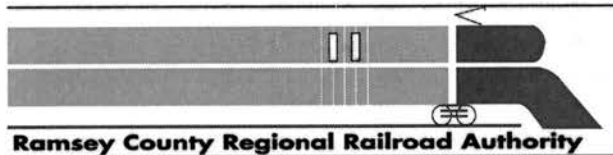




Ramsey County Regional Railroad Authority.
Records.

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6560 Ramsey County Government Center West
50 Kellogg Boulevard West
St. Paul, Minnesota 55102 (651) 266-2760

REGIONAL RAILROAD AUTHORITY MEETING

June 7, 2011

Immediately following the County Board Meeting
Council Chambers - Third Floor Court House

.....
ROLL CALL and Call to Order

AGENDA of the June 7 2011 Board Meeting is presented for approval.

MINUTES of the May 17, 2011 Board Meeting is presented for approval.

ADMINISTRATIVE AGENDA

1. Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project

Board Action Requested:

- 1) Approve an agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project.
- 2) Authorize the Chair to execute the agreement.

2. Gateway Corridor contract amendment payment

Board Action Requested:

- 1) Approve the Ramsey County Regional Railroad Authority's payment of \$40,000 to the Gateway Corridor Commission to amend the Alternative Analysis work scope and budget to include a managed lane as an eighth build alternative.
- 2) Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.

(Continued)

3. Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

Board Action Requested:

- 1) Approve the Corridors of Opportunity Consortium Agreement effective upon signatures of parties and expiring January 31, 2014.
- 2) Authorize the Chair to execute the Corridors of Opportunity Consortium Agreement.
- 3) Approve Subrecipient Agreement SG011-031 with the Metropolitan Council for the Corridors of Opportunity Gateway Corridor Project, effective upon signature by parties through January 31, 2014, in the amount of \$150,000 in federal funds.
- 4) Approve Subrecipient Agreement SG011-045 with the Metropolitan Council for the Corridors of Opportunity Workforce/Economic Development Project, effective upon signature by parties through January 31, 2014, in the amount of \$247,000 in federal funds.
- 5) Authorize the Chair to execute the Subrecipient Agreements.
- 6) Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.
- 7) Authorize the Chair to serve as the appointed Ramsey County Regional Railroad Authority representative on the Corridors of Opportunity Policy Board.

CORRIDOR UPDATES

ADJOURNMENT

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

May 17, 2011

The Ramsey County Regional Railroad Authority met with the following members present: Bennett, Carter, Ortega, Parker, Rettman, McDonough – 6. Absent: Reinhardt – 1. Also present was Julie Kleinschmidt, County Manager and Phil Carruthers, Director of Civil Division, Ramsey County Attorney's Office.

Chair McDonough called the meeting to order at 10:10 AM.

AGENDA

Commissioner Bennett moved approval of the Agenda of the May 17, 2011 Board Meeting, seconded by Commissioner Carter. Roll Call: Ayes – Carter, Ortega, Parker, Rettman, Bennett, McDonough – 6. Nays – 0.

MINUTES

Commissioner Cater moved approval of the Minutes of the April 5, 2011 Board Meeting, seconded by Commissioner Parker. Roll Call: Ayes – Carter, Ortega, Parker, Rettman, Bennett, McDonough – 6. Nays – 0.

1. Rochester Zip Rail Project Update

[The Zip Rail presentation is on file with the Ramsey County Regional Railroad Authority office and is viewable on the Ramsey County website at <http://www.co.ramsey.mn.us/cb/meetings/>]

Chair McDonough said Zip Rail line/Rochester Corridor is the Rochester to Minneapolis/St. Paul rail connection, and the Zip Rail group consists of people and businesses from the City of Rochester, Olmsted County, and the Mayo Clinic in Rochester, MN. He introduced the presenter, Olmsted County Commissioner Ken Brown.

Ken Brown, Olmsted County Commissioner, introduced his project partners: Chuck Michael, project Engineering Consultant; Rochester Mayor Ardele Brede; Tim Geisler, Mayo Clinic spokesperson; Phil Wheeler, Olmsted County Planning Director.

