

**City of Ramsey  
Agenda  
City Council Work Session  
Tuesday, July 14, 2026**

**5:30 pm  
Lake Itasca Room, 7550 Sunwood Drive NW**

Remote Attendance available at [www.cityoframsey.com/meetings](http://www.cityoframsey.com/meetings).  
Those joining remotely and requesting to speak are asked to use a webcam when speaking.

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Preliminary 2027 General Fund Budget/Levy Discussion
  2. Consider Use of LAHA Funds for Elevate Hope House (EHH) for Mixed-use Housing Project
  3. Wage Theft & Project Labor Requirements
  4. Waterfront Park
  5. Discussion Regarding the Annual Performance Review of the City Administrator, an Individual Who is Subject to the City Council's Authority - May be Closed to the Public
- 3. Topics for Future Discussion**
  1. Review Future Topics/Calendar
- 4. Mayor/Council/Staff Input**
- 5. Adjournment\***

**\*Note: the City Council may motion to recess this Work Session meeting and reconvene after the regular City Council meeting if items on the agenda are not completed.**

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:** Identify and implement operational efficiencies, cost savings and additional funding sources.**Information****Title:**

Preliminary 2027 General Fund Budget/Levy Discussion

**Purpose/Background:**

Start of the 2027 budget process.

Staff would like to present the capital and personnel requests. Please note that this is an all-in at this time to give staff the opportunity to present their requests to City Council.

Staff would like to review possible funding scenarios - internal funding and get council input on the use of said funds and viable tax levy increases.

**Time Frame/Observations/Alternatives:**

60 minutes

**Recommendation:**

First discussion of the 2027 budget/levy

**Outcome/Action:**

First discussion of the 2027 budget/levy

**Attachments**

2027 Personnel Requests

2027 Capital Requests

Budget Request Summary

2027 Budget Non-Discretionary Items

**Form Review****Inbox**

Brian Hagen

**Reviewed By**

Brian Hagen

**Date**

07/09/2026 01:03 PM

Form Started By: Diana Lund

Started On: 07/09/2026 12:37 PM

Final Approval Date: 07/09/2026





## **Position Title: Building Inspector II**

**Justification:** The reclassification is being created to acknowledge the increased expertise and responsibilities of a current employee. Retention of inspectors is relatively low, as there is a lot of movement of inspectors between the metro cities. Majority of the moves are because of pay and professional growth opportunities. This is an opportunity to create a position that promotes professional growth within the city with employee retention in mind.

Building Inspector II positions are relatively common in the metro area. Some cities in close proximity include Elk River, Rogers, and Brooklyn Park.

**Description:** Assists Building Official with reviews and inspections for both commercial and residential buildings. In the absence of the Building Official, this position is responsible for making code interpretations and determinations in accordance with applicable codes. Position must have Building Official Certification from the State of MN, certification as a Subsurface Sewage Treatment Inspection by the MPCA, requires a minimum of 3 – 5 years of experience and possess the ability to teach, train and provide work direction to the Building Inspectors/Plans Examiners.

## **Position Title: Civil Engineer I**

**Justification:** Logan is currently an Engineer-In-Training after previously passing the Fundamentals of Engineering (FE) Exam. This means Logan must be supervised by a Minnesota-licensed Professional Engineer while preparing construction documents such as permits, plans, and specifications. Logan is preparing to take the Professional Engineers examination (PE exam) in late June of 2026. Upon successfully passing the PE exam, Logan will become a licensed Professional Engineer allowing him to sign construction plans, specifications and documents on behalf of the city.

**Description:** As a licensed PE, Logan can independently prepare and sign all construction plans, specifications and documents on behalf of the City of Ramsey.

## **Position Title: GIS Technician II**

**Justification:** The city's current Geographic Information System (GIS) system contains only basic information, and the data within it is maintained by staff across multiple departments, and supplemented by 100 Logis Staff hours as part of the Logis offering to which the City subscribes. The funding required in 2027 for the current Logis software and support will be \$63,000. The time spent by staff, who often lack the time or specialized expertise needed to build and sustain the robust layers required for a fully functional GIS, as well as Logis, has barely met the City's minimum needs. Data is slow to be entered or updated, if it ever gets entered at all. Even with staff manually entering and updating fundamental data as they are able, it's not enough to catch up with these basic needs, let alone improve or add onto them.

Staff in several departments are diverted from higher-value tasks (their areas of expertise), including:

- **Police** – crime analysis and mapping
- **Engineering and Public Works** – pavement management, street construction, street signage, snowplow routing, stormwater management, and utilities
- **Planning** – mapping Emerald Ash Borer impacts, boulevard tree inventories, and related environmental data

**Description:** The GIS Technician II will be responsible for developing, operating, and maintaining the city's GIS system. This role will gather existing information, build and maintain data layers, and organize all city data within a centralized platform. By doing so, the GIS Technician II will ensure that accurate, up-to-date information is readily available to all departments for daily operations and long-term planning.

**History:** As the city has grown, staff have focused on building infrastructure and adding personnel to support that growth. Developing a fully functional GIS system was not a priority during that period. However, modern GIS platforms are complex tools that capture, store, and analyze large volumes of spatial information—capabilities that require dedicated expertise to build and maintain.

## **Position Title: Streets Maintenance Worker**

**Justification:** Requesting an additional Streets Maintenance Worker to keep up with the City's growing population and demands to maintain the FTE per resident to 1,445. With the newly adopted Stormwater Maintenance Policy, the need for another employee will be warranted to keep up with the additional workload. In 2025, the Streets Department spent 3,191.50 total hours working on stormwater maintenance and is expected to increase as we continue the adoption process.

**Description:** One New Streets Maintenance Worker



### **Position Title: Building Maintenance Seasonal Worker**

**Justification:** Building Maintenance workers require assistance with general groundskeeping duties at city hall, the parking ramp, and cemeteries from mid-May through mid-September to allow building maintenance duties to be completed in a timely manner.

**Description:** Assist with groundskeeping duties at city hall, the parking ramp, and cemeteries from mid-May through mid-September.

### **Position Title: Happy Days & Special Events Recreation Intern**

**Justification:** This position was originally requested in 2026 and denied; however, the operational need for it has increased significantly. The Parks and Recreation Department is requesting this temporary intern to support programming, events, and administrative work during the department's busiest season and due to turnover. The role is essential to alleviating workload pressures and limiting overtime costs.

Plans are currently underway for a reorganization within Public Works due to the anticipated departure of the longtime Parks and Assistant Public Works Director in February 2027. As part of this transition, the staffing hours for the Annual Happy Days festival, as well as other recreational events during the high-demand summer season will be critically low or staffed with a new employee unfamiliar with the role at the exact time when event preparation and community programming require the most support. The temporary position will ensure adequate coverage for Happy Days and maintain continuity of service during this transitional period.

**Description:** The Happy Days & Recreational Events Intern supports staff with seasonal programs, special events, and daily department operations. Core duties include helping plan, prepare, and facilitate recreation programs, along with hands-on event support such as setup, staffing, and teardown.

For Happy Days specifically, the role requires extensive advance planning, day-of execution, and post-event follow-up. Responsibilities include assisting with soliciting sponsorships, creating content and maps, managing advertising, tracking sponsor funds, securing contracts, coordinating vendors, gathering supplies, overseeing event setup and takedown, managing budgets, purchasing prizes, recruiting volunteers, creating schedules, leading staff check-ins, obtaining permits, designing shirts and promotional materials, ordering staff meals, judging assigned events, coordinating the parade lineup and fireworks show, updating traffic signage, collecting vendor logos, and working throughout the week leading up to and including the festival day.

| ITEM                            | COST |                                                                                                                                    | ESTIMATED  | USEFUL | TOTAL OF   | JUSTIFICATION                                          |                                                                                                                                                                                 |                                                                                                                                                 | OTHER             | OTHER           |      | Net 2027            |
|---------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------|------------|--------|------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|------|---------------------|
| #                               | CNTR | DESCRIPTION                                                                                                                        | PRICE      | LIFE   | PURCH PRC  | From Respective Department<br>For Purchase/Replacement | NOTES                                                                                                                                                                           |                                                                                                                                                 | FUND<br>AVAILABLE | FUND<br>SOURCE  | Fund | FUNDING<br>REQUIRED |
| 2027 CAPITAL OUTLAY             |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| Data Processing #192            |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6585                            | 192  | Replace Engineering Plotter                                                                                                        | \$ 15,000  | 10     | \$ 15,000  |                                                        | Last replaced in 2013                                                                                                                                                           |                                                                                                                                                 |                   |                 |      | \$ 15,000           |
| 6585                            | 192  | Replace 41 laptops (34 Police/ 7 Fire)                                                                                             | \$ 133,970 | 7      | \$ 133,970 |                                                        | Current laptops are 8 years old.<br>Screen damage & slow                                                                                                                        | Toughbook for all officers, cso's, one reserve & 7 fire vehicles                                                                                | \$ 2,500          | resale          |      | \$ 131,470          |
| Total Data Processing #192      |      |                                                                                                                                    | \$ 148,970 |        | \$ 148,970 |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ 2,500          |                 |      | \$ 146,470          |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| POLICE PROTECTION #211          |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6550                            | 211  | Replace 2023 Dodge Charger with 2027 Ford F-150                                                                                    | \$ 50,000  | 5      | \$ 50,000  |                                                        | Maintain vehicle rotation schedule                                                                                                                                              | Replace 2023 Squad #330 Dodge Charger. Purchase Price: \$35,629 Nov 2023                                                                        |                   |                 |      | \$ 50,000           |
| 6550                            | 211  | Replace 2021 Ford Explorer with 2027 Ford Explorer                                                                                 | \$ 50,000  | 5      | \$ 50,000  |                                                        | Maintain vehicle rotation schedule                                                                                                                                              | Replace 2021 - #312 Ford Explorer Purchase Price: \$39,088 Sept 2021                                                                            |                   |                 |      | \$ 50,000           |
| 6550                            | 211  | Replace 2021 Ford Explorer with 2027 Ford Explorer                                                                                 | \$ 50,000  | 5      | \$ 50,000  |                                                        | Maintain vehicle rotation schedule                                                                                                                                              | Replace 2021 - #313 Ford Explorer Purchase Price: \$38,794 July 2021                                                                            |                   |                 |      | \$ 50,000           |
| 6580                            | 211  | NEW 6 additional License Plate Reading fixed-mounted cameras \$3k each)                                                            | \$ 18,000  | 8      | \$ 18,000  |                                                        | Add to the existing 6 LPR cameras for better coverage and investigations.                                                                                                       |                                                                                                                                                 |                   |                 |      | \$ 18,000           |
| Total Police Protection #211    |      |                                                                                                                                    | \$ 168,000 |        | \$ 168,000 |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ -              |                 |      | \$ 168,000          |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| FIRE #220                       |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6550                            | 220  | Replace 2019 Chev Tahoe With 2027 Ford F350 (Asst Fire Chief of Ops)                                                               | \$ 55,000  | 7      | \$ 55,000  |                                                        | Primary emergency vehicle during workday hours and one of three fire response vehicles that serve the city. Also equipped to function as a mobile command post.                 | Replace 2019 - 571 Chev Tahoe. Purchased May 2019: \$36,059 (Vehicle) \$44,634 (with Set up)                                                    | \$ 10,000         | Resale          |      | \$ 45,000           |
| 6550                            | 220  | Replace 2020 Chevy Tahoe with 2027 Ford F150 (Fire Chief Vehicle)                                                                  | \$ 50,000  | 7      | \$ 50,000  |                                                        | Primary emergency vehicle during workday hours and one of three fire response vehicles that serve the city. Also equipped to function as a mobile command post.                 | Replace 2020 - 573 Chev Tahoe. Purchase Price: \$37,121 Feb 2020                                                                                | \$ 8,000          | Resale          |      | \$ 42,000           |
| 6550                            | 220  | Replace 2020 Chevy Tahoe with 2027 Ford F350 (Fire Prevention Vehicle)                                                             | \$ 50,000  | 7      | \$ 50,000  |                                                        | Primary emergency vehicle during workday hours and one of three fire response vehicles that serve the city. Also equipped to function as a mobile command post.                 | Replace 2020 - 572 Chev Tahoe. Purchase Price: \$40,000 Jan 2020                                                                                | \$ 8,000          | Resale          |      | \$ 42,000           |
| 6540                            | 220  | Replace 2008 Rosenbauer Fire Engine with 2026 model (Received 2027) - This is the 3rd year of 3-year funding. Total Cost is \$1.2M | \$ 600,000 | 15     | \$ 600,000 |                                                        | Engine is one of two engines serves city. Approved with 2025 budget                                                                                                             | Replace 2008 - 565 Rosenbauer Fire Engine, est resale value & early payment discount \$150,000. Purchased June 2008: \$374,116                  | \$ 150,000        | Resale/Discount |      | \$ 450,000          |
| Total Fire #220                 |      |                                                                                                                                    | \$ 755,000 |        | \$ 755,000 |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ 176,000        |                 |      | \$ 579,000          |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| Building Inspections #240       |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6550                            | 240  | New 2027 Chevy Equinox                                                                                                             | \$ 36,000  | 10     | \$ 36,000  |                                                        | Provide a newer reliable inspection vehicle.                                                                                                                                    | For building official.                                                                                                                          |                   |                 |      | \$ 36,000           |
| Total Building Inspections #240 |      |                                                                                                                                    | \$ 36,000  |        | \$ 36,000  |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ -              |                 |      | \$ 36,000           |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| CIVIL DEFENSE #250              |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6580                            | 250  | Replace 2 emergency sirens                                                                                                         | \$ 35,000  | 15     | \$ 35,000  |                                                        | Replacing 17 sirens installed between 2003 and 2008. 2 every year                                                                                                               | Last year of siren replacement is slated for 2029                                                                                               | \$ -              |                 |      | \$ 35,000           |
| Total Civil Defense #250        |      |                                                                                                                                    | \$ 35,000  |        | \$ 35,000  |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ -              |                 |      | \$ 35,000           |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| ENGINEERING #301                |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6550                            | 301  | New 2027 GMC 2500                                                                                                                  | \$ 55,000  | 10     | \$ 55,000  |                                                        | To be used by inspection staff.                                                                                                                                                 | Engineering plans to keep Vehicle #411 which is a 2015 GMC Sierra that was up for replacement. (To be used as shared engineering staff vehicle) |                   |                 |      | \$ 55,000           |
| Total Engineering #301          |      |                                                                                                                                    | \$ 55,000  |        | \$ 55,000  |                                                        |                                                                                                                                                                                 |                                                                                                                                                 | \$ -              |                 |      | \$ 55,000           |
|                                 |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| PUBLIC WORKS #311               |      |                                                                                                                                    |            |        |            |                                                        |                                                                                                                                                                                 |                                                                                                                                                 |                   |                 |      |                     |
| 6550                            | 311  | New 2027 Ford F550 Hook Truck                                                                                                      | \$ 200,000 | 10     | \$ 200,000 |                                                        | Hook-lift system capable of interchanging multiple bodies. Would give versatility and capabilities to quickly change multif-function bodies while efficiently reducing downtime | With the addition of a street maintenance worker in 2027                                                                                        |                   |                 |      | \$ 200,000          |

|                              |     |                                                                                                |              |    |              |                                                                                                                                                                                                                                                         |                                                                                         |  |            |          |              |
|------------------------------|-----|------------------------------------------------------------------------------------------------|--------------|----|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|------------|----------|--------------|
| 6580                         | 311 | New Second Fuel Island at Public works Facility                                                | \$ 184,000   | 20 | \$ 184,000   | All departments fuel city vehicles at PW instead of purchasing fuel at retail pumps. Due to volume of fuel pumped, PW staff order bulk fuel deliveries every 3-5 business days. After snow plow events plow trucks can wait up to 15 minutes to fuel up |                                                                                         |  |            |          | \$ 184,000   |
| 6580                         | 311 | New Mobile Vehicle Lift for Mechanics Bay                                                      | \$ 63,000    | 25 | \$ 63,000    | Mobile lift provides flexibility and functionality by giving staff ability to service broken down vehicles in the main shop. A permanent lift creates the risk of damaging in-floor heating components                                                  |                                                                                         |  |            |          | \$ 63,000    |
| 6540                         | 311 | Replace 2004 Snogo Blower with Larue D40 Series Snow Blower attachment                         | \$ 250,000   | 20 | \$ 250,000   | Attaches to front-end loader. Loads trucks to eliminate tall snowbanks for greater visibility. Fleet capital points of 35. 28 points and above Condition IV suggests that the Vehicle Needs Immediate Consideration for Replacement                     | Replace 2004 - #647 Snogo. Purchased June 2004: \$69,901                                |  | \$ 15,000  | Trade In | \$ 235,000   |
| 6580                         | 311 | Replace 2017 Kubota UTV with Kubota UTV 4X4                                                    | \$ 32,000    | 10 | \$ 32,000    | Considering replacing this machine at this time could avoid costly repairs that could happen once it hits 10 year mark. Vehicle is at 18 points. At 18-22 points vehicle is condition II which suggests that the vehicle is in "Good" condition         | Replace 2017 - #696 Kubota UTV Purchase Price: \$13,432 Feb 2018 NOTE: Not 10 years old |  | \$ 7,000   | Trade In | \$ 25,000    |
| 6540                         | 311 | Replace 2015 Kubota Tractor with Kubota M6-111 Tractor                                         | \$ 132,000   | 10 | \$ 132,000   | Vital Year-round piece of equipment: Snow removal & ditch/lot/storm pond mowing in the summer. Replacement Guidelines: 40 points. Vehicle needs Immediate Consideration for Replacement                                                                 | Replace 2015 - #686 Kubota Tractor. Purchased September 2014: \$40,873                  |  | \$ 20,000  | Trade In | \$ 112,000   |
| 6550                         | 311 | Replace 2016 Ford One-Ton with Dump & Plow Equipment with Ford Crew Cab F 550 with Dump & plow | \$ 114,000   | 10 | \$ 114,000   | Using Replacement Guidelines: 28 points. 28 points and above Condition IV suggests that the Vehicle Needs Immediate Consideration for Replacement                                                                                                       | Replace 2016 #692 Ford one-ton with Dump & Plow . Purchased April 2016 \$64,480         |  | \$ 15,000  | Resale   | \$ 99,000    |
| 6540                         | 311 | NEW 2007 Tandem Axle Plow Truck                                                                | 380,000      | 15 | 380,000      | Losing places to put snow in down-town area as well as highway 10 frontage roads. Using replacement guidelines: 38.5 points. 28 points and above Condition IV suggests that the Vehicle Needs Immediate Consideration for Replacement                   | Replace 2007 #662 Sterling Dump No Trade in or resale noted. Proposed to Keep in fleet? |  |            |          | \$ 380,000   |
| Total Public Works #311      |     |                                                                                                | \$ 1,355,000 |    | \$ 1,355,000 |                                                                                                                                                                                                                                                         |                                                                                         |  | \$ 57,000  |          | \$ 1,298,000 |
| PARK & RECREATION #452       |     |                                                                                                |              |    |              |                                                                                                                                                                                                                                                         |                                                                                         |  |            |          |              |
| 6580                         | 452 | Replace 2017 Kubota UTV with Kubota UTV 4X4                                                    | \$ 32,000    | 10 | \$ 32,000    | Used by the parks department for athletic field maintenance and has reached a typical life span of 10 years, See Kubota UTV notes above.                                                                                                                | Replace 2017 - #695 Kubota UTV Purchase Price: \$16,022 Feb 2018 NOTE: Not 10 years old |  | \$ 7,000   | Trade In | \$ 25,000    |
| 6580                         | 452 | Replace 2014 Exmark Mower with Bagger With Exmark Mower                                        | \$ 20,900    | 15 | \$ 20,900    | Using Replacement Guidelines: 32 points. 28 points and above Condition IV suggests that the Vehicle Needs Immediate Consideration for Replacement                                                                                                       | Replace 2014 #683 Exmark Mower Purchase Price : \$14,237 May 2014                       |  | \$ 3,200   | Trade in | \$ 17,700    |
| 6580                         | 452 | NEW 8 Pan Tilt Zoom fixed-mounted security cameras for in City Parks \$3k each)                | \$ 24,000    | 8  | \$ 24,000    | Install cameras in large parks to assist in incidents of property damage or other person crimes.                                                                                                                                                        |                                                                                         |  |            |          | \$ 24,000    |
| Total Park & Recreation #452 |     |                                                                                                | \$ 76,900    |    | \$ 76,900    |                                                                                                                                                                                                                                                         |                                                                                         |  | \$ 10,200  |          | \$ 66,700    |
| TOTAL GENERAL FUND - 2027    |     |                                                                                                | \$ 2,629,870 |    | \$ 2,629,870 |                                                                                                                                                                                                                                                         |                                                                                         |  | \$ 245,700 |          | \$ 2,384,170 |

|                                                                                                                                                                |            |                                           |           |    |           |                                                                                                                                                                                                |                                                                                                                                                                                                |  |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------|-----------|----|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|----------|-----------|
| <div>Total General Fund Funding:<div><div>Fleet\$50,000</div><div>Cap Equip\$585,000</div><div>COR/HRA\$1,749,170</div><div>Total\$2,384,170</div></div></div> |            |                                           |           |    |           |                                                                                                                                                                                                |                                                                                                                                                                                                |  |          |          |           |
| ENTERPRISE FUNDED                                                                                                                                              |            |                                           |           |    |           |                                                                                                                                                                                                |                                                                                                                                                                                                |  |          |          |           |
| 1740                                                                                                                                                           | 9605-Storm | Replace 2018 Elgin Pelican Street Sweeper | \$330,000 | 10 | \$330,000 | Using Replacement Guidelines: 35 points. 28 points and above Condition IV suggests that the Vehicle Needs Immediate Consideration for Replacement which as exceeded this rating substantially. | Replace 2018 #694 Elgin Pelican Street Sweeper. Purchase Price: \$205,743 March 2018 Note: Not yet 10 years old was included in 2028 CIP last year. Street Sweeper # 685 was purchased in 2025 |  | \$25,000 | Trade in | \$305,000 |
| TOTAL ENTERPRISE FUNDS - 2027                                                                                                                                  |            |                                           | \$330,000 |    | \$330,000 | .                                                                                                                                                                                              |                                                                                                                                                                                                |  | \$25,000 |          | \$305,000 |

2026 Adopted General Fund Levy      \$ 18,248,749  
2026 Adopted TOTAL Levy            \$ 23,338,916  
(6.32% over 2025 adopted)

| TOTAL Levy Increase Scenarios |                        |           |
|-------------------------------|------------------------|-----------|
|                               | Additional Levy Amount |           |
| 5%                            | \$                     | 1,166,946 |
| 6%                            | \$                     | 1,400,335 |
| 6.5%                          | \$                     | 1,517,030 |
| 7%                            | \$                     | 1,633,724 |
| 8%                            | \$                     | 1,867,113 |
| 9%                            | \$                     | 2,100,502 |
| 10%                           | \$                     | 2,333,892 |

| 2027 BUDGET REQUESTS:                                                          |             |                                                                             |                   |
|--------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------|-------------------|
| Items /Large \$ increases over 2026 adopted                                    |             |                                                                             |                   |
| (All <b>new</b> personnel & capital requests noted in <b>red</b> )             |             |                                                                             |                   |
| (All <b>new</b> capital requests noted in <b>green</b> )                       |             |                                                                             |                   |
| (All <b>replacement</b> capital requests noted in <b>blue</b> )                |             |                                                                             |                   |
|                                                                                | Line Item # |                                                                             | Amount            |
| Admin-130                                                                      | 6315        | HRIS Software                                                               | \$ 13,903         |
| Legal-161                                                                      | 6304        | Increase in Legal Costs                                                     | \$ 48,700         |
| Planning-191                                                                   | 6315        | Comp Plan                                                                   | \$ 90,000         |
| Data Processing-192                                                            | 6405        | LOGIS Apps-Accela (was budgeted 2025-PIMS)                                  | \$ 20,854         |
| Data Processing-192                                                            | 6405        | Licensing                                                                   | \$ 8,400          |
| Data Processing-192                                                            | 6315        | Website Redesign                                                            | \$ 35,000         |
| Data Processing-192                                                            | 6405        | LOGIS Network Services added (Naaas)                                        | \$ 42,854         |
| Data Processing-192                                                            | 6405        | Website annual fee increase                                                 | \$ 22,048         |
| Data Processing-192                                                            | 6405        | Office 365- Implementation-\$20,000/\$50,000 Licensing                      | \$ 70,000         |
| Data Processing-192                                                            | 6405        | ADA Remediation Software                                                    | \$ 14,100         |
| Data Processing-192                                                            | 6405        | New AutoDesk Licensing & Desk Phone Licensing                               | \$ 5,500          |
| Data Processing-192                                                            | 6405        | New Endpoint Security Software                                              | \$ 5,200          |
| Data Processing-192                                                            | 6405        | Police Squad Hardware Refresh                                               | \$ 3,100          |
| Data Processing-192                                                            | 6585        | Replace Engineering Plotters                                                | \$ 15,000         |
| Data Processing-192                                                            | 6585        | Replace 41 Laptops (34 Police/7 Fire)                                       | \$ 131,470        |
| Govt Buildings-194                                                             | 6371        | Increased Electric Costs                                                    | \$ 15,000         |
| Police-211                                                                     | 6103        | Overtime Increase                                                           | \$ 15,000         |
| Police-211                                                                     | 6207        | Wellness Sauna                                                              | \$ 4,800          |
| Police-211                                                                     | 6207        | Replace 20-Year old Treadmill                                               | \$ 7,000          |
| Police-211                                                                     | 6231        | Handgun Replacements                                                        | \$ 14,500         |
| Police-211                                                                     | 6259        | Case Mgmt Room into 2 Offices                                               | \$ 7,000          |
| Police-211                                                                     | 6259        | Garage Floor Patch                                                          | \$ 6,000          |
| Police-211                                                                     | 6275        | Portable Radio Upgrades (47 Radios)                                         | \$ 23,500         |
| Police-211                                                                     | 6281        | 3-Replacement Squad Set up                                                  | \$ 46,500         |
| Police-211                                                                     | 6281        | 3 new radars                                                                | \$ 11,600         |
| Police-211                                                                     | 6281        | Forceable Tools                                                             | \$ 6,600          |
| Police-211                                                                     | 6281        | Indoor Drone                                                                | \$ 2,500          |
| Police-211                                                                     | 6281        | Wellness Massage Chair                                                      | \$ 5,500          |
| Police-211                                                                     | 6315        | Poicies 360 Program Manage PD Dept Policies                                 | \$ 16,125         |
| Police-211                                                                     | 6415        | PSDE JLEC Cost Increase                                                     | \$ 50,470         |
| Police-211                                                                     | 6415        | AXON Body worn cameras & Fleet 3 renewal                                    | \$ 113,747        |
| Police-211                                                                     | 6489        | Annual renewal current 6 flock license plate reader                         | \$ 18,000         |
| Police-211                                                                     | 6550        | Replace 2023 Dodge Charger #330 with Ford F-150                             | \$ 50,000         |
| Police-211                                                                     | 6550        | Replace 2021 Ford Explorer #312                                             | \$ 50,000         |
| Police-211                                                                     | 6550        | Replace 2021 Ford Explorer #313                                             | \$ 50,000         |
| Police-211                                                                     | 6580        | New 6 flock license plate readers                                           | \$ 18,000         |
| Fire-220                                                                       | 6104        | 3% COLA Increase on-call firefighters & monthly avg                         | \$ 47,777         |
| Fire-220                                                                       | 6550        | Replace 2008 Fire Engine #565 \$600K 2027 less resale \$115K & paid in full | \$ 450,000        |
| Fire-220                                                                       | 6580        | Replace 2019 Chev Tahoe #571 net \$10,000 sale proceeds)                    | \$ 45,000         |
| Fire-220                                                                       | 6580        | Replace 2020 Chev Tahoe #572 net \$8,000 sale proceeds)                     | \$ 42,000         |
| Fire-220                                                                       | 6102        | Replace 2020 Chev Tahoe #573 net \$8,000 sale proceeds)                     | \$ 42,000         |
| Bldg-240                                                                       | 6315        | Contracted Electric & Plumbing increase                                     | \$ 15,000         |
| Bldg-240                                                                       | 6550        | New Chevy Equinox for Building Official                                     | \$ 36,000         |
| Civil-250                                                                      | 6580        | Replace 2 Emergency Sirens                                                  | \$ 35,000         |
| Animal-270                                                                     | 6489        | MOU with City of Anoka                                                      | \$ 10,000         |
| Engineering-301                                                                | 6550        | New 2027 GMC 2500                                                           | \$ 55,000         |
| \$700K slated for 2027 PW Committee Request                                    |             |                                                                             |                   |
| Streets-311                                                                    | 6488        | Street Main-Cracksealing, Rejuvenation,Pothole                              | \$ 50,000         |
| Streets-311                                                                    | 6550        | NEW Ford F550 Hook Truck                                                    | \$ 200,000        |
| Streets-311                                                                    | 6550        | One-Ton Dump with Dump & Plow less resale \$15,000 (replace #692)           | \$ 99,000         |
| Streets-311                                                                    | 6540        | Snow Blower attachment less trade in \$15,000 (Replace #647)                | \$ 235,000        |
| Streets-311                                                                    | 6540        | Kubota Tractor less trade in \$20,000 (replace #686)                        | \$ 112,000        |
| Streets-311                                                                    | 6540        | New Tandem Axle Truck with Plow (Retain #662?)                              | \$ 380,000        |
| Streets-311                                                                    | 6580        | New 2nd Fuel Island at PW                                                   | \$ 184,000        |
| Streets-311                                                                    | 6580        | New Mobile Vehicle Lift for Mechanics Bay                                   | \$ 63,000         |
| Streets-311                                                                    | 6580        | Kubota UTV 4X4 less \$7,000 trade in (Replace #696)                         | \$ 25,000         |
| Snow-312                                                                       | 6263        | Salt Increase                                                               | \$ 60,264         |
| Park & Rec-452                                                                 | 6371        | Electric Use - Increase inflation & Splash Pad                              | \$ 10,000         |
| Park & Rec-452                                                                 |             | Unknown Splash Pad Costs??? Maintenance???                                  |                   |
| Park & Rec-452                                                                 | 6580        | Replace 2017 Kubota UTV (#695)- (net of \$7,000 trade in)                   | \$ 25,000         |
| Park & Rec-452                                                                 | 6580        | Replace 2014 Ex-Mark Mower with bagger (net of \$3,200 trade in)            | \$ 17,700         |
| Park & Rec-452                                                                 | 6580        | New 8 Pan-tilted zoom fixed mounted security cameras in City parks          | \$ 24,000         |
| Contingency-892                                                                | 6108        | Severance                                                                   | \$ 100,000        |
| Contingency-892                                                                | 6102-6135   | Reclass Building Inspector to Building Inspector II                         | \$ 6,151          |
| Contingency-892                                                                | 6102-6135   | Reclass Engineering Tech III To Civil Engineer I                            | \$ 6,053          |
| Contingency-892                                                                | 6102-6135   | New Position: FT GIS Technician II (Apr 5, 2027).                           | \$ 121,869        |
| Contingency-892                                                                | 6102-6135   | New Position: Streets Maintenance Worker (January 4, 2027)                  | \$ 79,500         |
| Contingency-892                                                                | 6102-6135   | New Position: Building Maintenance Seasonal (May 10 - Sept 17, 2027)        | \$ 14,316         |
| Contingency-892                                                                | 6102-6135   | New Position: Parks Happy Days Intern (May 17-Sept 20, 2027)                | \$ 15,779         |
| Some market rates are exceeding 4%-holder for now-All union contracts are open |             |                                                                             |                   |
| Contingency-892                                                                | 6102-6135   | Market Rate Increases-(2-4% based on Union & non-union)                     | \$ 377,294        |
|                                                                                |             | Total                                                                       | \$ 4,041,674 **** |
| ***This is an all-in number. Starting Point Only                               |             |                                                                             |                   |
| Possible Funding Sources: Tax Levy, HRA/COR Fund, Equipment Fund               |             |                                                                             |                   |



2027 Budget -General Fund Only Non Discretionary Items

|                                                                          |  |    |           |
|--------------------------------------------------------------------------|--|----|-----------|
|                                                                          |  |    |           |
| 3% COLA (Based on survey of Metro Cities)                                |  |    |           |
| Wages & Benefits (PERA, Health Insurance)                                |  |    |           |
| Cola & Steps for positions included in 2026 budget (includes 2088 hours) |  | \$ | 567,754   |
| 2026 Personnel Requests hired mid year now full year for 2027            |  | \$ | 123,866   |
| CSO To Patrol Officer (authorized by CC 5/26/26)                         |  | \$ | 114,108   |
| Total Wages & Benefits (Levy Funded)                                     |  | \$ | 805,728   |
| Other:                                                                   |  |    |           |
| 3rd Year of Fire Engine Purchase (Non-Levy Funded)                       |  | \$ | 450,000   |
| Total Non-Discretionary Items                                            |  | \$ | 1,255,728 |

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:** Promote economic growth and development.**Information****Title:**

Consider Use of LAHA Funds for Elevate Hope House (EHH) for Mixed-use Housing Project

**Purpose/Background:**

The purpose of this case is to discuss the use of Local Affordable Housing Aid (LAHA) to help subsidize a 8500 SF two-story mixed-used Coffee shop / 3 bedroom apartment.

