

City of Wabasso
ECONOMIC DEVELOPMENT AUTHORITY
1429 Front Street P O Box 60
Wabasso MN 56293
Regular Meeting
Wednesday, May 5, 2021
5:00 pm

CALL TO ORDER:

MINUTES:

1. Approve Minutes – April 7, 2021 Regular Meeting

OLD BUSINESS:

1. Discuss Duplex
 - a. APX Construction –
 - a. Review plans, costs and pro forma
 - b. Tour APX Project(s)
 - b. Financing

OTHER:

1. Development/Strategic Plan
2. Rental Lease/Policy - Update

TREASURER'S REPORT:

1. Detailed Accounting Report
2. Loan and Checking Balance Summary Report
3. EDA Payments

BILLS:

1. General Checking – See attached list
2. Dewey Street
3. RLF Statements

ADJOURN:

ECONOMIC DEVELOPMENT AUTHORITY

Regular Meeting – May 5, 2021

Agenda Report

1. Approve 4/7/21 Minutes: Copy attached

2. Duplex:

I have made some discussion relating to the duplex, but progress has been slow. Below are some of the topics covered. Jorge will attend the meeting to the project.

- a. **APX Contract** – Attached is a sample contract submitted by APX. I have briefly discussed the contract with Jorge not that it appears to be a “one way” contract in the favor of APX and is not something I would sign or recommend the EDA sign. He understands my concerns and will discuss at the meeting. I have forwarded a copy to Matt Novak and I believe he will have some comments.
 - b. **Design** – I have made no progress on this part. I had asked Jorge for some sample plans but have not received copies. Perhaps I was not clear enough. I will discuss with him prior to the meeting.
 - c. **Tour** – I have discussed with Jorge, and we agree it would be best if the schedule was set at the meeting with all members present.
 - d. **Finance** – Various correspondence from Fiscal Consultant Doug Green attached.
- 3. Development/Strategic Plan:** Attached is a proposal by Cheryl Glaeser relating to assistance with developing a strategic plan. Pat Dingels and I agree that it is a good price based on the scope of work and experience with previous planning processes. Some items of note for discussion.

- a. The Board should consider the make up of the planning committee. Suggestions would be representatives from the city council, EDA, Lions Club, School, Downtown, Commercial Club, etc. Pat and I will assist but we should not be a member of the committee.
- b. Community survey – The type of survey will probably be determined by the planning committee.
- c. Need more detail regarding logistics and execution.
- d. Phases 1 – 3 are ok.
- e. Option A – we can get this information from Mn DEED for free.
- f. Option B – ½ day retreat – may be difficult to get volunteers. Recommend against at this time but perhaps may be an option as we get deeper into the process.
- g. The goal is to develop a framework to be used as a basis for policies or legal framework such as a comprehensive plan, facilities plan, zoning or subdivision. These would be outside the scope of the proposal.

Pat has worked with Cheryl and indicated she is not a person who uses a “one size fits all” method but customizes the process based on the community.

- 4. Upgrade toilets in 5 plex.** The 5 plex units currently have the low style toilets. Recently one of the tenants asked to upgrade to a high style toilet. I would recommend that the EDA upgrade all the toilets to the high style, which would cost approximately \$275/unit.
- 5. Rental Policy – Update.** I have attached various information relating to a rental policy. Matt will be at the meeting to discuss.
- 6. Treasurer’s Report** – Attached.
- 7. Bills** – Attached

Wabasso EDA
Regular Meeting
Wednesday, April 7, 2021
5:00 pm

The meeting was called to order at 5pm with Board Member Pat Eichten, Steve Burns and Jeff Olson in attendance. Members Chuck Robasse and Karl Guetter were absent. Also present were EDA Director Larry Thompson, Nick and Charlotte Guetter and Holden and Kylie Salfer.

The minutes of the March 3, 2021 Regular meeting were approved on a motion by Burns, second by Olson.

Eichten – Yes; Olson – Yes; Burns – yes.

Chairman Eichten opened a public hearing to consider the sales price for the vacant EDA lots on May Street. Mr. Thompson presented a spreadsheet with the suggested list price that had been used by the EDA when considering previous sales. The purpose of the hearing was to give blanket approval of the remaining lots for future sales. Mr. Thompson noted that Kylie Salfer inquired if the EDA Board would consider reducing the price of Lot 1 east of Serenity Suites. Mr. Thompson recommended it could be reduced if the EDA place restrictions on combining or splitting the lot with lot 2. A number of questions were raised by board members regarding the impact of TIF and how the pricing was determined. It was noted the May street lots were not in the TIF district and the pricing was based on future taxes generated by the construction. Motion by Burns, Second by Olson to close the hearing.

Eichten – Yes; Olson – Yes; Burns – yes.

Motion by Burns, second by Olson to adopt Resolution No. ____ Approving the pricing of the lots in Eastvail 2nd and 4th Additions per the lots pricing spreadsheet.

Eichten – Yes; Olson – Yes; Burns – yes.

The EDA next considered the duplex project. Mr. Thompson reported that the financing could be done with a private placement bond, but the EDA would need to agree to engage a fiscal consultant and bond counsel, and to decide if it wished to place the bond locally. It was agreed that the bond should be placed locally and the combining of the Dewey Street bonds should be considered. The EDA also reviewed the rental pro forma, and agreed it should move forward with APX, and to use local contractors when possible. The EDA also requested APX set up a tour of similar projects. Nick Guetter indicated he would like to give some input regarding design details. The EDA indicated time was of the essence and that it would hold special meetings if required.

Mr. Thompson gave an update regarding the strategic plan as noted in the outline in the agenda packet. The process was temporarily place on hold due to one of the key members having COVID. Mr. Thompson indicated he would report back at the next meeting with a budget, process and timeline.

Motion by Burns, second by Olson, to replace the toilets in the 5-plex with high profile units.

Eichten – Yes; Olson – Yes; Burns – yes.

The rental policy was tabled until the next regular meeting.

The EDA reviewed the treasurers report noting the funds that were available to be used at the EDA's discretion and those that had restrictions due to the original funding source. Motion by Olson to approve the Treasurer's Report as submitted.

Eichten – Yes; Olson – Yes; Burns – yes.

Motion by Burns, second by Olson to approve the bills as submitted.

Eichten – Yes; Olson – Yes; Burns – yes.

The meeting was adjourned at 6:30 pm.

DRAFT

EDA AGENDA PACKET

MAY 5, 2021

OLD BUSINESS

DUPLEX

APX CONTRACT

APX CONSTRUCTION GROUP, LLC.
COMMERCIAL CONSTRUCTION AGREEMENT

THIS COMMERCIAL CONSTRUCTION AGREEMENT (hereinafter "Contract") is made as of this the _____ day of _____ by and between _____, (hereinafter "Owner") and APX Construction Group, llc., a Minnesota corporation with its principal office at 1020 Innovation Lane Mankato, MN 56001 (hereinafter "Contractor").

In consideration of the mutual covenants hereinafter set forth, Owner and Contractor agree:

TERMS AND CONDITIONS

ARTICLE I: WORK

In accordance with the terms and conditions of this Contract, Contractor shall furnish the labor and materials for the construction of _____ on Owner's property within the City of _____ Mankato _____, State of Minnesota, _____ County (hereinafter the "Project").

ARTICLE II: CONTRACT DOCUMENTS

The Contract Documents consists of:

1. This Contract.
2. Plans and Specifications, dated _____.
3. Surveys for the Project, dated _____.
4. Modifications or change orders, if any, approved in writing by each party which are issued after the execution of this Contract, and which upon execution shall be considered incorporated into this Contract and part of the Work.

In the event of any conflict among the provisions of the Contract Documents, this Contract shall control.

ARTICLE III: OWNER'S DUTIES

In addition to the duties imposed on Owner by the implied terms of this Contract or by law, Owner shall be responsible for:

1. **Emergencies and Unforeseen Conditions.** Owner further agrees to pay any additional sums requested by Contractor and which Contractor reasonably determines to be necessary to protect the Work or persons working at the Project from emergency or other unforeseen conditions, which are not attributable to Contractor's negligence.
2. **Owner's Delay.** Owner's failure to timely carry out the duties of Owner, in addition to being a default hereof, shall entitle Contractor, at Contractor's sole discretion, to extend the schedule for completion of Work by a length of time at least equal to Owner's delay; and/or to hire or otherwise cause Owner's duties to be performed and invoice all such costs to Owner, which shall be paid within ten (10) days of the date of Contractor's invoice.
3. **Indemnity.** Owner hereby indemnifies and releases Contractor and agrees to defend and hold Contractor harmless from and against all claims, causes of action, demands, judicial and administrative proceedings, losses, liabilities, damages, costs and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, attributable to the negligent or otherwise wrongful acts or omissions, including breach of a specific duty in this Contract, of the Owner or the Owner's independent contractors, agents, employees or delegates.
4. **Exclusions.** Owner will have the following express duties with regard to the Contract Work and the following shall be excluded from the Work done by Contractor: Any items not listed on the cost breakdown spreadsheet "Exhibit A", including, but not limited to; purchasing and delivering of new appliances to new space. Appliances will be installed by APX Construction Group.

ARTICLE IV: CONTRACTOR'S ADDITIONAL OBLIGATIONS:

In addition to the other duties or obligations imposed on Contractor by this Contract, the Contractor undertakes the following duties:

1. **Supervision:** The Contractor shall supervise, and direct the Work, and shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work that is Contractor's responsibility under this Contract.

2. **Items Used in Work:** Unless otherwise specifically provided in the Contract Documents, the Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, transportation, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

ARTICLE V: CHANGES IN THE CONTRACT

1. Changes in the Work or the Contract Sum may be accomplished after execution of this Contract, and without invalidating this Contract, by Change Order or order for a minor change in the Work.

2. A Change Order shall be based upon agreement by the Owner and Contractor. All Change Orders resulting in an increase in the Contract Sum shall add 10% of the total increase to the Contract Sum to cover Contractor's profit and overhead.

3. A Change Order is a written instrument prepared by the Contractor or Owner and signed by both parties, stating the agreement upon all of the following:

- a. change in the Work;
- b. the amount of the adjustment, if any, in the Contract Sum; and
- c. the extent of the adjustment, if any, in the time to complete the Work.

4. The Contractor will have authority to order minor changes in the Work not inconsistent with the intent of this Agreement, which may result in an increase in the Contract Sum. Such changes shall be effected by written order by the Contractor and shall be binding on the Owner and Contractor.

5. Contractor may give Owner notice of a wage increase or the escalation in price materials, supplies, and services furnished by Contractor and request that Owner renegotiate the payment rates herein provided to compensate for such increase. If Owner and Contractor do not agree on new payment rates, Contractor shall have the right to terminate this Contract by written notice to Owner.

ARTICLE VI: TIME OF PERFORMANCE AND PAYMENT

1. Commencement of Work.

a. This Contract shall become effective upon execution. Subject to the terms and conditions hereof, Work shall be scheduled to commence on or about _____; or when Contractor is reasonably satisfied that Owner has performed Owner's duties as set forth at Article III hereof so as to permit Contractor to commence Work, whichever is later.

b. Contractor shall achieve substantial completion of the Work on _____; provided however, that Contractor shall be excused for any delay provided for elsewhere in this Contract or on account of union labor disputes, fire, unusual delay in delivery of materials, abnormal adverse weather conditions, unavoidable casualties, or other causes beyond Contractor's control. In such event the times for performance of the Work shall be extended by the number of days the Work was or such other reasonable time as deemed necessary by Contractor.

2. **Contract Price and Initial Payment.** Owner shall pay to Contractor the Contract Sum of \$ _____ subject to any additions or deductions as provided for herein. All Change Orders will be billed as they are incurred.

3. **Progress Payments.** Contractor shall be entitled to monthly progress payments.

All payments are to be made within 15 days of the date of Contractor's invoice

4. **Acceptance of Work and Final Payment.**

a. The Work shall be deemed to have been completed by the Contractor when (1) a Certificate of Occupancy is issued for the Project or, if no Certificate of Occupancy will be issued, the date the governing body overseeing the Work completes a final inspection of the Work. Contractor's responsibility to complete any "punch list" items shall be excluded in determining completion of the Work.

b. A final payment, constituting the entire unpaid balance of the Contract Sum plus any unpaid Change Orders and other sums to which Contractor is entitled hereunder, shall be made by Owner to Contractor when the Work has been performed by the Contractor and upon Contractor's delivery of a final invoice to Owner certifying that the Work has been completed and requesting final payment, excepting therefrom Contractor's responsibility to complete the items set forth in a punch list.