Mr. Brown gave some background information. He said the Olmsted County Regional Railroad Authority (RRA) was formed in January 2009. He said Senator Amy Klobuchar submitted a freight study proposal on behalf of the Olmsted County RRA, which secured a \$487,000 federal appropriation in 2010. Olmsted County is also a principal member of the Southeast Minnesota Rail Alliance, which was established in September 2008 in partnership with the City of Rochester, Mayo Clinic and Rochester Area Chamber of Commerce.

Mr. Brown said their current priority is high speed rail link between Rochester and the Twin Cities. The hope is for a rail line of 150 mph to 220 mph to be in place between 2020 and 2025. High speed rail would improve the existing connection between Rochester and the Twin Cities for growth, jobs and opportunities. There are 110,000 jobs in Olmsted County and the Mayo Clinic is the state's largest private employer with 32,000 employees and is surrounded by a metro area of an estimated 148,000 people. Other community assets include the University of Minnesota Rochester and IBM. Transportation options are very important for Rochester. He said the Zip Rail project is consistent with the Minnesota Department of Transportation's (Mn/DOT) Statewide Rail Plan, as the project has been identified as a "Priority 1" project in the Plan. The project is also positioned to advance into additional analysis now that the initial feasibility has been determined and with the recommendation of \$2 million for the Rochester Corridor by Mn/DOT's Intercity Passenger Rail Forum.

Mr. Brown said there is a high return on investment with this project. Once the Zip Rail line/Rochester Corridor is built, they believe it could sustain itself on fare box revenue without public subsidy and generate profit for the partners involved. The cost for this project will likely exceed \$1 billion. They are pursuing existing state funding for additional study of potential routes and preliminary engineering, and they are

building a base of support along the corridor. Since the unveiling of the Zip Rail brand in January 2011, there has been significant outreach to the community. The group has engaged Hennepin, Ramsey and Dakota Counties, as well as the Counties Transit Improvement Board (CTIB), the Metropolitan Council and the St. Paul Area Chamber of Commerce. The hope is gain input and recommendations from prospective partners, to gain their commitment to the vision and planning efforts, and to continue to increase support of the Zip Rail line.

Commissioner Parker said supporting this makes sense for Ramsey County. She added that if we are successful in getting HSR from Chicago to the Depot, this would likely include many travelers going to the Mayo Clinic in Rochester.

Mr. Brown said the ridership numbers are impressive; it is a big deal if we can get 20% of the people off the roads and on trains to free up some of the congestion and to allow people to travel to their destinations 20 to 30 minutes faster.

Commissioner Rettman commented that the support for this project should go both ways.

Mr. Brown agreed and appreciated the comment. He said the Zip Rail group is supportive of Ramsey County in their transit/rail efforts as well. The important thing is to see the big picture and work together.

Commissioner Ortega commented that at this point we need to keep transit as the common agenda. He said Zip Rail has a partner in Ramsey County, and he believes in the end we will succeed because the demographics and economics will dictate it.

Commissioner Bennett asked how much of the track would have to be new tracks and what speed they are aiming for.

Mr. Brown said this is a greenfield route; it would all be new. He said from US DOT's perspective this is very attractive; if you want to prove HSR works you need a new Greenfield, grade separated route. He said the speed goal they are pushing for is 150 mph, but ultimately 220 mph.

Mayor Ardeh Brede commented that the rail connection between Rochester and Minneapolis/St. Paul is extremely important. It will take a unified effort to get it done, but they are looking forward to it.

Tim Geisler, Mayo Clinic, commented that since the publishing of Mn/DOT's statewide rail plan and the state's priorities, the groups in the state have come together to work on promoting every agenda in a way that the statewide rail plan can be successful. It is not just one corridor but rather all of the corridors working together that will make the state successful.

Chuck Michael, consultant for the Olmsted County Regional Railroad Authority, commented that congress wants to see a true high speed project that is able to stand on its own economically and can take advantage of the private sector and the private capital. He said their rail project is one of the few left in the country as a greenfield project with an ultimate speed of 220 mph that is structured as a public/private partnership, and they appreciate Ramsey County's support.