The Mission of EHH is to help families move beyond survival by creating pathways toward independence and long-term success. Today, Elevate Hope House operates a growing continuum of housing in Anoka County as evidenced in the attached proposal. The City of Ramsey, and Elevate Hope House have negotiated the attached Term Sheet, PA and Right of Re-Entry for consideration of City Council Approval this evening's review. The LAHA request is for 250K which includes 55K for land acquisition and 195K for construction costs related to three income-qualifying apartments.

Melinda McDermott, President of Elevate Hope House will be at the work session to provide additional information about Elevate Hope House and to answer questions the Council might have.

**Notification:**

A Sales Ordinance has been adopted for the sale of this parcel. No further notification is required.

**Time Frame/Observations/Alternatives:**

Staff has been working with Elevate Hope House this spring to bring a mixed-use project similar to the one Storyteller Cafe proposed on the same lot. The mixed-use coffee shop/event space and affordable apartments should fit nicely on the proposed site. Elevate Hope House has a track record of success here in Anoka County, and they are trying to expand their footprint here in Ramsey. The proposed use is permitted within this COR zoning district.

Use of Local Affordable Housing Aid (LAHA) is being proposed to help finance the project. If the project and proposed financing structure is approved by the EDA and City Council, additional agreements will need to be reviewed and approved by the EDA/City Council. The City currently has 435K in LAHA funds available and is also working on putting together some loan/grant programs to use the funds on eligible projects. The use of the 250k in LAHA funds being proposed in this case is not consistent with the new programs being created, but the use of the funds being proposed is permitted. Specifically, 55K will be used toward their purchase price and an additional 195k committed to costs related to the construction of affordable housing meeting the 40% of 60% AMI requirements. A copy of the draft policy (which has not been adopted) is attached to this case for reference. EHH asked for 300k in LAHA funds but the amount being proposed to the EDA is 250k. Staff negotiated a lower amount based on funds availability and the establishment of new loan programs.

**Alternatives:**

- 1) Council Consensus to provide of 250K in LAHA funds to Elevate Hope House for Mixed-use Project
- 2) Council Consensus to support the Sale of City Land to Elevate Hope House for Mixed-use Project (without the provision of LAHA funding)
- 3) Something else.

**Funding Source:**

Metro Sales Tax / LAHA Funds

**Recommendation:**

On June 11, 2026, the EDA passed a motion to recommend to City Council to approve Purchase Agreement, Right of Re-Entry Agreement, LAHA (250k) and Sale of City Land to Elevate Hope House for Mixed-use Project in COR

**Outcome/Action:**

Consensus by the Council on whether to support the use of 250K in LAHA for the proposed project by Elevate Hope House.

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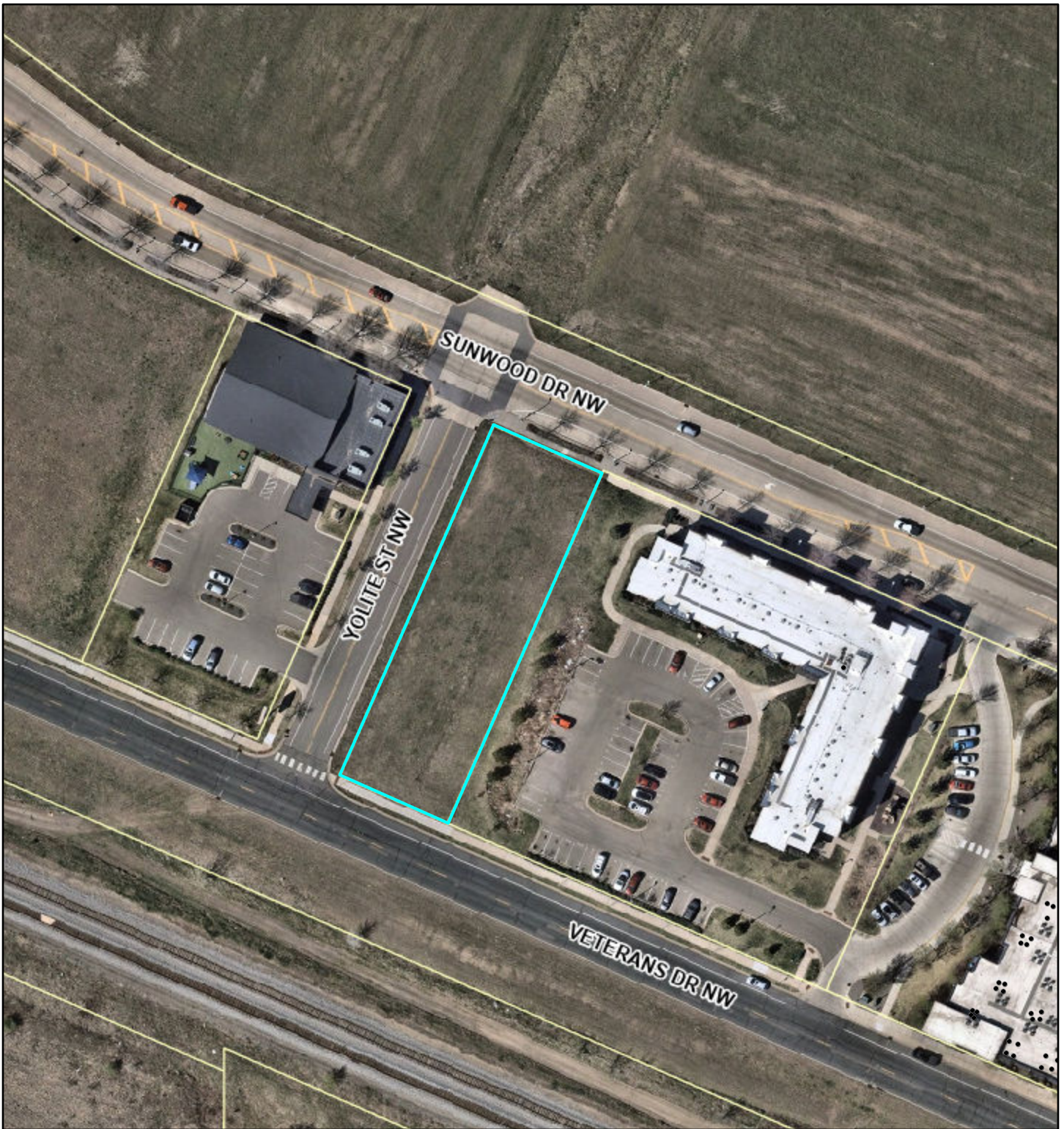
**Attachments**

Site Location Map  
Purchase Agreement  
Right of Re-Entry Agreement  
Term Sheet  
Original Proposal  
Site Plan Concept  
Proposal Supplement  
Architect Feasibility letter  
Draft LAHA Use Policy (NOT ADOPTED)

**Form Review**

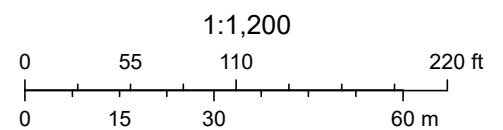
| Inbox                           | Reviewed By | Date                            |
|---------------------------------|-------------|---------------------------------|
| Brian Hagen                     | Brian Hagen | 07/09/2026 10:38 AM             |
| Form Started By: Sean Sullivan  |             | Started On: 06/29/2026 09:40 AM |
| Final Approval Date: 07/09/2026 |             |                                 |

# Site Location Map - Elevate Hope House



6/4/2026, 12:59:54 PM

- Multi-units





## PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Elevate Hope House**, a Minnesota Nonprofit Corporation (“Buyer”).

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is \_\_\_\_\_ (the “Effective Date”).
2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller approximately .52 acres (22,651 square feet) of vacant land, legally described as follows:  
  
Outlot B, COR STONE BROOK ACADEMY, Anoka County, Minnesota, to be platted as:  
  
T.B.D. Anoka County, Minnesota  
  
PID Number: 28-32-25-31-0023 (“Property”)
3. **PURCHASE PRICE.** The purchase price for the Property is \$85,000 (the “Purchase Price”).
4. **EARNEST MONEY AND ADDITIONAL EARNEST MONEY.** Within five business days after the Effective Date, Buyer must deposit the sum of \$20,000.00 (the “Earnest Money”) with Registered Abstracters, or another title company mutually agreeable to Buyer and Seller (“Escrow Agent”), via wire transfer or delivery of a certified check payable to Escrow Agent.
  - a. If Buyer does not deposit the Earnest Money as required above, then Seller may terminate this Agreement by written notice to Buyer; provided, however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller’s right to terminate, Seller’s right to terminate is extinguished.
  - b. Upon Seller’s receipt of a Notice to Proceed from Buyer in accordance with Section 9(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 22 as a result of a default by Seller).

- c. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 9(b), this Agreement automatically terminates, and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer.
  - d. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.
5. **SURVEY.** Seller to provide the Buyer an ALTA/NSPS 2016 survey (Table A, items 1, 2, 3, 4, 6, 8, and 11) for Outlot B, COR One (the "Survey") from a duly licensed surveyor dated April 18, 2017 and a copy of the Plat named COR Stone Brook Academy. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **TITLE COMMITMENT.**

- a. Seller makes no representations or warranties with respect to the status of title to the Property. Within thirty (30) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.
- b. Buyer shall have until the date thirty (30) days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception**." Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with three (3) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money to Buyer ("**Buyer's Title Termination Notice**"). If Buyer does

not deliver a Buyer's Title Termination Notice to Seller within the three (3) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

- 7. RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the Closing, Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests and additional survey work, subject to the following conditions:
- a. Within one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.
  - b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.
  - c. Buyer must comply with and shall cause it employees, agents, and contractors to comply with all applicable laws, while on the Property.
  - d. Other than a standard Phase 1 environmental assessment, Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller and Seller approves the work plan, in writing. Seller may not unreasonably withhold, condition or delay Seller's approval of a work plan.
  - e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer. The payment and indemnification provisions of this Section 7 shall survive any termination or cancellation of this Agreement and are referred to herein as the “Surviving Obligations.”

**8. PROPERTY SOLD AS IS.** Subject to Buyer’s right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an “AS-IS” and with “ALL FAULTS” condition. Buyer’s payment of the Purchase Price at Closing constitutes Buyer’s acknowledgment and agreement that:

- a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose);
- b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property;
- c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing; and
- d. The condition of the Property is fit for Buyer’s intended use.
- e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

**9. INSPECTION PERIOD.**

- a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to Date to be inserted based on 180 days from Effective Date (the “**Inspection Period**”) to investigate the Property and determine, in Buyer’s sole judgment, whether (i) the condition of the Property is suitable to Buyer’s intended use; and (ii) Buyer will be able to obtain all governmental approvals (including, but not limited to, approvals necessary to subdivide and re-plat the Property) and utilities necessary for Buyer’s intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties



regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

- b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.
- c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds.

**10. DEFINITIONS.** As used in this Agreement:

**"Claim"** or **"Claims"** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

**"Environmental Law"** means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

**"Hazardous Substance"** or **"Hazardous Substances"** means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

**11. RELEASE.** By accepting the deed to the Property, Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or

under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or un contemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

- 12. NOTICES.** Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if sent by email, upon email transmission (provided that any email transmission that occurs after 5:00 pm Central Time will be deemed provided on the following day). If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator  
City of Ramsey  
7550 Sunwood Drive N.W.  
Ramsey, MN 55303  
Email: [bhagen@cityoframseymn.gov](mailto:bhagen@cityoframseymn.gov)

Buyer: Elevate Hope House  
Melinda M. McDermott  
2168 7<sup>th</sup> Avenue  
Unit #845  
Anoka, MN 55303  
Email: [melinda@elevatehopehouse.org](mailto:melinda@elevatehopehouse.org)

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

- 13. CLOSING.** This transaction shall close within 30 days after Buyer delivers a Notice to Proceed to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement; provided, however, Buyer may extend the Closing a total of two (2) times, each time for a period of Sixty (60) days, by depositing an additional Five Thousand and 00/100 Dollars (\$5,000.00) earnest money with Escrow Agent for each extension. Each \$5,000 extension payment shall be non-refundable, but applicable to the Purchase Price. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be

deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

a. **Seller's Obligations at Closing.** At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

- i. A limited warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;
- ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer;
- iii. The Right of Re-Entry Agreement provided for in Section 28 below; and
- iv. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. **Buyer's Obligations at Closing.** At Closing, Buyer must:

- i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement;
- ii. Execute and deliver the Right of Re-Entry Agreement provided for in Section 28 below; and
- iii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value, if required and necessary.

c. **Closing Costs.**

- i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:
  1. Seller shall pay all outstanding property taxes due at the time of Closing for the Property.

2. Seller shall pay all special assessments levied or pending against the Property as of the Closing Date.
3. Seller's own attorney's fees.
4. One-half the cost of any closing fees.
5. The cost of real estate broker commission fees as prescribed in Section 14.
6. State Deed Tax

ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

1. Buyer's portion of prorated property taxes.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy, if Buyer elects to purchase an Owner's title insurance policy.

d. **Possession**. Seller must deliver possession of the Property to Buyer at Closing.

**14. REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction. Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

**15. ASSIGNMENT.** This Agreement may not be assigned without the written consent of the non-assigning Party.

**16. THIRD PARTY BENEFICIARY.** There are no third-party beneficiaries of this Agreement, intended or otherwise.

**17. JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

**18. CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

**19. ENTIRE AGREEMENT / MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements

that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties.

**20. BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

**21. CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

**22. REMEDIES.**

- a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 11 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.
- b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced and recover any incidental damages. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

**23. WAIVER.** Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

**24. SURVIVAL OF TERMS AND CONDITIONS.** The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

**25. SEVERABILITY.** Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

**26. CONSTRUCTION.** The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and



drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

- 27. COUNTERPARTS; DIGITAL COPIES.** This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.
- 28. CONSTRUCTION DEADLINE.** Within one year from the Closing Date, Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and one second floor apartment complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan. Within two years from the Closing Date, Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and two more second floor apartments complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel for which a certificate of occupancy was not obtained.
- 29. TIME PERIODS.** The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. Central Time on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 30. PLATTING & DEVELOPMENT AGREEMENT.** Buyer must be in the process of obtaining an approved final plat, development agreement, and building exterior visual renderings with the City of Ramsey for its intended project before Closing. The Development Agreement and Site Plan must comply with all local zoning ordinances and design standards, including The COR Design Standards.
- 31. CONTINGENCIES.** Execution of a Development Agreement between Buyer and Seller for use of \$250,000 in LAHA Funds for the construction of affordable housing units on the Property.

**SELLER: The City of Ramsey**, a Minnesota municipal corporation

By: \_\_\_\_\_  
Ryan Heineman, Mayor

Dated: \_\_\_\_\_, 2026

By: \_\_\_\_\_  
Brian Hagen, City Administrator

Dated: \_\_\_\_\_, 2026

**BUYER: ELEVATE HOPE HOUSE**

By: \_\_\_\_\_  
Melinda McDermott, President

Dated: \_\_\_\_\_, 2026

**Exhibit A**

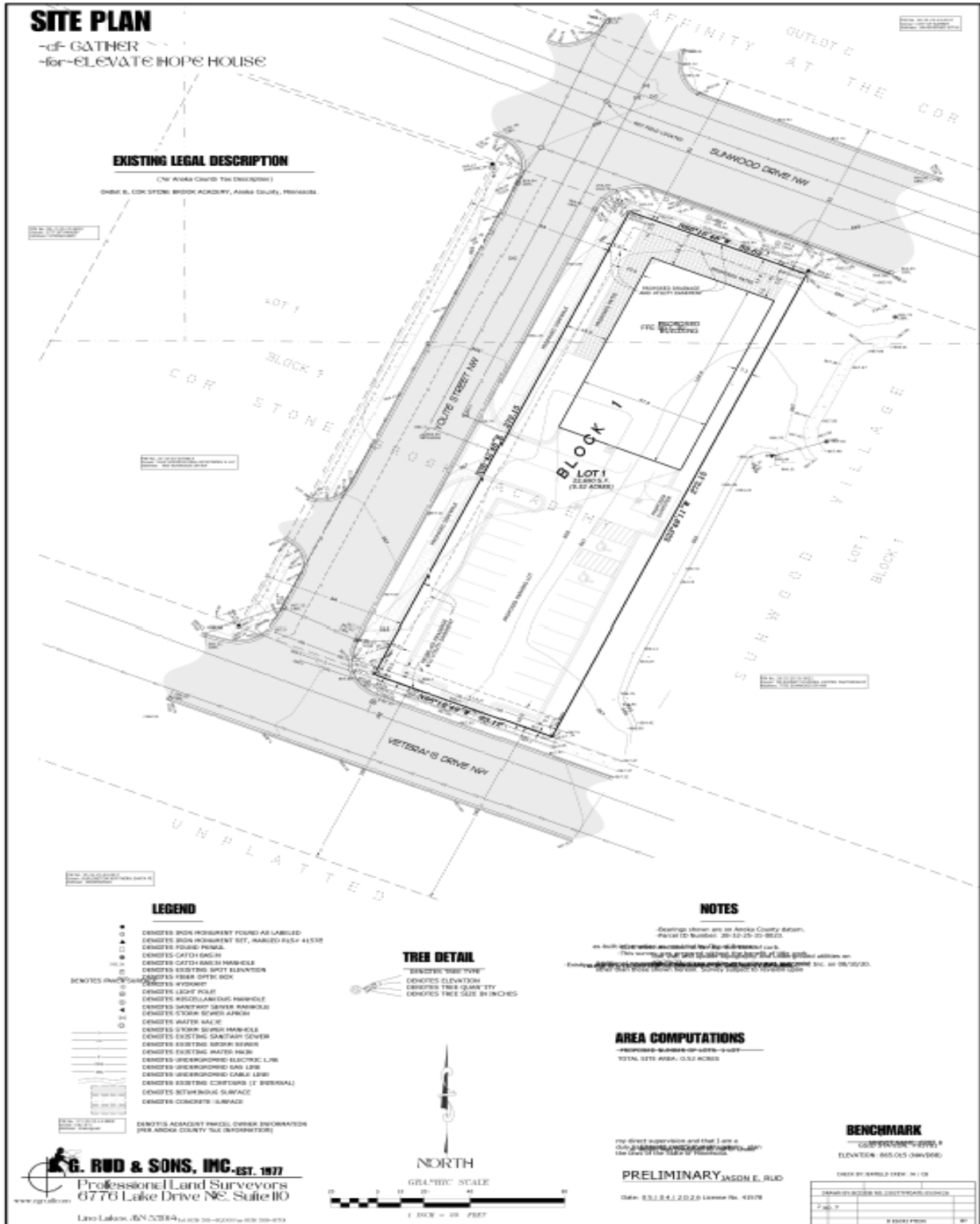
**Legal Description**

Outlot B, COR STONE BROOK ACADEMY, Anoka County, Minnesota,

To be platted as: T.B.D. Anoka County, Minnesota

PID Number: 28-32-25-31-0023 (“Property”)

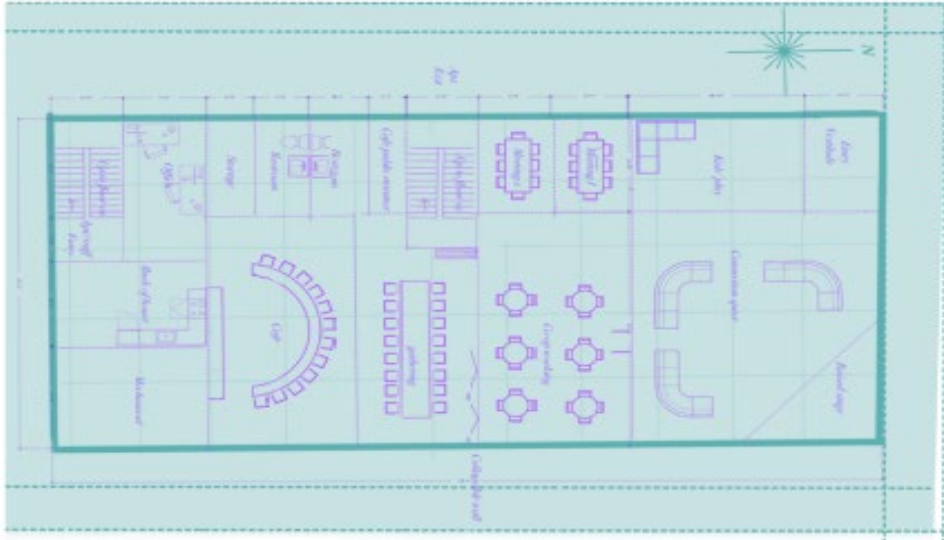
**Exhibit B**  
**Concept Plan**



*Floor 1*

SUNWOOD DR NW

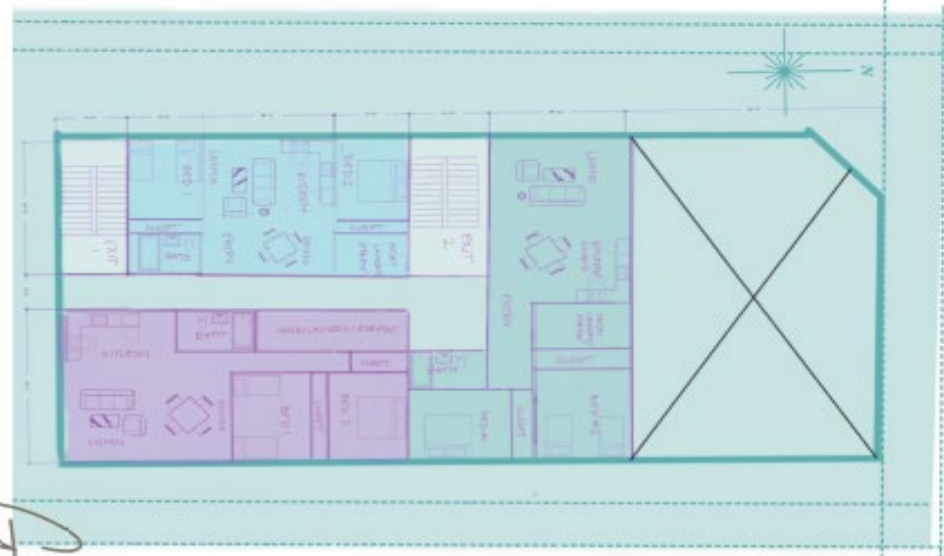
YOLITE ST NW



*Floor 2*

SUNWOOD DR NW

YOLITE ST NW



*Gather*  
Tea, Coffee,  
Community.



---

[Reserved for Recording Data]

## RIGHT OF RE-ENTRY AGREEMENT

This Right of Re-entry Agreement is entered into on \_\_\_\_\_, 20\_\_, by and between the **City of Ramsey**, a Minnesota municipal corporation (“Seller”), and **Elevate Hope House**, a Minnesota Nonprofit Corporation (“Buyer”).

### Recitals

A. On December 29, 2021, Seller conveyed title of the following Property to Buyer:

Outlot B, COR STONE BROOK ACADEMY, Anoka County, Minnesota

B. Title to the Property was conveyed subject to Buyer fulfilling certain Conditions as set forth below.

C. As indicated in the Purchase Agreement between the City of Ramsey and **Elevate Hope House**, a Minnesota Nonprofit Corporation, with an Effective Date of \_\_\_\_\_ **2026**, Section 28, it is the intent of the parties to create and set forth a right to impose a penalty or a right of re-entry in favor of Seller in the event Buyer fails to satisfy the Conditions.

### Agreement

1. The recitals are incorporated herein as if fully set forth.
2. Seller shall have the right, but not the obligation, to either impose a penalty against the Property pursuant to Paragraph 3, or to re-enter and take possession of the Property pursuant to Paragraph 4, in the event that any of the following Conditions are not satisfied by Buyer:

- a. Buyer must obtain a certificate of occupancy from the City of Ramsey, for the project described below by (INSERT DATE 1 YEAR AFTER CLOSING DATE).

Project Description:

- i. **Elevate Hope House** Site Plan, approved by the City of Ramsey on \_\_\_\_\_ by Resolution \_\_-\_\_;
  - ii. **Elevate Hope House** Development Agreement, approved by the City of Ramsey on \_\_\_\_\_ by Resolution \_\_-\_\_.
3. Seller may impose a penalty of \$50,000.00 against the Property if the certificate of occupancy is not obtained, from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and one second floor apartment complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan, pursuant to the deadline set forth above. Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and two more second floor apartments complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan by **(INSERT DATE 2 Years After Closing)**. The penalty is due upon written notice to Buyer from Seller of the failure to satisfy a contingency. In the event the penalty is not paid within 30 days of receipt of the notice, Seller may, but is not required to, certify the penalty to Anoka County as an assessment against the Property. Buyer waives any and all rights under Minnesota Statutes, chapter 429, and any other applicable law, including any right to notice of hearing and hearing, the right to object, and the right to appeal the assessment. Buyer further waives any requirements of the City Charter that may apply to said assessment.
  4. As an alternative to imposition of a financial penalty and not in addition thereto, Seller may re-enter and take physical possession of the Property. Title to the Property shall be restored in Seller, and Buyer shall execute whatever documents and undertake whatever steps are necessary to establish and confirm Seller's fee simple interest in the Property free of any claims or encumbrances, including mechanic's liens.
  5. This document constitutes the entire Right of Re-entry Agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by both parties.

**CITY OF RAMSEY**

By: \_\_\_\_\_  
Ryan Heineman, Mayor

By: \_\_\_\_\_  
Brian Hagen, City Administrator

This instrument was acknowledged before me on \_\_\_\_\_, 202\_,  
by Ryan Heineman and Brian Hagen as Mayor and City Administrator, respectively, of  
the City of Ramsey, a municipal corporation under the laws of the State of Minnesota on  
behalf of the Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

**Elevate Hope House, a Minnesota Nonprofit Corporation**

By: \_\_\_\_\_  
Melinda M. McDermott, President

This instrument was acknowledged before me on \_\_\_\_\_, 202\_\_, by  
Melinda M. McDermott, President of Elevate Hope House, a Minnesota Nonprofit  
Corporation under the laws of the State of Minnesota on behalf of the Minnesota  
nonprofit corporation.