5. **Late Payments:** In the event Owner fails to make any payment due to Contractor under the terms of this Contract within 15 days of receipt of Contractor's invoice Contractor may, in addition to all other remedies provided for herein, suspend work until payment is made, terminate this Contract and/or recover from Owner payment for all Work, completed or uncompleted, and for any proven loss sustained to any materials, tools, equipment and construction equipment and machinery, including reasonable profit and damages applicable to the Project.

6. **Interest:** Interest shall accrue on all sums due and unpaid under this Contract at 1.5% per month beginning the day after a due date for any invoice from Contractor.

ARTICLE VII: INSURANCE

1. **Owner:**

a. Owner shall be responsible for purchasing and maintaining: (1) the Owner's usual liability insurance; and (2) property insurance upon the entire Project for the full insurable value thereof and for all risks. All such insurance shall include the Contractor and Subcontractors who shall be deemed to have an insurable interest and who shall be listed as additional insureds. Further, Owner waives all rights against Contractor for loss of use or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by or arising out of or resulting from fire or other peril, whether or not insured by Owner and loss or damage to the completed Project or part thereof caused by, arising out of or resulting from fire or other insured peril covered by any property insurance maintained on the completed Project or part thereof by Owner during any partial utilization of the Project, after substantial completion of the Project or after final payment.

b. Any insurance policy maintained by Owner shall contain a provision or endorsement providing that coverage will not be canceled or materially changed without a minimum of thirty (30) days prior written notice to Contractor.

c. Owner shall deliver, upon execution hereof, a Certificate of Insurance evidencing the foregoing and acceptable to Contractor. Failure to deliver a Certificate of Insurance prior to commencement of construction shall entitle Contractor, in addition to other remedies hereunder, to purchase such insurance and bill such costs to Owner which shall be paid within forty-five (45) days of the date of Contractor's invoice.

ARTICLE VIII: SERVICE AND WARRANTIES

1. **Disclaimer of Warranties and Other Claims** - Limitation of Remedies.

THIS CONTRACT IS THE FINAL, COMPLETE AND EXCLUSIVE EXPRESSION OF OWNER AND CONTRACTOR'S AGREEMENT. ANY STATEMENT MADE BY CONTRACTOR'S AGENTS THAT DIFFER FROM THE TERMS OF THIS CONTRACT SHALL BE NULL AND VOID AND OF NO FORCE AND EFFECT. THE PARTIES AGREE THAT ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE EXCLUDED FROM THIS CONTRACT AND FURTHER THAT THE REMEDIES OF OWNER AS DESCRIBED AT ARTICLE IX OF THIS CONTRACT ARE OWNER'S SOLE AND EXCLUSIVE REMEDIES. CONTRACTOR EXPRESSLY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES AND CONTRACTOR SHALL NOT BE HELD LIABLE FOR CONSEQUENTIAL OR PUNITIVE DAMAGES, TORTS, STRICT LIABILITY OR NEGLIGENCE.

ARTICLE IX: DEFAULT AND REMEDY

1. **Default.** Except in the case of Owner's failure to make payments as provided in Article VI, in the event of default, the non-defaulting party shall provide the other with written notice of default. In the event that the default is not cured within ten (10) days of the receipt by the defaulting party of the written notice of default, then, in addition to the option of terminating this Contract, the non-defaulting party shall have any and all remedies that may exist at law or in equity except as specifically limited hereunder. In the case of an Owner default, Contractor shall be entitled to collect the sums specified in Article X(3). In the case of a default by Contractor which remains uncured, Owner shall in all events be limited in any recovery against Contractor to the Contract Sum set forth in Article VI of this Contract less the value of the Work performed. The non-defaulting party shall be entitled to recover reasonable attorney's fees incurred on account of the default.

2. **Dispute Resolution.** Any controversy or claim, arising out of this Agreement, its interpretation, enforcement or breach including, but not limited to, claims arising from tort, shall be settled by arbitration by a single arbitrator under the then current Construction Arbitration Rules of the American Arbitration Association. An arbitration proceeding is commenced upon one party serving by certified mail a demand for arbitration, setting forth the dispute(s) and requested relief. Upon commencement of an arbitration proceeding, the parties shall agree on the person that shall serve as the arbitrator for any dispute. The arbitration shall be private and will not be administered by any third party. The arbitrator shall render a written decision stating the reasons for the decision. Judgment upon the award rendered by the arbitrator shall be final and not be subject to any review or appeal. Judgment on the award may be entered in any court having jurisdiction. Arbitration shall take place in Blue Earth County, Minnesota. The arbitrator shall have no authority to enter a permanent injunction or to award punitive damages or consequential damages and shall award only compensatory damages. The arbitrator shall permit reasonable, limited discovery under the Minnesota Rules of Civil Procedure. The parties waive all right to have their claims heard in the court system and arbitration as provided herein shall be the sole remedy for all disputes between the parties. Arbitration must be commenced with six (6) months after the claim or controversy arises.

3. **Governing Law.** The validity, interpretation and enforcement of this Contract shall be governed by Minnesota law.

ARTICLE X: TERMINATION OR SUSPENSION OF THIS CONTRACT

1. The Contractor may terminate the Contract if the Work is stopped for a period of seven (7) consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons or entities performing portions of the work under direct or indirect contract with the Contractor, for any of the following reasons.

- a. issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped;
- b. an act of government, such as a declaration of national emergency which requires all Work to be stopped; or
- c. the Owner has failed to complete any of Owner's duties as set forth herein.

2. The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions by the Owner of any portion of the Work then remaining constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

3. If one of the reasons described in Paragraph 1 or 2 of this Article X exists, the Contractor may, upon seven (7) days' written notice to the Owner terminate the Contract and recover from the Owner payment for completed Work, plus any expenses or costs Contractor incurred as a result of the Project, plus Contractor's lost profits for the entire Project had Contractor been permitted to complete the Project.

ARTICLE XI: MISCELLANEOUS PROVISIONS:

1. **Waiver:** The failure of either party at any time to enforce any provision of this Agreement, exercise its rights under any provision, or require any certain performance of a provision, shall in no way be construed as a waiver of such provision, nor in any way affect the validity of this Agreement or the right of a party thereafter to enforce the same or any provision hereof.

2. **Severability:** In the event any provision of this Contract is declared to be invalid or unenforceable, the remaining portions shall remain in full force and effect, except to the extent the declaration of invalidity defeats the purpose of the Contract, in which case the Contract will terminate.

3. **No Joint Venture:** The Parties agree that Contractor is an independent contractor and not a joint venturer with Owner in the Project.

4. **Execution of Documents.** All parties agree to execute any and all documents necessary to implement the full terms and conditions of this Contract.

5. **Owner's Covenant:** Owner covenants and guarantees to Contractor that Owner owns in fee simple the Project site on which Work will be performed.

6. **Title:** Title to all materials and equipment delivered to and forming part of the Project shall remain with and in Contractor until final payment is made.

7. **Entire Agreement.** This Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral including, by and between Owner and Contractor.

8. **PRE-LIEN NOTICE:**

- (a) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.
- (b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

9. **UREA FORMALDEHYDE DISCLOSURE.** Minnesota law requires that the following warning be provided in the sale of buildings or building products containing Urea Formaldehyde. Many products, particularly particle board and plywood use formaldehyde-based glue in their sale manufacture. Persons who purchase and use products containing Urea Formaldehyde also have a responsibility to pass this warning on to their customers:

IMPORTANT HEALTH NOTICE.

SOME OF THE BUILDING MATERIALS USED IN THIS PROPERTY (OR THESE BUILDING MATERIALS) EMIT FORMALDEHYDE. EYE, NOSE, AND THROAT IRRITATION, HEADACHE, NAUSEA AND A VARIETY OF ASTHMA-LIKE SYMPTOMS, INCLUDING SHORTNESS OF BREATH, HAVE BEEN REPORTED AS A RESULT OF FORMALDEHYDE EXPOSURE. ELDERLY PERSONS AND YOUNG CHILDREN, AS WELL AS ANYONE WITH A HISTORY OF ASTHMA, ALLERGIES, OR LUNG PROBLEMS, MAY BE AT GREATER RISK. RESEARCH IS CONTINUING ON THE POSSIBLE LONG-TERM EFFECTS OF EXPOSURE TO FORMALDEHYDE.

REDUCED VENTILATION MAY ALLOW FORMALDEHYDE AND OTHER CONTAMINANTS TO ACCUMULATE IN THE INDOOR AIR. HIGH INDOOR TEMPERATURES AND HUMIDITY RAISE FORMALDEHYDE LEVELS. WHEN A HOME IS TO BE LOCATED IN AREAS SUBJECT TO EXTREME SUMMER TEMPERATURES, AN AIR-CONDITIONING SYSTEM CAN BE USED TO CONTROL INDOOR TEMPERATURE LEVELS. OTHER MEANS OF CONTROLLED MECHANICAL VENTILATION CAN BE USED TO REDUCE LEVELS OF FORMALDEHYDE AND OTHER INDOOR AIR CONTAMINANTS.

IF YOU HAVE ANY QUESTIONS REGARDING THE HEALTH EFFECTS OF FORMALDEHYDE, CONSULT YOUR DOCTOR OR LOCAL HEALTH DEPARTMENT.

IN WITNESS WHEREOF, the parties have executed this Contract to be effective on the day first above written.

OWNER

By: _____

Its: _____

CONTRACTOR

APX CONSTRUCTION GROUP, LLC.

By: _____

Its: _____

EDA AGENDA PACKET

MAY 5, 2021

OLD BUSINESS

DUPLEX

FINANCING

EMAILS FROM DOUG GREEN:

4/29/21

Larry,

A few updates:

1. It is fine that the City does not have an EDA. The EDA can use the powers of an HRA to finance and construct the duplex. *(I corrected with Doug – he meant the City does not have an HRA)*
2. To answer your question below, the only authority the City has if it wants to provide a general obligation pledge (and thus the lowest interest rate) is through the abatement statutes. However, these are essentially general obligation revenue bonds, similar to if you were financing water or sewer improvements. The revenues of the enterprise (in this case rental payments) will be used to make debt service payments. The general obligation pledge is there as a backstop in case revenues are short. I am bringing Mary Ippel (copied) into these discussions to keep us on the correct legal path. Mary, feel free to correct or add to anything I've said.
3. As you know, I spoke with Chuck Robasse yesterday at Integrity Bank. He has a good understanding of municipal debt. He also ballparked a very competitive interest rate. At some point, the City/EDA will need to determine if they want to send out the financing to multiple banks or keep the bond/loan local.
4. Attached is a draft term sheet. It is the working document that outlines the specifics of the financing. It will stay in draft form until all the terms are finalized with the chosen bank.
5. I will send over a draft schedule of events shortly that outlines the steps in the process. This first draft will be high level. We will add to it over time to keep us all on track, e.g. the date of publication for the public hearing and specific things like that.

Doug Green

4/29/21

Attached is a draft timeline. We can obviously be flexible with it and adjust as needed. The need to have access to the money and make payments will drive the schedule. Initially, I assumed regular Council dates, but we can have special meetings if necessary to expedite the process.

This process will be a massive paperwork shuffle. There are essentially three processes, two of which require public hearings: 1. Abatement (public hearing); 2. Housing program (public hearing); and 3. Bond authorization. Let's schedule a call next week with the three of us and Mikaela to make sure we are all on the same page. Please send me available dates and times.

Doug Green

City of Wabasso, Minnesota

**DRAFT TERM SHEET FOR
DIRECT PRIVATE PLACEMENT FOR
\$500,000 (approximate) Bond Issue**

DATE OF TERM SHEET: April 29, 2021

INTRODUCTION AND OBJECTIVES

The City of Wabasso, Minnesota (“City”) and the Wabasso Economic Development Agency (“EDA”) is seeking financing for approximately \$5000,000 for construction of new residential housing units in EDA owned property within the City. The City EDA plans to lease the units. The financing is being undertaken in partnership with a private developer to increase housing options within the City.