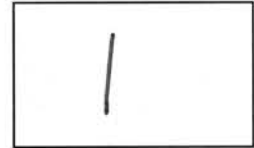
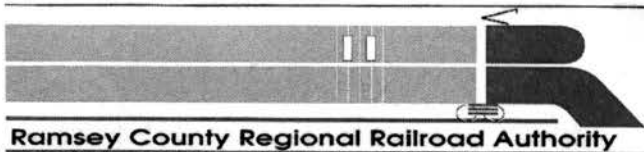
Chair McDonough commented that the Zip Rail line is a unique project that will help Minnesota to be competitive and attract federal funds in an area where there are not a lot of opportunities in the Country. He thanked the group for their leadership in moving this project forward and said Ramsey County looks forward to working with them.

CORRIDOR UPDATES

No updates were reported.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 10:45 AM.



REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: **06/07/11**

Regional Railroad Authority Meeting Date:

SUBJECT: Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project

EXECUTIVE SUMMARY

The Central Corridor light rail transit (CCLRT) line will include a station on Fourth Street in front of the Union Depot. As part of the CCLRT approval process with the historic preservation agencies, CCLRT agreed to reconstruct the plaza area in front of the Depot according to historic guidelines. The Union Depot Multi-Modal Transit Hub project includes widening the carriageway under the front of the building to provide improved auto access.

The Metropolitan Council needs a temporary construction easement on Union Depot property in order to rebuild the front plaza and construct the station. Most of the work will be done during the 2011 construction season but the easement continues until December 31, 2012. To the extent possible, the CCLRT work is being coordinated with Union Depot construction activities.

The widened carriageway includes sidewalk replacement and waterproofing that should be done by the Union Depot project to ensure the integrity of the waterproofing. If the Union Depot project did not exist, CCLRT estimates that its cost to complete would have been \$55,500. Mortenson concurs that the estimate is reasonable. The easement provides that the CCLRT project pay Ramsey County Regional Railroad Authority \$55,500 for the work that will be done as part of the Depot project.

ACTION REQUESTED

1. Approve an agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project.
2. Authorize the Chair to execute the agreement.

SUBJECT: Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project

ATTACHMENTS:

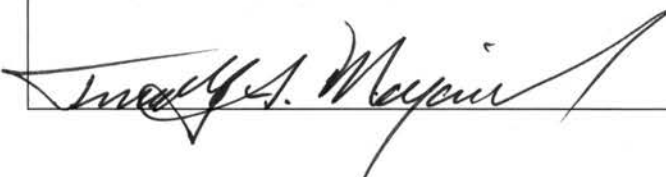
License Agreement

PREVIOUS ACTION:

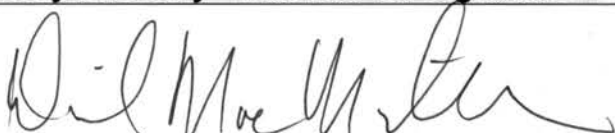
COUNTY MANAGER'S COMMENTS:

This agreement is required to provide access to Ramsey County Regional Railroad Authority for Central Corridor construction activities.

SUBJECT: Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Project

Regional Railroad Authority – Authorized Signature	Date
	5/11/11

Budgeting & Accounting – Authorized Signature	Date
	5/11/11

County Attorney – Authorized Signature	Date
	5/11/11

Property Management – Authorized Signature	Date

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project

Draft Resolution

1 WHEREAS, The Central Corridor light rail transit line will start at a station in front of the
2 Union Depot, and

3
4 WHEREAS, The Metropolitan Council needs to do work on Ramsey County Regional
5 Railroad Authority property to construct the project, and

6
7 WHEREAS, Portions of the Union Depot project will reduce the cost of Central Corridor
8 work by approximately, \$55,500, and

9
10 WHEREAS, A Temporary Construction Agreement has been negotiated with the
11 Metropolitan Council to provide construction access and pay the Ramsey County Regional
12 Railroad Authority \$55,500 for its construction activities, now, therefore be it

13
14 RESOLVED, The Ramsey County Regional Railroad Authority approves an agreement with
15 the Metropolitan Council for a temporary construction easement at the Union Depot for the Central
16 Corridor Light Rail Transit Project, and be it further

17
18 RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to
19 execute the agreement.