\_\_\_\_\_  
Notary Public

This instrument drafted by:  
City of Ramsey  
7550 Sunwood Drive NW  
Ramsey, MN 55303  
(763-433-9868

## TERM SHEET FOR ELEVATE HOPE HOUSE – 6-25-26

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Real Estate</b>         | Tax ID Number: 28-32-25-31-0023. Outlot B, COR Stone Brook Academy (Parcel 47c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Acreage</b>             | Approximately .52 acres or 22,651 SF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Buyer</b>               | Elevate Hope House, A Minnesota Nonprofit Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Asking Price</b>        | \$149,500 (\$6.50 / SF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Offer Price</b>         | \$85,000 (\$3.75 / SF)<br><br>-\$30,000 Cash from Developer - \$55,000 from Ramsey LAHA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Earnest Money</b>       | \$20,000 Non-refundable upon <b>Notice to Proceed</b> being executed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Inspection Period</b>   | 180 days from Effective Date (Date City Council approves) (city requires plat/ site plan approval before sale).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Closing</b>             | Within 30 days of Notice to Proceed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Commission</b>          | This was a City generated lead for City property. Per the terms of the listing agreement, the City will pay 0% of gross sales price to CBRE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Extensions to Close</b> | Developer will deposit \$5,000 in escrow for each 60 day extension (2 extensions allowed) Once extensions are made the money becomes non-refundable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>City take care of</b>   | Provide existing ALTA Survey and updated Title Work. The Developer will contract to plat the property as part of the site plan process. City to provide \$55,000 in LAHA Funding to Purchase price. City to Provide \$195,000 in City LAHA Funding for project costs related to the construction of up to 3 units of affordable housing and related costs that serves households between 40%-60% AMI. Developer agrees to commit to at least one 2-bedroom unit meets the 40% threshold and to report compliance as required by law and the City of Ramsey.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Performance</b>         | <b>Within one year from the Closing Date</b> , Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and one second floor apartment complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan. <b>Within two years from the Closing Date</b> , Buyer shall construct and obtain a certificate of occupancy from the City of Ramsey for a minimum 8,500 SF commercial/residential mixed-use building with first floor coffee shop/café and two more second floor apartments complete, compliant with COR Zoning requirements to be further defined by an approved Site Plan. At Closing, a “Right of Re-Entry Agreement” shall be executed and recorded against the Property providing that, in the event the above deadline is not met, Seller has the right to reclaim title to the parcel, or exercise other remedies for which a certificate of occupancy was not obtained. |
| <b>Assignment</b>          | Requires city approval if not same owners / company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Contingencies</b>       | Securing \$250,000 in LAHA Funding from City of Ramsey.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

**Review**

EDA (Sean): Land Transaction/ Purchase Agreement/ Right of Re-Entry  
Planning Commission (Todd/Staff): Land Use, Development Agreement, Site  
Plan, Plat

City Council: Final Approval on both items



## **ELEVATE HOPE HOUSE: MIXED-USE COMMUNITY DEVELOPMENT PROPOSAL**

**Re: City-Owned Parcel #47C | Ramsey | Approx. 8,700 SF Mixed-Use Building**

Originally Presented on April 28th, 2026 by Melinda McDermott, Founder  
Revised Proposal Submitted on May 4, 2026 by Melinda McDermott, Founder



## **CITY PARTNERSHIP REQUEST**

After continued discussions with the City of Ramsey regarding our request to purchase City-Owned Parcel #47C, Elevate Hope House respectfully seeks the opportunity to acquire the property for \$75,000. In conjunction with this request, we are also seeking \$300,000 in LAHA funding from the City of Ramsey to support both the purchase of the lot and the phased development of three two-bedroom affordable housing apartment units on the second level.

Phase 1 will include the completion of one unit, aligned with the opening of Gather on the first floor in 2027. Phase 2 will include the completion of the remaining two units, with full project completion anticipated by the end of 2028.

This proposal transforms a .53-acre corner lot into a daily-use community destination that integrates:

- Affordable housing
- Workforce development
- Small business and entrepreneur support
- Youth gathering space
- A welcoming, community-centered environment

## **WHY THIS LOT WORKS**

This .53-acre corner parcel sits next to existing apartment housing and offers natural visibility, walkability, and built-in community traffic.

The site allows for:

- Two-story mixed-use development
- Dedicated parking
- Outdoor gathering space
- Safe residential access
- Future expansion opportunities

## **THE VISION**

This is not a traditional retail development or standalone coffee shop.

It is a community anchor built around the rhythm of daily life.

A place where:

- A student stays after school to study and feels safe.
- A local baker sees her goods displayed and purchased by her own neighbors.
- A young musician plays their first live set in front of a supportive room.
- A mother begins rebuilding her life with dignity and opportunity.
- A neighbor walks in for coffee and leaves feeling known.

## **ABOUT ELEVATE HOPE HOUSE**

For nearly ten years, Elevate Hope House has walked alongside mothers and children as they move from crisis toward long-term stability through housing, mentorship, parenting support, life-skills development, and community connection. Our mission is to help families move beyond survival by creating pathways toward independence and long-term success. Today, Elevate Hope House operates a growing continuum of housing in Anoka County.

### **Sandy's Place | Shared Living**

Structured transitional housing for mothers and children working toward stability.

### **Joanne's Place | Affordable Housing**

Independent housing for graduates transitioning into long-term independence.

### **Carol's Place | Shared Living**

### **Opening Fall 2026**

Built through partnerships ranging from local trade professionals—including Prestige Drywall—to national partners like Lennar, as well as collaboration with the Spring Lake Park High School Construction Trades Program.

By Fall 2026, Elevate Hope House will have three homes in operation, demonstrating our ability to successfully build, fund, and sustain housing solutions.

## **PROJECT OVERVIEW**

**Approx. 8,700 SF Total**

### **FIRST FLOOR (~5,700 SF)**

#### **GATHER — TEA • COFFEE • COMMUNITY**

Gather is the heart of the building—a space designed to feel alive from morning through evening.

##### **Coffee + Tea Bar**

- A simple, high-quality beverage experience supported by:
- Coffee and tea service
- Specialty drinks and smoothies
- Display cases featuring local baked goods

##### **Local, Artisan Marketplace Walls**

- Built-in shelving integrated throughout the space featuring:
- Licensed cottage bakers from Ramsey and surrounding communities
- Local artisans and makers
- Seasonal vendors and small businesses
- Each shelf represents a person, a story, and an opportunity.
- Rather than competing with small businesses, this space exists to elevate and platform them.

##### **Large Flexible Gathering Space**

Open seating that adapts throughout the day—casual mornings, busy afternoons, and full evenings.

##### **Reservable Community Rooms**

Collapsible walls allow the space to shift from intimate meetings to larger gatherings.

##### **Children's Room**

A visible, welcoming space where families can gather while children play safely nearby.

## **Creative + Crafting Space**

A dedicated area for:

- DIY kits
- Charm and bracelet stations
- Flower bars
- Seasonal workshops

A simple table becomes a place where creativity sparks connection.

A group gathers to create bouquets—then walks them to a neighbor who hasn't left their home in weeks.

## **Support Space (Back-of-House)**

Designed to be highly efficient and minimal, supporting operations without a full kitchen.

This streamlined model allows us to:

- Reduce build-out costs
- Maximize community-facing space
- Support local food vendors instead of producing in-house

## **Elevate Hope House Office**

A simple office space for staff to connect off the floor, etc.

## **SECOND FLOOR (~3,000 SF)**

### **HOUSING**

#### **Phase One**

One 2-bedroom apartment for a mother and children

Shared circulation and stair access

#### **Future Phase**

Second & third 2-bedroom apartments for two mothers and children

This phased model creates immediate housing impact while allowing responsible growth. Upstairs offers stability. Downstairs offers community. Together, they create a pathway forward.

## **HOW GATHER FUNCTIONS THROUGHOUT THE DAY**

### **Morning**

Parents gather after drop-off. Coffee is poured. Conversations begin slowly and naturally.

### **Afternoon**

Students fill the tables with homework and conversation. A safe, consistent place to land.

### **Evening**

Lights soften. Music plays. Small groups gather. Community continues when most places close.

## **YOUTH & COMMUNITY SPACE**

- There is a clear need for safe, consistent space for young people.
- Students study together after school in a safe environment.
- Young musicians perform their first sets.
- Youth have a place where they feel welcomed and supported
- Friendships are formed in a place designed for belonging—not just transactions.

Gather intentionally fills a growing need for safe youth space.

## **WORKFORCE DEVELOPMENT**

This space also creates opportunity for young mothers working toward stability.

- Elevate Hope House residents and graduates can gain meaningful employment opportunities within the business through job training, income opportunities, workforce development, confidence building, and long-term stability
- A mom who once struggled to find employment now serves coffee, learns new skills, and contributes meaningfully.
- Childcare barriers are addressed through partnerships such as New Horizon Academy and volunteer support, ensuring access to opportunity is not limited by circumstance.

## **COMMUNITY CARE OUTREACH**

Gather extends beyond the building. Residents may create flower arrangements, care packages, and encouragement gifts that are delivered to seniors and homebound residents throughout Ramsey. This creates connection across generations.

## **PROVEN TRACK RECORD**

For nearly ten years, Elevate Hope House has supported mothers and children through housing and stabilization.

Current housing includes:

- Sandy's Place
- Joanne's Place
- Carol's Place (Opening Fall 2026)

Carol's Place is being built through partnerships with Lennar, local trade professionals, and the Spring Lake Park High School Construction Trades Program.

By Fall 2026, Elevate Hope House will operate three homes, and we desire to continue to create affordable housing for years to come.

## **PHASE ONE FINANCIAL MODEL: A PARTNERSHIP-DRIVEN BUILD APPROACH**

### **Market Context**

New mixed-use construction in the Minneapolis–Saint Paul metro currently ranges from approximately \$200 to \$325 per square foot for hard construction costs alone.

At approximately 8,700 SF, this yields a traditional hard-cost range of:

\$1,740,000 to \$2,827,500

When including soft costs, site work, permits, FF&E, and contingency, a typical all-in project of this scale would range:

\$2,200,000 to \$3,700,000

These figures reflect a fully contracted, market-rate development model.

### **Our Approach: Building Differently**

Elevate Hope House is intentionally not pursuing a traditional development model.

This project is designed from the beginning to be built through:

- Deep community partnership
- Trade collaboration
- In-kind material donations
- Phased construction strategy
- Simplified design decisions
- Volunteer and workforce integration where appropriate

Our goal is not to replicate a market-rate project—but to reimagine how a community-supported project can be built.

**Target: Phase One, Under \$1,000,000 (Cash + In-Kind Combined Value)**

Phase One includes:

- Full main-floor Gather buildout
- Core building systems (structure, utilities, elevator)
- One completed apartment
- Remaining upper units framed for future completion

## **Cost Reduction Strategy**

### **1. Phased Construction Model**

- Only one apartment fully completed in Phase One
- Additional units framed for future buildout
- Reduces immediate capital need significantly

### **2. Simplified Building Design**

- No full commercial kitchen
- Minimal back-of-house footprint
- Efficient mechanical systems
- Straightforward structural design
- Cost-conscious exterior finishes



### **3. In-Kind Material Donations**

Active and anticipated contributions include:

- Drywall (confirmed donor)
- Siding (anticipated donor)
- Windows and doors
- Flooring
- Cabinetry and millwork
- Appliances and fixtures
- Coffee equipment

Each material category secured reduces overall capital requirements.

### **4. Trade Partnerships**

We are actively building relationships with local trade partners to contribute:

- Framing
- Electrical
- Plumbing
- HVAC
- Finishes

This model is already proven through our current build at Carol's Place in partnership with Lennar, local trades, and the Spring Lake Park High School Construction Trades Program.

### **5. Sponsor-Driven Build Model**

Spaces within the building will be sponsor-supported, including:

- Coffee bar
- Children's room
- Community rooms
- Patio space
- Apartment unit

This allows individuals, families, businesses, and churches to directly fund tangible portions of the project.

## **6. Community + Donor Campaign**

Campaign Theme: **“Gather Around the Table”**

We will invite the community to participate through:

- Home gatherings
- Church partnerships
- Pop-up events
- Donor meetings
- Community fundraising initiatives

This approach builds both financial support and long-term community ownership.

## **7. Grants + Foundation Support**

We will pursue funding through regional and local foundations focused on:

- housing stability
- workforce development
- community development
- family support initiatives

## **Realistic Outcome**

Through a combination of:

- in-kind contributions
- trade partnerships
- sponsor-supported spaces
- phased construction
- community fundraising
- State funded grant opportunities, like LAHA

We believe it is realistic to reduce total Phase One costs by 30–50% from market-rate construction models.

This creates a feasible pathway to delivering Phase One within a \$550,000–\$1,000,000 total project value range, depending on the depth of partnerships secured.

## **PHASE TWO: FUTURE HOUSING EXPANSION**

Completion of additional apartment units is anticipated in a future phase (2028+), estimated at: \$450,000 to \$650,000 (pre-donation estimate)

This phase will follow the same partnership-driven cost reduction strategy.

## **WHY THIS MODEL WORKS**

Elevate Hope House has already demonstrated the ability to:

- Build housing through partnerships
- Leverage donated labor and materials
- Engage community stakeholders
- Sustain long-term programming

This project expands that same model at a larger scale.

## **KEY TAKEAWAY**

This is not a traditional development asking to be funded.

It is a community-built project—where:

- businesses contribute
- trades participate
- donors invest
- residents engage

Instead of asking one entity to fund the whole project, we are inviting an entire community to help build it. And together, Ramsey builds something it will use every day.

## **PRELIMINARY TIMELINE**

**2026:** Land acquisition + planning + fundraising

**Spring 2027:** Permitting + Construction

**Winter 2027:** Gather opening + first housing unit operational

Future housing expansion completed as funding allows.

## **COMMUNITY PARTNERSHIPS**

Elevate Hope House has been built—and sustained—through strong, consistent community partnership since its inception in 2016. What began as a vision has grown into a network of individuals, churches, and businesses who have stepped in to support mothers and children in tangible, lasting ways.

Northgate Church has been a foundational partner from the very beginning—supporting Elevate Hope House not only financially, but through leadership, volunteer engagement, and shared belief in the mission. Their ongoing partnership has helped move this work from vision to reality. Local businesses have also played a key role in strengthening our outreach and fundraising efforts. Tornado Alley has supported the organization through promotional materials that help expand awareness and community engagement. La Fontaine Event Center has generously provided event space, allowing us to host fundraising gatherings that bring the community together around this mission.

In addition, a growing network of trade professionals, donors, and volunteers continue to invest their time, resources, and expertise into our work—including current building partnerships connected to our housing expansion efforts.

These partnerships reflect a consistent pattern: Elevate Hope House does not operate alone. It is supported, strengthened, and sustained by the Ramsey community itself. This same partnership-driven approach will carry forward into the Gather development—inviting even more individuals, businesses, and organizations to help build a space that belongs to the community it serves.

## **CLOSING: A SHARED OPPORTUNITY FOR IMPACT**

As Ramsey continues to grow with larger developments and national retailers, there is a unique opportunity to ensure that growth also strengthens the relational fabric of the community. This project expands affordable housing, supports local entrepreneurs and cottage bakers, creates safe gathering space for youth, and establishes a walkable, daily destination where residents connect in meaningful ways. We are respectfully requesting the opportunity to purchase Parcel #47C for \$75,000, supported in part through \$300,000 in LAHA funding, as a strategic investment in both housing and community development. Gather is designed to be a space residents return to every day—where families are supported, small businesses are elevated, and neighbors become known. By partnering in this effort, the City of Ramsey has the opportunity to invest not only in development, but in the long-term strength, identity, and connectedness of its community.



# Gather

Tea. Coffee.  
Community.

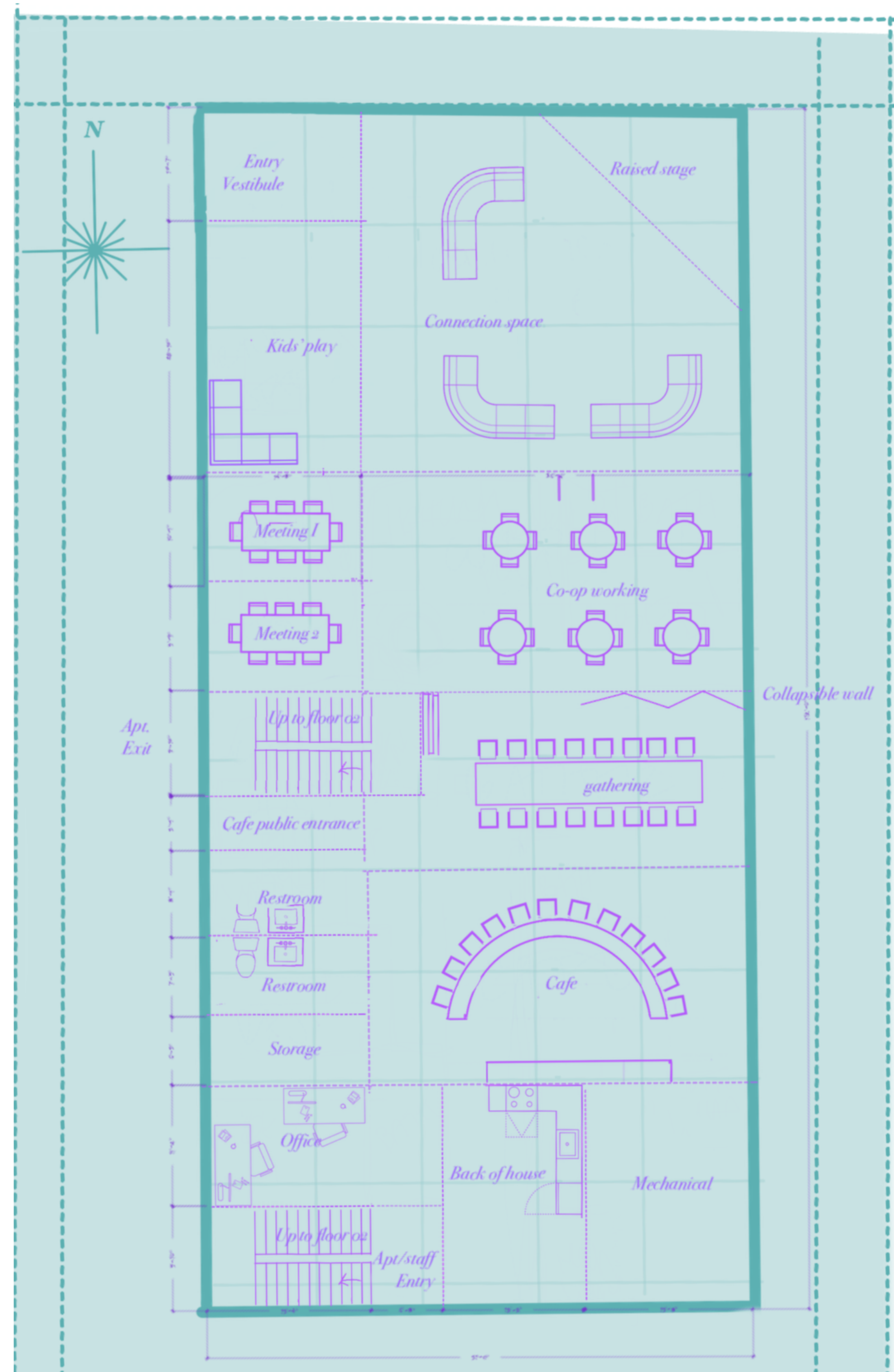




# Floor 1

SUNWOOD DR NW

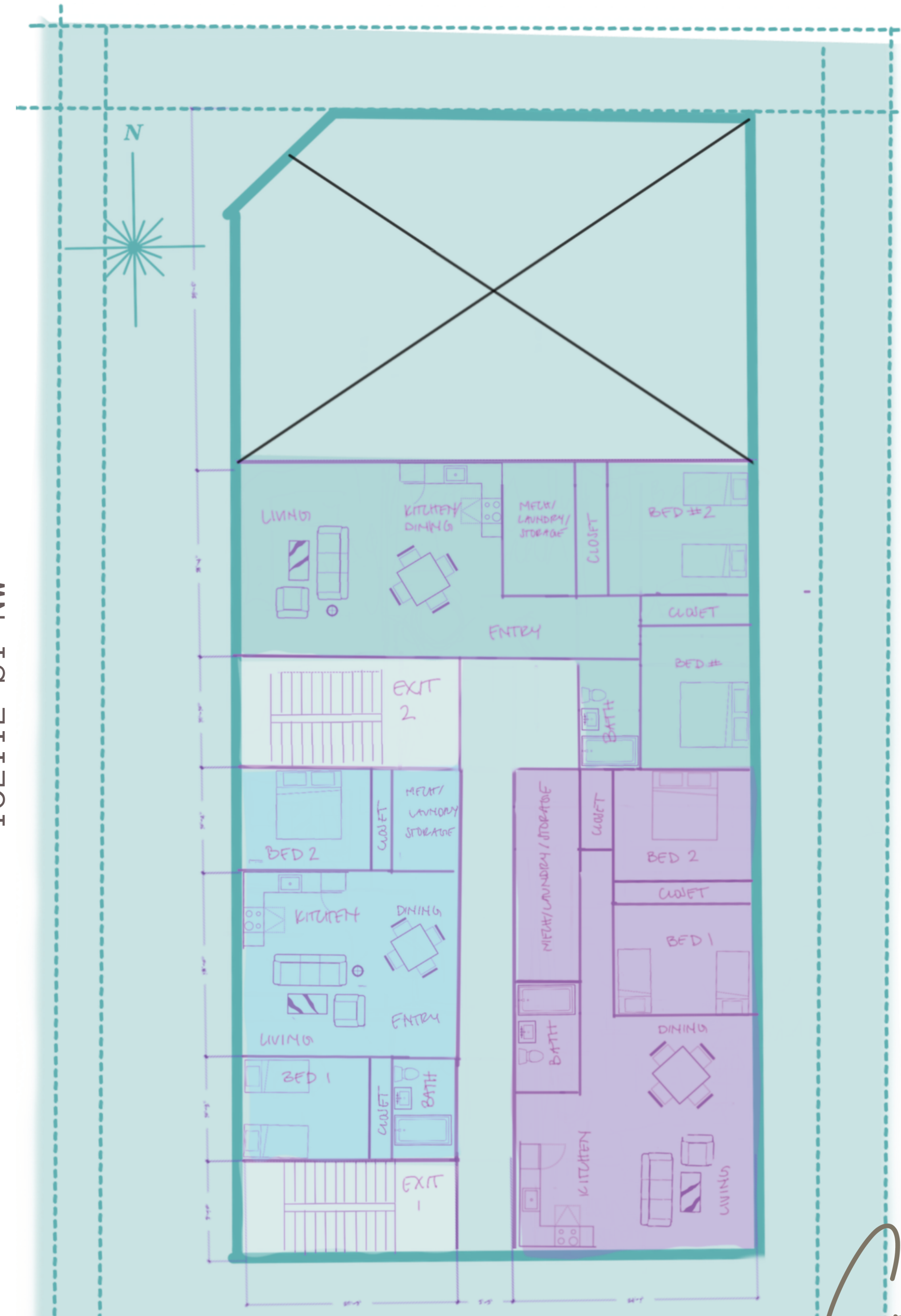
YOLITE ST NW



# Floor 2

SUNWOOD DR NW

YOLITE ST NW





SITE PLAN

~of- GATHER  
~for-eLEVATE HOPE HOUSE

EXISTING LEGAL DESCRIPTION

(Per Anoka County Tax Description)  
Outlot B, COR STONE BROOK ACADEMY, Anoka County, Minnesota.

Pin No. 28-32-25-31-0020  
Owner: CLOVERLEAF ACADEMY  
Address: 7700 SUNWOOD DR NW

Pin No. 28-32-25-31-0017  
Owner: ESTATE OF V. LUP  
Address: 7700 SUNWOOD DR NW

Pin No. 28-32-25-31-0017  
Owner: BURLINGTON NORTHERN SANTA FE  
Address: UNASSIGNED

LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES IRON MONUMENT SET, MARKED RLS # 41578
- ◀ DENOTES FOUND PKWALL
- ◻ DENOTES CATCH BASIN
- DENOTES CATCH BASIN MANHOLE
- ⊞ DENOTES EXISTING SPOT ELEVATION
- ⊞ DENOTES FIBER OPTIC BOX
- ⊞ DENOTES HYDRANT
- ⊞ DENOTES LIGHT POLE
- ⊞ DENOTES MISCELLANEOUS MANHOLE
- ⊞ DENOTES SANITARY SEWER MANHOLE
- ⊞ DENOTES STORM SEWER APRON
- ⊞ DENOTES WATER VALVE
- ⊞ DENOTES STORM SEWER MANHOLE
- ⊞ DENOTES EXISTING SANITARY SEWER
- ⊞ DENOTES EXISTING STORM SEWER
- ⊞ DENOTES EXISTING WATER MAIN
- ⊞ DENOTES UNDERGROUND ELECTRIC LINE
- ⊞ DENOTES UNDERGROUND GAS LINE
- ⊞ DENOTES UNDERGROUND CABLE LINE
- ⊞ DENOTES EXISTING CONTOURS (1' INTERVAL)
- ⊞ DENOTES BITUMINOUS SURFACE
- ⊞ DENOTES CONCRETE SURFACE

Pin No. 17-11-22-21-14-0006  
Owner: City of Anoka  
Address: Unassigned

DENOTES ADJACENT PARCEL OWNER INFORMATION  
(PER ANOKA COUNTY TAX INFORMATION)



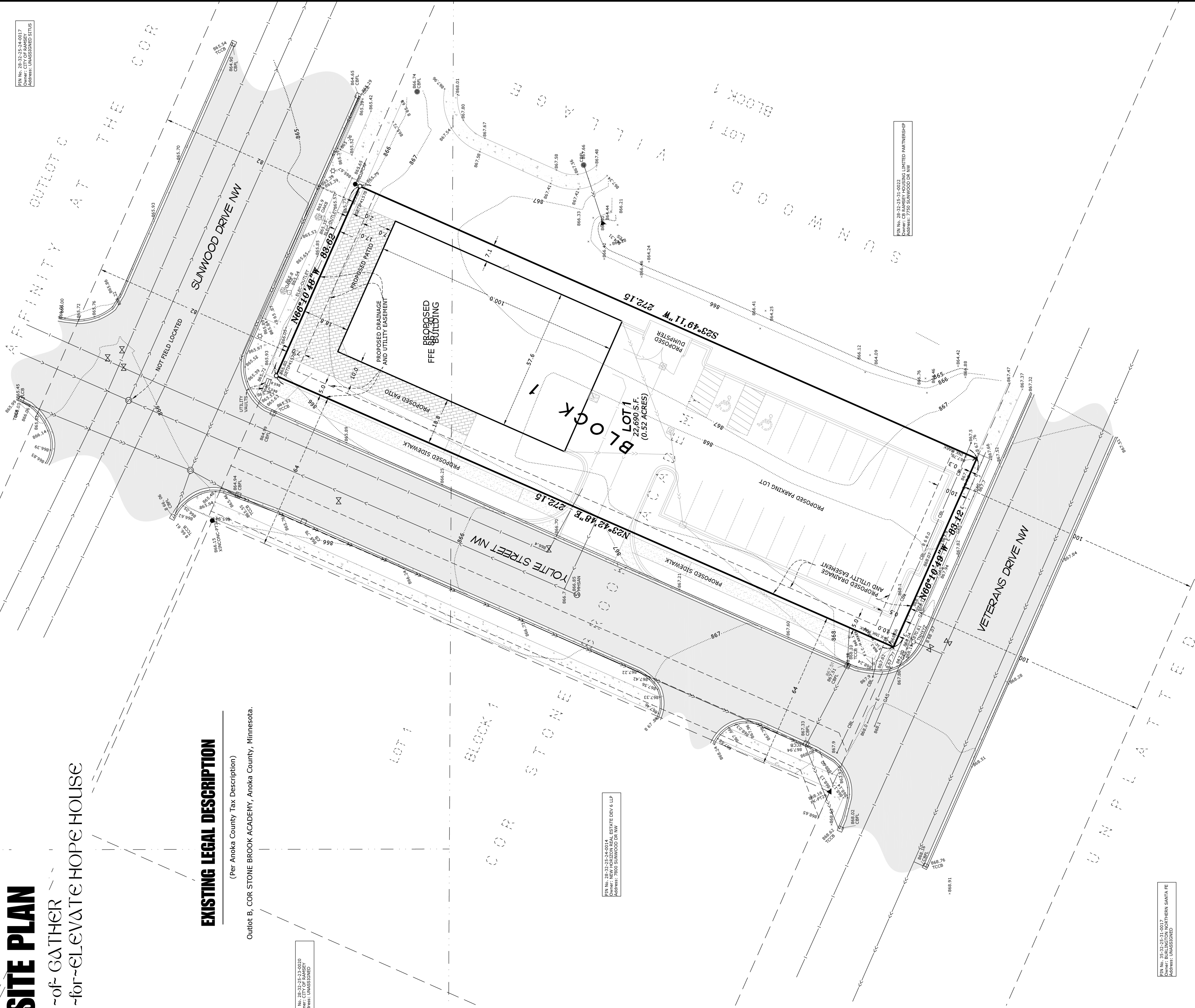
**G. RUD & SONS, INC.-EST. 1977**

Professional Land Surveyors  
6776 Lake Drive NE, Suite 110

www.cgrud.com

Lino Lakes, MN 55014; tel: (651) 501-8200 Fax: (651) 501-8701

S:\RUD\DC-A\264640\13-60377PP\264377PP.DWG



NOTES

- Bearings shown are on Anoka County datum.
- Parcel ID Number: 28-32-25-31-0023.
- This survey was prepared by the City of Anoka for the purpose of providing information for the proposed development of the site.
- The site plan was prepared with the understanding that the City of Anoka is not responsible for the accuracy of the information provided by the City of Anoka.
- Existing conditions shown are for information only and are not to be used for any other purpose than those shown hereon. Survey subject to revision upon

TREE DETAIL

- ⊞ DENOTES TREE TYPE
- ⊞ DENOTES ELEVATION
- ⊞ DENOTES TREE QUANTITY
- ⊞ DENOTES TREE SIZE IN INCHES

AREA COMPUTATIONS

PROPOSED NUMBER OF LOTS: 1 LOT  
TOTAL SITE AREA: 0.52 ACRES

BENCHMARK

GS1988 B  
ELEVATION: 865.015 (NAVD88)

CHECK BY: JEFFREY CREW: JH / CB

PRELIMINARY JASON E. RUD

Date: 0 5 / 0 4 / 2 0 2 6 License No. 41578

|                                               |    |
|-----------------------------------------------|----|
| DRAWN BY: BCD JOB NO: 230377PP DATE: 05/04/26 |    |
| 2 NO. 3                                       |    |
| D ESCRIPTION                                  | BY |

280377PP





## **LAHA FUNDING READINESS & AFFORDABLE HOUSING COMPLIANCE STATEMENT**

Supplemental to the

### **ELEVATE HOPE HOUSE: MIXED-USE COMMUNITY DEVELOPMENT PROPOSAL**

**Re: City-Owned Parcel #47C | Ramsey | Approx. 8,700 SF Mixed-Use Building**

Submitted on May 26, 2026 by Melinda McDermott, Founder



## **PURPOSE OF THIS DOCUMENT**

As outlined in the “Elevate Hope House: Mixed-Use Community Development Proposal,” Elevate Hope House is seeking approximately \$300,000 in Local Affordable Housing Aid (LAHA) funding in partnership with the City of Ramsey to support the development of affordable housing on City-Owned Parcel #47C in Ramsey.

