



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA

Tuesday, April 1, 2014

6:55 p.m.

Coon Rapids City Center  
Council Chambers

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### Call to Order

### Roll Call

### Approval of Minutes of Previous Meeting

March 4, 2014, HRA Meeting

### New Business

1. Approve Contract for Services with Metropolitan Consortium of Community Developers for Open to Business Program

### Other Business

### Adjourn



**HRA Regular**

**Meeting Date:** 04/01/2014

**SUBJECT:** Minute Approval

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**Attachments**

3-4-14 HRA Regular Meeting

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## UNAPPROVED

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF MARCH 4, 2014

A meeting of the Coon Rapids Housing and Redevelopment Authority was called to order by Chair Howe at 6:51 p.m. on March 4, 2014, in the Council Chambers.

Members Present: Chair Tim Howe, Commissioners Denise Klint, Paul Johnson, Jerry Koch, Bruce Sanders, and Steve Wells

Members Absent: Commissioner Ron Manning

### CALL TO ORDER

Chair Howe called the meeting to order at 6:51 p.m.

### ROLL CALL

All present.

### APPROVAL OF MINUTES OF FEBRUARY 18, 2014, REGULAR MEETING

MOTION BY COMMISSIONER JOHNSON, SECONDED BY COMMISSIONER KLINT, FOR APPROVAL OF THE MINUTES OF THE FEBRUARY 18, 2014, REGULAR MEETING. THE MOTION PASSED UNANIMOUSLY.

1. TUNED UP CUSTOM RODS, 1425 COON RAPIDS BOULEVARD:
  - A. APPROVE REVISED LEASE
  - B. AUTHORIZE CHAIR AND SECRETARY TO EXECUTE REVISED LEASE

The staff report was shared.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER WELLS, TO APPROVE THE REVISED LEASE FOR TUNED UP CUSTOM RODS AT 1425 COON RAPIDS BOULEVARD AND AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE THE REVISED LEASE.

March 4, 2014

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THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

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There was no other business to come before the HRA.

ADJOURN

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MOTION BY COMMISSIONER SANDERS, SECONDED BY COMMISSIONER WELLS, TO ADJOURN THE MARCH 4, 2014, MEETING AT 6:53 P.M. THE MOTION PASSED UNANIMOUSLY.

Approval Attestation:  
Cathy Sorensen, City Clerk



**HRA Regular**

**1.**

**Meeting Date:** 04/01/2014

**Subject:** Consider Contract for Services with Metropolitan Consortium of Community Developers for Participation in Open to Business Program

**From:** Matt Brown, Community Development Specialist

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**INTRODUCTION**

The HRA is asked to consider a Contract for Services with the Metropolitan Consortium of Community Developers for the City's participation in the Open to Business Program, which offers technical and financial assistance to small business owners.

**DISCUSSION**

The HRA entered into a one-year contract the Metropolitan Consortium of Community Developers (MCCD) for participation in the Open to Business program in April 2013. Open to Business provides prospective and existing entrepreneurs with free one-on-one counseling with a business advisor. The consultations are intended to help business owners with planning and organizing their business ideas, financial management, marketing, regulatory compliance and leasing or purchasing property. Participating in Open to Business would allow businesses in the City to access MCCD's small business loan program, which provides capital to start or grow a business.

Dozens of Coon Rapids residents and business owners have participated in Open to Business over the last year. Consulting advice has resulted in guidance to help evaluate business purchases, enhancing merchandising and window displays, better utilizing commercial property, and opening new small businesses. Overall, Staff feels the program has been successful and will continue to be an important resource for small businesses. Staff recommends that the HRA approve the attached contract for the City to participate in Open to Business through December 31, 2014. The fee for participating for the nine month period is \$10,000. Staff has been working with MCCD and Anoka County staff to offer Open to Business county-wide beginning in 2015. At present, Coon Rapids is the only City in Anoka County to offer the program. It is currently offered county-wide in Dakota and Carver Counties and most cities in Hennepin County also participate. Staff will work toward a seamless transition to a county-wide program.

**RECOMMENDATION**

Staff recommends the HRA approve the Contract for Services with the Metropolitan Consortium of Community Developers for participation in the Open to Business program through December 31, 2014.

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**BUDGET IMPACT:**

Sufficient funds exist in the HRA account for this service.