Attachment

LICENSE AGREEMENT

This License Agreement (the License) is entered into between the Ramsey County Regional Railroad Authority (the RCRRA or Licenser), a political subdivision of the State of Minnesota, and the Metropolitan Council, a public corporation under the laws of the State of Minnesota (the Licensee) on this _____ day of _____, 2011.

Recitals

WHEREAS, the RCRRA is the fee owner of that certain parcel of land located in the City of St. Paul, County of Ramsey, Minnesota, as more particularly described in the attached Exhibit A (the Premises); and

WHEREAS, the Licensee is constructing a light rail transit line on 4th Street in downtown St. Paul, which line will impact Licenser's property and necessitate the construction of certain improvements to the Premises;

WHEREAS, the RCRRA wishes to license a portion of the Premises (the License Area) as depicted in Exhibit C hereto, which depiction is incorporated herein and made a part hereof by reference, to Licensee, and Licensee desires to license the License Area from the RCRRA to construct the improvements shown on Exhibit B according to the covenants and conditions stated herein.

NOW, THEREFORE, the RCRRA and Licensee agree as follows:

1. Grant of License. The RCRRA hereby grants to Licensee a license to use the License Area for and only for the purposes described in the attached Exhibit B, and subject to the conditions and requirements stated herein and in the attached Exhibit B, which is incorporated herein and made a part hereof as if explicitly set forth herein. In the event of a conflict between the provisions set forth herein and those set forth in Exhibit B, the provisions stated in Exhibit B shall control.

2. No Interest in the Premises. This grant of license is non-exclusive, and grants to Licensee no right, title, or interest in the License Area or Premises, except as set forth herein, and Licensee's rights do not run with the land.

3. Term. Subject to the RCRRA's right to terminate this License as set forth herein, the Licensee's right to use the License Area shall commence on June 13, 2011 (the Commencement date), and terminate on December 31, 2012 (the Termination Date).

4. Payment. In addition to constructing the improvements listed herein, Licensee agrees to pay RCRRA the sum of \$55,500 for the restoration work as noted on Exhibit C. RCRRA intends to contract for the restoration of the Union Depot Plaza, which restoration work was necessitated by the construction of the light rail line. The cost for this work is noted in

5

Exhibit D. \$0 Payment shall be due prior to the commencement date and prior to Licensee's entry onto and use of the License Area.

5. As Is Where Is. Licensee has inspected the License Area and finds the License Area suitable for its purposes in the condition as of the date of the Commencement Date. The RCRRA makes no promises or warranties regarding the condition or suitability of the License Area for Licensee's purposes. Further, the RCRRA, except as explicitly stated in Exhibit B, will not be obligated to undertake any improvements or make any repairs to the License Area. Licensee accepts the License Area as is, where is.

6. Alterations. Except for the improvements listed herein, Licensee may not make any alterations or changes to the license Area without the express written consent of the RCRRA. Any improvements made to the License Area by Licensee shall, upon termination of this License and in the sole option of the RCRRA, become the property of the RCRRA. If the RCRRA determines that it does not wish Licensee's improvements to remain on the License Area, it shall so notify Licensee and upon such notification Licensee shall, at its sole expense, remove such improvements within five days prior to its termination of use of the License Area. If Licensee fails to do so, the RCRRA reserves the right to remove such improvements, and Licensee shall reimburse the RCRRA for its costs to do so.

7. Restoration of License Area. Upon termination of this License, and subject to the provisions of paragraph 6, Licensee shall restore the License Area to their condition immediately prior to the Commencement Date, reasonable wear and tear excepted.

8. Maintenance of License Area During Term. At all times during the Term Licensee, at its sole cost and expense, shall keep the Premises in a good, clean, and safe condition, and use the Premises to prevent waste, damage, or injury occurring.

9. RCRRA's Right to Enter and Inspect. The RCRRA, its employees, and its agents shall have the right to enter the License Area at all reasonable times for the purpose of inspecting, cleaning, repairing, altering, or improving the License Area or to exhibit the License Area to prospective tenants, purchasers, or others. Nothing in this section shall be interpreted as requiring the RCRRA to perform any such acts independent of the requirements of the other provisions of this lease. The RCRRA shall also be permitted to enter the License Area for the purpose of posting notices of non-responsibility for alterations, additions or repairs.