This supplemental statement is provided to clearly demonstrate:

- readiness to manage public affordable housing funding
- experience with government-funded programs
- compliance systems and administrative capacity
- long-term stewardship commitment
- confidence in execution and sustainability

## **ALIGNMENT WITH LAHA PURPOSE**

The proposed project aligns directly with the intent of LAHA funding through:

- expansion of affordable housing supply
- long-term housing stability for families
- nonprofit-led housing development and ownership
- community-based housing solutions
- integration of supportive services alongside housing

The housing units are intended as long-term affordable rental housing serving mothers and children working toward stability, independence, and self-sufficiency.

This is a permanent housing investment designed to remain affordable and mission-driven for the long term.

## **ORGANIZATIONAL HOUSING EXPERIENCE**

For nearly ten years, Elevate Hope House has developed and operated housing and stabilization programs for mothers and children across Anoka County.

This experience includes multiple active housing environments that demonstrate both operational capacity and long-term stewardship.

### **Sandy's Place**

A structured shared-living housing model providing:

- stable housing for mothers and children
- accountability-based support systems
- parenting and life-skills support
- family advocacy support
- stabilization planning
- structured transition toward independence

This program established the organization's foundation in housing operations, resident support systems, and stabilization-focused care.

### **Joanne's Place**

An affordable independent housing model supporting mothers transitioning into long-term stability.

Key areas of experience:

- long-term affordable housing management
- independent resident support structures
- housing sustainability operations
- affordability stewardship
- ongoing family stabilization support

This program strengthened the organization's ability to manage long-term housing with both independence and support systems in place.

### **Carol's Place (Opening Fall 2026)**

A new shared-living housing development created through partnership-based construction involving:

- Lennar
- local trade professionals
- community donors and volunteers
- the Spring Lake Park High School Construction Trades Program

This project demonstrates expanded organizational capacity in:

- coordinated housing development partnerships
- in-kind labor and material integration
- construction and project management collaboration
- community-supported development execution
- long-term housing expansion planning

By Fall 2026, Elevate Hope House will operate three housing properties serving mothers and children across multiple housing models.

### **EXPERIENCE WITH PUBLIC FUNDING ADMINISTRATION**

Elevate Hope House has prior experience working within publicly administered funding programs, including Community Development Block Grant (CDBG) funding related to housing and stabilization initiatives.

Through this experience, the organization has developed working knowledge of:

- compliance and eligibility requirements
- reimbursement and documentation processes
- reporting and audit expectations
- financial tracking and fund segregation
- outcome accountability
- government partnership coordination
- structured reporting systems

This background demonstrates familiarity with the expectations required when managing public investment and reinforces readiness for LAHA funding administration.

### **LAHA COMPLIANCE READINESS**

The organization understands that LAHA funding requires structured long-term compliance and accountability.

Elevate Hope House is prepared to implement and maintain systems including:

- household income qualification and verification
- annual recertification of tenant eligibility
- affordability tracking and documentation systems
- tenant file management and record retention

- occupancy tracking and reporting
- restricted fund accounting for public dollars
- annual reporting coordination with the City of Ramsey
- long-term affordability covenant compliance
- transparent financial reporting and audit readiness

Existing eligibility systems aligned with Anoka County housing procedures provide a strong foundation for these requirements.

The organization is prepared to work directly with the City of Ramsey to ensure full compliance with all LAHA expectations, reporting standards, and long-term stewardship obligations.

### **RESPONSIBLE STEWARDSHIP OF PUBLIC INVESTMENT**

The organization recognizes that public funding requires:

- transparency
- accountability
- operational discipline
- long-term sustainability
- responsible financial stewardship

The proposed development is structured to ensure:

- permanent affordability
- nonprofit mission alignment
- responsible property management
- long-term community benefit
- sustained local impact

This is not a short-term development strategy, but a long-term housing and community infrastructure commitment.

### **CONFIDENCE IN EXECUTION**

Elevate Hope House brings a proven foundation of:

- nearly a decade of housing and stabilization work
- multiple active housing environments
- expanding development partnerships
- experience coordinating construction and donor-supported builds



- familiarity with public funding systems
- established community trust and support networks

This proposal represents the scaling of an already operating housing model, not an initial entry into housing development.

### **LONG-TERM COMMITMENT TO RAMSEY**

The organization is committed to maintaining a long-term presence in the City of Ramsey through:

- permanent affordable housing stewardship
- ongoing family stabilization support
- workforce development opportunities
- community-centered programming
- sustained partnership with local stakeholders

The goal is not only to develop housing, but to remain an active, contributing partner in the community for decades to come.

### **CLOSING**

Elevate Hope House respectfully submits this document to reinforce confidence in its ability to responsibly receive, manage, and steward LAHA funding in partnership with the City of Ramsey.

The organization is committed to:

- strong financial accountability
- transparent operations
- long-term affordability
- responsible public funding stewardship
- and sustained community impact

This project represents a partnership opportunity to expand affordable housing while strengthening the long-term stability and connectedness of the Ramsey community.



RESILIENCE  
*architecture + design atelier*

## ELEVATE HOPE HOUSE

City-Owned Parcel #47C  
Sunwood Drive & Yolite Street, Ramsey, MN  
Melinda McDermott, Founder  
*melinda@elevatehopehouse.org*

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# Architectural Feasibility Letter

*May 4, 2026*

To the City of Ramsey and the Elevate Hope House Development Team:

I have reviewed the updated program and vision for the proposed mixed-use development at City-Owned Parcel #47C at Sunwood Drive and Yolite Street in Ramsey, Minnesota. Based on my professional assessment, and reflecting the program direction confirmed with Melinda McDermott through April 30 and the first week of May, I can confirm that this project is architecturally feasible as described and that the program is well-suited to the identified site and the applicable regulatory framework.

Resilience Architecture + Design is prepared to provide architectural services as this project advances into formal planning and design phases.

## PROJECT DESCRIPTION

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The proposed development is a two-story mixed-use building of approximately 8,700 square feet of conditioned space, plus an exterior patio and pergola at the northeast corner of the site. The program comprises:

- First Floor (~5,700 SF): A community-centered café and gathering space branded as Gather, including coffee and tea service, large flexible seating with a permanent gather table for 12+, two reservable community rooms with collapsible walls, a children's play area, a creative / craft space, an artisan marketplace integrated into the storefront, a co-op workspace, the Elevate Hope House program office (relocated from the second floor), ADA-accessible restrooms, and back-of-house support operations.
- Second Floor (~3,000 SF): Three two-bedroom transitional apartments serving the families supported by Elevate Hope House, with shared circulation and two stair cores.
- Exterior Patio (~1,300 SF): A front patio at the building, with a 10' x 10' pergola at the northeast corner providing privacy at the back rail and a structural anchor for a string-light run between the building and the pergola.

## ZONING CONFIRMATION

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The parcel is confirmed as COR-1: Mixed-Use Core Subdistrict under City of Ramsey Zoning Code Chapter 106. This is the most favorable zoning designation available in Ramsey for this program type. The COR Design Framework (City

of Ramsey, February 2012) has been received from Todd Larson, Planning Manager, and reviewed against the proposed scheme. The following uses are confirmed as Permitted Uses in COR-1, requiring no conditional use permit:

- Restaurant / cafe (Gather): Permitted Use per Sec. 106-621
- Multiple-family residential (transitional apartments): Permitted Use per Sec. 106-621
- Outdoor dining and patio: Permitted Accessory Use per Sec. 106-622

Notably, the city's own zoning code explicitly states that “vertically-integrated mixed-use projects with retail, restaurant and service uses, especially at corner locations, are strongly encouraged” in the COR-1 subdistrict (Sec. 106-611(c)(1)). This project is a near-exact articulation of the stated intent of the COR-1 district.

## **BUILDING CODE FRAMEWORK**

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This project falls under the Minnesota State Building Code, which adopts the International Building Code (IBC). The mixed-use program triggers a multi-occupancy classification with the following key implications:

- First Floor: Assembly (A-2) or Business (B) occupancy, depending on final capacity and configuration of gathering spaces.
- Second Floor: Residential (R-2) occupancy for the three apartment units.
- Vertical separation between occupancy groups will require fire-rated construction per IBC Table 508, typically a minimum 1-hour fire barrier between R-2 and A-2/B occupancies.
- Sprinkler system required: At approximately 8,700 SF of total building area, the project exceeds the 4,500 SF threshold that triggers an automatic sprinkler system in a mixed-use building under the IBC. Both floors count toward this total, and treating the cafe and the residential portion as two completely separate buildings is not feasible given the vertically stacked program. Preliminary planning numbers suggest a sprinkler system in the range of \$4 to \$7 per square foot of building area, to be confirmed by a licensed fire suppression consultant during design.
- Two means of egress required upstairs: With three two-bedroom apartments, the second-floor occupant load is anticipated to exceed the 10-occupant threshold that triggers a second means of egress. The current scheme accommodates this with two stair cores extending from the first to the second floor.
- Elevator not required: Based on current code interpretation, an elevator (and a LULA limited-use platform) is not required so long as the project does not exceed three R-2 dwelling units. Relocating the Elevate Hope House office to the first floor keeps that program element clear of any residential accessibility triggers, while preserving an accessible path of travel to all required first-floor uses.
- ADA-compliant restrooms on the first floor and an accessible path of travel from the public right-of-way are required, and are provided in the proposed scheme.
- COR-1 requires a minimum building height of 22 feet with a two-story appearance (Sec. 106-630). The proposed two-story design is consistent with this requirement.

# PRELIMINARY PROGRAM SUMMARY

The table below reflects the working program as of May 4, 2026. Square footages are preliminary planning estimates and are subject to refinement through schematic design.

| SPACE                                        | APPROX. SF       | NOTES                                                               |
|----------------------------------------------|------------------|---------------------------------------------------------------------|
| Coffee + Tea Bar / Back Bar                  | ~700             | Espresso, drip, tea service, digital menu boards                    |
| Back-of-House Operations                     | ~300             | Triple sink, dishwasher, cold storage, ice machine, dry storage     |
| Flexible Gathering + Seating + Entry + Co-op | ~3050            | Daily café seating, large gather table, adaptable layout for events |
| Community Rooms (x2)                         | ~400             | ~12'×16' each (~192 SF); collapsible walls; seats 8 per room        |
| Children's Room                              | ~200             | Visible, family-safe play area                                      |
| Artisan Marketplace                          | Integrated       | Built-in shelving along storefront windows                          |
| Elevate Hope House Office                    | ~200             | Relocated to first floor; private program administration            |
| ADA Restrooms                                | ~150             | Code-required, publicly accessible                                  |
| Stair Cores (x2) + Circulation               | ~400             | Two means of egress required for upstairs occupancy                 |
| Storage / Mechanical / Utilities             | ~300             | Back-of-house support; final layout TBD                             |
| <b>FIRST FLOOR SUBTOTAL</b>                  | <b>~5,700 SF</b> |                                                                     |
| Apt. #1 — 2BR                                | ~850             | Transitional housing unit                                           |
| Apt. #2 — 2BR                                | ~850             | Transitional housing unit                                           |
| Apt. #3 — 2BR                                | ~850             | Transitional housing unit                                           |
| Shared Circulation + Stair Landings          | ~350             | Two stair cores extending from first floor; corridor access         |
| Mechanical / Utilities                       | Individual Units | HVAC, water heater, panel area                                      |
| <b>SECOND FLOOR SUBTOTAL</b>                 | <b>~3,000 SF</b> |                                                                     |

| SPACE                             | APPROX. SF       | NOTES                                                                          |
|-----------------------------------|------------------|--------------------------------------------------------------------------------|
| Front + Side Patios               | ~1,300           | Outdoor gathering; pergola at NE corner with privacy wall and string-light run |
| <b>EXTERIOR PATIO SUBTOTAL</b>    | <b>~1300 SF</b>  |                                                                                |
| <b>TOTAL CONDITIONED BUILDING</b> | <b>~8,700 SF</b> | <b>First + second floor</b>                                                    |

## PRELIMINARY SITE DIMENSIONS

---

The lot width is approximately 84 feet, with an estimated lot depth of approximately 275 feet based on the stated 0.53-acre lot area. These figures yield a site area of approximately 23,090 SF.

Based on these dimensions and the ~5,700 SF first-floor target, the anticipated first-floor building footprint is:

- Building width: 50-60 feet, after final COR-1 setbacks and build-to line are confirmed
- Building depth: 100-125 feet, to achieve approximately 5,700 SF at the working width

Per the civil engineer (Matt Davich, EGR&UD), there are no significant setback or onsite parking requirements for this lot, and stormwater is handled offsite through a regional pond. Final setback and build-to line requirements will be confirmed against the COR Design Framework now in hand, in coordination with the City of Ramsey Planning Division.

## PRELIMINARY COST FRAMEWORK

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New mixed-use construction in the Minneapolis-Saint Paul metro currently ranges from approximately \$200 to \$325 per square foot for hard construction costs alone. At ~8,700 SF, that range yields an unassisted hard-cost band of approximately \$1,740,000 to \$2,827,500.

Hard construction costs do not include:

- Architectural, engineering, and consulting fees (typically 8 to 12% of construction cost)
- Site preparation, utility connections, and civil work
- Furniture, fixtures, and equipment (FF&E)
- Permitting and city fees
- Owner contingency (recommended at 10 to 15% at this stage of design)
- Sprinkler system, estimated at \$4 to \$7 per SF (~\$35,000 to \$61,000 at this building size)



Layered together, an unassisted, market-rate, all-in budget for a project of this size in this market typically lands in the range of approximately \$2,200,000 to \$3,700,000. In-kind contributions have meaningful potential to compress these numbers.

If holding the project under the \$1,000,000 ceiling identified by Elevate Hope House remains the priority, the most direct levers are: reducing total enclosed square footage (for example by leaving the second floor as a partially-finished shell for later buildout), simplifying exterior detail and finishes, and continuing to expand the in-kind donation and trade-partnership network. These are choices best made jointly with the selected general contractor once their pricing input is on the table.

### **Indicative Phase 1 budget:**

On an unassisted, market-rate basis, Phase 1 hard construction costs are anticipated in the range of approximately \$1,400,000 to \$2,300,000, before soft costs and contingency. The realistic path to bringing this number down toward Elevate Hope House's \$1,000,000 Phase 1 fundraising ceiling runs primarily through in-kind contributions, and the depth and breadth of those contributions is what will ultimately determine where Phase 1 lands.

Reaching the \$1,000,000 ceiling will depend on materially expanding the roster of in-kind sponsors, including donated or heavily discounted labor across the major trades (framing, electrical, plumbing, HVAC, and finishes), donated windows, doors, and millwork, sponsored major building systems (sprinklers, HVAC, cabinetry, and cafe kitchen equipment), and a sustained volunteer labor program coordinated alongside the trades-program work. Sponsor-named spaces and room-by-room dedications are a proven path for capital projects of this kind and can be a meaningful contributor to bridging the gap.

Each major trade donation that comes in compresses construction cost meaningfully. At this scale, a deep stack of in-kind contributions across labor, materials, and major systems can plausibly trim 30 to 40 percent off the unassisted market-rate cost. The earlier these commitments are firmed up during the design phase, the more confidently the project can be priced and the more leverage Elevate Hope House will have in its fundraising conversations.

### **Indicative Phase 2 budget:**

Apartment fit-out in 2028 is anticipated in the range of approximately \$450,000 to \$650,000, depending on finish level and whether the three units are completed simultaneously or sequentially as additional funding becomes available. The same in-kind contribution strategy will carry forward into Phase 2 and is expected to compress these numbers as well.

These figures are pre-design planning estimates. They are provided in good faith for proposal and fundraising conversations, and are not a guaranteed or fixed price. Final pricing for this project will be determined by the general contractor selected by Elevate Hope House, based on detailed construction documents, market conditions at the time of bid, the scope of in-kind contributions actually realized, and decisions made during design. Resilience Architecture + Design is not responsible for, and does not warrant, the final construction price; that responsibility rests with the general contractor and the project owner.

## CONCLUSION

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The Elevate Hope House mixed-use development at Parcel #47C is a well-conceived, mission-driven project with a program that is architecturally sound and appropriate for the site. The proposed use of a COR-1 corner parcel for vertically-integrated community-serving commercial and residential development is not merely compatible with the city's zoning intent, it is precisely what COR-1 was written to produce.

Resilience Architecture + Design is honored to be part of this team and is committed to delivering thoughtful, code-compliant architectural services that serve both the operational needs of Gather and the housing mission of Elevate Hope House.

Respectfully submitted,



**Olivia Sprosty, AIA**

Architect | Owner, Resilience Architecture PLLC

AIA Minnesota License #64414

olivia@resilience-architecture.com | (608) 379-2108

Date: 05/04/2026

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*This letter is provided for proposal, planning, and fundraising purposes only and does not constitute a design contract, professional certification, or code compliance determination. Final building code interpretations are subject to review by the Authority Having Jurisdiction. Final construction pricing is the responsibility of the general contractor selected by the Owner.*

# Ramsey Local Affordable Housing Aid (LAHA) Program

Adopted \_\_\_\_\_ 2026

## **Program Overview**

The Ramsey Local Affordable Housing Aid (LAHA) program is intended to provide improvements to owner-occupied homes where the expense of such improvements would be cost-prohibitive or exceedingly burdensome to income-qualified residents. Providing assistance for exterior improvements not only help the residents of that home, but also benefit the surrounding neighborhood with improved aesthetics. Improvements to internal systems can provide for a safer and healthier living environment.

## **Eligible Participants**

To be qualified for this program, recipients must meet all of the following criteria:

1. The household (combined total of all people residing in that house) income level must be at or below 115% Area Median Income (AMI) as defined for that year. Income verification will be done by review of tax filings.
2. The property must be owner-occupied and homesteaded with Anoka County. It may not be a relative homestead or in a trust.
3. The owner must not own or have any financial interest in any other homes or dwelling units—such as seasonal cabins, second homes, or as investment property.
4. Exterior improvements are limited to single-family homes. Interior improvements are available to single-family homes, owned manufactured homes in Oak Terrace Estates, and townhomes.
5. Must be a resident of Ramsey and the home must be located with Ramsey.

*Preferred Participants* – Should there be more demand than money available, first preference will be given to households below 80% AMI and second preference given to homes resided by someone over 65 years of age (identification required if not the same person as on the deed).

## **Eligible Expenses**

The following improvements on the home are eligible for use of LAHA money:

*Exterior Improvements* – Minimum award amount = \$5,000; Maximum award amount - \$50,000 (total per home).

1. New Windows and exterior doors.
2. New Siding.
3. New Roofing.
4. Connecting wells and/or septic systems to municipal utilities and the costs of proper removal or abandonment. Replacement costs are eligible provided that municipal utilities are not available.
5. Tree trimming and/or removal if the tree poses a threat to the home or it is a tree in the front yard.
6. Bituminous or concrete driveway replacement (between the main garage and the street only).
7. Demolition of unsafe exterior structures.
8. Demolition and replacement of unsafe decks.
9. Repair of unsafe home foundations.

*Interior Improvements – Minimum award amount \$1,000; Maximum award amount - \$10,000 (total per home).*

10. Furnace
11. Air conditioner
12. Water heater
13. Mold, lead, and asbestos remediation
14. Electrical panel replacement and upgrading of knob-and-tube wiring.

The Council shall designate amounts each year for exterior and interior improvements.

### **Matching Contributions**

This program is a forgivable grant with a sliding scale based on the amount the homeowner contributed to the project and the length of time that homeowner remains in the home. This money is not intended to provide a resale value increase in order to flip a property quickly. This program will reward projects that have a greater homeowner contribution with a shorter repayment period.

There will be no interest charged or collected on any repayment.

Repayment terms shall be secured by a lien on the property recorded with the Anoka County Recorder/Registrar of Titles office. If repayment is required at the time the home sells, money received must be deposited into the Housing Fund as required by Law.

### **Repayment Portion (%) Based on Homeowner Contribution and Resale Timeframe.**

|               | Percent Project Contribution |                |                |
|---------------|------------------------------|----------------|----------------|
| Resale        | 0-24.99%                     | 25-49.99%      | 50%+           |
| 0-2 Years     | 100% Repayment               | 100% Repayment | 100% Repayment |
| 2-4 Years     | 75% Repayment                | 66% Repayment  | 50% Repayment  |
| 4-6 Years     | 50% Repayment                | 33% Repayment  | 0 (Forgiven)   |
| 6-8 Years     | 25% Repayment                | 0 (Forgiven)   | 0 (Forgiven)   |
| After 8 Years | 0 (Forgiven)                 | 0 (Forgiven)   | 0 (Forgiven)   |

Example 1: A homeowner contributes 25 percent of the project costs and sells the house in three years, 66 percent of the awarded amount must be repaid to the City:

|                                                 |                                   |
|-------------------------------------------------|-----------------------------------|
| <i>Total Project Cost</i>                       | <i>\$20,000</i>                   |
| <i>Homeowner Contribution</i>                   | <i>\$5,000 (25% of \$20,000)</i>  |
| <i>Award Amount</i>                             | <i>\$15,000</i>                   |
| <i>Amount Owed to City when sold in 3 years</i> | <i>\$10,000 (66% of \$15,000)</i> |

Example 2: A homeowner contributes nothing to a project and remains in the home for ten years. There is no repayment required.

|                                                  |                                    |
|--------------------------------------------------|------------------------------------|
| <i>Total Project Cost</i>                        | <i>\$20,000</i>                    |
| <i>Homeowner Contribution</i>                    | <i>\$0</i>                         |
| <i>Award Amount</i>                              | <i>\$20,000</i>                    |
| <i>Amount Owed to City when sold in 10 years</i> | <i>\$0 (the award is forgiven)</i> |

Should it be discovered after-the-fact that a recipient did not meet all of the *Eligible Participants* criteria, the entire awarded amount must be repaid at the time of sale, regardless of the timeframe between when the award was granted and the sale date.

### **Payments to Contractors**

The City will not pay homeowners directly. Instead, the City will pay the contractors directly for their services. All contractors must be properly licensed and pull the applicable building/electrical permits. The City will pay a down payment (up to 50% project cost) and then a final payment. Final payment will only be made after work is complete and passes all required inspections. Should a homeowner be including their own funds in the project, their funds must be first applied to the down payment. The contractor and homeowner will sign a form acknowledging this arrangement and that no money will be used for kickbacks, bonuses, or anything unrelated to the actual work being performed.

After-the-fact or reimbursement applications and payments are not allowed.

### **Application Timing**

The listed *exterior* improvements are generally scheduled months in advance. Funding these improvements will be based on submitting an application and a contractor's bid during an application window during the month of February. The applicant's tax returns must be filed for the previous year to provide the most recent income verification.

The listed *interior* improvements are generally needed with little or no warning. The City will take in applications and the contractor's bid with the most recent tax returns on a rolling basis.

Should available *exterior* improvement money exceed the amounts requested during the February application window, a supplemental application period will be available on a rolling first-come/first-serve basis. This excess available money can be used for *interior* improvements.

### **Re-Applicants**

Nothing will preclude a homeowner who received LAHA funds from applying for additional exterior projects in future application cycles. In order to improve as many homes as possible, priority will be given, however, to homes that have not received any LAHA awards.

### **Administration**

The program will be administered by Community Development staff with the payments coordinated by Finance staff.

Community Development Staff will review all of the applications for *exterior improvements* in early March after the February application window closes. Staff will prioritize those applications by *preferred applicants* noted above. Staff will select as many applicants, in order of application submittal, as possible. Should demand exceed money available, Staff will request a reallocation to the Council.



Community Development Staff will review each *interior improvement* application generally within two business days and process requests quickly as these types of improvements are generally more pressing in need.

In order to respond quickly to our residents and to keep them out of a potentially political situation, all applications and awards will be handled by staff.

#### Additional Eligible Uses of LAHA Funds

In the event that a project does not meet an above eligibility type, the City Council has the discretion to provide assistance for housing projects that meet LAHA criteria. The City Council, at its discretion can set unique criteria and requirements on a case-by case basis.

#### **Reporting**

Staff will prepare a report to the Council on the types of projects the money was used each year. Staff must also provide an annual report to Minnesota Housing per State Law.

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:**

---

**Information****Title:**

Wage Theft &amp; Project Labor Requirements

**Purpose/Background:**

This item is being requested by Councilmember Riley and Mayor Heineman.

This discussion is a continuation of the May 26, 2026 City Council Work Session that was originally requested by Councilmembers Buscher & Peters. Councilmember Buscher provided the attached information.

**Recommendation:**

Staff holds no recommendations at this time.

**Outcome/Action:**

Provide consensus direction of next steps.

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**Attachments**

Impact of Responsible Bidder Laws on Union Contractors in Illinois and Indiana  
Model Ordinance from Indiana  
Belvidere Example  
Rockford, IL Example  
Harrisburg Example  
St. Paul Example  
Brooklyn Park Example  
Bloomington Example  
MN Prevailing Wage List

**Form Review****Inbox**

Brian Hagen

Form Started By: Brian Hagen

Final Approval Date: 07/13/2026

**Reviewed By**

Kathy Schmitz

**Date**

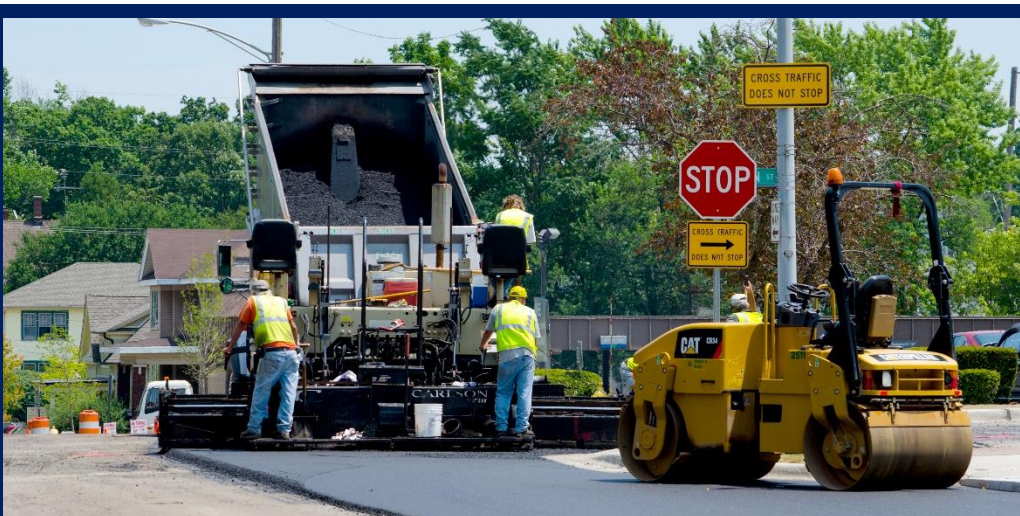
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# The Impact of Responsible Bidder Ordinances on Union Contractors in Illinois and Indiana

*Evidence from a Natural Experiment of  
New Ordinances and a Local Case Study*



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## Executive Summary

A responsible bidder ordinance (RBO) is a local construction market policy that ensures public expenditures reflect area standards of quality and craftsmanship. By ensuring that contractors meet objective criteria and verifiable standards, RBOs guarantee that public construction projects are not awarded to unscrupulous contractors who cut corners or have poor track records. As a result, RBOs provide a qualifications-based approach that works within the low-bid system to ensure quality by using professional, competent contractors who complete projects safely, on time, and on budget.

**Research shows that RBOs stabilize public construction costs and deliver value for taxpayers.**

- A study of more than 300 school construction projects in Ohio found that RBOs have “no discernible statistical impact on construction bid costs.”
- A study of more than 1,300 bids on public projects in two Kansas counties found that school construction costs were \$67 cheaper per square foot when local RBOs were in effect.
- A study of more than 1,200 public projects in Illinois and Indiana found that projects covered by RBOs are no more costly than those that are not covered by RBOs.

**Across Illinois and Indiana, RBOs tend to have common characteristics. Nearly all RBOs require:**

- Evidence of participation in approved registered apprenticeship training programs (92 percent).
- Proof of certificates of insurance, such as workers’ comp and liability insurance (90 percent).
- Accountability and transparency through certified payroll records (95 percent) and by allowing bid submissions to be obtained through Freedom of Information Act (FOIA) requests (96 percent).