After exploring various financing options, the City has decided to issue a general obligation bond to a local bank. Unlike traditional municipal bonds, the bonds will not be transferable without the permission of the City. The legal name of the debt obligation will be called City of Wabasso General Obligation Taxable Tax Abatement Bonds, Series 2021A. Throughout this Term Sheet, the debt obligation will be referred to as the “Bonds”.

The objective of this document is to 1) provide information relevant to the financing, including statutory authorities; 2) outline the specific terms of the financing; and 3) identify and track procedural steps required to complete the financing. The term sheet will be updated as the City and EDA make decisions regarding the financing and terms are agreed to with the chosen lending institution/bank.

PROJECT AND FINANCING DESCRIPTION

Issuer: City of Wabasso, Minnesota.

Statutory Authority: Minnesota state statutes authorizes municipalities to incur “debt obligations”. The “debt obligations” are referred to as bonds, notes and certificates depending on the specific statute. The statutes specify allowed uses, security, process and, in certain circumstances, limits on the amount of debt a municipality can have outstanding.

Minnesota Statutes 469.1812-469.1815 authorizes municipalities to issue general obligation “abatement” bonds without a referendum for various economic development purposes. Statutes require a public hearing and notification to other taxing jurisdictions within the City of the intent to establish a tax abatement.

See the Tax Abatement section below for additional information.

Security and Source of Payment:

The City will pledge abatement revenues (principal) and a debt service levy (interest) to the repayment of the bonds. Rental payments from the EDA owned properties will be used to offset the abatement and debt service levies; however, there is no statutory authority to pledge the lease payments to the repayment of the Bonds.

Tax Abatement and Process:

Despite the traditional use of the term “abatement”, a tax abatement utilized under this statutory authority is essentially a debt levy as opposed to an exemption from paying property taxes.

Statutes require the City to hold an abatement public hearing, but there is no reverse referendum process. The timeline to begin planning, notice and hold the public hearing and execute the closing documents is approximately eight weeks.

The City’s Bond Counsel will provide a legal opinion that the City has abided by the requirements outlined in statutes.

Housing Program and Process:

For a housing project undertaken by the EDA utilizing Housing Redevelopment Authority (HRA) powers, M.S. 469.0171 requires the EDA to submit a housing program to the regional development commission.

M.S. 462C.04 outlines the process for notification and public hearings.

The City’s Bond Counsel will provide a legal opinion that the City has abided by the requirements outlined in statutes.

Interest Rate:

State statutes prohibits the City from entering into variable rate agreements; therefore, the interest rate must be fixed while the Bonds are outstanding. The interest rate will be negotiated with the chosen bank at a later time.

Frequency of Payments:

The frequency of principal and interest payments will be negotiated with the chosen bank. Options include monthly, quarterly or semi-annual interest payments and annual principal payments. Considerations should be given to ease of administration.

Repayment Term and Dates:

The repayment term of the Bonds will be determined at a later time by the EDA. Most likely, the term of the Bonds will be between 15-20 years in order to match (as closely as possible) projected rent revenues with debt service and other expenditures.

Tax Status: Interest on the Bonds is not excluded from gross income for federal income tax purposes or Minnesota income taxes.

The City's Bond Counsel will provide a tax opinion on the Bonds.

Optional Redemption: The optional redemption ("call") option will be negotiated with the chosen bank. Consideration should be given to the possibility of selling the units in the future and paying off the Bonds

Credit Rating: The Bonds will not be rated.

Transferability: The bank will be expected to hold the Bonds in its own account and not transfer the loan to another lending institution without the written consent of the City.

Primary and Continuing Disclosure: No primary disclosure document will be provided. The Bonds will not be subject to the requirements of Rule 15c2-12 and the City will not enter an undertaking to provide continuing disclosure with respect to the Bonds.

The City will agree to provide its annual audited financial statements to the bank.

Registrar / Paying Agent: The City will serve as its own Registrar/Paying Agent.

Consultants: The City has retained professional advisors to assist in the completion of the financing. These advisors and their roles are as follows:

Municipal Advisor

Baker Tilly Municipal Advisors, LLC

Mr. Doug Green, Director

Ms. Mikaela Huot, Director

380 Jackson Street, Suite 300

St. Paul, Minnesota 55101

Bond Counsel

Taft Stettinius & Hollister,
LLP

Ms. Mary Ippel, Partner

80 South 8th Street

Minneapolis, Minnesota
55402

Legal Documents: Issuance and delivery of the Bonds are subject to, among other things: (i) approval by Resolution of the City Council of the terms and conditions of the Bonds, (ii) negotiation, execution, and delivery of any applicable agreements with respect to the Bonds and of customary closing papers, including a no-litigation certificate; and (iii) receipt of an approving legal opinion of Taft Stettinius & Hollister, LLP, Minneapolis, Minnesota.

City of Wabasso, Minnesota
General Obligation Taxable Tax Abatement Bonds, Series 2021A
April 29, 2021

April 1, 2021						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 1, 2021						
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30	31					

June 1, 2021						
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July 1, 2021						
S	M	T	W	Th	F	S
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August 1, 2021						
S	M	T	W	Th	F	S
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29	30	31				

September 1, 2021						
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12	13	14	15	16	17	18
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26	27	28	29	30		

Schedule of Events		
Date	Event	Responsible Party
May 2021	City sends request for participation of abatement to County and School District. County and School District provides notice of denial. Baker Tilly coordinates process.	Baker Tilly City Staff
June 21, 2021	City Council calls for tax abatement and housing program public hearings.	City Council
June 2021	City sends housing program to the regional development commission for review and comment. Taft coordinates process.	City Staff Taft
TBD	Deadline to send tax abatement and housing program public hearing notices to newspaper.	City Staff Baker Tilly
TBD	Notice of tax abatement and housing program public hearings published in paper. (more than 10 and less than 30 days prior to the tax abatement public hearing and at least 15 days prior to the housing program public hearing.)	City Staff
July 19, 2021	City Council holds tax abatement and housing program public hearings.	City Council
July 19, 2021	City Council considers bond resolution authorizing the issuance of the Bonds contingent on maximum par amount, true interest rate, and repayment term.	City Council
July 2021	City and Baker Tilly finalize terms of financing with chosen bank.	City Staff Baker Tilly
August 16, 2021	City Council considers Resolution ratifying the sale of the Bonds.	City Staff
Late August 2021	Signed closing documents completed.	All Parties
Early September 2021	Settlement of the Bonds; receipt of Bond proceeds.	All Parties

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2021 Baker Tilly Municipal Advisors, LLC

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF BLUE EARTH, MINNESOTA

HELD: November 2, 2020

Resolution 20-23

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Blue Earth, Faribault County, Minnesota, was duly called and held at the City Hall on November 2, 2020, at 5:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$726,000 General Obligation Taxable Tax Abatement Bonds, Series 2020B.

The following members were present:

and the following were absent:

Member Cole introduced the following resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
\$726,000 GENERAL OBLIGATION TAXABLE TAX ABATEMENT BONDS, SERIES
2020B AND PLEDGING TAX ABATEMENTS FOR THE SECURITY THEREOF AND
LEVYING A TAX FOR THE PAYMENT THEREOF**

A. WHEREAS, the City Council of the City of Blue Earth, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue \$726,000 aggregate principal amount General Obligation Taxable Tax Abatement Bonds, Series 2020B (the "Bond"), pursuant to Minnesota Statutes, Chapter 475, and Sections 469.1812 through 469.1815, as amended, to finance the purchase of one (1) duplex and one (1) fourplex, for a total of six (6) residential rental housing units from APX Construction Group, and to pay the costs associated with issuing the Bonds (the "Project"); and

B. WHEREAS, on the date hereof, following duly published notice thereof, the Council held a public hearing on the proposed abatement to finance the Project and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, the City has requested, in writing, that Independent School District No. 2860 (Blue Earth Area Schools) (the "School District") to grant an abatement for the Project. The School District has declined, in writing, to grant an abatement and therefore the City has the authority grant an abatement for up to 20 years; and

D. WHEREAS, the City has heretofore established a tax abatement program (the "Program"), pursuant to the provisions of Minnesota Statutes, Sections 469.1812 through 469.1815, with respect to providing for the abatement of property taxes for a period of up to 20 years on various properties in the City, as described in the Resolution adopted by the City Council on the date hereof, approving the Program (the "Abatement Resolution"); and

E. WHEREAS, the amount of the property taxes abated are estimated to be at least equal to the principal of the Bond and pursuant to the provisions of the Abatement Resolution, and the Bond proceeds are to be expended to provide money to pay for Project; and

F. WHEREAS, the City has retained Baker Tilly Municipal Advisors, LLC, in St. Paul, Minnesota, as its independent municipal advisor for the sale of the Bond and was therefore authorized to sell the Bond by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Blue Earth, Minnesota, as follows:

1. Acceptance of Offer. The offer of First Bank Blue Earth, in Blue Earth, Minnesota (the "Purchaser"), to purchase the Bond and to pay therefor the sum of \$726,000 ("Purchase Price"), all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

2. Terms; Original Issue Date; Denominations; Maturities; and Interest. The City shall forthwith issue the Bond, which shall be in fully registered form without interest coupons, and shall be dated, mature, bear interest, be subject to redemption and be payable as provided in the form of the Bond.

3. Purpose; Findings. The Bond shall provide funds to finance the Project. The principal amount of the Bond, does not exceed the estimated amount of Tax Abatements of \$726,000. Proceeds of the Bond shall be expended on costs or uses permitted by Minnesota Statutes, Sections 469.1812 through 469.1815, and shall not be expended on any costs or devoted to any other uses. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bond. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Registrar. The City Administrator of the City of Blue Earth, Minnesota, is appointed to act as registrar with respect to the Bond (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, all pursuant to any contract the City and Registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bond shall be paid to the registered holder (or record holder) of the Bond in the manner set forth in the form of Bond.

5. Form of Bond. The Bond, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
FARIBAULT COUNTY
CITY OF BLUE EARTH

R-1

\$726,000

GENERAL OBLIGATION TAXABLE TAX ABATEMENT BOND, SERIES 2020B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.95%	February 1, 2042	November 13, 2020

REGISTERED OWNER: FIRST BANK BLUE EARTH

PRINCIPAL AMOUNT: SEVEN HUNDRED TWENTY-SIX THOUSAND DOLLARS

THE CITY OF BLUE EARTH, FARIBAULT COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns, duly certified on the Certificate of Registration attached to and made a part of this Bond (the "Owner"), in the manner hereinafter set forth, the \$726,000 principal amount of this Bond in the principal installments due on February 1 of the years and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid at the interest rate of 2.08% per annum:

<u>Principal Installments</u> <u>Due February 1</u>	<u>Amount</u>	<u>Principal Installments</u> <u>Due February 1</u>	<u>Amount</u>
2023	\$	2033	\$
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	

Interest. Interest shall be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2021, and shall be calculated on the basis of a 360 day year consisting of twelve thirty day months.

ISSUER HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE BOND, AND THE INTEREST IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, INCLUDED IN BOTH GROSS INCOME AND TAXABLE NET INCOME FOR STATE INCOME TAXATION PURPOSES.

Redemption. This Bond shall be subject to redemption and prepayment at the option of the Issuer on February 1, 2029 and on any date thereafter at a price of par plus accrued interest, in whole or in multiples of \$1,000, upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment.

Payment Instructions. Payments of Principal and Interest and the payment due at the maturity of the Bond shall be paid by check, ACH debit, wire transfer or draft mailed to the Owner at the address listed on the Certificate of Registration attached to and made a part of this Bond. At the time of final payment of all principal and interest on this Bond, the Owner shall surrender this Bond to the City Administrator, City of Blue Earth, Minnesota (the "Registrar")

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the Issuer or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Transfer. This Bond is transferable, as provided in the Resolution, upon the Register kept by the Registrar upon surrender of this Bond together with a written instrument of transfer duly executed by the Owner or the Owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond in the same principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed. The Issuer may treat and consider the person in whose name this Bond is registered as the absolute Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Bond and for all other purposes whatsoever.

Issuance; Purpose; General Obligation. This Bond is issued as a single instrument in the total principal amount of \$726,000, pursuant to and in full conformity with the City Charter, the Constitution, and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on November 2, 2020 (the "Resolution"), for the purpose of providing money to finance the purchase of one (1) duplex and one (1) fourplex, for a total of six (6) residential rental housing units from APX Construction Group. This Bond is payable out of the General Obligation Taxable Tax Abatement Bonds, Series 2020B Fund, constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Fees upon Transfer or Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bond.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Registration hereon shall have been executed by the Registrar.