10. Non-assignability. Licensee shall not assign, transfer, convey, or encumber its interest in this Agreement or in the License Area, or allow any other person or entity (except Licensee's authorized representatives) to occupy or use all or any part of the License area, without first obtaining RCRRA's written consent, which may be withheld by the RCRRA in its sole discretion.

13. Damage or Destruction of License Area. In the event the License Area is damaged or destroyed by fire, the elements, or other casualty such as to make it impracticable or unsuitable for Licensee's use, this License Agreement may be terminated at the option of either party upon written notice. In no case shall the RCRRA be required to restore the License Area to a condition suitable for Licensee's continued used, though it may do so if it wishes.

14. Hazardous Substances. As used herein, the term "hazardous substances" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal governmental authority. The term "hazardous substances" includes but is not limited to any material substance which is (i) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317); (ii) defined as a "hazardous substance" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); or (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq.). As used herein, the term, "environmental requirements" means all laws, ordinances, rules, regulations, order, and other requirements of any government or public authority now in force or which may hereafter be in force relating to protection of human health or the environment, including all requirements pertaining to reporting, licensing permitting, investigation and remediation of emissions, discharges, storage, disposal or releases of hazardous substances and all requirements pertaining to the protection of the health and safety of employees or the public. Licensee shall not permit or conduct the generation, treatment, storage or disposal on, in or about the License Area of any hazardous substances without prior written consent of RCRRA.

15. Signs. Licensee shall not have the right to place, construct, or maintain any other sign, advertisement, awning, banner, or other exterior decoration on the License Area without Licensor's prior written consent.

16. Termination. The RCRRA may terminate this License upon 30 days' written notice to Licensee if (1) Licensee abandons or vacates the License Area or (2) if Licensee fails to observe and perform any other provision of this Agreement to be observed or performed by Licensee, where such failure continues for ten (10) days after written notice thereof by RCRRA to Licensee, provided, however, that if the nature of such default is such that it cannot reasonably be cured within such ten (10) day period, Licensee shall not be deemed to be in default if Licensee shall within such period commence such cure and thereafter diligently prosecute the same to completion. In the event of any such material default or breach by Licensee, RCRRA may at any time thereafter without limiting RCRRA in the exercise of any right or remedy at law or in equity which RCRRA may have by reason of such default or breach.

17. Miscellaneous.

a. Notices.

Unless otherwise provided herein, all notices required by the terms of and conditions of this Agreement shall be deemed given when the notice is prepared and deposited in the United States mail to the addressee as follows:

Licensee:
Central Corridor Project Office
540 N. Fairview Avenue
Suite 200
Saint Paul, MN 55104

RCRRA:
Timothy A. Mayasich, Director
Ramsey County Regional Railroad Authority
RCGC West, Suite 6560
50 West Kellogg Blvd.
St. Paul, MN 55102

- b. Compliance with Laws and Regulations.
Licensee shall obtain all licenses and permits required by any governmental authority for its use of the License Area, and shall, and shall comply with all terms of such licenses or permits and any code, law, or regulation applicable to its use of the License Area.
- c. Remedies cumulative.
All remedies hereinbefore and hereafter conferred on RCRRA and Licensee shall be deemed cumulative and not one exclusive of the other, or of any other remedy conferred by law of in equity. The failure or either of the covenants of this License or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option.
- d. Relationship of the parties.
Nothing contained in this License shall be deemed or construed by the parties hereto or by a third-party to create the relationship of principal and agent or of a partnership or of a joint venture or of any association whatsoever between RCRRA and Licensee, it being expressly understood and agreed that neither any provision contained in this License nor any act or acts of the parties hereto shall be deemed to create any relationship between RCRRA and Licensee other than the relationship of Licensor and Licensee.
- e. Alteration.
Any alteration, variation or modification of this Agreement shall be valid only when reduced to writing and signed by both parties.
- f. Interpretation of Agreement; Venue.
This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding, arising from, or related to this

agreement Licensee's occupancy and use of the Premises shall be venued in the District Court, Second Judicial District, Ramsey County, Minnesota.

g. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties and shall supersede all prior or written agreements of the parties.