**Since 2019, 11 local government jurisdictions in Illinois and Indiana enacted RBOs *and* awarded projects both before and after passage.**

- 5 jurisdictions passed new RBOs in Illinois: DuPage County, the DuPage County Forest Preserve District, the City of Moline, the City of Waukegan, and the Village of Forest Park.
- 6 jurisdictions passed new RBOs in Indiana: the City of LaPorte, the City of Rensselaer, the Town of Kouts, the Kankakee Valley School Corporation, the Knox Community School Corporation, and the South Bend Community School Corporation.
- An analysis of 145 public projects finds that the market share of union contractors increased by 9.3 percent, or \$5.2 million, in just these 11 jurisdictions alone due to the passage of new RBOs.

**Additionally, municipal projects awarded in the four Quad Cities from January 2018 through June 2021 provide a local case study on the impacts of RBOs within an integrated economic region.**

- The Quad Cities include Rock Island and Moline in Illinois and Davenport and Bettendorf in Iowa.
- An analysis of 248 city-owned projects finds that the market share of union contractors is 13.1 percent higher on projects covered by RBOs in the Quad Cities area.
- The case study reveals that the effect of RBOs may be larger when paired with other high-road construction policies, such as a state prevailing wage law.

The data conclusively shows that union contractors are more likely than nonunion contractors to be responsible businesses that are good stewards of taxpayer dollars. That’s why responsible bidder ordinances increase the market share of union contractors by between 9 percent and 13 percent. Responsible bidder ordinances deliver accountability and transparency for taxpayers, promote apprenticeship programs that produce skilled craftworkers for local businesses, and increase work for contractors who pay family-supporting wages and benefits.

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## Introduction

Responsible bidder ordinances (RBOs) are policy tools that establish objective criteria and verifiable standards for contractors bidding on public construction projects. They are designed to promote local standards of quality and craftsmanship. A responsible bidder ordinance acknowledges value as well as costs when it comes to projects. An RBO protects taxpayers by setting minimum standards, guaranteeing that public projects are not awarded to contractors who cut corners or have poor track records.

Responsible bidder ordinances, sometimes referred to as responsible contractor policies, provide a qualifications-based approach that works within the low-bid system to ensure quality by using professional, competent contractors who complete projects safely, on time, and on budget. RBOs may become particularly important as states and local government invest in public infrastructure with federal dollars from the Infrastructure Investment and Jobs Act of 2021 ([Biden White House, 2021](#)).

RBOs have become increasingly common across the United States. Many communities in states that have repealed prevailing wage laws—or do not have prevailing wage laws—have adopted RBOs to maintain local construction standards and minimize the negative consequences associated with a lack of standards on taxpayer-funded construction projects. For example, there are now more than 50 local RBOs in Indiana ([Ill FFC, 2021](#)). The southern cities of New Orleans, LA and St. Petersburg, FL have also passed RBOs since 2020 ([Stein, 2021](#); [Municode, 2021](#)). RBOs have been passed in counties, townships, cities, towns, and special districts.

Even in states with prevailing wage laws and other high-road construction standards, there are legal reasons to enact RBOs at the local-level. To be considered a “responsible bidder” in Illinois, for example, the Illinois Procurement Code requires bidders to submit satisfactory evidence of compliance with the Illinois Prevailing Wage Act and equal employment opportunity requirements, valid business registrations and certificates of insurance, and participation in apprenticeship training programs approved by and registered with the U.S. Department of Labor. However, the Illinois Procurement Code *only* applies to state government contracts. The Illinois Municipal Code and the Illinois Counties Code, which apply to local government contracts, do not have these provisions. RBOs have thus become a way to address this lack of standards on public projects funded by local units of government.

This Illinois Economic Policy Institute (ILEPI) report evaluates the effect of 11 new responsible bidder ordinances that have been passed in Illinois and Indiana since 2019 on union contractors. It also explores a case study of the impact of RBOs in the Quad Cities area along the border between Illinois and Iowa. The report concludes by recapping key findings.

## Economic Research on Responsible Bidder Ordinances

The most authoritative research on RBOs comes from school districts in Ohio. A peer-reviewed, academic study investigated the bid costs of over 300 elementary schools from 1997 to 2008 and found that responsible contracting policies have “no discernible statistical impact on construction bid costs” after controlling for geographic location. There was no evidence that RBO provisions raise construction costs. The study concluded that adopting RBOs “may be an effective way to improve employment conditions

and living standards of construction workers without significantly raising costs for taxpayers” ([Waddoups & May, 2014](#)).

In April 2013, Kansas Governor Sam Brownback signed a bill into law that prohibited cities and counties from requiring contractors to pay locally prevailing wages “or offer an employee benefit other than those required by state or federal law,” which included apprenticeship training contributions ([HB 2069, 2013](#)). This state pre-emption law invalidated local construction policies in Sedgwick County and Wyandotte County. A 2016 report investigated more than 1,300 bids on school construction and non-residential projects in those counties between 2005 and 2016. While the author concluded that there was no statistical difference in the total cost of non-residential construction projects due to the repeal of the local construction policies, the data did reveal that school construction costs were \$67 cheaper per square foot during the years when the policies were in place ([Kelsay, 2016](#)).

The most recent research on RBOs reviewed more than 1,200 public projects in Illinois and Indiana ([Manzo, 2020](#)). The analysis found that RBOs encourage 8 percent more bid competition on taxpayer-funded projects and increase the market share of union contractors by between 9 percent and 12 percent—suggesting that nonunion contractors are less likely to contribute to apprenticeship training programs and less likely to comply with state, local, and federal laws. RBOs are also associated with more work for contractors who pay family-supporting wages, which helps attract and retain qualified workers. Because RBOs promote apprenticeship programs and produce skilled tradespeople, they have no statistical impact on total construction costs. Notably, when focusing on the nonunion segment of the construction industry, RBO-covered projects awarded to nonunion contractors were no more costly than nonunion projects that were not covered by RBOs ([Manzo, 2020](#)).

In addition to keeping construction costs stable, RBOs promote better labor market outcomes. A 2018 case study of county-level RBOs in Indiana found that all the countywide RBOs in Indiana required both contractors and subcontractors bidding on public projects to participate in U.S. Department of Labor-approved apprenticeship training programs. As a result, worker turnover in the heavy and civil engineering construction sector—which includes the construction of roads, bridges, bike lanes, utility lines, and public parks—was 2 percent lower in the counties with RBOs. Construction workers also earned 8 percent more in the counties with RBOs. Because they incentivize apprenticeship training, RBOs are associated with stable employment and middle-class careers for skilled construction workers ([Manzo & Manzo, 2018](#)).

RBOs ensure that reputable contractors with proven track records complete jobs efficiently. Contractors with workplace law violations are more than five times as likely to have a low performance rating as contractors with a clean record of workplace law compliance ([Adler, 2003](#)). By weeding out cut-rate contractors, RBOs ensure that public bodies get the quality they pay for and encourage successful projects that are on time and on budget. In fact, case studies from across the country have found that RBOs promote higher quality and more reliable services, increased competition among responsible contractors, and reduced back-end reconstruction and litigation costs ([Sonn & Gebreselassie, 2010](#)). Additionally, evidence suggests that 98 percent of construction owners using qualifications-based procurement models—like those in RBOs—report being satisfied with project quality ([Kashiwagi et al., 2005](#)).

## Characteristics of RBOs in Illinois and Indiana

The vast majority of RBOs that have been enacted throughout Illinois and Indiana have seven consistent provisions based on objective criteria and verifiable standards (Figure 1). Nearly all RBOs in Illinois and Indiana establish prequalification programs (98 percent), require contractors to submit certified payroll records (95 percent), and allow contractor bid submissions to be obtained by the public through Freedom of Information Act (FOIA) requests or their equivalent (96 percent). Almost all RBOs explicitly state that the provisions apply to the prime bidder (97 percent), and about one-third of RBOs extend these expectations to all subcontractors hired by the prime bidder (30 percent).

Nearly all RBOs in Illinois and Indiana also ensure that contractors winning local government projects invest in training the next generation of skilled construction workers (Figure 1). More than nine out of every ten RBOs (92 percent) require “evidence of participation in apprenticeship and training programs, applicable to the work to be performed on the project, which are approved by and registered with the United States Department of Labor’s Office of Apprenticeship.” Nine out of every ten RBOs ensure that contractors provide proof of certificates of insurance through U.S. Department of Treasury-approved companies (90 percent) and another eight-in-ten ask contractors to provide proof that their workers are covered by health insurance plans and will earn retirement benefits (77 percent).

In addition to these seven common characteristics which ensure accountability and transparency while promoting skilled workers, RBOs also sometimes include provisions to promote community safety (Figure 1). For example, 24 percent of RBOs in Illinois and Indiana require a written plan for employee drug testing and another 18 percent guarantee that contractors are certified by the Occupational Safety and Health Administration (OSHA). Furthermore, 12 percent of RBOs in Illinois and Indiana require contractors to submit a statement of commitment to proper classification of workers, helping to weed out criminal contractors who engage in misclassification and wage theft. These criteria decrease the chances that local taxpayer dollars will be used by contractors who cut corners at the worksite while increasing the likelihood that the workers who build taxpayer-funded infrastructure projects are safe, reliable, and paid a wage commensurate with their craftsmanship and experience.

**FIGURE 1: COMMON CHARACTERISTICS OF THE 163 RBOs THAT HAVE BEEN ENACTED IN ILLINOIS AND INDIANA**

| Ten Common Criteria of Local RBOs Enacted in Illinois and Indiana |                                                                                              | Share of RBOs with Criteria |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------|
| 1                                                                 | RBO establishes prequalification program                                                     | 98%                         |
| 2                                                                 | Requirements apply to prime bidder<br>• <i>Requirements also apply to all subcontractors</i> | 97%<br>• 30%                |
| 3                                                                 | Contractor submissions subject to FOIA requests                                              | 96%                         |
| 4                                                                 | Certified payroll required                                                                   | 95%                         |
| 5                                                                 | Proof of participation in USDOL-approved registered apprenticeship programs                  | 92%                         |
| 6                                                                 | Proof of insurance (e.g., workers comp, liability)                                           | 90%                         |
| 7                                                                 | Proof that workers will receive health and retirement benefits                               | 77%                         |
| 8                                                                 | Proof of drug prevention program                                                             | 24%                         |
| 9                                                                 | Proof of OSHA certification                                                                  | 18%                         |
| 10                                                                | Statement of commitment to proper worker classification                                      | 12%                         |

Source: Authors’ analysis of responsible bidder ordinances as compiled by Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC, 2021). N = 163 RBOs passed in Illinois and Indiana, including 109 in Illinois and 54 in Indiana. For additional characteristics, see Table A in the Appendix.

## The Impact of 11 New RBOs on Market Share Outcomes

The data utilized in this research was collected by the Indiana, Illinois, Iowa Foundation for Fair Contracting, a nonprofit labor-management organization ([III FFC, 2021](#)). The III FFC collects project data for 14 northern Indiana counties and 25 northern Illinois counties using bid software programs such as ConstructConnect and Dodge Data & Analytics as well as through public bid lettings and public documents. All projects in their proprietary reports include the date of the bid letting, the county of the project, the awarding agency, bid information, the union (or signatory) status of each bidder, and whether the project was covered by a local responsible bidder ordinance (RBO).

This study includes project bid data from January 2018 through June 2021. The 42 months represent the period of analysis. Since 2019, there have been 16 RBOs passed in Illinois and Indiana. One city—the City of Kewanee, IL—had a different RBO in effect starting in 2007. Four others, including two in Indiana and two in Illinois, did not have a project built either before or after passage of the RBO during the period of analysis. These four jurisdictions include a school district, library district, village, and forest preserve. It is not possible to ascertain the effect of adopting an RBO in these four jurisdictions because there is not a clear before-and-after picture. This leaves 11 jurisdictions with project bid data both before their RBOs were passed and after their RBOs went into effect—five in Illinois and six in Indiana. The full dataset includes 145 public projects involving the operating engineers craft, including 94 prior to passage of the local RBOs and 51 after passage.

Figure 2 presents summary statistics for all the projects awarded by these 11 local government jurisdictions in Illinois and Indiana between the beginning of January 2018 and the end of June 2021. On the projects that were awarded prior to passage of the local RBOs, union contractors won 76.6 percent of the projects and the union market share was 87.1 percent. By contrast, after RBOs were enacted and applied on projects funded by these same jurisdictions, union contractors were awarded 90.2 percent of the projects and the union market share totaled 97.9 percent. Accordingly, the union win rate was 13.6 percent higher and the union market share was 10.8 percent higher on the post-RBO projects than on the pre-RBO projects. This reveals that local businesses employing union construction workers are more significantly likely to be responsible contractors with proven track records of success than nonunion firms in the region. Bid competition was essentially unchanged, with about three and half contractors submitting bids on public projects regardless of whether or not they were covered by RBOs.

**FIGURE 2: CHANGE IN UNION WIN SHARE AND UNION MARKET SHARE IN 11 ILLINOIS AND INDIANA JURISDICTIONS THAT HAVE PASSED RBOs SINCE 2019, WITH BEFORE-AND-AFTER DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Column | 11 Jurisdictions with Data Before-and-After | Math       | Before RBOs     | After RBOs      | RBO Difference |
|--------|---------------------------------------------|------------|-----------------|-----------------|----------------|
| A      | Number of Projects                          |            | 94              | 51              |                |
| B      | Number of Bids                              |            | 342             | 174             |                |
| C      | Bids Per Project                            | $B \div A$ | 3.6             | 3.4             | -0.2           |
| D      | Value of All Projects                       |            | \$66,749,035.72 | \$56,246,096.58 |                |
| E      | Projects Awarded to Unions                  |            | 72              | 46              |                |
| F      | Union Win Share                             | $E \div A$ | 76.6%           | 90.2%           | +13.6%         |
| G      | Value of Projects Awarded to Unions         |            | \$58,154,683.02 | \$55,087,053.28 |                |
| H      | Union Market Share                          | $G \div D$ | 87.1%           | 97.9%           | +10.8%         |

Source: Authors' analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([III FFC, 2021](#)). For more, see Table B, Table C, and Table D in the Appendix.

However, it is important to note that the market share of union contractors in the 14 northern Indiana counties and 25 northern Illinois counties also increased during the period of analysis. Figure 3 investigates the entire region *except for* the 11 jurisdictions that passed new RBOs and had before-and-after data. This provides a “control group” of public projects to compare with the “treatment group” of local projects that experienced the RBO policy change. In 2018, before these 11 RBOs were passed, union contractors were awarded 96.9 percent of the entire market. In the years that have followed, union contractors won 98.4 percent of the market share.

**FIGURE 3: OVERALL CHANGE IN UNION MARKET SHARE IN 25 NORTHERN ILLINOIS COUNTIES AND 14 NORTHERN INDIANA COUNTIES, EXCLUDING THE 11 JURISDICTIONS THAT PASSED RBOs, DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Illinois and Indiana Market<br>(Excluding 11 Areas that Passed RBOs) | Total<br>Value   | Union<br>Value   | Nonunion<br>Value | Union<br>Market Share |
|----------------------------------------------------------------------|------------------|------------------|-------------------|-----------------------|
| Pre-RBO (Jan. 2018-Dec. 2018)                                        | \$4,771,472,168  | \$4,622,849,093  | \$146,841,457     | 96.9%                 |
| Post-RBO (Jan. 2019-June 2021)                                       | \$15,171,633,497 | \$14,931,653,208 | \$220,619,613     | 98.4%                 |
| <b>Difference</b>                                                    |                  |                  |                   | <b>+1.5%</b>          |

Source: Authors’ analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([III FFC, 2021](#)).

The region has thus experienced a 1.5 percent increase in union market share in areas that did not otherwise change during this time (Figure 3). There are two implications of this finding. The first is that union contractors have become more competitive compared with their nonunion counterparts in the region since 2018. The second is that the market share of union contractors would have been expected to increase by an average of 1.5 percent in the 11 jurisdictions that passed RBOs even if they had not enacted the new ordinances. In other words, there is no reason to think that these 11 jurisdictions would deviate significantly from the rest of the regional construction market.

Figure 4 calculates how much RBOs increased the market share of union contractors above-and-beyond the general trend in the market. The net effect of RBOs on the union market share can be determined by subtracting the 1.5 percent overall gain in union market share across the region from the 10.8 percent gain in union market share on post-RBO projects relative to pre-RBO projects in the jurisdictions that passed the ordinances. Consequently, the 11 new responsible bidder ordinances in Illinois and Indiana since 2019 have boosted the market share of union contractors by an estimated 9.3 percent (Figure 4).

**FIGURE 4: NET CHANGE IN UNION WIN SHARE AND UNION MARKET SHARE BASED ON THE DIFFERENCE-IN-DIFFERENCES IN THE 11 JURISDICTIONS THAT PASSED RBOs, WITH BEFORE-AND-AFTER DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Net Impact of New RBOs<br>in Illinois and Indiana | Pre-RBO<br>Period | Post-RBO<br>Period | RBO<br>Difference |
|---------------------------------------------------|-------------------|--------------------|-------------------|
| 11 Jurisdictions with New RBOs                    | 87.1%             | 97.9%              | +10.8%            |
| Illinois and Indiana (Excluding 11 Jurisdictions) | 96.9%             | 98.4%              | +1.5%             |
| <b>Difference</b>                                 | <b>-9.8%</b>      | <b>-0.5%</b>       | <b>+9.3%</b>      |

Source: Authors’ analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([III FFC, 2021](#)).

This increase in the union market share mirrors the results of a 2020 study using similar data for northern Indiana and northern Illinois but excluding projects from the Chicago metropolitan area. That study compared projects that were covered by RBOs versus projects that were not and found that the RBOs increase union contractor win rates by between 9.2 percent and 11.9 percent, after accounting for the size of the project, location of the project, and other factors ([Manzo, 2020](#)). The current analysis builds upon that 2020 study by using the before-and-after “natural experiment” to directly assess the impact of enacting a responsible bidder ordinance.



Another way to interpret the data is that the passage of RBOs has lifted the union market share so that it is generally in line with the rest of the region (Figure 4). Before they enacted the policies, the 11 jurisdictions had a union market share below 90 percent. After passage, union contractors were awarded nearly 98 percent of the total project value. In the rest of the regional construction market, the union market share was also just over 98 percent.

The swing in market share due to the passage of responsible bidder ordinances has real-world effects on union contractors (Figure 5). In the 11 jurisdictions that enacted RBOs, a total of \$56.2 million in value was awarded on post-RBO projects. Applying the 9.3 percent net change since RBOs have passed results in an estimated \$5.2 million in value awarded to union contractors due to the passage of just these 11 RBOs. This also means that nonunion firms likely lost out on \$5.2 million worth of construction projects because they did not participate in registered apprenticeship programs, did not have proof of insurance, or were otherwise not responsible. RBOs increase union market share.

**FIGURE 5: ESTIMATED CHANGE IN VALUE AWARDED TO UNION CONTRACTORS IN JUST THE 11 JURISDICTIONS THAT HAVE PASSED RBOs SINCE 2019, BASED ON POST-RBO DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Column | Estimating the Dollar Impact of the 11 Jurisdictions Passing RBOs | Math       | Value           |
|--------|-------------------------------------------------------------------|------------|-----------------|
| A      | Total Value of Projects Awarded Since RBOs Passed                 |            | \$56,246,096.58 |
| B      | RBO Impact on Union Market Share                                  |            | +9.3%           |
| C      | Estimated Value of Projects to Union Contractors Due to RBOs      | $B \div A$ | +\$5,230,886.98 |

Source: Authors' analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC, 2021).

## A Case Study: Municipal Projects Covered by RBOs in the Quad Cities

In addition to the before-and-after analysis of 11 jurisdictions that passed RBOs in Illinois and Indiana, the dataset includes information on municipal projects awarded by the four Quad Cities: Rock Island and Moline in Illinois and Davenport and Bettendorf in Iowa. The Quad Cities region offers a unique opportunity for a local case study on the impacts of RBOs since these four cities are geographically close and within the same integrated economic area. The City of Rock Island, IL has had an RBO in effect since November 21, 2016 and the City of Moline, IL recently implemented an RBO on January 19, 2021. By contrast, Iowa has a state pre-emption law prohibiting local governments from passing RBOs or similar policies.

Figure 6 presents the data. The full dataset for the Quad Cities case study—which also uses 42 months of project bid data from January 2018 through June 2021—contains 248 projects on city-owned projects, including 51 projects that were covered by RBOs and 197 projects that were not covered by RBOs. All projects involve the operating engineers craft. In the Quad Cities, municipal projects with operating engineers that are covered by RBOs have a union win rate of 86.3 percent and union contractors represent 67.1 percent of the total market. City-funded projects that are not covered by RBOs have a union win rate of just 46.7 percent and union contractors have a market share of only 54.0 percent. The difference is a 13.1 percent increase in union market share on projects covered by RBOs in this local metropolitan area.

The projects covered by RBOs are all on the Illinois side of the border. Illinois has a state prevailing wage law, supports workers' collective bargaining rights, and 97 percent of all construction apprentices are enrolled in joint labor-management programs that are cooperatively administered by labor unions and their signatory contractors (Manzo & Bruno, 2020). Iowa, on the other hand, has never had a state

prevailing wage law, has a so-called “right-to-work” law that weakens collective bargaining, and only 55 percent of its construction apprentices are registered in joint labor-management programs (Manzo & Gigstad, 2021). The Quad Cities case study consequently reveals that the effect of RBOs *may* be larger when paired with high-road labor standards in construction.

**FIGURE 6: THE DIFFERENCE IN UNION WIN SHARE AND UNION MARKET SHARE FOR PROJECTS THAT ARE AND ARE NOT COVERED BY RBOs IN THE QUAD CITIES OF ILLINOIS AND IOWA, DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Quad Cities Projects  | Total Projects | Total Value     | Union Wins | Union Win Share | Union Value     | Union Market Share |
|-----------------------|----------------|-----------------|------------|-----------------|-----------------|--------------------|
| Covered by RBOs       | 51             | \$55,479,609.91 | 44         | 86.3%           | \$37,234,073.43 | 67.1%              |
| Not Covered by RBOs   | 197            | \$85,403,882.83 | 92         | 46.7%           | \$46,121,313.97 | 54.0%              |
| <b>RBO Difference</b> |                |                 |            | <b>+39.6%</b>   |                 | <b>+13.1%</b>      |

Source: Authors’ analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC, 2021).

## Conclusion

Responsible bidder ordinances (RBOs) are policy tools that establish objective criteria and verifiable standards for contractors bidding on public construction projects funded by local taxpayers. These policies are designed to promote quality infrastructure built by professional contractors and skilled workers while stabilizing construction costs. This guarantees that public projects are awarded to responsible local businesses that make efficient use of taxpayer dollars.

This report finds that responsible bidder ordinances increase the market share of union contractors by millions of dollars every year in Illinois and Indiana. In 11 local government jurisdictions that have passed RBOs in Illinois and Indiana since 2019, the union market share increased by 9 percent following the ordinance’s implementation date. This corresponds to a gain of more than \$5 million in work for union contractors in just these 11 jurisdictions alone over this time. Additionally, a local case study of the Quad Cities located along the Mississippi River on the Illinois-Iowa border reveals that RBOs may boost the market share of union contractors by as much as 13 percent when other high-road construction labor policies are present, such as a prevailing wage law.

The data conclusively shows that union contractors are more likely than nonunion contractors to be responsible businesses that are good stewards of taxpayer dollars. By ensuring that local governments hire only professional, competent contractors, responsible bidder ordinances deliver accountability and transparency for taxpayers, promote apprenticeship programs that produce skilled craftworkers for local businesses, and increase work for contractors who pay family-supporting wages and benefits.

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## Appendix

**TABLE A: SUMMARY OF CHARACTERISTICS OF THE 163 RBOs THAT HAVE BEEN ENACTED IN ILLINOIS AND INDIANA, AS OF DECEMBER 2021**

| Provisions or Criteria in Responsible Bidder Ordinances in Indiana and Illinois                  | Share with Provisions |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Includes preamble for economic rationale                                                         | 96%                   |
| Includes definition of public works construction                                                 | 38%                   |
| Certified payroll required                                                                       | 95%                   |
| Requirements apply to prime bidder                                                               | 97%                   |
| Requirements apply to all subcontractors                                                         | 30%                   |
| RBO triggered by a project threshold                                                             | 62%                   |
| RBO establishes its own prequalification program                                                 | 98%                   |
| RBO requires bidder and / or subs to hold prequalification from a state agency or third party    | 12%                   |
| Contractor submissions subject to FOIA                                                           | 96%                   |
| RBO contains bid credits or preference for local bidders                                         | 13%                   |
| RBO contains racial or gender diversity participation goals                                      | 7%                    |
| Provide proof of business registration / license to do business in the state                     | 21%                   |
| Provide proof of insurance (workers comp, liability)                                             | 90%                   |
| Disclose past tax liens or delinquencies                                                         | 19%                   |
| Disclose past violations of local / state / federal laws                                         | 13%                   |
| Provide past performance info / list of projects of similar size and scope / key resumes         | 33%                   |
| Bidder must disclose all subcontractors                                                          | 21%                   |
| Provide proof of drug prevention program                                                         | 24%                   |
| Provide statement of commitment to PW / DB compliance                                            | 91%                   |
| Provide statement of commitment to proper worker classification                                  | 12%                   |
| Provide proof of any professional or trade licenses required by law or ordinance                 | 13%                   |
| Provide proof of contractor participation in applicable USDOL registered apprenticeship programs | 92%                   |
| Provide proof that workers will receive health and retirement benefits                           | 77%                   |
| Provide proof of OSHA certification                                                              | 18%                   |

Source: Authors' analysis of responsible bidder ordinances as compiled by Indiana, Illinois, Iowa Foundation for Fair Contracting ([IIFFC, 2021](#)). N = 163 RBOs passed in Illinois and Indiana, including 109 in Illinois and 54 in Indiana.

**THE IMPACT OF RESPONSIBLE BIDDER ORDINANCES ON UNION CONTRACTORS IN ILLINOIS AND INDIANA**

**TABLE B: FULL DATA ON THE LOCATION AND DATE OF PASSAGE OF RBOs, WITH INFORMATION ON THE NUMBER OF PROJECTS AWARDED, THE TOTAL VALUE OF PROJECTS AWARDED, AND THE UNION WIN SHARE AND UNION MARKET SHARE IN THE PERIODS BEFORE PASSAGE OF RBOs, DATA FROM JAN. 2018 THROUGH JUNE 2021**

| <u>Area and Date of RBO Enactment</u>   |                    |                 | <u>Pre-RBO Period</u> |                        |                   |                        |                        |                           |
|-----------------------------------------|--------------------|-----------------|-----------------------|------------------------|-------------------|------------------------|------------------------|---------------------------|
| <u>Jurisdiction</u>                     | <u>State</u>       | <u>RBO Date</u> | <u>Projects</u>       | <u>Total Value</u>     | <u>Union Wins</u> | <u>Union Win Share</u> | <u>Union Value</u>     | <u>Union Market Share</u> |
| DuPage County                           | IL                 | 3/12/19         | 7                     | \$7,631,077.40         | 6                 | 85.71%                 | \$7,612,977.40         | 99.76%                    |
| DuPage County Forest Preserve District  | IL                 | 2/2/21          | 23                    | \$12,617,212.45        | 17                | 73.91%                 | \$11,840,323.05        | 93.84%                    |
| City of Moline                          | IL                 | 1/19/21         | 38                    | \$19,509,376.87        | 26                | 68.42%                 | \$13,432,395.57        | 68.85%                    |
| City of Waukegan                        | IL                 | 1/22/19         | 3                     | \$8,052,758.00         | 3                 | 100.00%                | \$8,052,758.00         | 100.00%                   |
| Village of Forest Park                  | IL                 | 1/15/19         | 2                     | \$1,317,672.00         | 2                 | 100.00%                | \$1,317,672.00         | 100.00%                   |
| Town of Kouts                           | IN                 | 3/18/19         | 4                     | \$635,226.00           | 2                 | 50.00%                 | \$545,676.00           | 85.90%                    |
| Kankakee Valley School Corporation      | IN                 | 8/13/19         | 3                     | \$4,283,519.00         | 3                 | 100.00%                | \$4,283,519.00         | 100.00%                   |
| City of Rensselaer                      | IN                 | 1/27/20         | 1                     | \$1,136,103.00         | 1                 | 100.00%                | \$1,136,103.00         | 100.00%                   |
| City of LaPorte                         | IN                 | 2/3/20          | 4                     | \$5,362,189.00         | 3                 | 75.00%                 | \$3,729,357.00         | 69.55%                    |
| Knox Community School Corporation       | IN                 | 2/17/20         | 2                     | \$3,538,264.00         | 2                 | 100.00%                | \$3,538,264.00         | 100.00%                   |
| South Bend Community School Corporation | IN                 | 6/1/20          | 7                     | \$2,665,638.00         | 7                 | 100.00%                | \$2,665,638.00         | 100.00%                   |
| <b>TOTALS</b>                           | <b>IL &amp; IN</b> |                 | <b>94</b>             | <b>\$66,749,035.72</b> | <b>72</b>         | <b>76.60%</b>          | <b>\$58,154,683.02</b> | <b>87.12%</b>             |
| <u>No Pre-RBO Data</u>                  |                    |                 |                       |                        |                   |                        |                        |                           |
| Gary Community School Corporation       | IN                 | 9/21/20         |                       |                        |                   |                        |                        |                           |
| LaPorte County Library                  | IN                 | 5/1/19          |                       |                        |                   |                        |                        |                           |
| Village of Pecatonica                   | IL                 | 11/17/20        |                       |                        |                   |                        |                        |                           |
| Rock Island County Forest Preserve Dis. | IL                 | 1/15/19         |                       |                        |                   |                        |                        |                           |

Source: Authors' analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([IIFFC, 2021](#)). The City of Kewanee, IL passed a new RBO during the period of analysis but had a different RBO in effect prior to 2019 that was passed in 2007. As a result, the City of Kewanee, IL is not included in the before-and-after analysis.