Not a Qualified Tax-Exempt Obligation. This Bond has not been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the City Charter, the Constitution, and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any charter, constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Blue Earth, Faribault County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

November 13, 2020

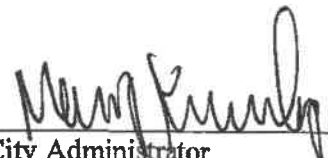
CITY OF BLUE EARTH,
FARIBAULT COUNTY, MINNESOTA

REGISTRABLE BY AND PAYABLE AT:

City Administrator
City of Blue Earth, Minnesota



Mayor



City Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF REGISTRAR</u>
<u>11-13-2020</u>	<u>First Bank Blue Earth 306 S Main St, Blue Earth, MN 56013</u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
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<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

6. Execution. The Bond shall be executed on behalf of the City by the facsimile signatures of its Mayor and City Administrator, the seal having been omitted as permitted by law. In the event of disability or resignation or other absence of either officer, the Bond may be signed by the facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

7. Delivery: Application of Proceeds. The Bond when so prepared and executed shall be delivered by the City Administrator to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

8. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Taxable Tax Abatement Bonds, Series 2020B Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until the Bond and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Bond. From the Capital Account there shall be paid all costs and expenses of acquiring the Project and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bond may also be used to the extent necessary to pay interest on the Bond due prior to the receipt of the taxes levied herein.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (i) Tax Abatements in an amount sufficient to pay the annual principal payments on the Bond; (ii) available City funds in the amount of \$15,348.85 to provide sufficient funds to pay interest due on the Bonds on or before August 1, 2021 and available City funds in the amount of \$10,708.50 to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2022 ; (iii) any collections of all taxes herein and hereafter levied for the payment of the Bond and interest thereon; (iv) all funds remaining in the Capital Account after acquisition of the Project and payment of the costs thereof; (v) all investment earnings on funds held in the Debt Service Account; and (v) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest and any premiums for redemption of the Bond and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

9. Tax Abatements: Use of Tax Abatements. The Council has adopted the Abatement Resolution and has thereby approved the Tax Abatements, including the pledge thereof to the payment of principal of the Bond. As provided in the Abatement Resolution, the estimated total amount of the Tax Abatements, if received as estimated for the full maximum term thereof, is \$726,000 and therefore the principal amount of the Bond does not exceed the

maximum projected amount of the Tax Abatements. The Council hereby confirms the Abatement Resolution, which is hereby incorporated as though set forth herein.

10. Tax Levy; Coverage Test. To provide moneys for payment of the interest on the Bond, there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
-------------------------	-------------------------------	---------------

See Attached Tax Levy Schedule

The tax levies are such that if collected in full they, together with estimated collections of Tax Abatements, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bond. The tax levies shall be irrevocable so long as the Bond is outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

11. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bond as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bond payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed without interest from the Debt Service Account when a sufficient balance is available therein.

12. Defeasance. When the Bond has been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holder of the Bond shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to the Bond which is due on any date by irrevocably depositing on or before that date a sum sufficient for the payment thereof in full; or if the Bond should not be paid when due, it may nevertheless be discharged by depositing a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to the prepayment of the Bond called for redemption on any date when it is prepayable according to its terms, by depositing on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to the Bond, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

13. Taxable Status of the Bond. The City does not qualify the Bond as tax-exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bond are to be issued as fully taxable obligations, and all interest received on the Bond are to be included in the gross income of the Holder of any Bond for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

14. Certificate of Registration. The City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Faribault County, Minnesota, together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bond has been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

15. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bond, certified copies of all proceedings and records of the City relating to the Bond and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

16. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

17. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member Warner and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

Councilmember Gaylord
Councilmember Huisman
Councilmember Erichsrud
Councilmember Cassem
Councilmember Warner
Councilmember Cole
Mayor Scholtes - absent

and the following voted against the same:

None

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
FARIBAULT COUNTY
CITY OF BLUE EARTH

I, the undersigned, being the duly qualified and acting City Administrator of the City of Blue Earth, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and sale of \$726,000 General Obligation Taxable Tax Abatement Bonds, Series 2020B.

WITNESS my hand on November 2, 2020.

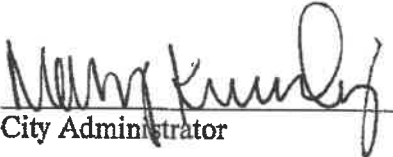

City Administrator

EXHIBIT A
LEVY SCHEDULES

Post Sale

\$726,000

City of Blue Earth, Minnesota
Taxable General Obligation Abatement Bonds, Series 2020B

Post-Sale Tax Levies

Payment Date	Principal	Coupon	Interest	Total P+I	105% Overlevy	Levy Amount	Levy/Collec Years
02/01/2022	-	-	26,057.35	26,057.35	27,360.22	27,360.22	2020/2021
02/01/2023	27,000.00	2.950%	21,417.00	48,417.00	50,837.85	50,837.85	2021/2022
02/01/2024	28,000.00	2.950%	20,620.50	48,620.50	51,051.53	51,051.53	2022/2023
02/01/2025	29,000.00	2.950%	19,794.50	48,794.50	51,234.23	51,234.23	2023/2024
02/01/2026	30,000.00	2.950%	18,939.00	48,939.00	51,385.95	51,385.95	2024/2025
02/01/2027	31,000.00	2.950%	18,054.00	49,054.00	51,506.70	51,506.70	2025/2026
02/01/2028	31,000.00	2.950%	17,139.50	48,139.50	50,546.48	50,546.48	2026/2027
02/01/2029	32,000.00	2.950%	16,225.00	48,225.00	50,636.25	50,636.25	2027/2028
02/01/2030	33,000.00	2.950%	15,281.00	48,281.00	50,695.05	50,695.05	2028/2029
02/01/2031	34,000.00	2.950%	14,307.50	48,307.50	50,722.88	50,722.88	2029/2030
02/01/2032	35,000.00	2.950%	13,304.50	48,304.50	50,719.73	50,719.73	2030/2031
02/01/2033	36,000.00	2.950%	12,272.00	48,272.00	50,685.60	50,685.60	2031/2032
02/01/2034	37,000.00	2.950%	11,210.00	48,210.00	50,620.50	50,620.50	2032/2033
02/01/2035	39,000.00	2.950%	10,118.50	49,118.50	51,574.43	51,574.43	2033/2034
02/01/2036	40,000.00	2.950%	8,968.00	48,968.00	51,416.40	51,416.40	2034/2035
02/01/2037	41,000.00	2.950%	7,788.00	48,788.00	51,227.40	51,227.40	2035/2036
02/01/2038	42,000.00	2.950%	6,578.50	48,578.50	51,007.43	51,007.43	2036/2037
02/01/2039	43,000.00	2.950%	5,339.50	48,339.50	50,756.48	50,756.48	2037/2038
02/01/2040	45,000.00	2.950%	4,071.00	49,071.00	51,524.55	51,524.55	2038/2039
02/01/2041	46,000.00	2.950%	2,743.50	48,743.50	51,180.68	51,180.68	2039/2040
02/01/2042	47,000.00	2.950%	1,386.50	48,386.50	50,805.83	50,805.83	2040/2041
Total	\$726,000.00	-	\$271,615.35	\$997,615.35	\$1,047,496.12	\$1,047,496.12	-

EDA AGENDA PACKET

MAY 5, 2021

OTHER STRATEGIC PLAN



Proposal to the City of Wabasso
Community Input to Guide Future Planning
Submitted by Achieve TFC, LLC on April 26, 2021

Background Summary – Understanding of Needs

The City of Wabasso recently became aware of a heightened need for planning to guide expansion, annexation, growth, and development of commercial and industrial activities within the city as well as vacant land adjacent to and south of Highway 68. The city currently does not have a Comprehensive Plan, Zoning Plan, or Development Plan. In March, the city approved an ordinance that placed a one-year moratorium on commercial development while the city prepares a strategic/development plan.

To ensure the health, safety, and welfare of the citizens of Wabasso, a planning process that includes community input is desired. The EDA and City of Wabasso envision gathering input from community stakeholders, including representatives from Vail Township, by engaging an outside facilitator to lead the conversation and summarize results. A community visioning process will help guide planning that maintains the desired character of the community by helping the community decide the future it wants and plan how to achieve it.

Together we will gather broad public input through facilitated sessions that allow for small group discussion as well as large group reflection of issues and opportunities related to planning and development for the city and surrounding properties. Stakeholders will be engaged through various input methods that may include a survey, community visioning session, and other facilitated discussions to ensure that future planning truly reflects the desired vision of the community. The primary purpose will be to develop a set of vision statements, community goals, and objectives that best articulate the desires of the citizens about the future of the community. These statements will then serve to direct subsequent planning processes and documents.

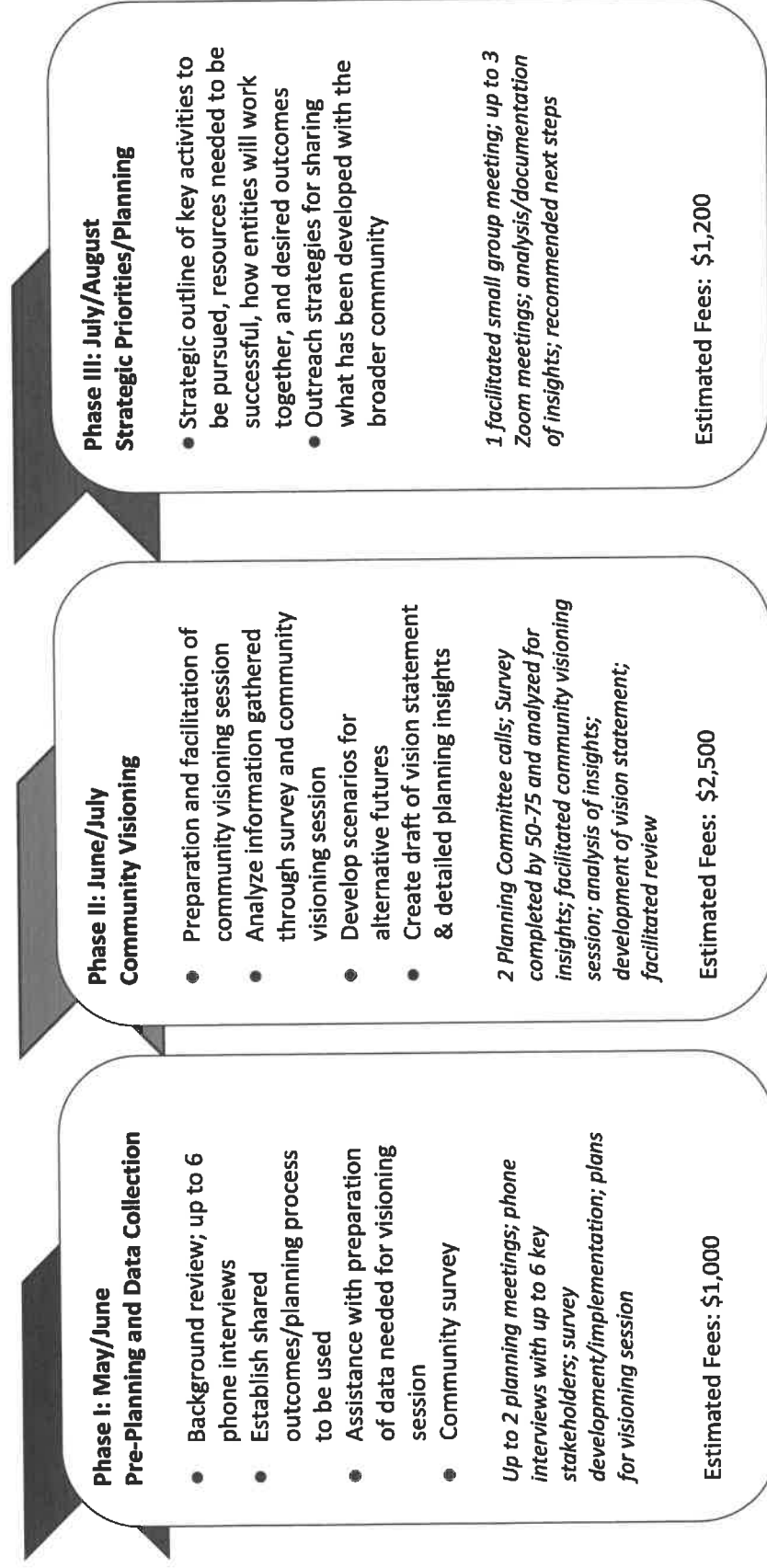
Goals and Outputs – Communication Strategies and Scope of Work

As a seasoned facilitator, Glaeser's approach to community visioning includes a blend of consulting, facilitation, research, and analysis of needs. The visioning process will engage the public through various outreach strategies that may include community surveys/questionnaires, community mapping exercises, and/or a public forum. Each technique is designed to gain public input regarding the future of the community. Through strong community engagement, our goal at the end of this process will be to reach consensus on a clear vision for your community which can be transformed into manageable and feasible community goals and plans.

