year

This road map shows how the Strategic Plan is developed and updated on an annual basis. It also highlights how the plan development and updates align with Mankato's budget process to ensure alignment of resources to achieve the goals. The process repeats with the destination being continuous community and organizational improvement.

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# Strategic **Management**

This plan is intended to foster a culture of strategic management and guide the organization in developing a more efficient, effective, and transparent system of providing public services. The process below describes the recommended system for implementing the plan and making regular annual updates to it to ensure it remains relevant in meeting current community and organizational needs.

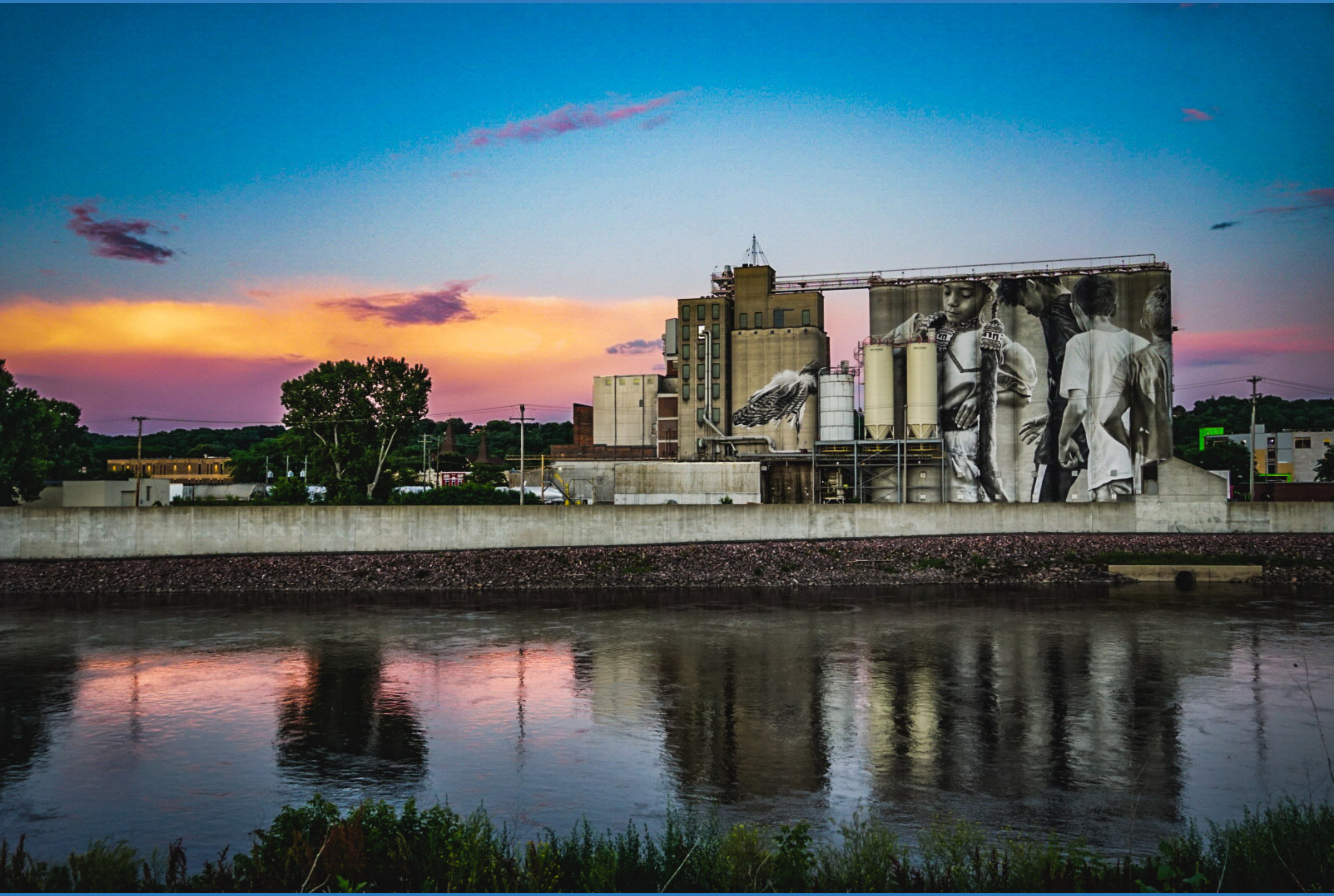
Regular engagement from the community, the Council, and the organization are essential to fostering a system that is responsive and accountable. The graphic below illustrates what the annual process will look like going forward to maintain alignment between the strategic plan, the budget, and the departments' work plans. It also highlights where the engagement will take place, so the community, elected officials, and staff understand when and how to participate and get involved in this process.