THE IMPACT OF RESPONSIBLE BIDDER ORDINANCES ON UNION CONTRACTORS IN ILLINOIS AND INDIANA

**TABLE C: FULL DATA ON THE LOCATION AND DATE OF PASSAGE OF RBOs, WITH INFORMATION ON THE NUMBER OF PROJECTS AWARDED, THE TOTAL VALUE OF PROJECTS AWARDED, AND THE UNION WIN SHARE AND UNION MARKET SHARE IN THE PERIODS AFTER PASSAGE OF RBOs, DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Area and Date of RBO Enactment          |                    |          | Post-RBO Period |                        |            |                 |                        |                    |
|-----------------------------------------|--------------------|----------|-----------------|------------------------|------------|-----------------|------------------------|--------------------|
| Jurisdiction                            | State              | RBO Date | Projects        | Total Value            | Union Wins | Union Win Share | Union Value            | Union Market Share |
| DuPage County                           | IL                 | 3/12/19  | 11              | \$19,212,607.93        | 11         | 100.00%         | \$19,212,607.93        | 100.00%            |
| DuPage County Forest Preserve District  | IL                 | 2/2/21   | 2               | \$216,550.00           | 2          | 100.00%         | \$216,550.00           | 100.00%            |
| City of Moline                          | IL                 | 1/19/21  | 8               | \$2,941,858.30         | 6          | 75.00%          | \$2,133,251.00         | 72.51%             |
| City of Waukegan                        | IL                 | 1/22/19  | 10              | \$16,016,946.35        | 9          | 90.00%          | \$15,936,946.35        | 99.50%             |
| Village of Forest Park                  | IL                 | 1/15/19  | 9               | \$10,644,722.00        | 9          | 100.00%         | \$10,644,722.00        | 100.00%            |
| Town of Kouts                           | IN                 | 3/18/19  | 4               | \$1,448,119.00         | 3          | 75.00%          | \$1,351,369.00         | 93.32%             |
| Kankakee Valley School Corporation      | IN                 | 8/13/19  | 1               | \$1,998,000.00         | 1          | 100.00%         | \$1,998,000.00         | 100.00%            |
| City of Rensselaer                      | IN                 | 1/27/20  | 2               | \$989,212.00           | 1          | 50.00%          | \$815,526.00           | 82.44%             |
| City of LaPorte                         | IN                 | 2/3/20   | 1               | \$396,095.00           | 1          | 100.00%         | \$396,095.00           | 100.00%            |
| Knox Community School Corporation       | IN                 | 2/17/20  | 2               | \$1,900,000.00         | 2          | 100.00%         | \$1,900,000.00         | 100.00%            |
| South Bend Community School Corporation | IN                 | 6/1/20   | 1               | \$481,986.00           | 1          | 100.00%         | \$481,986.00           | 100.00%            |
| <b>TOTALS</b>                           | <b>IL &amp; IN</b> |          | <b>51</b>       | <b>\$56,246,096.58</b> | <b>46</b>  | <b>90.20%</b>   | <b>\$55,087,053.28</b> | <b>97.94%</b>      |
| <i>No Pre-RBO Data</i>                  |                    |          |                 |                        |            |                 |                        |                    |
| Gary Community School Corporation       | IN                 | 9/21/20  |                 |                        |            |                 |                        |                    |
| LaPorte County Library                  | IN                 | 5/1/19   |                 |                        |            |                 |                        |                    |
| Village of Pecatonica                   | IL                 | 11/17/20 |                 |                        |            |                 |                        |                    |
| Rock Island County Forest Preserve Dis. | IL                 | 1/15/19  |                 |                        |            |                 |                        |                    |

Source: Authors' analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([IIFFC, 2021](#)). The City of Kewanee, IL passed a new RBO during the period of analysis but had a different RBO in effect prior to 2019 that was passed in 2007. As a result, the City of Kewanee, IL is not included in the before-and-after analysis.

THE IMPACT OF RESPONSIBLE BIDDER ORDINANCES ON UNION CONTRACTORS IN ILLINOIS AND INDIANA

**TABLE D: FULL DATA ON THE LOCATION AND DATE OF PASSAGE OF RBOs AND THE CHANGE IN THE UNION WIN SHARE AND UNION MARKET SHARE BEFORE-AND-AFTER PASSAGE OF THE RBOs, DATA FROM JAN. 2018 THROUGH JUNE 2021**

| Area and Date of RBO Enactment          |                    |          | RBO Difference  |                    |
|-----------------------------------------|--------------------|----------|-----------------|--------------------|
| Jurisdiction                            | State              | RBO Date | Union Win Share | Union Market Share |
| DuPage County                           | IL                 | 3/12/19  | +14.29%         | +0.24%             |
| DuPage County Forest Preserve District  | IL                 | 2/2/21   | +26.09%         | +6.16%             |
| City of Moline                          | IL                 | 1/19/21  | +6.58%          | +3.66%             |
| City of Waukegan                        | IL                 | 1/22/19  | -10.00%         | -0.50%             |
| Village of Forest Park                  | IL                 | 1/15/19  | +0.00%          | +0.00%             |
| Town of Kouts                           | IN                 | 3/18/19  | +25.00%         | +7.42%             |
| Kankakee Valley School Corporation      | IN                 | 8/13/19  | +0.00%          | +0.00%             |
| City of Rensselaer                      | IN                 | 1/27/20  | -50.00%         | -17.56%            |
| City of LaPorte                         | IN                 | 2/3/20   | +25.00%         | +30.45%            |
| Knox Community School Corporation       | IN                 | 2/17/20  | +0.00%          | +0.00%             |
| South Bend Community School Corporation | IN                 | 6/1/20   | +0.00%          | +0.00%             |
| <b>TOTALS</b>                           | <b>IL &amp; IN</b> |          | <b>+13.60%</b>  | <b>+10.81%</b>     |
| <u>No Pre-RBO Data</u>                  |                    |          |                 |                    |
| Gary Community School Corporation       | IN                 | 9/21/20  |                 |                    |
| LaPorte County Library                  | IN                 | 5/1/19   |                 |                    |
| Village of Pecatonica                   | IL                 | 11/17/20 |                 |                    |
| Rock Island County Forest Preserve Dis. | IL                 | 1/15/19  |                 |                    |

Source: Authors' analysis of project bid data from the Indiana, Illinois, Iowa Foundation for Fair Contracting ([IIFFC, 2021](#)). The City of Kewanee, IL passed a new RBO during the period of analysis but had a different RBO in effect prior to 2019 that was passed in 2007. As a result, the City of Kewanee, IL is not included in the before-and-after analysis.

**ORDINANCE NO. \_\_\_\_\_**

**An Ordinance to Establish Responsible Bidding Practices and  
Submission Requirements on Public Works Projects**

WHEREAS, \_\_\_\_\_ is required by law to award capital improvement contracts to the "lowest responsive and responsible" bidder;

WHEREAS, \_\_\_\_\_, based upon its experience, has determined that quality workmanship, efficient operation, safety, and timely completion of projects requires all bidders meet certain minimum requirements in order to be a "responsive and responsible" bidder;

WHEREAS, applicable state law also requires that bidders meet certain minimum requirements in order to be a "responsive and responsible" bidder;

WHEREAS, \_\_\_\_\_ seeks to enhance its ability to identify "responsive and responsible" bidders on all \_\_\_\_\_ public works construction projects by institution of more comprehensive submission requirements which are in compliance with Indiana State law;

WHEREAS, the "Responsible Bidding Practices and Submission Requirements" Ordinance will preserve administrative resources by insuring that only qualified contractors and subcontractors are awarded contracts on public works construction projects;

WHEREAS, the "Responsible Bidding Practices and Submission Requirements" Ordinance will assure efficient use of taxpayer dollars, will promote public safety and is in the public interest; and,

WHEREAS, the "Responsible Bidding Practices and Submission Requirements" Ordinance will help ensure that no contractor awarded work under this Ordinance or any subcontractor at any tier working on a project awarded pursuant to this ordinance engages in payroll fraud, including the misclassification of employees as independent contractors to avoid paying state, federal or local payroll taxes, workers compensation insurance, unemployment insurance premiums and failing to pay overtime and wages as required by law.

NOW, THEREFORE, BE IT ORDAINED BY THE  
COMMON COUNCIL OF \_\_\_\_\_, INDIANA:

**SECTION 1.** This Ordinance No. \_\_\_\_\_, which is entitled "Responsible Bidding Practices and Submission Requirements for Submitting Bids to Perform Construction Work on Public Works Projects," is hereby enacted and shall read as follows:

**I. Bid Submission Requirements**

Contractors proposing to submit bids on any \_\_\_\_\_ ("\_\_\_\_") project estimated to be at least one-hundred fifty thousand dollars (\$150,000.00) or amount specified under the Indiana bidding statute, in order to be considered a responsible bidder, prior to the opening of bids, submit a statement made under oath and subject to perjury laws, on a form designated by the \_\_\_\_\_ and must include:

- (A) A copy of a print-out of the Indiana Secretary of State's on-line records for the bidder dated within sixty (60) days of the submission of said document showing that the bidder is in existence, current with the Indiana Secretary of State's Business Entity Reports, and eligible for a certificate of good standing. If the bidder is an individual, sole proprietor or partnership, this subsection shall not apply;
- (B) A list identifying all former business names;
- (C) Any determinations by a court or governmental agency for violations of federal, state, or local laws including, but not limited to violations of contracting or antitrust laws, tax or licensing laws, environmental laws, the Occupational Safety and Health Act (OSHA), or federal Davis-Bacon and related Acts;
- (D) A statement on staffing capabilities, including labor sources;
- (E) Evidence of participation in apprenticeship training programs applicable to the work to be performed on the project, which are approved by and registered with the United States Department of Labor's Office of Apprenticeship, or its successor organization; and evidence that any applicable apprenticeship program has graduated at least five (5) apprentices in each of the past five (5) years for each of the construction crafts the bidder will perform on the project. Evidence of graduation rates are not required for apprenticeable crafts dedicated exclusively to the transportation of material and equipment to and from the public works project.

The required evidence includes but is not limited to a copy of all applicable apprenticeship standards and Apprenticeship Agreement(s) for any apprentice(s) who will perform work on the public works project; and documentation from each applicable apprenticeship program certifying that it has graduated at least five (5) apprentices in each of the past five (5) years for each construction craft the bidder will perform on the project. Additional evidence of participation and graduation requirements may be requested by the \_\_\_\_\_ at its discretion.

- (F) A copy of a written plan for employee drug testing that: (i) covers all employees of the bidder who will perform work on the public works project; and (ii) meets, or exceeds, the requirements set forth in IC 4-13-18-5 or IC 4-13-18-6;
- (G) The name and description of the management experience of each of the bidder's project managers and superintendents that bidder intends to assign to work on the project;
- (H) Proof of any professional or trade license required by law for any trade or specialty area in which bidder is seeking a contract award; and disclosure of any suspension or revocation within the previous five years of any professional or trade license held by the company, or of any director, office or manager employed by the bidder;
- (I) Evidence that the bidder is utilizing a surety company on the United States Department of Treasury's Listing of Approved Sureties;
- (J) A written statement of any federal, state or local tax liens or tax delinquencies owed to any federal, state or local taxing body in the last five years;

- (K) A statement that individuals who will perform work on the public works project on behalf of the bidder will be properly classified as either (i) an employee or (ii) an independent contractor, under all applicable state and federal laws and local ordinances;
- (L) A list of projects of similar size and scope of work that the bidder has performed in the State of Indiana within three (3) years prior to the date on which the bid is due; and
- (M) For contracts estimated to cost at least three hundred thousand dollars (\$300,000), certification that the bidder and all subcontractors are qualified under IC 4-13.6-4 or IC 8-23-10.
- (N) A written list that discloses the name, address, and type of work for each subcontractor the bidder intends to employ on any part of the public works project, including individuals performing work as independent contractors.

The \_\_\_\_\_ reserves the right to demand supplemental information from the bidder, additional verification any of the information provided by the bidder, and may conduct random inquiries of the bidder's current and prior customers.

## **II. Post-Bid Submissions from Subcontractors**

Each subcontractor of any tier shall be required to adhere to the requirements of Section I of this Ordinance, but subcontractors shall submit the required information to the successful bidder, who shall then submit said information to the \_\_\_\_\_ prior to the subcontractor's first day of work on the public works project.

Failure of a subcontractor to submit the required information shall not disqualify the successful bidder from performing work on the project and shall not constitute a contractual default or breach by the successful bidder. However, payment shall be withheld from any subcontractor who fails to timely submit said information until such information is submitted and approved by the \_\_\_\_\_. Additionally, the \_\_\_\_\_ may require the successful bidder and/or relevant subcontractor to remove a subcontractor from the project and replace it with a responsive and responsible subcontractor.

The disclosure of a subcontractor by a bidder or a subcontractor shall not create any rights in the disclosed subcontractor. Thus, a bidder and/or a subcontractor may substitute another subcontractor for a disclosed subcontractor by giving the \_\_\_\_\_ written notice of the name, address, and type of work the substitute subcontractor will perform. The substitute subcontractor is subject to all of the obligations of a subcontractor under this Ordinance.

## **III. Validity of Pre-Qualification Classification**

Upon designation by the \_\_\_\_\_ that a bidder's or subcontractor's submission is complete and timely, and upon any further consideration deemed necessary by the \_\_\_\_\_, the bidder or subcontractor may be pre-qualified for future \_\_\_\_\_ public works projects. Pre-qualification shall exempt the bidder or subcontractor from the comprehensive submission requirements contained herein for a period of twelve (12) months. Thereafter, bidders or subcontractors who are pre-qualified must submit a complete application for continuation of pre-qualified standing, on a form provided by the \_\_\_\_\_, (i.e. a "short form") by



December 31<sup>st</sup> for the upcoming calendar year. Failure by any pre-qualified bidder or subcontractor to timely submit its complete application for continuation of pre-qualified standing shall result in automatic removal of the designation effective January 1 of the upcoming year. However, the removed bidder or subcontractor shall still be permitted to bid on or perform work on \_\_\_\_\_ public works projects.

Any material changes to a contractor's status, at any time, must be reported in writing within ten (10) days of its occurrence to the \_\_\_\_\_. The pre-qualification designation is solely within the discretion of the \_\_\_\_\_ and the \_\_\_\_\_ specifically reserves the right to change or revoke the designation for a stated written reason(s).

Denial of pre-qualification shall be in writing and shall be forwarded to the contractor within seven (7) working days of such decision. Any contractor denied or losing pre-qualification status may request reconsideration of the decision by submitting such request in writing to the \_\_\_\_\_ within five (5) business days of receipt of notice of denial.

#### **IV. Incomplete Submissions by Bidders**

It is the sole responsibility of the bidder to comply with all submission requirements herein no later than the public bid opening. Submissions deemed inadequate, incomplete, or untimely by the \_\_\_\_\_ shall result in the automatic disqualification of the bid.

#### **V. Responsive and Responsible Bidder Determination**

After its review of complete and timely submissions, taking into account all information in the submission requirements, the \_\_\_\_\_ shall in its sole discretion, determine whether a bidder or subcontractor is responsive and responsible. The \_\_\_\_\_ reserves the right to utilize all information provided in the bidder or subcontractor's submission or any information obtained by the \_\_\_\_\_ through its own independent verification of the information provided.

#### **VI. Certified Payroll**

For projects in which the cost is at least one-hundred fifty thousand dollars (\$150,000), the successful bidder and all subcontractors working on a public works project shall submit a certified payroll report utilizing federal form WH-347 or its successor form, which must be prepared on a weekly basis and submitted to the \_\_\_\_\_ within ten (10) calendar days after the end of each week in which the successful bidder or subcontractor performed on the public works project. Certified payroll reports shall identify the job title and craft of each employee on the project, e.g. journeyman electrician or apprentice electrician. In the event any successful bidder or subcontractor uses independent contractors to perform work on the project, such individual must be identified on the federal form WH-347 or successor form with the same information as is required for employees.

The \_\_\_\_\_ may withhold payment due for work performed by a successful bidder or subcontractor for failure to timely submit their respective certified payroll reports until such time as the reports are submitted. The \_\_\_\_\_ shall not withhold payment to a successful bidder or subcontractor for failure of the successful bidder or one or more other subcontractors to timely submit their certified payroll reports.

## **VII. Public Records**

All information submitted by a bidder or a subcontractor pursuant to this Ordinance, including certified payrolls, are public records subject to review pursuant to the Indiana Access to Public Records law (IC 5-14-3).

## **VIII. Penalties for False, Deceptive, or Fraudulent Statements/Information**

Any bidder or subcontractor that willfully makes, or willfully causes to be made, a false, deceptive or fraudulent statement, or willfully submits false, deceptive or fraudulent information in connection with any submission made to the \_\_\_\_\_ shall be disqualified from bidding or working on all \_\_\_\_\_ projects for a period of three (3) years.

## **IX. Conflicting Ordinances**

Any ordinance or provision of any ordinance in conflict with the provisions of this Ordinance is hereby repealed.

## **X. Severability**

If any provision of this Ordinance is found to be invalid, the remaining provisions of this Ordinance shall not be affected by such a determination; such provisions shall remain in full force and effect.

**SECTION 2.** It is hereby found and determined that all formal actions of the Board relating to the passage of this Ordinance were adopted in open meeting(s) of the Board and that all deliberations of the Board and its committees that resulted in such formal actions, were meetings open to the public, in compliance with all legal requirements and that the reading and adoption of this Ordinance complies with the \_\_\_\_\_ Code, as amended.

**SECTION 3.** This Ordinance shall be in full force and effect from and after the date of adoption by the \_\_\_\_\_ Council of the \_\_\_\_\_ of \_\_\_\_\_, Indiana.

PASSED AND ADOPTED by the Common Council for the \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ County, Indiana on the \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk-Treasurer

Presented to me by the Mayor of \_\_\_\_\_, Indiana, this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Clerk-Treasurer

Approved by me, the Mayor of \_\_\_\_\_, Indiana, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

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## The City of Belvidere

### Sec. 2-700. Purchasing guidelines and bidding procedures.

- (a) *Formal contract procedure.* Any work or other public improvements and all purchases, orders or contracts for supplies, commodities, equipment or services, except as otherwise provided herein, when the estimated cost thereof shall exceed \$20,000.00 shall be purchased from the lowest responsive and responsible bidder or proposer after due notice inviting bids, unless the city waives the competitive bidding process by a vote of two-thirds of the corporate authorities then holding office. Contracts for professional services within the meaning of the Local Government Professional Services Selection Act (50 ILCS 510/0.01 et seq.) as well as legal services, accounting services, auditing services and other similar professional services shall not be subject to this section.
- (b) This section shall not apply in the event of an emergency declared by the corporate authorities pursuant to Section 8-10-5 of the Illinois Municipal Code (65 ILCS 5/8-10-5).
- (c) *Public notice.* Public notice of a bid request shall be published at least ten days in advance of the date announced for the receiving of bids, in a newspaper of general circulation throughout the city. Additional announcements may also be placed in recognized trade journals and other publications, and/or sent directly to known providers. The public notice shall describe the character of the proposed contract or agreement in sufficient detail to enable the bidders thereon to know what their obligations will be, either in the advertisement itself, or by reference to detailed bid/for proposal packages on file at the time of the public notice. Such advertisement shall also state the date, time and place assigned for the opening of bids, and no bids shall be received at any time subsequent to the time indicated in the announcement. The city shall inform all parties that have received bid/proposal packages of any specification changes or bid opening extensions by written addendum thereof via mail or fax transmission as appropriate. The notice of bid, and contract documents, shall also provide that all contractors and subcontractors shall pay not less than the prevailing rate of wages, shall comply with the Illinois Prevailing Wage Act and shall comply will all other relevant statutes, regulations and ordinances.
- (d) *Bid security.* Unless otherwise required by law, a cashier's check, a certified check or a bid bond issued by a surety company, which is listed and approved by the U.S. Department of the Treasury, in an amount of ten percent of the contract may be required of each bidder by the city. The bid security shall be returned to the unsuccessful bidders within such time as specified in the bid package. A successful bidder shall forfeit its bid security upon failure on its part to enter into a contract within 15 days after the award. The city shall retain the right to hold such successful bidder liable for any excess damage or costs incurred by reason of the failure to execute contracts over and above the bid security retained by the city.
- (e) *Bid opening.* Competitive sealed bids shall be opened in the presence of one or more witnesses at the time and place designated in the public notice. The amount of each bid and name of each bidder shall be publicly read for competitive sealed bids. All information contained within the bids/proposals is the property of the city, and as such is not subject to public inspection until such time as the city council awards a contract, rejects all bids or abandons the project.
- (f) *Award of contract.* Contracts shall be awarded to the lowest responsive and responsible bidder on the basis of the bid that is in the best interest of the city to accept. As a part of the evaluation process, and in addition to price, the city shall evaluate the responsiveness and responsibility of each bidder. To be judged responsible, a bidder must have the following capabilities in all respects to fully perform the contract requirements and will be judged against the following standards, at a minimum:
  - (1) Ability, capacity and skill to fulfill the contract as specified;

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- (2) Ability to supply the commodities, provide the services or complete the construction promptly, or within the time specified, without delay or interference;
  - (3) Character, integrity, reputation, judgment, experience and efficient;
  - (4) Quality of performance on previous contracts;
  - (5) Previous and existing compliance with laws and ordinance relating to the contract;
  - (6) Sufficiency of financial resources;
  - (7) Quality, availability and adaptability of the commodities, services or construction, the relation to the city's requirements;
  - (8) Ability to provide future maintenance and service under the contract;
  - (9) Number and scope of conditions attached to the bid/proposal;
  - (10) Record of payments for taxes, licenses or other monies due the city.
- (g) For procurement of services, equipment and supplies, requests for proposals may be utilized in lieu of the procedures set forth in subsections (c), (d), and (e) above. In such event, the city shall request proposals from not less than three vendors. The city may award a contract under this subsection even if less than three of the vendors submit a proposal.
- (h) *Award of construction contracts over \$25,000.00.* In addition to the criteria set forth in subsection (e) above, to be judged responsible on a construction contract estimated to cost in excess of \$25,000.00, a bidder must comply with the following requirements and submit evidence of such compliance, verified under oath on a form designated by the city:
- (1) Documents evidencing compliance with all applicable laws pre-requisite to doing business in the state.
  - (2) A valid federal employer tax identification number or, if an individual, a valid Social Security number.
  - (3) A statement of compliance with the Illinois Prevailing Wage Act (820 ILCS 130/1 et seq.), and all rules and regulations therein for the past five years.  
  
A contractor who has been found by the Illinois Department of Labor to be in violation of the Prevailing Wage Act twice within a three-year period may be deemed not to be a responsible bidder/proposer for two years from the date of the latest finding.
  - (4) Evidence of participation in apprenticeship and training programs applicable to the work to be performed on the project which are approved by and registered with the United States Department of Labor's Office of Apprenticeship, or its successor organization.
  - (5) Evidence of compliance with the Substance Abuse Prevention on Public Works Projects Act (820 ILCS 265/1 et seq.).
  - (6) A statement listing individuals who will perform work on the project on behalf of the contractor and evidence that:
    - a. Individuals are properly classified as an employee or independent contractor under applicable state and federal laws; and
    - b. Employees are covered under a workers' compensation insurance policy and properly classified under such policy.
  - (7) A list of sub-contractors from whom the contractor has accepted a bid and/or intends to hire on the project, if applicable.



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- (8) A statement as to past performance of the last three public works projects completed by the contractor. Such statements shall include the name of the public body and the project, original contract price, final contract price, the name of all sub-contractors used, if applicable, and a statement as to compliance with completion deadlines.

All contractors, including sub-contractors, must comply with the above requirements. The primary contractor shall submit: (1) all evidence of its compliance at the time it submits its bid to the county; and (2) evidence of all sub-contractors' compliance no later than the date and time of the contract award.

- (i) *Lowest bidder not chosen.* When the award is not awarded to the lowest bidder, the city council shall state specific reasons for awarding the bid to other than the lowest bidder.
- (j) *Multiple low bids.* When two or more responsible bidders submit the same low bid, the contract award shall be determined at the discretion of the city.
- (k) *Insurance and indemnification.* All contractors performing construction shall be required to indemnify, defend and hold harmless the city and to carry such insurance as reasonably required by the city attorney.
- (l) *Contract bond.* Contractors performing construction activities shall provide the city with a performance and payment bond. Certain other non-construction contractors, in cases where the city might be put at risk, may also be required to submit a contract bond to the city, as determined by the city. Contract bonds shall be issued by a surety company which is listed and approved by the U.S. Department of Treasury, and which shall guarantee the performance of the work by the contractor, the payment at the prevailing rate of hourly wages and the payment for all labor, materials, apparatus, fixtures and machinery necessary to complete the project. The city may allow bidders to provide a non-diminishing irrevocable bank letter of credit, in lieu of the bond, provided that any such bank letter of credit shall contain all the provisions required for bonds.

(Ord. No. 988G, § 1, 10-20-08; Ord. No. 42H, § 1, 12-21-09; Ord. No. 249H, § 1(Exh. A), 4-20-15; Ord. No. 318H, § 1, 12-5-16)

# **CITY OF ROCKFORD, ILLINOIS**

## **CODE OF ORDINANCES,**

### **Chapter 2 ADMINISTRATION,**

#### **Art. X. Department of Finance, Div. 6. Purchasing**

##### **Sec. 2-284. Rules governing purchasing, (b) Purchasing procedures**

- (16) ***Responsible bidder*** for purposes of construction contracts over fifty thousand dollars (\$50,000.00) to require submission of proof of compliance with the following criteria:
- a. All applicable laws prerequisite to doing business in Illinois.
  - b. Evidence of compliance with
    - 1. Federal Employer Tax Identification Number or Social Security Number (for individuals).
    - 2. Provision of Section 2000(e) of Chapter 21, Title 42 of the United States Code and Federal Executive Order No. 11246 as amended by Executive Order No. 11375 (known as the Equal Opportunity Employer provisions).
  - c. Certificates of insurance indicating the following coverages: general liability, workers' compensation, completed operations, automobile, hazardous occupation, product liability, and professional liability.
  - d. Compliance with all provisions of the Illinois Prevailing Wage Act, including wages, medical and hospitalization insurance and retirement for those trades as covered in the Act.
  - d. Participation in apprenticeship and training programs approved and registered with the United States Department of Labor's Bureau of Apprenticeship and Training for all trades that will be in the contractor's (or his subcontractor's) employment, with each worker receiving the required apprenticeship/training appropriate to his trade.

BILL NO. \_\_\_\_ - 2021

Moved by: \_\_\_\_\_

An Ordinance of the City of Harrisburg establishing a new Part 2-1100 of the Codified Ordinances of Harrisburg entitled “Responsible Contracting”; providing for the adoption of certain procedures related to the solicitation and award of public contracts within the City; establishing a monetary threshold for applicable contracts; providing for certification requirements for public contractors; providing for certification requirements for subcontractors on applicable public contracts; and providing for review procedures.

**WHEREAS**, the City of Harrisburg is duly empowered to enact laws to protect its proprietary and financial interests relating to major capital investments made in public works contracts, and to protect the public health, safety and welfare of its residents; and

**WHEREAS**, the City recognizes the significant challenges arising in the planning and execution of public works construction and maintenance projects, especially those relating to the ability to ensure the use of qualified contractors and subcontractors and adequate numbers of skilled craft personnel who have industry-recognized training in the respective trades needed for public works projects; and

**WHEREAS**, in order to better meet those operational challenges and to ensure the continued responsible stewardship of public funds the City desires to establish rules for awarding public works contracts of financial significance; and

**WHEREAS**, the Council for the City of Harrisburg finds that the enactment of standards for responsible contracting should serve these purposes; and

**WHEREAS**, the Council further recognizes that the City remains in the midst of a process to secure a disparity study to better provide legislative parameters for disadvantaged business enterprises in the City and better promote ongoing local economic opportunities to our residents,

the completion of which will require additional legislative action, including updates to this new Chapter to allow for a coordinated application of these important dual contracting objectives.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HARRISBURG, AND IT IS HEREBY ENACTED BY AUTHORITY OF THE SAME, AS FOLLOWS:**

Ch. 1-201.1.C PROVIDES "AMENDMENTS TO EXISTING LEGISLATION ARE TO BE UNDERLINED; DELETIONS ARE TO BE INDICATED BY [BRACKETING]. ADDITIONS TO PROPOSED LEGISLATION WHICH AMENDS EXISTING LEGISLATION SHALL BE CAPITALIZED; DELETIONS SHALL BE INDICATED BY STRIKING (—)."

**SECTION 1. AMENDMENT TO THE ADMINISTRATIVE CODE.**

Part 11 of Title 2 of the Codified Ordinances for the City of Harrisburg is hereby established as follows:

"TITLE 2, ADMINISTRATIVE CODE"

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PART 11 (2-1100)

CHAPTER 2-1101

RESPONSIBLE CONTRACTING

**§2-1101.1. Purpose**

The City of Harrisburg ("the City") recognizes that there is a need to ensure that all work on public construction and maintenance contracts is performed by responsible, qualified firms that maintain the capacity, expertise, personnel and other qualifications and resources necessary to successfully perform such contracts in a timely, reliable and cost-effective manner.

To effectuate the purpose of selecting responsible contractors for these public contracts and to protect the City's investments in such contracts, prospective contractors and sub-contractors

should be required to meet pre-established, clearly defined, minimum qualification standards regarding past project performance in terms of competency, safety and law compliance, technical abilities, experience, and adequacy of resources.

Further, due to the critical impact that skilled craft labor has on the execution of public works projects, and the increasingly limited availability of such labor, it is necessary to require contractors and subcontractors to participate in proven apprenticeship training programs as a condition of bidding to promote successful project delivery and help ensure future workforce development.

Therefore, the City shall require compliance with the provisions of this ordinance by business entities seeking to provide services as specified herein. The requirements of this ordinance are intended to supplement, not replace, existing contractor qualification standards or other criteria currently required by the City.