Details pertaining to a recommended visioning/planning process are outlined on the following page. It is important to note that Glaeser will work with a small group of key stakeholders (planning committee) to determine the best approaches for your community. A succinct overview of the scope of work can be found below. A detailed outline can be found in **Exhibit A: Scope of Work**.

Exhibit A: Achieve TFC, LLC: Scope of Work/Budget Summary

The following chart outlines draft concepts for proposed activities, timeline, and estimated consulting costs required to complete them. This outline should be considered a starting point for discussion about the preferred process and timeframe to best meet the desired outcome of this project. A full scope of work will be developed based on further discussion and understanding of needs. Final estimated costs may be adjusted to reflect the work required.



Phases I through III Fees: Consulting/Facilitation - \$4,700; Supplies/Materials \$200.00; Estimated Total: \$4,900
Additional Option A: Trends/Demographics Report and Presentation (\$500)
Additional Option B: Facilitated retreat and/or additional planning support (\$1,500)

Exhibit A: Achieve TFC, LLC: Scope of Work

Scope of Work

Overarching Objectives:

- Develop and facilitate a visioning process that engages a broad group of citizens in developing a long-term vision for the community
- Create an effective strategic framework that will help guide the City of Wabasso in maximizing its strengths and capitalizing on opportunities for the future

Phase I: Pre-Planning and Data Collection (May):

The planning process begins with a meeting with key stakeholders to ensure shared understanding of key assumptions and desired outcomes of the visioning/planning process. These interactions and the preparations leading up to them provide Glaeser with advanced knowledge and understanding of some of the key stakeholders and planning efforts in the Wabasso area. Glaeser will work with key stakeholders (which may be an establish planning committee and/or key city staff) to gather pertinent information and review background materials to reveal assumptions about planning for the City of Wabasso. These steps would help define the best possible approach for the visioning/planning process.

Key Questions:

- Who are the key stakeholders in the community and how will they be involved?
- What information do we need/want from the broader public? (i.e., How in-depth will we go with the process (land use, amenities, transportation, etc.)?)
- How will public input be used?

Expected Outcomes:

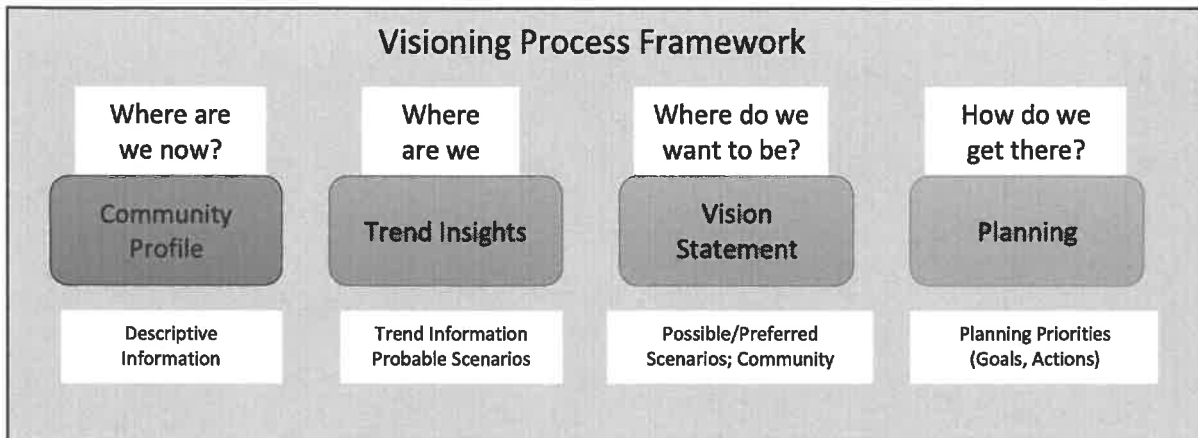
- Review and analysis of background information
- Affirmation of what needs to be accomplished through this Visioning/Planning process
- Development of key action steps and outcomes for the process
- Understanding of the roles and responsibilities of current entities/staff
- At a macro level, develop an understanding of desired outcomes and unveil the strengths, weaknesses, opportunities, and challenges of the City of Wabasso

Initial Assumptions:

- Up to 2 Zoom or in-person meetings with a key stakeholder group (planning committee)
- Up to 6 phone interviews with key city staff/community stakeholders

Phase II: Shared Understanding and Visioning (June)

In this phase, we will engage the broader community in a visioning process. This would include developing and implementing a community-wide survey/questionnaire in advance of an in-person visioning session for the community. The facilitated visioning session would include brainstorming ideas, discussing opportunities and challenges, and developing scenarios that depict in words and images what the community envisions for the future for the City of Wabasso. The recommended framework for the visioning process is shown on the following page. Glaeser would work with city staff, engineering firm and other stakeholders to identify any maps and/or planning documentation that should be presented at the community visioning session. From insights gathered through the visioning session, Glaeser would work with the planning committee to develop a draft vision statement.



Key Questions:

- What are the best strategies for gathering public input? Who will we engage?
- What information do we need to provide to aide good discussion during the visioning session?
- How is the community changing, and what will it be like in the future?
- What are the qualities that give the community a sense of place that people value?

Expected Outcomes:

- Completion of community survey/questionnaire to gain a pulse on community desires, concerns, and ideas;
- Data collection and preparation of session materials
- Planning and facilitation of community visioning session
- Evaluate and define the strengths, weaknesses, opportunities and challenges related to community planning/development through broad and diverse input
- Develop scenarios for alternative futures
- Analyze information gathered through community input
- Create first draft of a vision statement

Initial Assumptions:

- 2 Planning Committee calls/meetings for planning purposes
- 1 survey developed, completed by 50-75 individuals, and analyzed for insights
- 1 facilitated community visioning session attended by 50-75 community members
- 1 facilitated discussion with the Planning Committee to review and analyze information gathered

Phase III: Defining Next Steps (June/July)

Once your community has envisioned where it wants to be, you can ensure that this vision is reflected in Comprehensive, Zoning and/or Development Plans. Phase III brings together the inputs and information gathered in Phases I and II to provide initial recommendations for carrying forward the ideas/projects. In addition, outreach strategies would be developed for providing results to the broader community

Key Questions:

- How will the created vision be shared with the community? Will they provide further feedback?
- How will the vision be incorporated into next steps/plans?
- What are the top priorities revealed through the visioning process? How might these alter/guide future planning processes?

Expected Outcomes:

- Strategic recommendations for community planning/development
- Strategic outline of key activities to be pursued, resources needed to be successful, how entities will work together, and desired outcomes
- Outreach strategies for sharing what has been developed with the broader community

Initial Assumptions:

- 1 facilitated small group meeting (planning committee) to review key insights/vision statement
- Up to 3 additional Zoom meetings and/or calls to finalize vision statement/strategic priorities

Additional Services: Optional Project Components

- A. (\$500) Trends/Demographics Report & Presentation
Work on your behalf with the MN Department of Employment and Economic Development regional market analysts to develop customized graphics that outline key trends and demographic considerations that may influence planning in/near the City of Wabasso. Incorporate report findings into facilitated discussions and/or surveys to help community members base discussions on current trends and economic realities.
- B. (\$1,500) Assistance incorporating results into future planning processes/plans and to further define key action steps, roles and responsibilities. This would include a facilitated half-day retreat with key stakeholders (city staff, EDA Board members, etc.)

Required Services and Documents

To successfully fulfill the obligations and reach outcomes, the following will be required:

- Determination of a primary contact or contacts (maximum of 2) for facilitator to work with in ensuring success with this project
- (Optional but recommended) Establishment of a small group (maximum of 5) stakeholders who would act as a Planning Committee to help guide the planning process
- Vision, Mission, and Goals of current organizations within the community with ties to this planning process
- Copies of most recent strategic planning documents for the City of Wabasso, if in existence
- Meeting minutes from recent meetings pertaining to city planning/economic development
- Existing budgets, planning for budgets (even if indraft form; budgets show a commitment to the desired work of an initiative/program)
- Prepared resources as needed to guide the planning discussions and help community members understand the planning process in simple terms. This may include maps of potential areas of development, etc.

As lead on this project, Cheryl K. Glaeser confirms the following:

- A. The services to be provided under this proposal are reasonable in scope the consultants listed have the experience and ability to provide the services.
- B. The project costs include all reimbursable expenses and are quoted for a minimum period of 40 days from the submission date of this proposal.
- C. Upon completion of this project, a hard copy and flash drive of the entire set of materials used/developed will be provided to the City of Wabasso

About Achieve TFC, LLC

Achieve TFC is an LLC formed in 2017 to support organizations and small businesses by providing solutions that move ideas to action, strengthen leaders and teams, and help groups achieve strong results. Since 2017, Achieve has helped over 25 entities with strategic planning, community engagement, and other organizational consulting. Cheryl K. Glaeser as Owner/President collaborates with supporting consultants on various projects. Cheryl will serve as the primary contact for this proposal and can be reached at cheryl@achieveresultstogether.com or 320-583-7526.

The Achieve Consulting approach includes:

- Building innovative and creative options to meet the specific needs of clients
- Helping organizations maximize each other's strengths
- Helping organizations communicate thoughts and ideas into action
- Identifying relevant patterns as we build strategies together
- Applying continuous improvement practices
- Helping organizations set goals and ACHIEVE results

Recent projects include the following: (Samples of Strategic Planning Documents and/or references are available upon request)

- Strategic Planning for Kandiyohi County and the City of Willmar Economic Development Commission (2019 and 2020)
- Strategic Planning for the Workforce Development Board of the Workforce Development, Inc. Rochester (2019)
- Strategic Planning for Southwest Minnesota Private Industry Council (2020)
- Strategic Planning and Board Development for Pioneer Public TV (2019)
- Strategic Planning for Southwest Regional Development Commission (2019)
- Vision, Mission & Goals for SWWC Foundation for Innovation in Education
- Vision, Mission & Goals for Granite Falls Area Community Foundation

Facilitator: Cheryl K. Glaeser, Owner/President is an enthusiastic and results-oriented professional. She leverages exceptional interpersonal and communication skills and her passion for innovation and problem-solving to create positive change and exciting new possibilities. Her facilitation and training skills span over 20 years of identifying, strengthening, and creating collaborative industry and community relationships that advance organizations and communities. Cheryl has owned and operated 3 businesses and managed complex collaboratives involving a broad array of stakeholders. She excels at facilitating small and large group interactions, developing planning processes, and managing/evaluating initiatives. Cheryl has strong business, economic, and workforce development acumen. Prior to owning Achieve TFC, LLC, Cheryl was a Senior Associate with a national firm providing consulting and planning services to organizations across the United States. She has extensive knowledge of local and regional economic development through her previous work as a Program Officer with the Southwest Initiative Foundation. Cheryl holds a Bachelor's Degree in Organizational Development and Group Dynamics through Metropolitan State University as well as certificates in Economic Development and Finance, Business Credit and Analysis, Business Marketing & Attraction, Executive and Organizational Leadership, Asset-Based Community Development, and Principles/Techniques of Fundraising. (Resume attached as Exhibit A.)