It is recommended the strategic plan undergo a complete update every five years to conduct more comprehensive engagement, review the vision and values, and examine the broader community context. These major updates will ensure the five-year vision continues to serve as a North Star in guiding the community and organization. These community engagement efforts also help to foster strong relationships with Mankato's community and its partners and build support for implementing the goals.

# Acknowledgments

The City Council and Strategic Planning Team are grateful to the hundreds of community members and City employees who participated in the strategic planning process to share their perspectives, experiences, and ideas. Whether it was organizing and hosting numerous strategic plan events, completing the community survey, presenting at a local community group, or conducting an interview, the project team aimed to reach as many voices as possible in the process, and the resulting goals and strategies reflect this engagement.

The Strategic Planning team, in partnership with the consulting team, led the engagement efforts and created accessible opportunities to develop the plan. The members of these teams are acknowledged below.



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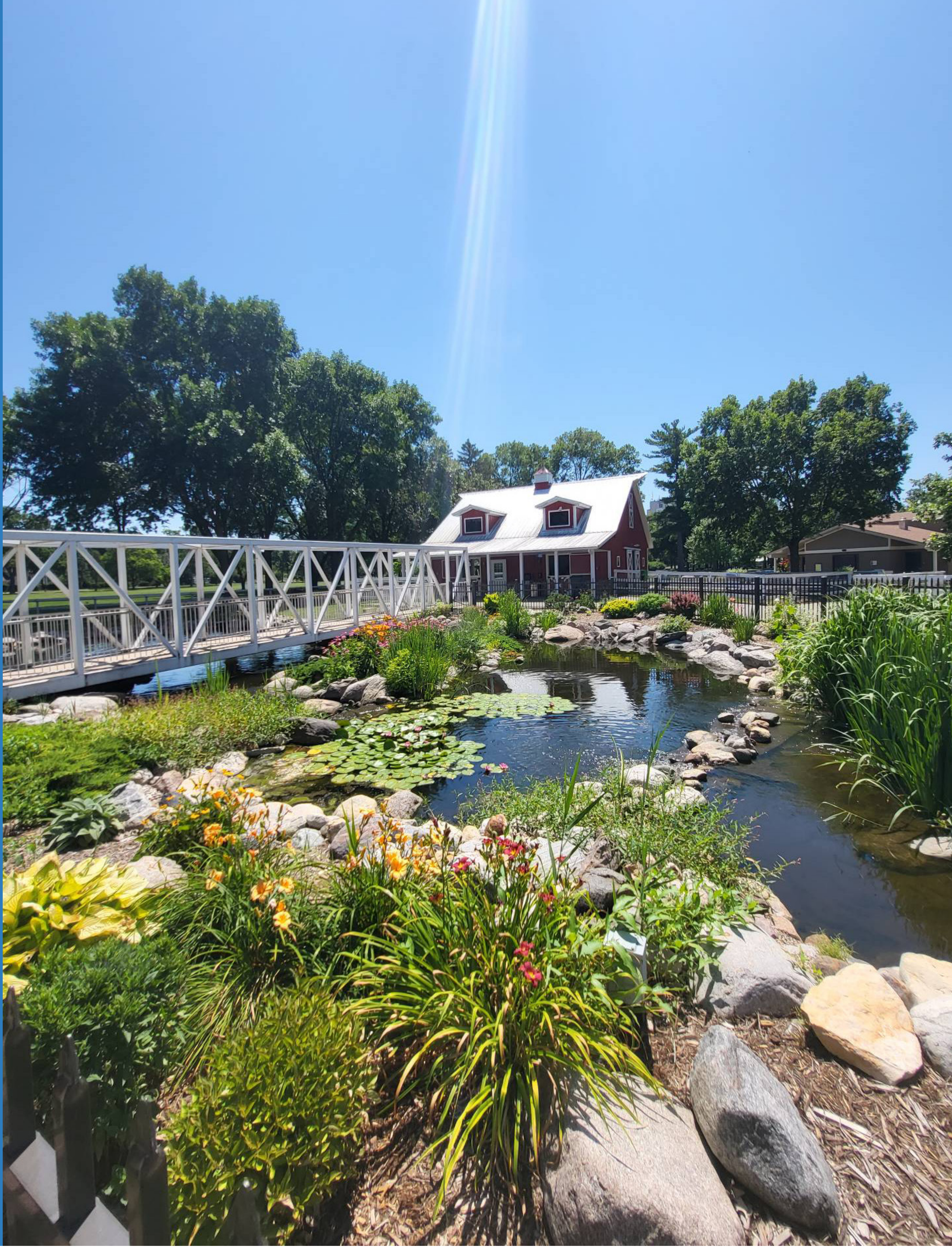

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