**§ 2-1101.2. Responsible Contractor Requirements**

(a) This ordinance shall apply to public works projects undertaken by the City for construction, demolition, alteration, renovation, modernization, service or maintenance of buildings, structures or facilities valued at two hundred thousand dollars (\$200,000.00) or more; excepting contracts necessary to immediately mitigate emergency conditions or otherwise protect public safety. All contractors and subcontractors of any tier that perform work on such projects, regardless of value of individual contract or subcontract packages shall meet the requirements of this ordinance.

(b) All firms engaged in public works contracts subject to this ordinance, including general contractors, construction managers, other lead or prime contractors, and subcontractors at any level, shall be qualified, responsible contracting firms that have sufficient capabilities in all respects to successfully perform contracts on which they are engaged, including the necessary experience, equipment, technical skills and qualifications, organizational resources, financial stability, and personnel resources. Firms bidding or otherwise participating in public works contracts shall also be required to have a satisfactory past

performance record and a satisfactory record of law compliance, integrity and business ethics.

(c) The firm will pay all craft employees on the project, at a minimum, the applicable wage and fringe benefit rates, as established for the classification in which the worker is employed, in accordance with the Pennsylvania Prevailing Wage Act. 43 PA. CONS. STAT. § 165-1 *et seq.*, as amended or recodified. These wages shall also be paid to employees performing any custom fabrication work for the project. For purposes of this subsection, custom fabrication shall mean the fabrication, assembly modification or other production of non-standard goods, or materials, including components, fixtures, or parts thereof, that are fabricated assembled or modified offsite, but produced specifically for a project covered by this ordinance. This requirement shall include, but not be limited to custom fabrication for electrical, plumbing, mechanical, refrigeration, heating, cooling, ventilation, sheet metal or other duct systems, mechanical insulation, ornamental iron work or boiler systems. Fabrication shall also include the fabrication, assembly or other production of components or structures prefabricated to specifications for a particular project covered by this ordinance.

### § 2-1101.3. Contractor Responsibility Certifications

(a) As a condition of performing work on a public works contract subject to this ordinance, a general contractor, construction manager or other lead or prime contractor seeking award of a contract shall submit a Contractor Responsibility Certification as specified herein.

(b) The Contractor Responsibility Certification shall be completed on a form provided by the City and reference the project for which a bid is being submitted by name and contract or project number.

(c) In the Contractor Responsibility Certification, the construction manager, general contractor or other lead or prime contractor shall confirm the following facts regarding its past performance and work history and its current qualifications and performance capabilities:



## AMENDED

- (1) The firm and its employees have all licenses, registrations, certificates or other credentials required by federal and state law and the laws of the City with respect to the contract work it seeks to self-perform.
- (2) The firm meets the bonding requirements for the contract required by law or contract specifications, as well as applicable insurance requirements for the contract, including general liability, workers compensation and unemployment insurance.
- (3) The firm has not been debarred or suspended by any federal, state or local government agency or authority in the past three years.
- (4) The firm has not defaulted on any project in the past three years.
- (5) The firm has not had any type of business, contracting or trade license, registration or certification revoked or suspended in the past three years.
- (6) The firm and its principals/owners have not been convicted of any crime relating to its contracting business in the past ten years.
- (7) Within the past three years, the firm has not been found in violation of any law applicable to its contracting business, including, but not limited, to licensing laws, tax laws, wage and hour laws, prevailing wage laws, environmental laws or others, where the result of such violation was the payment of a fine, back pay damages or any other type of penalty in the amount of five thousand dollars (\$5,000.00) or more.
- (8) The firm will employ a sufficient number of craft labor personnel required to successfully perform any project work it self-performs or shall use qualified subcontractors to meet this requirement.
- (9) The firm shall ensure that all craft labor it employs on the project will have completed, prior to working on the project, the OSHA 10-Hour training course for safety

established by the U.S. Department of Labor, or other substantially similar course approved by the City. Nothing herein is intended, however, to voluntarily enlarge the jurisdiction or authority of OSHA or the U.S. Department of Labor for public projects not otherwise subject to OSHA regulation.

~~(10) The construction manager, general contractor or other lead or prime contractor responsible for the project shall ensure that at least 70 percent of the craft labor workforce employed on the project workforce shall be comprised of either journey person, workers who have successfully completed an apprenticeship training program registered with and approved by the U.S. Department of Labor or a state apprenticeship agency or registered apprentices currently enrolled in such programs.~~

~~A. These craft labor requirements that the great majority of the craft labor personnel employed on the project have the requisite skills and qualifications to perform the project work as they will be participants in or graduates of bona fide apprenticeship training programs in each trade or craft in which their services are utilized.~~

~~B. For purposes of this subsection, apprenticeship training programs may include those which are subject to the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq. ("ERISA"), or non-ERISA programs.~~

~~C. To demonstrate compliance with this section, the firm shall provide, with this certification, a list of all trades or classifications of craft employees it will employ on the project and the names and addresses of all applicable apprenticeship programs relating to craft personnel utilized on the project.~~

(10) THE FIRM, AND ALL SUBCONTRACTORS TO THE FIRM, PARTICIPATES IN A CLASS A APPRENTICESHIP TRAINING PROGRAM, AS DEFINED BELOW, FOR EACH SEPARATE TRADE OR CLASSIFICATION IN WHICH IT EMPLOYS CRAFT EMPLOYEES.

THIS APPRENTICESHIP REQUIREMENT ASSURES THAT WORKERS IN EACH TRADE OR CRAFT EMPLOYED ARE PARTICIPANTS IN OR

GRADUATES OF BONA FIDE APPRENTICESHIP TRAINING PROGRAMS IN EACH TRADE OR CRAFT IN WHICH THEIR SERVICES ARE UTILIZED, AS EVIDENCED BY THE FACT THAT THE PROGRAM IS REGISTERED WITH FEDERAL OR STATE GOVERNMENT AND HAS BEEN IN CONTINUOUS EXISTENCE FOR NO FEWER THAN FIVE (5) YEARS PRIOR TO THE PROJECT RELATING TO THE CERTIFICATION.

A. FOR PURPOSES OF THIS SECTION, A CLASS A APPRENTICESHIP PROGRAM IS AN APPRENTICESHIP PROGRAM REGISTERED WITH AND APPROVED BY THE U.S. DEPARTMENT OF LABOR OR A STATE APPRENTICESHIP AGENCY AND HAS GRADUATED APPRENTICES TO JOURNEY PERSON STATUS FOR AT LEAST THREE OF THE PAST FIVE YEARS. THIS MAY AN APPRENTICESHIP PROGRAM SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, 29 U.S.C. § 1001 ET SEQ. ("ERISA"), OR A NON-ERISA PROGRAM.

B. TO DEMONSTRATE COMPLIANCE WITH THIS SECTION, THE FIRM SHALL PROVIDE, WITH THIS CERTIFICATION, A LIST OF ALL TRADES OR CLASSIFICATIONS OF CRAFT EMPLOYEES IT WILL EMPLOY ON THE PROJECT AND DOCUMENTATION VERIFYING IT PARTICIPATES IN A CLASS A APPRENTICESHIP PROGRAM FOR EACH TRADE OR CLASSIFICATION LISTED.

(11) The firm shall assign workers to perform only work in their respective craft or trade for which they have sufficient skills and training, or shall use qualified subcontractors to meet this requirement.

(12) The firm shall comply with the wage requirements set forth in Section 2-1101.2(c) of this Ordinance. The minimum wage for custom fabrication work shall be the same as the wage paid for project work in accordance with each applicable trade or classification.

(13) The firm has all other technical qualifications and resources, including equipment, personnel and financial resources, to successfully perform the referenced contract and shall maintain such capabilities throughout the duration of the project, or will obtain same through the use of qualified, responsible subcontractors or vendors

(14) The firm shall notify the City of Harrisburg within seven (7) days of any material changes in its operation that relate to any matter attested to in this certification.

(d) Execution of the Contractor Responsibility Certification required by this ordinance shall not establish a presumption of contractor responsibility, and the City may require any additional information it deems necessary to evaluate a firm's status as a responsible contractor, including information regarding the firm's technical qualifications, financial capacity or other resources and performance capabilities. The City may require that such information be included in a separate Statement of Qualifications and Experience or as an attachment to the Contractor Responsibility Certification.

(e) The submitting firm shall stipulate in the Contractor Responsibility Certification that, if it receives a Notice of Intent to Award Contract, it will provide a Subcontractor List and required subcontractor information as specified in Section 2-1101.5.

(f) If the submitting firm has ever operated under another name or is controlled by another company or business entity or in the past five years controlled or was controlled by another company or business entity, whether as a parent company, subsidiary or in any other business relation, it shall attach an appendix to its Contractor Responsibility Certification that explains in detail the nature of any such relationship. Additional information may be required from such an entity if the relationship in question could potentially impact contract performance.

(g) If a firm fails to provide a Contractor Responsibility Certification required by this section, it shall be disqualified from bidding. No action of any nature shall lie against the City because of its refusal to accept a bid for this reason.

#### **§ 2-1101.4. Notice of Intent to Award Contract**

(a) After it has received bids for a project, the City shall issue a Notice of Intent to Award Contract to the firm that has submitted the lowest responsive bid.

(b) Such Notice shall be issued immediately or as soon as practicable after bids are opened and shall stipulate that the contract award is conditioned on the issuance of a written Contractor Responsibility Determination for the firm as required by Section 2-1101.6, compliance with Subcontractor Certifications required by Section 2-1101.5, and any other qualification standards required by the City, or by requirements of other laws.

**§ 2-1101.5. Subcontractor Responsibility Requirements**

(a) Within fourteen (14) days of receiving a Notice of Intent to Award Contract, the prospective awardee shall submit a Subcontractor List, which provides the name and address of the subcontractors it will use on the project, the scope of work assigned to each subcontractor, and Subcontractor Responsibility Certifications as required by this section.

(b) The prospective awardee shall not be permitted to use a subcontractor on any work performed for the City unless it has identified the subcontractor on its Subcontractor List and provided a Subcontractor Responsibility Certification in accordance with the requirements of Section 2-1101.5.

(c) At the time a prospective awardee submits the Subcontractor List it shall also submit Subcontractor Responsibility Certifications and applicable supporting information for all listed subcontractors to the City.

(d) A prospective awardee shall determine whether any firm on its Subcontractor List is organized as a sole proprietorship owned and operated by a single person. This shall apply to subcontractors at any tier. For any such entity, the prospective awardee shall ensure that the sole proprietorship subcontractor is a legitimate business entity and not a misclassified employee by requiring the subcontractor to supplement its Subcontractor Certification with its Employer Identification Number and copies of any license, certificate or registration it is required to maintain in to do business in the state in which it is located.

(e) Subcontractor Responsibility Certifications shall be executed by the respective subcontractors on forms prepared by the City and contain the same information, representations and supporting information required in Contractor Responsibility Certifications, including verification of apprenticeship qualifications required by Section 2-1101.3(c)(11) for each trade or classification of craft workers it will employ on the project.

(f) Subcontractor Responsibility Certifications shall be executed by a person having sufficient knowledge to address all matters in the certification and shall include an attestation stating, under the penalty of perjury, that all information submitted is true, complete and accurate.

(g) A subcontractor listed on a firm's Subcontractor List shall not be substituted unless written authorization is obtained from the City and a Subcontractor Responsibility Certification is provided for the substitute subcontractor.

(h) In the event that the City determines that a subcontractor fails to meet the requirements of this ordinance or is otherwise determined to be non-responsible, it may, after informing the prospective awardee, exercise one of the following options:

(1) Permit the awardee to substitute a qualified, responsible subcontractor in accordance with the requirements of this section, upon submission of a completed Subcontractor Certification for the substitute and approval of the substitute by the City.

(2) Require the awardee to self-perform the work in question if the firm has the required experience, licenses and other qualifications to perform the work in question; or

(3) Disqualify the prospective awardee.

(i) In the event a subcontractor is disqualified under this ordinance, and the general contractor, construction manager or other lead or prime contractor is unable to cure the defect either



by providing a qualified subcontractor or demonstrate that it can perform the work itself in a time deemed reasonable by the City, the entire bid shall be deemed non-responsive and the City shall issue a Notice of Intent to Award to the next lowest responsive bidder.

- (j) Nothing in this section shall be deemed to waive any immunity, governmental or otherwise, to which the City is entitled.

**§ 2-1101.6. Contractor Responsibility Review and Determination**

- (a) After the City has issued a Notice of Intent to Award Contract to the lowest responsive bidder, it shall undertake a contractor responsibility review process to determine whether the firm is a qualified, responsible firm in accordance with the requirements of this ordinance and other applicable laws and regulations. The time frame for conducting this review process shall be as determined by the City.

- (b) As part of the review process, the City shall ensure that the Contractor Responsibility Certification and Subcontractor Responsibility Certifications and applicable supporting information comply with the requirements of this ordinance.

- (c) The City may conduct any additional inquiries to verify that the prospective awardee and its subcontractors have the technical qualifications and performance capabilities necessary to successfully perform the contract and that the firms have a sufficient record of law compliance and business integrity to justify the award of a public contract. In conducting such inquiries, the City may seek relevant information from the firm, its prior clients or customers, its subcontractors or any other relevant source.

- (d) After the City determines that all responsibility certifications have been properly executed and has verified that all other relevant information requested for reviews indicates that the prospective awardee and its subcontractors are qualified, responsible firms, it shall issue a written Contractor Responsibility Determination for the prospective awardee.

(e) In the event a firm is determined to be non-responsible, the City shall notify the firm and proceed to conduct a responsibility review of the next lowest, responsive bidder or, if necessary, rebid the project. A Responsibility Determination may be revoked at any time if the City obtains relevant information warranting any such revocations.

(f) The City may engage or designate an internal or external construction or project manager to ensure compliance with necessary the reviews under this Chapter.

**§ 2-1101.7. Execution of Final Contract**

(a) A contract subject to this ordinance shall not be executed until all requirements of this ordinance have been fulfilled and until a Contractor Responsibility Determination has been issued by the City pursuant to Section 2-1101.6.

(b) Prior to the execution of a final contract under this section, the City shall publicly post the Notice of Intent to Award, Contractor and Subcontractor Responsibility Certifications, Subcontractor Lists, related supporting documentation and the Contractor Responsibility Determination on a publicly available website for public inspection for a period of ten (10) calendar days after the issuance of the Contractor Responsibility Determination.

**§ 2-1101.8. False, Incomplete or Misleading Responsibility Certifications**

If the City determines that a Contractor Certification, Subcontractor List or Subcontractor Responsibility Certification contains false or misleading information that was provided knowingly or with reckless disregard for the truth or omits material information knowingly or with reckless disregard of the truth, the firm for which the certification was submitted shall be disqualified from the project and shall be prohibited from performing work for the City for a period of three years. The City may withhold payment of any monies due to the firm as damages and impose other applicable penalties and sanctions, including contract termination, as permitted by law or contract.

**§ 2-1101.9. Statutory Authority**

This Chapter is enacted under the authority of Chapter 119 of the Third Class City Code governing contracts, authorizing the enactment provisions for and regulation of the procedures for the award of contracts, as provided by 11 Pa.C.S. §11901 (a).

**§ 2-1101.10. Related Provisions**

(a) Nothing in this legislation is intended to alter, diminish or impede any grant of legislative or executive authority provided in the Optional Third Class City Charter Law.

(b) In the event that any part of this Chapter is deemed to conflict with applicable provisions of any federal or state law or regulation, the federal or state provision shall control.

**§ 2-1101.11. Implementation**

The provisions of this Chapter shall be implemented by the appropriate City departments, as determined by the Mayor, within one (1) year from the effective date of this Chapter.

**SECTION 2.** DELEGATION. Appropriate City officials are authorized to take such actions as are necessary to effectuate this ordinance, including but not limited to, the implementation of rules and regulations to carry out the purpose of this ordinance.

**SECTION 3.** SEVERABILITY. If any provision, sentence, clause, section or part of this ordinance or the application thereof to any person or circumstance is for any reason found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this ordinance. It is hereby declared as the intent of the Council of the City of Harrisburg that this ordinance would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section or part not been included herein.

**SECTION 4.** REPEALER. All ordinances or provisions of ordinances in conflict with the provisions of this ordinance are hereby repealed in so far as they are inconsistent herewith.

**SECTION 5.** EFFECTIVE DATE. This ordinance shall take effect in accordance with the law.

**AMENDED**

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403 Seconded by: \_\_\_\_\_

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405 Passed by Council: \_\_\_\_\_

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407 Signed by the Mayor: \_\_\_\_\_

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## Sec. 82.07. Minimum wages on public contracts.

- (a) *Policy.* It is the policy of the City of Saint Paul that all work for development, buildings, roads, and other works paid for with public funds be constructed and maintained by the best means and highest quality labor that is reasonably available and that persons working on public works be compensated according to the real value of the services they perform. Accordingly, it is the policy of the City of Saint Paul that the wages of workers on publicly-owned and publicly-funded projects be comparable to wages paid for similar work in the local community.
- (b) *Definitions.*
- (1) *Apprenticeship Program* means a bona fide apprenticeship program registered with the U.S. Department of Labor or with a state apprenticeship agency.
  - (2) *Certified Payroll Records* means payroll records furnished under oath signed by an owner or officer of an employer to the contracting authority and the project owner every week, including a certified payroll report with respect to the wages and benefits paid each employee during the preceding week specifying for each employee: name; identifying number; prevailing wage master job classification; hours worked each day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for 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.
  - (3) *Department* means the Saint Paul Department of Human Rights and Equal Economic Opportunity.
  - (4) *Prevailing hours of labor* means not more than eight (8) hours per day or more than forty (40) hours per week.
  - (5) *Prevailing wage rate* means the rate of wages and benefits certified and published as prevailing by the Minnesota Department of Labor and Industry.
  - (6) *Project* means any new construction work, demolition work, or repair work on any roads, bridges, sewers, streets, alleys, parks, parkways, buildings, removal of public nuisances or any other improvement of public or private property.
  - (7) *Restitution* means an amount at least equal to the amount of underpayment of prevailing wages.
  - (8) *Relending or Regranting Program* means a program whereby public funds are either loaned or granted by the city or HRA to an intermediary such as a community development corporation, which serves as a pass-through agency for the award of public assistance.
  - (9) *End borrower or grantee* means the end borrower or grantee who receives public funds from an intermediary under a relending or regranteeing program and uses such funds to pay for project costs.
- (c) *Application.* This section applies to all city or St. Paul Housing and Redevelopment Authority projects in the amount of twenty-five thousand dollars (\$25,000.00) or more.

This section also applies to all projects in the amount of twenty-five thousand dollars (\$25,000.00) or more involving the erection, construction, demolition, remodeling or repairing of a privately owned building, other facility or property where the city or the Saint Paul Housing and Redevelopment Authority provides financial assistance for the work to be performed in the form of a grant, loan, loan guarantee, tax increment financing, tax abatement, tax credit or revenue from bonds. With respect to a relending or regranteeing program, the threshold level of twenty-five thousand dollars (\$25,000.00) of project costs is determined on an individual basis by the cost of the project of each end borrower or grantee.

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This section does not apply to apprentices working on projects pursuant to a bona fide registered apprenticeship program for work performed in his or her trade. A trainee and a helper are not exempt under this provision; the contractor must assign the trainee or helper a job classification that is the "same or most similar" to the work being performed and compensate the trainee or helper for the actual work performed regardless of the trainee's or helper's skill.

For housing developments, this section incorporates and follows the same exemptions found in federal Davis Bacon statutes and their regulatory implementation.

- (d) *Prevailing wage required.* All contractors and subcontractors must pay workers, at a minimum, the prevailing wage rate.
- (e) *Prevailing hours of labor.* Workers employed directly on a project by a contractor or subcontractor, agent, or other person doing or contracting to do all or part of the work of the project, may not work more hours than the prevailing hours of labor, unless paid for all hours in excess of the prevailing hours at a rate of at least one and one-half (1½) times the prevailing hourly basic rate of pay.
- (f) *Notice.* All contractors and subcontractors must post on the project the applicable prevailing wage rates in at least one (1) conspicuous place for the duration of the project. The posted information must include a breakdown of the hourly basic rates of pay as well as contributions for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit.
- (g) *Compliance monitoring and enforcement.*
  - (1) The designated city compliance officer will monitor compliance and investigate complaints of violations of this section.
  - (2) All contractors must furnish copies of certified payroll records for all work on the project for which payment of prevailing wages is required under this section. Certified payrolls shall be submitted weekly to the city's designated compliance officer. Such certified payroll records must contain all of the information listed in section (b) of this section.
  - (3) The city's designated compliance officer may request additional records reasonably required to monitor compliance with this section.
- (h) *Self-employed independent contractors, owners, supervisors and foremen.*
  - (1) Self-employed or independent contractors performing labor must be paid prevailing wages for the classification of work performed. Any vendor who plans to accomplish all or a portion of the work using self-employed, independent contractors, subcontractors, or partnership contractors must provide the city, as part of their contract bid, with bona fide demonstration of status of such entities. If there is a substitution of a self-employed independent contractor or subcontractor during the execution of the contract, the proof of status must be submitted to the city's designated compliance officer. All such self-employed, independent contractors, subcontractors, or partnership contractors must have executed a written contract or subcontract agreement for their work performance. The city will accept any four (4) of the following as a bona fide demonstration of status. If status cannot be determined clearly enough by submission of the below information or documentation, the subcontractor status will be disallowed and the individual(s) will be included on the engaging company's payroll as employees and will be entitled to receipt of the prevailing wage for all work performed.
    - a. Identification of a registered trade name and location of a telephone listing under that name;
    - b. A contractor's license;
    - c. A subcontractor's bond;
    - d. Proof of workers' compensation insurance coverage;



- 
- e. If the subcontractor is a partnership, a copy of the executed partnership agreement and Federal Tax Identification Numbers applicable to that partnership agreement;
  - f. A copy of the previous year's tax filing;
  - g. Any other determination regarding status as defined by the state or federal department of revenue.
- (2) Owners, supervisors, and foremen performing labor under the contract must be paid prevailing wages for the classification of work performed.
- (i) *Trucking.*
- (1) For the purposes of this section, payment of prevailing wage and/or truck rental rates is required for work considered to be under the contract using the standards set forth in Minnesota Statutes section 177.41-177.44 and Minnesota Rules 5200.1000 to 5200.1120.
  - (2) A contractor acquiring trucking services from an independent truck owner, multiple truck owner, or truck broker to perform or provide covered hauling activities shall comply with the payment of the certified State of Minnesota truck rental rates.
  - (3) The prime contractor shall submit on its behalf and on behalf of all subcontractors a month-end trucking report and statement of compliance form along with each independent truck owner, multiple truck owner, and truck broker report to the city. The contractor must use month-end trucking report and statement of compliance forms and report forms approved by the city.
  - (4) A contractor with employee truck drivers shall adhere to the requirements established in sections (d), (e) (f) and (g) of this section.
  - (5) If the prime contractor fails to submit its month-end trucking reports and certification forms and those of any subcontractor, independent truck owner, multiple truck owner, or truck broker, the department may take such actions as prescribed in section (k).
- (j) *Bid specifications and contract terms.* The obligations of this section are expressly incorporated into the bid specifications and requests for bids or proposals for all projects and are material and binding terms and conditions of all contracts and subcontracts for projects.
- (k) *Prevailing wage violations.* Failure to pay the prevailing wage rate or to follow the prevailing hours of labor, as determined by the city, may result in an order for restitution to be paid, contract payment withholding sufficient to satisfy back wages or restitution assessed, contract payment delay, cancellation of the contract, debarment under chapter 95 of the Saint Paul Administrative Code, and/or withholding or payment of a fee equal to five (5) percent of the entire contract price to the city as liquidated damages. None of the foregoing remedies are intended to be exclusive of any other remedy, but each is in addition to every other remedy listed above or otherwise available.
- (l) *Enforcement.* Orders for restitution issued pursuant to this section may be enforced in Ramsey County District Court.
- (m) *Severability.* If any provision or application of this chapter is declared illegal, invalid, or inoperative, in whole or in part, by any court of competent jurisdiction, the remaining provisions and portions thereof and applications not declared illegal, invalid, or inoperative shall remain in force or effect.

(C.F. No. 92-1478, § 1, 11-5-92; C.F. No. 92-610, § 1, 11-24-92; Ord 12-75, § 1, 11-14-12)

# City of Brooklyn Park

## Request for Council Action

|                        |                                                 |                                |                                       |
|------------------------|-------------------------------------------------|--------------------------------|---------------------------------------|
| <b>Agenda Item:</b>    | 7.1                                             | <b>Meeting Date:</b>           | May 13, 2024                          |
| <b>Agenda Section:</b> | General Action Items                            | <b>Originating Department:</b> | Administration                        |
| <b>Resolution:</b>     | N/A                                             | <b>Prepared By:</b>            | Zach Kramka, Asst to the City Manager |
| <b>Ordinance:</b>      | SECOND READING                                  |                                |                                       |
| <b>Attachments:</b>    | 1                                               | <b>Presented By:</b>           | Zach Kramka                           |
| <b>Item:</b>           | Second Reading of the Prevailing Wage Ordinance |                                |                                       |

### City Manager's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT ON SECOND READING ORDINANCE #2024\_\_\_\_ ADDING CHAPTER 43 TO THE BROOKLYN PARK CITY CODE, TITLE III: ADMINISTRATION, PERTAINING TO PREVAILING WAGE.

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO APPROVE THE SUMMARY OF ORDINANCE #2024-\_\_\_\_\_ DETERMINING THAT IT CLEARLY INFORMS THE PUBLIC OF THE INTENT AND EFFECT OF THE ORDINANCE.

### Overview:

During its June 5, 2023, work session, the City Council heard from several representatives from local organized labor organizations who underscored the importance of labor protections as a deterrent to wage theft and exploitation of workers. In response to the presentation, Council directed staff to develop a draft prevailing wage ordinance for consideration.

On September 5, 2023, staff had a discussion with the City Council regarding a proposed prevailing wage ordinance. After receiving feedback, it was decided to move the ordinance forward to a first reading. On October 23, 2023, the proposed ordinance was passed unanimously on a first reading.

The federal government, State of Minnesota, and several local governments across the region have instituted prevailing wage requirements. Prevailing wage levels are defined at the county level by job class. Prevailing wage regulations establish a price floor for wages in addition to fringe benefits that must be paid by contractors and sub-contractors to their employees who are performing work on behalf of the government entity funding the work.

The proposed ordinance would require prevailing wage on capital projects financed, in whole or in part, by City and Economic Development Authority (EDA) funds of \$50,000 or greater.

This ordinance would institute both criminal and civil penalties on covered persons found to be in violation. Any covered persons in violation of the ordinance could be criminally charged with a misdemeanor offense. Civil penalties for violating this ordinance include an order for restitution to be paid, contract payment withholding to satisfy back wages, contract payment delay, withholding a fee equal to five percent of the entire contract price to the City or the EDA as liquidated damages, or the termination of the contract with the violating party.

Recommended changes being proposed to the ordinance between the first and second reading are identified below:

- Align the City and EDA spending threshold for triggering prevailing wage to \$50,000.

- Exempt projects utilizing conduit revenue bonds from prevailing wage requirements.
- Exempt projects that received final approval by May 31, 2024 from prevailing wage requirements.
- Include protections for workers from retaliation for filing a complaint.
- Enable the payment of restitution to workers.
- Include additional language regarding how to manage projects with mixed funding sources (federal government, state government, City or EDA funds, private financing, etc.).

**Primary Issues/Alternatives to Consider:**

1. Approve the ordinance as presented.
2. Approve the ordinance with modifications.
3. Deny the ordinance keeping the existing regulations in place.

**Budgetary/Fiscal Issues:**

In between the first and second reading of this proposed ordinance, staff have had the chance to further evaluate potential implementation costs. While market forces may assist in keeping costs down in some cases, the development community and colleagues in other municipalities have suggested project costs could increase as much as ten to twenty percent due to increased labor expenses associated with prevailing wage. There are also expenses and staffing requirements associated with maintaining certified payroll for compliance/reporting that may not be possible for small companies. This cost dynamic may impact future subsidy requests from developers. In addition, future projections in the City's Capital Improvement Plan document may be adjusted, and changes in scope for future capital projects may be required.

As with any ordinance, City staff must be fully equipped to implement associated regulations, and as a result, there will be costs to support the implementation of this ordinance. Staff are in the process of finalizing interim and long-term solutions to assist with both the planning of prevailing wage projects as well as any connected investigative or enforcement activities. These solutions will likely come in the form of contractual agreements with outside parties that can provide the necessary expertise to ensure staff, contractors, and workers are all aligned in their understanding of expectations.

**Attachments:**

7.1A ORDINANCE

ORDINANCE 2024-

AN ORDINANCE ADDING CHAPTER 43 TO THE BROOKLYN PARK CITY CODE, TITLE III:  
ADMINISTRATION, PERTAINING TO PREVAILING WAGE

~~Text with strikeout is proposed for deletion~~

Underlined text is proposed for insertion

The City of Brooklyn Park does ordain:

**Section 1. The Brooklyn Park City Code, Title III, Administration, is amended to add Chapter 42, entitled “Prevailing Wage Required” to read:**

**§43.01 PURPOSE.**

It is in the public interest that Projects as defined herein, be constructed, maintained and provided by the highest quality of labor that is reasonably available and that persons working on such Projects be compensated according to the real and equitable value of the work they perform and that the wages for such work are comparable to wages paid for similar work in the community as a whole.

**§43.02 DEFINITIONS.**

For the purposes of this Chapter, the following words and phrases have the meanings ascribed to them in this section:

***Apprenticeship Program.*** A bona fide apprenticeship program registered with the U.S. Department of Labor or recognized by a governmental agency of the State of Minnesota.