Cheryl K. Glaeser

820 Ash Street, Hutchinson, Minnesota 55350

(320) 583-7526 cheryl@achieveresultstogether.com

www.linkedin.com/in/cglaeser

PROFILE

A self-motivated, enthusiastic, and results-oriented professional who thrives on authentic engagement, energetically exploring new ideas, and building collaborative results. Through exceptional interpersonal and communication skills and a passion for innovation and continuous improvement, helps groups achieve results and solve challenges. A recognized leader for identifying, strengthening, and creating collaborative community and industry relationships that advance rural organizations, businesses, and communities. Proficient at managing complex projects involving a broad-based network of stakeholders.

CORE COMPETENCIES

- | | | |
|---------------------------|------------------------------|----------------------|
| ● Facilitation & Training | ● Program Development | ● Communications |
| ● Leadership Development | ● Program Implementation | ● Community Outreach |
| ● Public Relations | ● Program/Project Evaluation | ● Marketing |
| ● Relationship Building | ● Economic Development | ● Fundraising |

PROFESSIONAL EXPERIENCE

ACHIEVE TFC, Hutchinson, Minnesota

Owner/President, March 2017 to Present

A consultant and advisory firm that supports organizations and small businesses by providing solutions that strengthen leaders, address challenges, and transform ideas to action.

- Facilitating community meetings/strategic planning for organizations and regional collaboratives
- Developing customized leadership training workshops for businesses, organizations, and communities
- Facilitating and supporting workforce and education collaborations to expose students to local careers

INSTITUTE FOR CONSERVATION LEADERSHIP, Takoma Park, Maryland

Senior Associate, January 2016 to May 2017

A national nonprofit dedicated to building the capacity of leaders, organizations, coalitions, and networks working toward healthy communities and a healthy Earth through consulting, training, coaching, meeting facilitation, and network coordination.

- Provided capacity-building support for leaders and organizations through facilitation, strategic planning, and customized leadership/organizational development for over 40 organizations.
- Managed ICL's Executive Leadership Program, including an in-depth evaluation of the program and considerations for refreshing the program
- Contributed to ICL's marketing, communications and fundraising efforts.

SOUTHWEST INITIATIVE FOUNDATION, Hutchinson, Minnesota

A regional community foundation dedicated to advancing 18 southwest Minnesota counties.

Program Assistant 2005-2007; Program Specialist 2007-2010; Program Officer 2010-2016; Reported to Vice President.

- Directed economic development initiatives pertaining to workforce development. Facilitated sub-regional and regional discussions related to CTE and workforce challenges;
- Oversaw leadership initiatives including the Nonprofit Leaders Academy. Strengthened more than 100 leaders through greater self-awareness, communication strategies, and strengthened regional connections; and
- Developed, implemented and administered a statewide rural energy economic development program engaging rural focused stakeholders, facilitating the outreach and education of more than 2,500 people and the capitalization of 6 revolving loan programs.

OTHER SELECT ACCOMPLISHMENTS

- Facilitated the first-ever joint workshop between the International Economic Development Council and the Urban Sustainability Network (2016) to share best practices and encourage collaboration to achieve more sustainable economic development in cities across the U.S.A.

EDUCATION

METROPOLITAN STATE UNIVERSITY, St. Paul, Minnesota, Bachelor of Individualized Studies - Organizational Leadership and Group Dynamics, 2018, summa cum laude

ST. CLOUD STATE UNIVERSITY, St. Cloud, Minnesota, 1991 Associate in Arts (Business)- summa cum laude

CERTIFICATES and CONTINUED EDUCATION:

Organizational and Individual Leadership

- Minnesota Agriculture and Rural Leadership program - Graduate 2014
- Anderson Center Executive and Organizational Leadership Forum - Certificate 2012
- University of Minnesota Center for Spirituality & Healing Working on Purpose – Certificate 2010
- University of Minnesota U-Lead Leadership Academy - Certificate 2008
- Blandin Community Leadership Program - Graduate 2003

Economic Development

- International Economic Development Council Certificates: Introduction to Economic Development - 2009; **Business Credit and Analysis - 2010**; Marketing & Attraction - 2011; Real Estate Development & Reuse - 2012;
- National Development Council Economic Development Finance Exam - 2010; Score 100%
- Asset-Based Community Development, Northwestern University - Certificate 2007

VOLUNTEER EXPERIENCE

- **Minnesota Agriculture and Rural Leadership** –Former Board Chair/Board member; Graduate of program, 2014.
- **Hutchinson Leadership Institute** – member of original design team, participant and supporter, one of the Institute leadership trainers
- **Hutchinson Community Theatre** – served two terms on Board of Directors, participated in several productions including serving as Music Director
- **Hutchinson Chamber of Commerce Marketing Committee** – served on committee to increase consumer traffic by promoting our retail, medical facilities, tourist attractions and special events

EDA AGENDA PACKET

MAY 5, 2021

OTHER
RENTAL POLICY

Minnesota Housing's Strategic Plan seeks to reduce barriers to accessing housing. To further that goal, all properties financed with applicable Minnesota Housing program and funding sources¹ must have a Tenant Selection Plan (TSP). The below TSP Guidelines provide best practices and performance requirements.

These Tenant Selection Plan (TSP) Guidelines are a requirement for all projects that are selected for an applicable program and funding source as a result of a funding application submitted to Minnesota Housing after March 31, 2021.²

For all other projects with applicable program and funding sources, the **General Considerations** section is a requirement and the **Tenant Screening Criteria** section is a recommended best practice.

For developments that are subject to specific tenant screening requirements because of federal obligations or local laws/ordinances, housing providers should follow those requirements. These guidelines are not intended to be a complete list or to supersede those requirements. Consult with an attorney to determine if your TSP complies with all applicable laws and regulations, program requirements, the Fair Housing Act, the Violence Against Women Act (VAWA), and the Minnesota Human Rights Act.³

General Considerations

1. **Written Tenant Selection Plan.** Housing providers must have a written tenant selection plan. The plan must be readable and accessible to applicants and must be made available to applicants before they apply and/or pay an application fee. The owner must provide meaningful access to the information for people with limited English proficiency and people with disabilities.
2. **Waiting List.** The tenant selection plan must describe any waiting list process.
3. **Eligibility.** The tenant selection plan must provide clear information on eligibility criteria such as income restrictions and any program-specific requirements. It must also clearly state the processes and criteria that will be used to evaluate applications. If the development receives funding to serve a specific population, such as individuals eligible for supportive housing or senior housing, the tenant selection plan's evaluation criteria must be structured in a way that will consider the specific barriers faced by these households.
4. **Tenant Screening/Credit Reports.** Many housing providers use consumer reports, such as tenant screening or credit reports, as part of the application process. The Federal Trade Commission (FTC) provides [guidance for housing providers](#) who use such reports.⁴ The FTC requires that when a housing provider takes an adverse action based on information in a consumer report, the housing provider

¹ Applicable programs and funding sources that are subject to this guidance.

² The TSP Guidelines will be a requirement for developments that are selected for an applicable program or funding source from Minnesota Housing from the 2021 Consolidated RFP and after as well as pipeline applications selected after March 31, 2021. Developments that were advanced, selected, or received an allocation of funding sources under previous Consolidated RFPs or developments submitted under the 2021 Qualified Allocation Plan (QAP) are subject to the General Considerations and the Tenant Screening Criteria is a recommended best practice.

³ It is Minnesota Housing's policy to affirmatively further fair housing in all programs so that individuals of similar income levels have equal access to its programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation. Property owners and managers are expected to comply with laws and regulations prohibiting housing discrimination when creating and implementing a tenant selection plan.

⁴ Federal Trade Commission, *Using Consumer Reports: What Landlords Need to Know*, available at <https://www.ftc.gov/tips-advice/business-center/guidance/using-consumer-reports-what-landlords-need-know>

must provide a notice to the applicant that includes:

- a. The name, address and telephone number of the credit reporting agency (CRA) that supplied the consumer report, including a toll-free telephone number for CRAs that maintain files nationwide;
 - b. A statement that the CRA that supplied the report did not make the decision to take the adverse action and cannot give the specific reasons for it; and,
 - c. A notice of the applicant's right to dispute the accuracy or completeness of any information the CRA furnished, and the applicant's right to a free report from the CRA upon request within 60 days.⁵
5. **Notice of Denial.** Housing providers must give applicants a prompt written notice of denial that states the criteria the applicant failed to meet and the process to appeal.⁶
6. **Appeals Process.** Housing providers must offer an appeals process. The appeals process must allow an opportunity for applicants to provide information of mitigating circumstances or information that would demonstrate their ability to be a successful tenant, or correct inaccurate background check results. Housing providers must review all information provided to determine if the grounds for denial are a reliable indication of future tenancy performance. The appeals process and timeline must be clearly stated in the TSP. The housing provider must notify the applicant, in writing, of the outcome of the appeal.
7. **Domestic Violence.** Several federal programs, including HOME, Section 811 and the Low-Income Housing Tax Credit (LIHTC) program, are subject to the restrictions outlined in the Violence Against Women Act (VAWA). VAWA provides that an applicant "may not be denied admission...on the basis that the applicant...is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission."⁷ Similarly, adverse eligibility factors such as criminal activity or other adverse credit or rental history related to the abuse should not be considered.

Housing providers not subject to VAWA are still prohibited from discriminating against victims of domestic violence under the federal Fair Housing Act; therefore, policies and practices that target or otherwise discriminate against women because of their status as domestic violence survivors are likely unlawful under federal law. Examples of circumstances that are related to abuse include:

- a. Poor credit history resulting from the perpetrator using the victim's name to open credit card accounts, loans, utilities, and failing to pay unpaid medical bills resulting from the abuse or forcing the victim to work without pay.
- b. Poor rental history attributable to the perpetrator's actions such as property damage, noise complaints, missed or late rent or utilities, or drug activity.
- c. Criminal grounds due to the perpetrator forcing the victim to engage in criminal behavior such as sex work, drug use or sale, or crimes committed by the victim to defend themselves or a third party from the abuse.⁸

⁵ If the rejection is based on a credit score, the housing provider must also inform the applicant of the numerical score used as well as information based on the score. For more information, see 15 U.S.C. §§ 1681m(a), 1681g(f).

⁶ Refer to Minn. Stat. § 504B.173.

⁷ 42 USC § 14043e(b)(1); 24 CFR § 5.2001. Housing providers subject to VAWA should review HUD regulations and policies regarding how to fully comply with the requirements.

⁸ U.S. Department of Housing and Urban Development, Violence Against Women Act (VAWA) Reauthorization Act of 2013 – Additional

Housing providers are encouraged to include language that clearly explains the protections for victims of domestic violence in their tenant selection plans.

8. **Applicants with Disabilities and Reasonable Accommodations.** Housing providers must not raise barriers for individuals with disabilities, such as imposing requirements that applicants be able to live independently. Additionally, housing providers must have a written reasonable accommodation policy and process for handling accommodation requests at application. The housing provider's TSP must state that the reasonable accommodation policy will be made available to applicants upon request.⁹
9. **Tenant-based Rental Assistance.** As a condition of receipt of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective tenant because the prospective tenant has a housing choice voucher (HCV) or any other form of tenant-based rental assistance. Research has shown that tenant-based rental assistance improves housing outcomes.¹⁰ This requirement must be reflected in the tenant selection plan.

10. **Criminal Background Screening**

In 2016, the U.S. Department of Housing and Urban Development (HUD) issued guidance that provides considerations for housing providers related to the use of criminal history in tenant screening and the Fair Housing Act.¹¹ The HUD issued guidance includes the following considerations, which are relevant to all properties funded by Minnesota Housing.¹²

- a. **Arrests.** HUD makes it clear that a policy that rejects applicants because of arrests (without conviction) is not valid under fair housing laws.

- b. **Convictions.**

While a conviction is usually evidence of criminal conduct, HUD states that a housing provider's screening policy cannot simply exclude all applicants with convictions. Instead, in order to avoid liability under fair housing laws, the policy must accurately distinguish between convictions for criminal conduct that indicate a demonstrable risk to tenant safety and/or property and those that do not.¹³

In addition, HUD recommends a tenant screening policy consider:

- i. The **nature and severity** of a conviction; and
- ii. The **amount of time that has passed** since the criminal conduct occurred.¹⁴

Guidance

for Multifamily Owners and Management Agents (July 30, 2017) available at: <https://www.hud.gov/sites/documents/17-05HSGN.PDF>

⁹ See, e.g., Minn. Stat. § 363A.10 ("[D]iscrimination includes . . . a refusal to make reasonable accommodations in rules, policies, practices, or services, when accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling."); 42 U.S.C. § 3604(f)(3)(B); Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodation Under the Fair Housing Act (May 17, 2004), available at <http://www.hud.gov/offices/theo/library/huddojstatement.pdf>.