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**Attachments**

Contract for Services

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**Contract for Services**  
**Between the Housing and Redevelopment Authority in and for the City**  
**of Coon Rapids**  
**&**  
**Metropolitan Consortium of Community Developers**  
**for the**  
**Open to Business Program**

**THIS AGREEMENT**, is made and entered into as of the 1st day of April, 2014, between the Housing and Redevelopment Authority in and for the City of Coon Rapids (herein called “HRA”) and **Metropolitan Consortium of Community Developers**, (herein called “MCCD”).

**WHEREAS**, the HRA wishes to retain an entity with the capacity to provide small business technical assistance to existing businesses and those parties interested in opening a business in Coon Rapids (the “Initiative”) and

**WHEREAS**, MCCD has represented itself as competent to provide the services required to administer and carry out the Initiative; and

**WHEREAS**, the HRA wishes to engage MCCD to provide said services necessary to carry out the Initiative;

**NOW THEREFORE**, it is agreed between the parties hereto that;

**1. TIME OF PERFORMANCE**

The service to be provided by MCCD shall commence upon execution of this Agreement and shall terminate as of December 31, 2014. All services, documents, and information to be furnished or performed by MCCD in order to carry out the Initiative shall be furnished or performed as promptly as possible, and with the fullest due diligence.

**2. COMPENSATION**

Total compensation to MCCD shall be \$10,000 for the term of this Agreement (the Contract Amount) to manage the Coon Rapids Open to Business program. The Contract Amount will be paid in two equal installments: \$5,000 due and payable by the HRA upon execution of this Agreement, and \$5,000 invoiced and dated on or before August 1, 2014, payable by the HRA.

**3. SCOPE OF SERVICES**

MCCD will use the Contract Amount to provide technical assistance to existing Coon Rapids businesses, residents and parties interested in starting a business in Coon Rapids; (See **Exhibit A** Scope of Services-Coon Rapids Open to Business Program).

#### **4. REPORTING**

MCCD agrees to submit quarterly reports related to its operation of the Coon Rapids Open to Business program. Items to be reported on include, but are not limited to, the following:

- Number of inquiries
- Hours of technical assistance provided
- Type of assistance provided
- Type of business
- Annual sales revenue
- Number of businesses opened
- Number of businesses expanded/stabilized and a description of the expansion/stabilization activities
- Number and amounts of financing packages
- Demographic information on entrepreneurs

The required reporting schedule is as follows:

2<sup>nd</sup> quarter April, 2014 – June, 2014, report due July 31, 2014

3<sup>rd</sup> quarter July, 2014 – September 2014, report due October 31, 2014

4<sup>th</sup> quarter October, 2014 – December, 2014, report due January 31, 2015

MCCD will provide additional reports as requested by the HRA.

#### **5. PERSONNEL**

MCCD represents that it has secured, or will secure, at its own expense, all personnel required to perform the services to carry out the Initiative. Such personnel shall not be employees of or have any contractual relationship with the City of Coon Rapids. No tenure or any other rights or benefits, including worker's compensation, unemployment insurance, medical care, sick leave, vacation pay, severance pay, or any other benefits available to City of Coon Rapids employees shall accrue to MCCD or employees of MCCD performing services under this agreement. The MCCD is an independent contractor.

All of the services required to carry out the Initiative will be performed by MCCD, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such work.

**6. INTEREST OF MEMBERS OF THE AUTHORITY, CITY, EDA AND OTHERS**  
This paragraph applies to any officer, member, or employee of the City of Coon Rapids, or its governing body, and to any other public official or governing body of the locality in which the Initiative is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Initiative (“Official”). No Official shall participate in a decision relating to this Agreement, if the decision affects the Official’s personal interest or the interest of any corporation, partnership, or association in which the Official is directly or indirectly interested, or if the Official has any personal or pecuniary interest, direct or indirect, in this Agreement or proceeds thereof.

**7. ASSIGNABILITY**  
MCCD shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written approval of the HRA thereto.

**8. COMPLIANCE WITH LOCAL LAWS**  
MCCD agrees to comply with all federal and state laws, statutes and applicable regulations and the ordinances of the City of Coon Rapids.

**9. INSURANCE**  
MCCD agrees to provide proof of workers’ compensation and comprehensive general liability insurance. Comprehensive general liability insurance shall be in the minimum amount of \$1,500,000.