***Basic Hourly Rate.*** The hourly wage paid to any employee.

***Certified Payroll Records.*** Payroll records furnished under oath signed by an owner or officer of an employer and provided to the Department named in the contract no more than five (5) working days after the submission of a written request by the Compliance Officer for such records. A certified payroll report includes information related to the wages and benefits paid to each employee during the requested time frame specifying for each employee: name; prevailing wage master job classification; number of hours worked each day; total hours worked in the week; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for 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.

***City.*** The City of Brooklyn Park.

***City Funds.*** Payment, financing, or financial assistance provided by the City in the form of contract payments, grants, loans, loan guarantees, tax increment financing, tax abatement, proceeds of bonds other than conduit revenue bonds, land write-downs, lease payments, loan payments, or contract for deed payments. With respect to a relending or regranteeing program, the

threshold level of fifty-thousand dollars (\$50,000) of project costs is determined on an individual basis by the cost of the project of each end borrower or grantee.

**Compliance Officer.** Those persons designated by the City Manager to monitor compliance and investigate complaints pertaining to this Ordinance on behalf of the City or EDA.

**Covered Persons.** Contractors, subcontractors, developers, holders of interests in real property, agents, or other persons regardless of the form of business entity used by the Covered Person, including but not limited to individuals, sole proprietorships, and independent contractors, performing all or part of work on Projects.

**Department.** The department or office of the City or EDA designated to undertake a Project.

**EDA.** The Brooklyn Park Economic Development Authority.

**EDA Funds.** Payment, financing, or financial assistance provided by the EDA in the form of contract payments, grants, loans, loan guarantees, tax increment financing, tax abatement, proceeds of bonds other than conduit revenue bonds, land write-downs, lease payments, loan payments, or contract for deed payments. With respect to a relending or regranteeing program, the threshold level of fifty-thousand dollars (\$50,000) of project costs is determined on an individual basis by the cost of the project of each end borrower or grantee.

**Laborers, Mechanics, and Workers.** All persons utilized, employed, or working on a Project who are doing work usually done by Laborers, Mechanics, and Workers.

**Prevailing Wage Rate.** The meaning contained in Minnesota Statute, Section 177.42, Subd. 6, as determined from time to time by the Minnesota Department of Labor and Industry for the area where the Project is located. The Minnesota Department of Labor and Industry shall determine the prevailing wage rate in accordance with Minnesota Statutes, Sections 177.41-177.44, as amended from time to time, and applicable rules promulgated thereto, including but not limited to Minnesota Rules 5200.1000-5200.1120 as amended from time to time. In those instances where the Minnesota Department of Labor and Industry has not certified and published a prevailing rate of wages and benefits for a particular work classification, the minimum wage and benefit rate per hour to be paid for such work classification means the union wage and benefit rate in the locality of the Project as the case may be for such classification over which the union has jurisdiction.

**Prevailing Hours of Labor.** The hours of labor per day and per week worked within the area by a larger number of workers of the same class than are employed within the area for any other number of hours per day and per week.

**Project.** Any construction work, demolition work, maintenance work, remodeling work, or repair work on any roads, bridges, sewers, streets, alleys, parks, parkways, buildings, water infrastructure, removal of public nuisances or any other improvement of public or private property involving \$50,000 or more in City Funds, or EDA Funds.

A project consists of all construction necessary to complete the work regardless of the number of contracts involved, so long as all the contracts awarded are closely related in purpose, time, and place, and includes, but is not limited to, multiple phases of work.

**Restitution.** Restitution may include, but is not limited to, an amount at least equal to the amount of underpayment of prevailing wages.

#### **§43.03 PREVAILING WAGE RATE AND PREVAILING HOURS OF LABOR REQUIRED.**

- (A) *Prevailing Wage Required.* Except as otherwise provided below in 43.09, all Covered Persons shall pay Laborers, Mechanics, and Workers directly performing work on a Project, at a minimum, the Prevailing Wage Rate.
- (B) *Prevailing Hours of Labor.* Laborers, Mechanics, and Workers employed directly on a Project by a Covered Person may not work more hours than the Prevailing Hours of Labor, unless paid for all hours in excess of the Prevailing Hours of Labor at a rate of at least one and one-half (1 ½) times the Basic Hourly Rate of pay.
- (C) *Notice.* All Covered Persons must post a notice describing the applicable Prevailing Wage Rate in at least one conspicuous place located on the Project site for the duration of the Project.
- (D) *Subcontractors and Independent Contractors.* Any contractor or subcontractor who plans to accomplish all or a portion of the work under a contract within the scope this Section using subcontractors or self-employed independent contractors may be required to provide the City with bona fide proof of the status of such entities before contract award. All such subcontractors and independent contractors must have executed a written contract/subcontract agreement for their work performance. The City will accept the following as a bona fide demonstration of subcontractor status:
- 1) Current business filing with the Minnesota Secretary of State along with the address and telephone number for that entity;
  - 2) Proof of workers' compensation insurance coverage;
  - 3) Proof of unemployment insurance.
- If the status of subcontractors or self-employed independent contractors cannot be determined by submission of the above information or documentation, subcontractor or independent contractor status will be disallowed and the individual(s) performing the work will be included on the engaging company's payroll as employees and will be entitled to receipt of the prevailing wage from the engaging company for all work performed.
- (E) *Combined Funding.* For projects funded in whole or in part with State funds, contractors and subcontractors may be subject to applicable State Prevailing Wage rates and rules for projects meeting state requirements. For projects funded in whole or in part with federal funds, contractors and subcontractors may be subject to federal rates, and regulations. for projects meeting federal requirements. For projects with multiple sources of funding (federal, state, and city), contractors and subcontractors may be subject to all applicable rules and regulations.

#### **§43.04 CONTRACT REQUIREMENTS.**

The requirements and obligations contained in this Ordinance are deemed to be incorporated into the bid specifications and requests for bids or proposals for all Projects are material and binding in terms and conditions of all contracts and all subcontracts for Projects. The Prevailing Wage Rates, Prevailing Hours of Labor, and Hourly Basic Rates of pay must be set forth specifically in the contract. All contracts for Projects must include applicable schedules of Prevailing Wage Rates.



#### **§43.05 MONITORING, COMPLIANCE AND ENFORCEMENT.**

- (A) *Collection of Certified Payroll Records.* Pursuant to this Chapter and Minn. Stat. Sec. 177.41-.44 and applicable rules as may be amended from time to time, all contractors and subcontractors on a Project must collect and/or furnish a statement on the wages paid to each employee during the prior week.
- (B) *Submission of Certified Payroll Records.* Upon request of the City, the EDA, or a City or EDA designee, all Covered Persons shall, within five (5) working days, supply the City or EDA a copy of Certified Payroll Records for all work performed on the Project by Laborers, Mechanics, and Workers.
- (C) *Compliance Officer.* A Compliance Officer, as designated by the City, will investigate all complaints, and monitor compliance upon receipt of a complaint regarding violations of this Ordinance. The Compliance Officer may request additional records reasonably required to monitor compliance or investigate complaints regarding this Ordinance. Upon request made by the Compliance Officer, all Covered Persons shall promptly provide additional records reasonably required to monitor compliance with this Ordinance. All Covered Persons shall permit the Compliance Officer physical access to the Project site at any time for the purpose of monitoring compliance with this Ordinance.
- (D) *Project Completion.* Upon completion of the project, the City or the EDA shall have the right to require an appropriate audit of contractor's books and records to determine compliance or noncompliance with the provisions of this chapter. Each contractor and subcontractor shall retain the relevant bi-weekly payrolls for a period of not less than three (3) years after the completion of the work.

#### **§43.06 VIOLATIONS AND PENALTIES.**

- (A) *Civil Enforcement.* In addition to pursuit of criminal sanctions as provided in Paragraph B of this Section, a violation of this Ordinance may result in the City or the EDA undertaking the following actions: seeking injunctive relief to compel specific performance of the requirements contained in this Ordinance; an order for restitution to be paid; contract payment withholding sufficient to satisfy back wages or restitution assessed; contract payment delay; the withholding of a fee equal to five (5) percent of the entire contract price to the City or the EDA as liquidated damages; or the termination of the contract with the violating party. None of the foregoing remedies are intended to be exclusive of any other remedy, but each is in addition to every other remedy listed above or otherwise available.
- (B) *Criminal Enforcement.* Any Covered Person who violates the provisions of this Ordinance shall be guilty of a misdemeanor with each day of violation constituting a separate offense.

#### **§43.07 RETALIATION.**

- (A) It shall be a violation of this chapter for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempted exercise of, any right protected under this chapter.
  - (1) Such rights include but are not limited to: the right to make inquiries about the requirements of this chapter; the right to inform others about their rights; the right to inform the person's employer, union, or similar organization, and/or the person's legal counsel or any other person about an alleged violation; the right to file an oral or written

complaint with the appropriate authority; the right to cooperate with the City in its investigations; the right to testify in a proceeding under or related to a violation; the right to refuse to participate in an activity that would result in a violation of city, state, or federal law; and the right to oppose any policy, practice, or act that is prohibited under this chapter.

- (2) No employer or any other person shall communicate to a person exercising rights protected under this chapter, directly or indirectly, the willingness to inform a government employee that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of an employee or a family member of the employee to a federal, state, or local agency because the employee has exercised a right under this chapter.
- (3) An employer shall not take any adverse employment action or in any other manner discriminate against an employee because the employee has exercised in good faith the rights protected under this section.
- (4) A person injured by a violation of this section may avail themselves of any civil remedies available to them under the laws of the United States and the State of Minnesota.
- (5) It shall be a rebuttable presumption of retaliation if an employer or any other person takes an adverse action against a person within ninety (90) days of the person's exercise of rights protected in this section. The employer may rebut the presumption with clear and convincing evidence that the adverse action was taken for a permissible purpose.
- (6) Standard of proof. Proof of retaliation shall be sufficient upon a showing that an employer or any other person has taken an adverse action against a person and the person's exercise of rights protected was a motivating factor in the adverse action, unless the employer can prove that the action would have been taken in the absence of such protected activity.
- (7) The protections afforded shall apply to any person who mistakenly but in good faith alleges violations.
- (8) A complaint or other communication by any person triggers the protections of this section regardless of whether the complaint or communication is in writing or makes explicit reference to this chapter.

#### **§43.08 EXCEPTIONS.**

- (A) This Chapter does not apply to apprentices working on Projects pursuant to a bona fide registered Apprenticeship Program for work performed in their trade. A trainee and a helper are not exempt under this provision; the Covered Person must assign the trainee or helper a job classification that is the "same or most similar" to the work being performed and compensate the trainee or helper for the actual work performed regardless of the trainee's or helper's skill.
- (B) This Chapter does not apply to any Project that received final project approval from the City on or before May 31, 2024.

**§43.09 NO CONFLICT WITH RELATED FEDERAL, STATE, COUNTY, OR MUNICIPAL LAWS, ORDINANCES, AND POLICIES.**

Except as otherwise stated herein, no provision of this Ordinance is intended nor shall be construed as being in conflict with any federal, State of Minnesota, county or municipal laws, ordinances, rules, regulations, or policies related to the matters to be regulated herein. Further, the obligations and requirements contained in this Ordinance shall be deemed to be in addition to the obligations and requirements contained in any such federal, state county or municipal laws, ordinances, rules, or regulations.

**§43.10 SEVERABILITY.**

If any of the parts or provisions of this article or the application thereof to any person or circumstance is held invalid or unconstitutional by a decision of a court of competent jurisdiction, the remainder of this article, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this article are severable.

**Section 2. Effective Date**

This ordinance becomes effective thirty (30) days from and after its adoption and publication.

**ORDINANCE NO. 2024-**

**AN ORDINANCE AMENDING CHAPTER 23 OF THE CITY CODE  
TO ESTABLISH PREVAILING WAGE**

The City Council of the City of Bloomington, Minnesota ordains:

Section 1. That Chapter 23 of the City Code is hereby amended by deleting those words that are contained in brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

**CHAPTER 23: ~~[EARNED SICK AND SAFE TIME]~~ LABOR**

\*\*\*

**ARTICLE II: PREVAILING WAGE**

**§ 23.30 FINDINGS AND PURPOSE.**

The City Council finds that: It is in the public interest that Projects, as defined herein, be constructed, maintained and provided by the highest quality of labor that is reasonably available and that persons working on such Projects be compensated according to the real and equitable value of the work they perform and that the wages for such work are comparable to wages paid for similar work in the community as a whole.

**§ 23.31 DEFINITIONS.**

**(a) TERMS.** For the purposes of this article, the following words and phrases have the meanings ascribed to them in this section:

**APPRENTICESHIP PROGRAM** means a bona fide apprenticeship program registered with the U.S. Department of Labor or recognized by a governmental agency of the State of Minnesota.

**BASIC HOURLY RATE** means the hourly wage paid to any employee.

**CERTIFIED PAYROLL RECORDS** means payroll records furnished under oath signed by an owner or officer of an employer and provided to the City department, division, or office named in the contract no more than fourteen (14) days after the end of each pay period including a certified payroll report with respect to the wages and benefits paid each employee during the preceding week specifying for each employee: name; prevailing wage master job classification; number of hours worked each day; total hours worked in the week; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for 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.

**CITY** means the City of Bloomington, the Housing and Redevelopment Authority in and for the City of Bloomington, and the Port Authority of the City of Bloomington.

**CITY FUNDS** means contract payments, grants, loans, loan guarantees, tax increment financing, tax abatements, tax credits, lease payments, loan payments, contract for deed payments, revenue from bonds, or any other financial assistance.

**COMPLIANCE OFFICER** means those positions designated by the City Manager to investigate complaints pertaining to this article on behalf of the City.

**COVERED PERSONS** means contractors, subcontractors, holders of interests in real property, agents, or other persons regardless of the form of business entity used by the Covered Person, including but not limited to individuals, sole proprietorships and independent contractors, performing all or part of the work on Projects.

**DEPARTMENT** means the department, division, or office of the City designated to undertake a Project.

**PREVAILING WAGE RATE** shall have the meaning contained in Minnesota Statutes, Section 177.42, Subd. 6, as determined from time to time by the Minnesota Department of Labor and Industry for the area where the Project is located. The Minnesota Department of Labor and Industry shall determine the prevailing wage rate in accordance with Minnesota Statutes, Sections 177.41-177.44, and applicable rules promulgated thereto, including but not limited to Minnesota Rules Parts 5200.1000-5200.1120.

**PREVAILING HOURS OF LABOR** means the hours of labor per day and per week worked within the area by a larger number of workers of the same class than are employed within the area for any other number of hours per day and per week. The prevailing hours of labor may not be more than eight hours per day or more than 40 hours per week.

**PROJECT(S)** means any construction work, demolition work, or repair work on any roads, bridges, sewers, streets, alleys, parks, parkways, buildings, removal of public nuisances or any other improvement of public or private property where (a) the Project is financed in whole or in part with City Funds and (b) the estimated cost of the Project exceeds \$175,000.

### **§ 23.32 PREVAILING WAGE RATE AND PREVAILING HOURS OF LABOR REQUIRED.**

**(a) Prevailing Wage Required.** Except as otherwise provided below in Section 23.36 [exceptions], all Covered Persons shall pay Laborers, Mechanics, and Workers directly performing work on a Project, at a minimum, the Prevailing Wage Rate.

**(b) Prevailing Hours of Labor.** Laborers, Mechanics and Workers employed directly on a Project by a Covered Person may not work more hours than the Prevailing Hours of Labor, unless paid for all hours in excess of the Prevailing Hours of Labor at a rate of at least one and one-half (1 ½) times the Basic Hourly Rate of pay.

(c) **Notice.** Each Covered Person must post a notice describing the applicable Prevailing Wage Rate in at least one conspicuous place located on the Project site for the duration of the Project.

### **§ 23.33 CONTRACT REQUIREMENTS.**

The requirements and obligations contained in this article are deemed to be incorporated into the bid specifications and requests for bids or proposals for all Projects and are material and binding terms and conditions of all contracts and subcontracts for Projects. The Prevailing Wage Rates, Prevailing Hours of Labor and Hourly Basic Rates of pay must be set forth specifically in the contract. All contracts for Projects must include applicable schedules of Prevailing Wage Rates.

### **§ 23.34 MONITORING AND COMPLIANCE.**

(a) **Submission of Certified Payroll Records.** Each Covered Person must furnish copies of Certified Payroll Records for all work performed on the Project no later than fourteen (14) calendar days after each pay period to the Department.

(b) **Compliance Officer.** The Compliance Officer will investigate all complaints and monitor compliance upon receipt of a complaint regarding violations of this article. The Compliance Officer may request additional records reasonably required to monitor compliance or investigate complaints regarding this article. Upon request made by the Compliance Officer, each Covered Person shall promptly provide additional records reasonably required to monitor compliance with this article. Each Covered Person shall permit the Compliance Officer physical access to the site where the Project is located at any time for the purpose of monitoring compliance with this article.

### **§ 23.35 VIOLATIONS AND PENALTIES.**

(a) **Civil Enforcement.** In addition to pursuit of criminal sanctions as provided in clause (b), of this section, a violation of this article may result in the City undertaking the following actions: seeking injunctive relief to compel specific performance of the requirements contained in this article; withholding funds owed by the City to the violating party pursuant to an agreement in amounts sufficient to fully remedy and satisfy the violation together with the withholding of a fee equal to five (5) percent of the entire contract price to the City as liquidated damages; or the termination of the contract with the violating party. None of the foregoing remedies are intended to be exclusive of any other remedy, but each is in addition to every other remedy listed above or otherwise available.

(b) **Criminal Enforcement.** Any Covered Person who violates the provisions of this article shall be guilty of a misdemeanor with each day of violation constituting a separate offense.

(c) **Administrative enforcement.** As set forth in City Code Appendix A, the City Attorney may order any appropriate relief for a determination including, but not limited to back pay and fines.

### **§ 23.36 EXCEPTIONS.**

This article does not apply to apprentices working on Projects pursuant to a bona fide registered Apprenticeship Program for work performed in their trade. A trainee and a helper are not exempt under this provision; the Covered Person must assign the trainee or helper a job classification that is the “same or most similar” to the work being performed and compensate the trainee or helper for the actual work performed regardless of the trainee’s or helper’s skill.

**§ 23.37 NO CONFLICTS OR PREEMPTIONS INTENDED.**

Except as otherwise stated herein, no provision of this article is intended nor shall be construed as being in conflict with any Federal, State of Minnesota, County or municipal laws, ordinances, rules, regulations or policies related to the matters to be regulated herein. Further, the obligations and requirements contained in this article shall be deemed to be in addition to the obligations and requirements contained in any such federal, state, county or municipal laws, ordinances, rules or regulations. Nothing in this article shall be interpreted or applied so as to create any power or duty in conflict with federal or state law.

**§ 23.38 SEVERABILITY.**

If any part, term, or provision of this article is held by a court of competent jurisdiction to be invalid or unconstitutional, such portion shall be deemed severable and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this article, which remaining portions shall continue in full force and effect.

Section 2. Effective Date. This Ordinance is **effective** [upon publication].

Passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Secretary to the Council

APPROVED:

\_\_\_\_\_  
City Attorney

NOTE: Also need to amend Chapter 1 and Appendix A



| <b>Jurisdiction</b>                              | <b>Jurisdiction Type</b> | <b>Policy Type</b> | <b>Rates</b>  | <b>Threshold</b>               | <b>TIF Included</b>  |
|--------------------------------------------------|--------------------------|--------------------|---------------|--------------------------------|----------------------|
| Andover                                          | City                     | Ordinance          | State         |                                | \$150,000 No         |
| Bloomington                                      | City                     | Ordinance          | State         |                                | \$175,000 Yes        |
| Brooklyn Park                                    | City                     | Ordinance          | State         |                                | \$50,000 Yes         |
| Coon Rapids                                      | City                     | Ordinance          | State         |                                | \$100,000 No         |
| Duluth                                           | City                     | Ordinance          | State         |                                | \$2,000 Maybe        |
| Fridley                                          | City                     | Ordinance          | State         |                                | \$25,000 Maybe       |
| Gem Lake                                         | City                     | Ordinance          | State         |                                | \$15,000 No          |
| Grand Rapids                                     | City                     | Ordinance          | State         |                                | \$25,000 Maybe       |
| Hastings                                         | City                     | Ordinance          | State         |                                | \$175,000 No         |
| Maplewood                                        | City                     | Ordinance          | State         | None                           | No                   |
| Minneapolis                                      | City                     | Ordinance          | Federal       | None                           | Yes                  |
| Minneapolis (Inclusionary Zoning and TIF Policy) | City                     | Ordinance          | Federal       | Subject to Inclusionary Zoning | Ordinance Yes        |
| Oakdale                                          | City                     | Policy             | State         |                                | \$50,000 No          |
| Richfield                                        | City                     | Ordinance          | State         |                                | \$300,000 Mostly no  |
| Rochester                                        | City                     | Ordinance          | State         |                                | \$175,000 Mostly yes |
| St. Cloud                                        | City                     | Ordinance          | Federal       |                                | \$200,000 Unclear    |
| St. Paul                                         | City                     | Ordinance          | State         |                                | \$25,000 Yes         |
| West St. Paul                                    | City                     | Ordinance          | Unspecified   |                                | \$50,000 Yes         |
| White Bear Lake                                  | City                     | Ordinance          | State         |                                | \$15,000 Maybe       |
| Carlton                                          | County                   | Resolution         | Unspecified   |                                | \$150,000 No         |
| Chisago                                          | County                   | Resolution         | State         |                                | \$100,000 No         |
| Dakota                                           | County                   | Resolution         | State         |                                | \$25,000 No          |
| Hennepin                                         | County                   | Resolution         | State         | None                           | No                   |
| Itasca                                           | County                   | Policy             | Federal       |                                | \$2,000 No           |
| Ramsey                                           | County                   | Ordinance          | State         |                                | \$25,000 Yes         |
| St. Louis                                        | County                   | Resolution         | State         | \$2,500/\$25,000               | Unclear              |
| Washington                                       | County                   | Policy             | State         |                                | \$175,000 Unclear    |
| Minneapolis Park Board                           | Park Board               | Ordinance          | Federal       | None                           | NA                   |
| Duluth Port Authority                            | Port Authority           | Policy             | State         | \$2,500/\$25,000               | NA                   |
| Metropolitan Council                             | Regional Council         | Resolution         | State         |                                | \$175,000 NA         |
| Anoka-Hennepin #11                               | School District          | Policy             | State         | \$2,500/\$25,000               | NA                   |
| Duluth #709                                      | School District          | Policy             | State/Federal | None                           | NA                   |
| Minneapolis Special District #1                  | School District          | Policy             | State         | \$2,500/\$25,000               | NA                   |
| St. Paul #625                                    | School District          | Policy             | State         | None                           | NA                   |
| White Bear Lake #624                             | School District          | Policy             | State         | None                           |                      |
| State of Minnesota                               | State                    | Statute            | State         | \$2,500/\$25,000               |                      |

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:**

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**Information****Title:**

Waterfront Park

**Purpose/Background:**

Councilmember Specht and Buscher requested this topic.

Discussion will be held to review some of the early feedback received, largely around some expressed safety concerns and how the area is being used outside the intended purpose. This will also serve as an opportunity to discuss the remaining vacant grass area directly west of the splash pad. Staff would support this discussion to establish, at a minimum, some short-term temporary use of the area if a more permanent addition is not in the near future.

**Recommendation:**

N/A

**Outcome/Action:**Discussion only at this point.

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**Attachments***No file(s) attached.***Form Review****Inbox**

Brian Hagen

**Reviewed By**

Brian Hagen

**Date**

07/09/2026 10:41 AM

Form Started By: Brian Hagen

Started On: 07/06/2026 04:33 PM

Final Approval Date: 07/09/2026

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:** Strive for high organizational morale and employee retention.**Information****Title:**

Discussion Regarding the Annual Performance Review of the City Administrator, an Individual Who is Subject to the City Council's Authority - May be Closed to the Public

**Purpose/Background:**

Mr. Hagen was hired as the City Administrator in 2022. As per Mr. Hagen's Employment Agreement with the City, an annual performance evaluation was conducted.

Mr. Hagen's performance evaluation includes feedback from the City Council, his direct reports and Mr. Hagen himself. The results of the evaluation will be provided at the closed meeting where Mr. Hagen will meet with the full City Council to discuss his performance and receive feedback. At his discretion, Mr. Hagen may choose to open this meeting to the public.

Minnesota Statute 13D.05, Subd. 3a states that "A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting."

Please note that both the performance evaluation and the City Councils' discussion regarding Mr. Hagen's performance is private and may not be discussed outside the closed session.

**Time Frame/Observations/Alternatives:**

Approximately 30 Minutes

**Funding Source:**

Not Applicable

**Recommendation:**

To arrive at a consensus regarding approval of the City Administrator's annual performance review to be formally adopted at the July 28, 2026, City Council meeting.

**Outcome/Action:**

Based on discussion.

**Attachments**

Statute

**Form Review****Inbox**

Brian Hagen

Form Started By: Colleen Lasher

Final Approval Date: 07/09/2026

**Reviewed By**

Brian Hagen

**Date**

07/09/2026 10:41 AM

Started On: 07/07/2026 08:36 AM

**13D.05 MEETINGS HAVING DATA CLASSIFIED AS NOT PUBLIC.**

Subdivision 1. **General principles.** (a) Except as provided in this chapter, meetings may not be closed to discuss data that are not public data.

(b) Data that are not public data may be discussed at a meeting subject to this chapter without liability or penalty, if the disclosure relates to a matter within the scope of the public body's authority and is reasonably necessary to conduct the business or agenda item before the public body.

(c) Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

(d) All closed meetings, except those closed as permitted by the attorney-client privilege, must be electronically recorded at the expense of the public body. Unless otherwise provided by law, the recordings must be preserved for at least three years after the date of the meeting.

Subd. 2. **When meeting must be closed.** (a) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 7, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision;

(3) educational data, health data, medical data, welfare data, or mental health data that are not public data under section 13.32, 13.3805, subdivision 1, 13.384, or 13.46, subdivision 2 or 7; or

(4) an individual's medical records governed by sections 144.291 to 144.298.

(b) A public body shall close one or more meetings for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.

Subd. 3. **What meetings may be closed.** (a) A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

(b) Meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege.

(c) A public body may close a meeting:

(1) to determine the asking price for real or personal property to be sold by the government entity;

(2) to review confidential or protected nonpublic appraisal data under section 13.44, subdivision 3; and

(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.

Before holding a closed meeting under this paragraph, the public body must identify on the record the particular real or personal property that is the subject of the closed meeting. The proceedings of a meeting closed under this paragraph must be tape recorded at the expense of the public body. The recording must be preserved for eight years after the date of the meeting and made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. If an action is brought claiming that public business other than discussions allowed under this paragraph was transacted at a closed meeting held under this paragraph during the time when the tape is not available to the public, section 13D.03, subdivision 3, applies.

An agreement reached that is based on an offer considered at a closed meeting is contingent on approval of the public body at an open meeting. The actual purchase or sale must be approved at an open meeting after the notice period required by statute or the governing body's internal procedures, and the purchase price or sale price is public data.

(d) Meetings may be closed to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures and to discuss security deficiencies in or recommendations regarding public services, infrastructure and facilities, if disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses. Financial issues related to security matters must be discussed and all related financial decisions must be made at an open meeting. Before closing a meeting under this paragraph, the public body, in describing the subject to be discussed, must refer to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting. A closed meeting must be tape recorded at the expense of the governing body, and the recording must be preserved for at least four years.

**History:** 1957 c 773 s 1; 1967 c 462 s 1; 1973 c 123 art 5 s 7; 1973 c 654 s 15; 1973 c 680 s 1,3; 1975 c 271 s 6; 1981 c 174 s 1; 1983 c 137 s 1; 1983 c 274 s 18; 1984 c 462 s 27; 1987 c 313 s 1; 1990 c 550 s 2,3; 1991 c 292 art 8 s 12; 1991 c 319 s 22; 1994 c 618 art 1 s 39; 1997 c 154 s 2; 1999 c 227 s 22; 2002 c 379 art 1 s 5; 2004 c 276 s 1; 2004 c 290 s 18; 2007 c 110 s 2; 2007 c 147 art 10 s 15; 2008 c 335 s 1; 2010 c 365 art 1 s 8

**CC Work Session****Meeting Date:** 07/14/2026**Primary Strategic Plan Initiative:** Enhance City's communication through transparency and accountability.

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**Information****Title:**

Review Future Topics/Calendar

**Purpose/Background:**

The attachment is the current list of future topics for work session discussions. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan.

**Recommendation:**

For Council review - no formal action necessary.

**Outcome/Action:**

For Council review.

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**Attachments**

Future Topics

**Form Review****Inbox**

Brian Hagen

**Reviewed By**

Brian Hagen

**Date**

07/09/2026 10:36 AM

Form Started By: Katie Schmidt

Started On: 07/08/2026 03:13 PM

Final Approval Date: 07/09/2026

|               |                                                                        |                    |
|---------------|------------------------------------------------------------------------|--------------------|
|               | <u><b><i>Tentative City Council Future Work Session Topics</i></b></u> |                    |
| Proposed Date | Topic                                                                  | Minutes (Estimate) |
| <b>2026</b>   |                                                                        |                    |
| 07/28         | Budget                                                                 | 90                 |
| 07/28         | Quarterly Police & Fire Update                                         |                    |
| 08/10         | Budget                                                                 | 90                 |
| 08/25         | Budget                                                                 | 90                 |
| 08/25         | Union Negotiations – Closed to the Public                              |                    |
| 09/08         | Budget                                                                 | 90                 |
| 10/27         | Quarterly Police & Fire Update                                         |                    |
| TBD           | Wage Theft Enforcement Policy/Project Labor Agreement Policy follow up |                    |
| TBD           | City Facilities Tour                                                   |                    |
| TBD           | Discuss Commercial Property Public Utility Connection Program          |                    |
| TBD           | Subdivision Code                                                       |                    |