¹⁰ Warren, Cael. *Success in Housing: How Much Does Criminal Background Matter?* Wilder Research 16 (January 2019), available at https://drive.google.com/file/d/1HwYOBFI_k98C6TT99w2o7ryk2CnAGvgo/view [Wilder Research].

¹¹ US Department of Housing and Urban Development, Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Reports by Providers of Housing and Real Estate-Related Transactions (Apr. 4, 2016), available at http://portal.hud.gov/hudportal/documents/huddoc?id=HUD_OGCGuidAppFHStandCR.pdf [HUD Guidance].

¹² Some funding sources incorporate additional criminal screening requirements. Housing providers should consult with an attorney to ensure their plan complies with all program requirements.

¹³ HUD makes clear that the Fair Housing Act does not prohibit housing providers from rejecting applicants with convictions of the illegal manufacture or distribution of the controlled substances listed in section 102 of the Controlled Substances Act, 21 U.S.C. HUD Guidance at 8. HUD stresses that the limitation applies only to convictions for manufacturing or distribution of those substances and does not apply to arrests. (without conviction) for those offenses or to convictions for drug possession. Id.

¹⁴ The HUD Guidance cites research "reporting that after six or seven years without reoffending, the risk of new offenses by persons with a prior criminal history begins to approximate the risk of new offenses among persons with no criminal record." HUD Guidance at 7 fn 34, citing Megan C. Kurlycheck et al., *Scarlet Letters and Recidivism: Does an Old Criminal Record Predict Future Offending?*, 5 CRIMINOLOGY & PUB. POL'Y

- c. **Mitigating Factors.** HUD guidance advises that a policy that considers mitigating information (as opposed to a policy with blanket exclusions) is less likely to be in violation of fair housing laws.¹⁵ HUD suggests that housing providers consider the following factors:
 - a. The **facts or circumstances** surrounding the criminal conduct;
 - b. The **age** of the individual at the time of the conduct;
 - c. Evidence that the individual has maintained a **good tenant history** before and/or after the conviction or conduct; and
 - d. Evidence of **rehabilitation** efforts.
- d. **Consistent Application of Tenant Screening Policy.** HUD stresses the importance of applying the standards consistently to all applicants.¹⁶

In addition to HUD guidance, recent research by the Wilder Foundation that examined over 10,000 households in affordable housing properties found:

- a. Eleven of 15 criminal offense categories examined have no significant effect on housing outcomes;
- b. The effect of a prior criminal offense on a tenant's housing outcome declines over time. Felonies that occurred more than five years prior to move-in have no significant effect on housing outcomes; for misdemeanors, there are no significant effects after only two years; and,
- c. The level of impact that criminal backgrounds may have on housing success is small in comparison to other factors such as household size, income and rental assistance.¹⁷

Minnesota Housing encourages housing providers to read and consider both the HUD guidance and the Wilder Foundation study before developing and submitting a TSP for review.

11. Supportive Housing. The TSP must clearly state the intended population for supportive housing units, and if applicable, the referral source for these units.

Supportive housing programs are intended to house people who often have poor credit histories, poor rental histories, criminal histories, or other barriers that may prevent them from accessing housing. Such programs are successful in serving the people for whom they are designed only when these issues do not raise insurmountable barriers to accessing housing. To the extent permitted by the rules and regulations related to the type of housing, housing providers are encouraged to adopt lenient and flexible criteria regarding these common barriers when creating a TSP. In addition, and in the course of tenant screening, consideration of mitigating factors either before or during an appeals process must also consider the extent to which supportive services will help alleviate the

483 (2006). That research also refers to studies showing that recidivism decreased significantly if the individual avoided engaging in criminal activity for two years. Kurlycheck at 7

¹⁵ HUD notes that by "delaying consideration of criminal history until after an individual's financial and other qualifications are verified, a housing provider may be able to minimize any additional costs that such individualized assessment might add to the applicant screening process." HUD Guidance at 7

¹⁶ HUD Guidance at 9 ("For example, the fact that a housing provider acted upon comparable criminal history information differently for one or more individuals of a different protected class . . . is strong evidence that a housing provider was not considering criminal history information uniformly or did not in fact have a criminal history policy.").

¹⁷ Warren, Cael. *Success in Housing: How Much Does Criminal Background Matter?* Wilder Research 16 (January 2019), available at https://drive.google.com/file/d/1HwYOBfJ_k98C6TT99w2o7ryk2CnAGvgo/view [Wilder Research].

real or perceived risk of the negative screening factors.

12. **Records Retention.** Minnesota Housing encourages records retention as a best practice. Providers have found it beneficial to track outcomes to help ensure the process is effective for tenant success. To help ensure that tenancy determinations and appeals processes are being conducted in a non-discriminatory manner, housing providers should retain records regarding applicant denials and appeals in addition to tenant records. Housing providers are encouraged to periodically review such records for consistency and to identify areas where their records retention process could be improved.

Tenant Screening Criteria

1. **Supplemental Evidence.** For all housing units, the tenant selection plan must state that an applicant can provide additional information with a completed application to explain, justify, or negate the relevance of potentially negative information that may be revealed by screening and that the applicant believes to be relevant to the applicant's predicted performance as a tenant.

The review of this information may occur after reviewing the screening report to assist the owner/agent in considering ALL circumstances related to applicant's history. This information must be evaluated **before a final determination of acceptance or denial** of applicant and must also consider:

- a. The nature and severity of the incidents that would lead to a denial;
 - b. The number and type of the incidents;
 - c. The time that has elapsed since the date the incidents occurred;
 - d. The age of the individual at the time the incidents occurred; and
 - e. The extent to which the applicant has taken all reasonable steps to prevent or mitigate any negative history.
2. **For all housing units** that are not supportive housing, an owner must apply screening criteria that do not reject an applicant for any of the following reasons:
 - a. Credit history:
 - i. Credit score by itself, though information within a credit report directly relevant to fitness as a tenant can be relied upon by a landlord; or
 - ii. Insufficient credit history, unless the applicant in bad faith withholds credit history information that might otherwise form a basis for denial.
 - b. Rental history:
 - i. An eviction action pursuant to Minnesota Statutes Chapter 504B if the action:
 - i. Was dismissed or resulted in a judgment for the applicant before the applicant submits the application;
 - ii. Resulted in a judgment against the applicant that was entered three (3) or more years before the applicant submits the application; or
 - ii. Insufficient rental history, unless the applicant in bad faith withholds rental history information that might otherwise form a basis for denial.

- c. **Income to rent ratio:** If a minimum income test is used, the income to rent ratio cannot exceed two and a half (2 ½) times the rent. Minnesota Housing does not have a minimum income requirement.
3. **For all supportive housing units** (any units with supportive services that are restricted to or set aside to serve households or persons experiencing homelessness or with a disability, including high priority homeless (HPH) and people with disabilities (PWD) units), tenant selection plans must demonstrate the following:
- a. Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.
 - b. Applicants shall not be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities unless the tenant will be responsible for utilities for the unit and is not able to resolve the issue to set up an account. A recent egregious activity in housing *may* be considered as a reason for rejection. This includes extremely disruptive behavior to peaceable enjoyment or abusive treatment of other tenants or staff.
 - c. Applicants shall not be screened out based on credit history or credit score.

An income to rent ratio cannot be required (e.g., “income must be two or three times the rent amount”), but an owner may review the applicant’s income to determine that they have adequate income to pay their portion of the rent if they do not have rental assistance.
 - d. **Criminal History:** An owner’s screening criteria shall not reject an applicant for any of the following reasons:
 - i. Any arrest in an inactive case that did not result in conviction;
 - ii. Participation in or completion of a diversion or a deferral of judgment program, including stays of adjudication and continuances for dismissal or without prosecution;
 - iii. Any conviction that has been vacated or expunged, or for which the applicant received a stay of imposition of sentencing and complied with the terms of the stay;
 - iv. Any conviction for a crime that is no longer illegal in the state of Minnesota;
 - v. Any conviction or any other determination or adjudication in the juvenile justice system;
 - vi. Any convictions for petty misdemeanors, prostitution, alcohol related crimes, or low-level property crimes (theft);
 - vii. Any conviction for misdemeanor offenses for which the dates of sentencing are older than two (2) years;
 - viii. Any criminal conviction for felony offenses for which the dates of sentencing are older than seven (7) years; however, a landlord may deny an applicant who has been convicted of the illegal manufacture or distribution of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802) or for those same offenses that mandate denial of tenancy in federally assisted housing subject to federal regulations, including but not limited to, when any member of the household is subject to a lifetime sex offender registration requirement under a state sex offender registration program.

Minnesota Tenant Screening Process

Minnesota landlords like you should definitely follow your own screening criteria, but many people don't even know what that is. It's a list of qualities you use to sort applications. The screening criteria list for each of your rental properties helps you stay consistent and fair.

Screening criteria may include your preferences for the following:

- Smoking or not
- Pets or not, or else with what restrictions
- Income to rent ratio
- Credit score threshold
- Criminal history
- Eviction history

Of course this criteria list should never include factors that discriminate against protected classes as defined by [hud.gov](https://www.hud.gov).

Once your screening criteria is written down, you can apply it fairly to every application. This goes a long way in protecting your business from a discrimination lawsuit from a denied applicant.

When you are consistent in screening applicants, the best will rise to the top of the pile. Never make exceptions or adjust the criteria for a case-by-case scenario. Actually, this could be viewed as discrimination and might get you into legal trouble.

The following are a few more things to know about Minnesota tenant screening:

- According to Minnesota law, landlords can't collect an application fee amount that exceeds the cost of the service.
- Landlords must inform the applicants whether or not their application was approved or denied within 14 days.
- If the landlord rejects an application, the law requires them to include the reasons for the denial.

All this and more is why it's important for landlords to be consistent and clear in the application and screening process. For more insights specific to Minnesota, check out this helpful [guide](#).

Tenant Screening 101

If you use a screening service make sure the screening service searches for the following factors:

- Eviction history
- Bankruptcy
- Judgements or liens
- Past address history

Never rent to a tenant without running a background check. While you might get lucky from time to time, chances are you are just asking for trouble.

The laws allow landlords like you to run a background check on any applicant, but **only if you have a signed consent form from them.**

Depending on the rental application form, some will include a place that requests the signed consent from the applicant granting permission to run a background check.

Below is a sample consent form.

I/we, the undersigned, authorize Fidelity Screening Solutions, LLC, Landlord and its agents to obtain an investigative consumer credit report including but not limited to credit history, OFAC search, landlord/tenant court record search, criminal record search and registered sex offender search. I authorize the release of information from previous or current landlords, employers, and bank representatives. This investigation is for resident screening purposes only, and is strictly confidential. This report contains information compiled from sources believed to be reliable, but the accuracy of which cannot be guaranteed. I hereby hold Fidelity Screening Solutions, LLC, Landlord and its agents free and harmless of any liability for any damages arising out of any improper use of this information.


Important information about your rights under the Fair Credit Reporting Act:

- You have a right to request disclosure of the nature and scope of the investigation.
- You must be told if information in your file has been used against you.
- You have a right to know what is in your file, and this disclosure may be free.
- You have the right to ask for a credit score (there may be a fee for this service).
- You have the right to dispute incomplete or inaccurate information. Consumer reporting agencies must correct inaccurate, incomplete, or unverifiable information.

These reports are being processed by Fidelity Screening Solutions, LLC, 4534 Clinton St. Ste. 2, West Seneca, NY 14224. A summary of your rights under the Fair Credit Reporting Act is available by visiting (For information on 800.368.0272 or online): <http://www.consumerfinance.gov/learnmore> or writing Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552

Applicant agrees to pay a non-refundable application fee of \$ _____

(Signed/Applicant) Date



Note how the top red arrow clarifies that the application fee is non-refundable. Many applicants believe they will get it back if they are not selected, so this informs them of the truth.

Note how the bottom red arrow indicates where the applicant must sign and give consent to run a background check.

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469.020 DISCRIMINATION PROHIBITED, DISPLACED FAMILIES.