**10. HOLD HARMLESS**  
MCCD agrees to defend, protect, indemnify and hold harmless the HRA, their agents, officers and employees from and against all liabilities, losses, damages, costs, and expenses, whether personal, property, or contractual, including reasonable attorney’s fees, arising out of, or related to the performance of this Agreement by MCCD, its officers, employees, servants, agents, or contractors.

Subject to the limitations and defenses in Minnesota Statutes, Section 466, the HRA agrees to defend, protect, indemnify and hold harmless the MCCD, its agents, officers and employees harmless from and against all liabilities, losses, damages, costs, and expenses, whether personal, property, or contractual, including reasonable attorney’s fees, arising out of, or related to the performance of this Agreement by the HRA, its officers, employees, servants, agents, or contractors.

The obligations under this paragraph shall survive termination of this Agreement with respect to acts or omissions that occur prior to the termination of this Agreement.

**11. NOTICES**  
A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of MCCD, is addressed or delivered personally to:

David Chapman, Director of Lending and Operations  
Metropolitan Consortium of Community Developers  
3137 Chicago Avenue South  
Minneapolis, MN 55407

(b) In the case of the HRA:

Matthew C. Brown, Community Development Specialist  
City of Coon Rapids  
11155 Robinson Dr.  
Coon Rapids, MN 55433

or at such other address with respect to any party as that party may designate in writing and forward to the other as provide in the Section.

**12. MODIFICATION**

This Agreement may not be modified, changed, or amended in any manner whatsoever without the prior written approval of all the parties hereto.

**13. TERMINATION.** If a party commits a material breach of this Agreement and fails to cure such breach within 10 days after written notice by the other party, this Agreement shall be automatically terminated. All payments made or due under this Agreement shall be prorated as of the effective date of termination.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year first written above.

**HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE  
CITY OF COON RAPIDS**

**METROPOLITAN CONSORTIUM  
OF COMMUNITY DEVELOPERS**

By: \_\_\_\_\_  
Tim Howe, Chair

By: \_\_\_\_\_  
Jim Roth, Executive Director

By: \_\_\_\_\_  
Bruce Sanders, Secretary

Approved as to Form:

\_\_\_\_\_  
David Brodie, City Attorney

## **Exhibit A**

### **Scope of Services**

#### **Open to Business Technical Assistance Services**

MCCD will provide intensive one-on-one technical assistance to Coon Rapids businesses, Coon Rapids residents and aspiring entrepreneurs intending to establish, purchase, or improve a business in Coon Rapids. Technical assistance includes, but is not limited to, the following:

- Business plan development
- Feasibility analysis
- Marketing,
- Cashflow and other financial projection development
- Operational analysis
- City and State licensing and regulatory assistance
- Loan packaging, and other assistance in obtaining financing
- Help in obtaining competent legal advice

MCCD will also provide technical assistance on a walk-in basis monthly in Coon Rapids City Hall or as requested at a place of business within Coon Rapids.

#### **Open to Business Access to Capital**

MCCD provides access to capital to qualifying businesses through MCCD's Emerging Small Business Loan Program (see **Exhibit B** Small Business Loan Program Guidelines below). MCCD also provides its financing in partnership other community lenders, banks or both. MCCD is solely responsible for determining loan eligibility and providing loan funds. The Contract Amount paid to MCCD shall only be used for MCCD's technical assistance services and will not be used as loan funds.

## **EXHIBIT B**

### **Small Business Loan Program Guidelines**

#### **Loan Amounts:**

- Up to \$25,000 for start-up businesses
- Larger financing packages for established businesses
- Designed to leverage other financing programs as well as private financing provided by the commercial banking community.

#### **Eligible Projects:**

- Borrowers must be a “for-profit” business.
- Business must be complimentary to existing business community.
- Borrowers must have equity injection as determined by fund management.

#### **Allowable Use of Proceeds:**

- Loan proceeds can be used for working capital, inventory, building and equipment and general business operations.

#### **Interest Rates:**

- Loan interest rate is dependent on use, term and other factors, not to exceed 10%.

#### **Loan Term Length:**

- Loan repayment terms will generally range from three to five years, but may be substantially longer for major asset financing such as commercial property.

#### **Fees and Charges:**

- Borrowers are responsible for paying all customary legal and other loan closing costs.