There shall be no discrimination in the selection of tenants because of race or religious, political, or other affiliations, but, if the number of qualified applicants for dwelling accommodations exceeds the dwelling units available, preference shall be given to inhabitants of the municipality in which the project is located, and to the families who occupied the dwellings eliminated by demolition, condemnation, and effective closing as part of the project, as far as is reasonably practicable without discrimination against families living in other substandard areas within the same municipality.

History: 1987 c 291 s 20

469.021 PREFERENCES.

As between applicants equally in need and eligible for occupancy of a dwelling and at the rent involved, preference shall be given to disabled veterans, persons with disabilities, and families of service persons who died in service and to families of veterans. In admitting families of low income to dwelling accommodations in any housing project an authority shall, as far as is reasonably practicable, give consideration to applications from families receiving assistance under chapter 256J, and to resident families to whom public assistance or Supplemental Security Income for the aged, blind, and disabled is payable, when those families are otherwise eligible.

History: 1987 c 291 s 21; 2007 c 135 art 8 s 8

EDA AGENDA PACKET

MAY 5, 2021

TREASURERS REPORT

EDA
PO Box 60
Wabasso, MN 12311
507 342-5519

[illegible]

Grand Totals:	Total Misc	Total L/C	Tot Esc Rec	Tot Esc Dis	Total Interest	Total Principal
	0.00	0.00	0.00	0.00	3,840.66	27,628.30

Total Balances As Of - 04/30/2021 \$410,783.74 (For This Printed List)
CURRENT ACTUAL TOTAL NOTES RECEIVABLE TODAY: \$410,783.74
 Monthly Pmts Received = 48

12 ACTUAL ACTIVE ACCOUNTS

(For This Printed List) Grand Total Current Balances: \$410,783.74
Tot Prin Bals As Of 04/30/2021: 410,783.74

Grand Tot Rcvd: \$31,468.96

EDA Monthly Payment Schedule**as of** **4/30/2021**

<u>Name</u>	<u>Pmt Due</u>	<u>Pmt Amt</u>	<u>Int</u>	<u>Prin Amt</u>		<u>Maturity Date</u>	<u>Date of Last Payment</u>	<u>Next Payment Due</u>
Bart Properties Llc	14th	\$ 482.80	3%	\$ 25,200.67	EDA II	7/14/2025	4/6/2021	5/14/2021
DEEM, Inc	21st	\$ 482.80	3%	\$ 25,716.97	EDA	5/21/2025	4/1/2021	5/21/2021
DEEM, Inc	21st	\$ 327.27	3%	\$ 18,689.84	EDA	5/21/2025	4/1/2021	5/21/2021
Jonti-Craft	25th	\$ 3,886.28	2.5%	\$ 194,816.38	EDA	9/25/2025	4/14/2021	5/25/2021
Jonti-Craft	25th	\$ 120.19	2.5%	\$ 6,132.95	EDA II	9/25/2025	4/14/2021	5/25/2021
Jenniges Gas & Diesel	8th	\$ 500.00	1%	\$ 13,822.53	EDA	12/8/2023	4/20/2021	5/8/2021
Jenniges Gas & Diesel	14th	\$ 300.00	3%	\$ 17,027.65	EDA	12/11/2026	4/20/2021	5/14/2021
Wabasso Eletric Motor LLC	6th	\$ 251.00	3%	\$ 11,616.34	EDAI	8/6/2024	4/2/2021	5/6/2021
Matt Novak	1st	\$ 362.10	3%	\$ 19,867.04	EDA II	8/4/2026	4/1/2021	5/1/2021
Chad Ruprecht	21st	\$ 400.00	3%	\$ 18,803.37	EDA II	5/21/2028	4/14/2021	5/21/2021
Safe Storage 2	5th	\$ 482.80	3%	\$ 39,108.16	EDA	10/5/2028	4/1/2021	5/5/2021
Mid County Ag Services	20th	\$ 242.00	3%	\$ 19,981.84	EDA I	11/20/2028	4/14/2021	5/20/2021
Totals		\$ 7,837.24		<u>\$ 410,783.74</u>				
EDAI Daily Savings		\$ 324,770.62		FROM MONTHLY BANK STATEMENTS				
EDAI Daily Savings		\$ 76,532.13		FROM MONTH				
EDA-WDC		\$ 39,805.61		FROM MONTHLY BANK STATEMENTS				
		\$ 441,108.36						

EDA General Fund

Beginning Balance	\$ 44,273.40
Plus Deposits Outstanding	
Interest Earnings	\$ -
Checks Cleared	\$ (318.00)
Less Outstanding Checks	\$ -
Ending Balance	<u>\$ 43,955.40</u>

CD # 115009 renewal 12-9-19	\$ 28,446.81
CD #33649	\$ 50,186.34
	<u>\$ 78,633.15</u>
CD Total	
EDA General Total	<u>\$ 122,588.55</u>

EDA Dewey Street

Beginning Balance	\$ 63,390.19
Plus Deposits Outstanding interest	
rents	\$ 4,125.00
Security Deposit	\$ -
Less Checks /Outstanding	
Repairs and Maint	\$ 1,045.92
Loan Payment	\$ 2,000.00
Gas	\$ -
	<u>\$ 64,469.27</u>

EDA Eastvail Sales Account	Starting Balance	\$ 33,580.87
	Interest on investments	\$ -
		<u>\$ 33,580.87</u>

Dewey Street Townhomes Loan	5/29/2020	\$ 42,491.48	2.8 % interest
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EDA AGENDA PACKET

MAY 5, 2021

BILLS

City of Wabasso City of Wabasso-Vendor Claims

Search Name	Fund Descr	Dept	Dept Descr	Object	Object Descr	Amount	Claim Nbr
Claim Nbr 1819							
BAUNE PLUMBING & HEATING	EDA DEWEY STRE	46500	Economic Develop	500	Capital Outlay (GENERAL	\$698.57	1819
Claim Nbr 1819						\$698.57	
Claim Nbr 1820							
LARRY THOMPSON	EDA DEWEY STRE	46500	Economic Develop	223	Building Repair Supplies	\$12.20	1820
Claim Nbr 1820						\$12.20	
Claim Nbr 1821							
MINNWEST BANK	SCG REVOLVING L	49000	Miscellaneous (GE	625	Loans	\$2,000.00	1821
Claim Nbr 1821						\$2,000.00	
Claim Nbr 1822							
REDWOOD CO AUDITOR/TREAS	EDA DEWEY STRE	46500	Economic Develop	310	Real Estate Taxes	\$1,895.00	1822
Claim Nbr 1822						\$1,895.00	
						\$4,605.77	

City of Wabasso

04/29/21 10:20 AM

Page 1

Checks for Month

April 2021

EDA Dewey St Checkin Begin Mth \$64,090.76						
CHECK	Vendor Name	Check Date	Check Amt	Source	Comment	Balance
Deposit	040621REC	4/6/2021	\$1,400.00	040621REC	Rent Unit #5	\$65,490.76
001818	REDWOOD ELECTRIC COOP	4/7/2021	-\$41.10	033121PAYEDA	Final Bill Unit #2 - 1000103	\$65,449.66
001817	REDWOOD CO AUDITOR/TR	4/7/2021	-\$1,004.82	033121PAYEDA	2020 Pay 2021 Property Ta	\$64,444.84
001816	MINNWEST BANK	4/7/2021	-\$2,000.00	033121PAYEDA	Loan Payment	\$62,444.84
Deposit	040821DEWEY	4/8/2021	\$700.00	040821DEWEY	Cyrilla MacDonald	\$63,144.84
Deposit	041921REC	4/19/2021	\$2,025.00	041921REC	Rent	\$65,169.84
Deposits		\$4,125.00				
Checks		-\$3,045.92				
			\$1,079.08			

FILTER: [Cash Act]='10104' and [Period]=4 and [Act Year]='2021'

EDA I

4/30/2021

Balance Sheet

Assets	Balance 4/01/21	Adj.	Balance 4/30/21
Cash	\$ 318,519.47	6,251.15	\$ 324,770.62
Notes Receivable	\$ 334,647.93	(5,484.56)	\$ 329,163.37
Total Assets	\$ 653,167.40	766.59	\$ 653,933.99

Liabilities

	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -

Assets less Liabilities \$ 653,167.40 \$ 653,933.99

Principal Payments Monthly

Deem 1	\$ 309.77
Deem 2	\$ 417.46
Jenniges Gas & Diesel 1	\$ 241.36
Jenniges Gas & Diesel 2	\$ 464.76
Jonti-Craft 1	\$ 3,473.18
Mid Country Ag Services	\$ 193.96
Safe Storage #2	\$ 384.07
Total Principal Payment	\$ 5,484.56

Principal Payments Year to Date

Deem 1	\$ 1,234.46
Deem 2	\$ 1,663.61
Jenniges Gas & Diesel 1	\$ 1,008.01
Jenniges Gas & Diesel 2	\$ 1,853.01
Jonti-Craft 1	\$ 13,849.45
Mid Country Ag Services	\$ 763.99
Safe Storage #2	\$ 1,632.14
Total Principal Payments	\$ 22,004.67

New Loans

\$ -
\$ -
\$ -

Income Statement

Income

Interest on Loans Monthly

Deem 1	\$ 47.50
Deem 2	\$ 65.34
Jenniges Gas & Diesel 1	\$ 35.24
Jenniges Gas & Diesel 2	\$ 58.64
Jonti-Craft 1	\$ 413.10
Mid County Ag Services	\$ 48.04
Safe Storage #2	\$ 98.73
Total Interest Payment:	\$ 766.59

Interest on Loans Monthly

Deem 1	\$ 194.62
Deem 2	\$ 267.59
Jenniges Gas & Diesel 1	\$ 146.99
Jenniges Gas & Diesel 2	\$ 191.99
Jonti-Craft 1	\$ 1,695.67
Mid Country Ag Services	\$ 204.01
Safe Storage #2	\$ 299.06
Total Interest Payments	\$ 2,999.93

Savings Interest

Quarter 1	\$ 74.25	\$ 6,325.40
Quarter 2	\$ -	
Quarter 3	\$ -	
Quarter 4	\$ -	

\$ 74.25

Total Income \$ 840.84

Expenses

Interest Payment	\$ -
	\$ -
	\$ -
Other Misallocated deposit	\$ -
Total Expense	\$ -

Net Income \$ 840.84

EDA II

4/30/2021

Balance Sheet

	Balance 4/1/21	Adj.	Balance 4/30/21
Assets			
Cash	\$ 74,916.04	1,616.09	\$ 76,532.13
Notes Receivable	\$ 83,031.48	(1,411.11)	\$ 81,620.37
Total Assets	\$ 157,947.52	222.51	\$ 158,152.50
Liabilities			
	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
Assets less Liabilities	\$ 157,947.52		\$ 158,152.50

Principal Payments Monthly

Bart Properties	\$ 418.75
Chad Ruprecht	\$ 352.11
Jonti-Craft	\$ 107.19
Novak Law	\$ 311.65
Wabbasso Electric Motor	\$ 221.41
Total Principal Payments	\$ 1,411.11

New Loans

\$ -
\$ -
\$ -

Principal Payments Year to Date

Bart Properties	\$ 1,668.76
Chad Ruprecht	\$ 1,403.18
Jonti-Craft	\$ 427.42
Novak Law	\$ 1,241.96
Wabbasso Electric Motor	\$ 882.31
Total Principal Payments	\$ 5,623.63

Income Statement**Income****Interest on Loans Monthly**

Bart Properties	\$ 64.05
Chad Ruprecht	\$ 47.89
Jonti-Craft	\$ 13.00
Novak Law	\$ 50.45
Wabbasso Electric Motor	\$ 29.59
\$ -	
\$ -	
Total Interest Payments	\$ 204.98

Savings Interest

Quarter 1	\$ 17.53
Quarter 2	
Quarter 3	
Quarter 4	
	\$ 17.53

Total Income

\$ 222.51

Expenses

Interest Payment	\$ -
	\$ -
	\$ -
Other	\$ -
Total Expense	\$ -

Net Income

\$ 222.51

Interest on Loans Monthly

Bart Properties	\$ 262.44
Chad Ruprecht	\$ 196.82
Jonti-Craft	\$ 53.34
Novak Law	\$ 206.44
Wabbasso Electric Motor	\$ 121.69
\$ -	
\$ -	
Total Interest Payments	\$ 840.73