FOR THE RCRRA

Date: _____

By: _____

Its: _____

FOR LICENSEE

Date: _____

By: _____

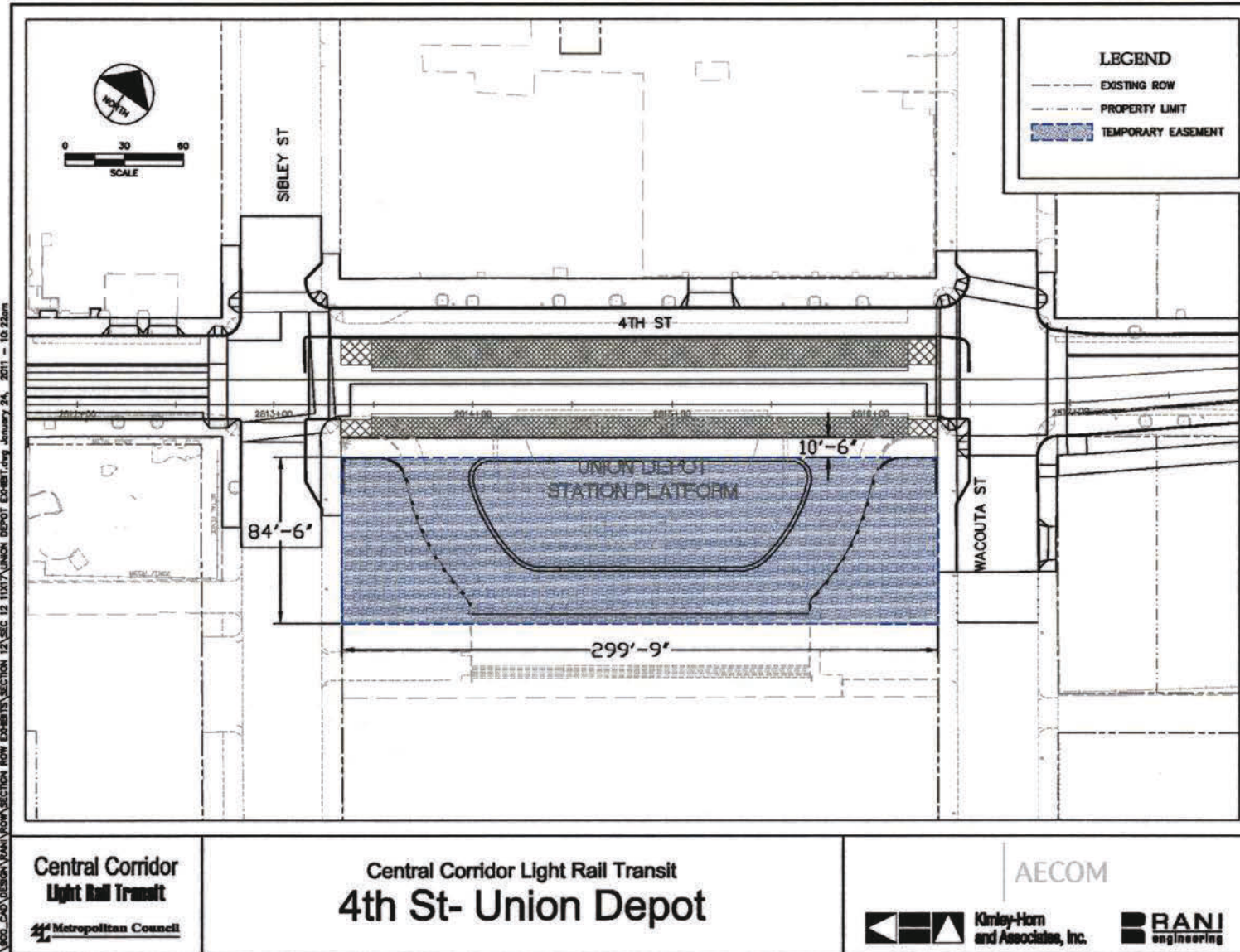
Its: _____

Approved as to form:

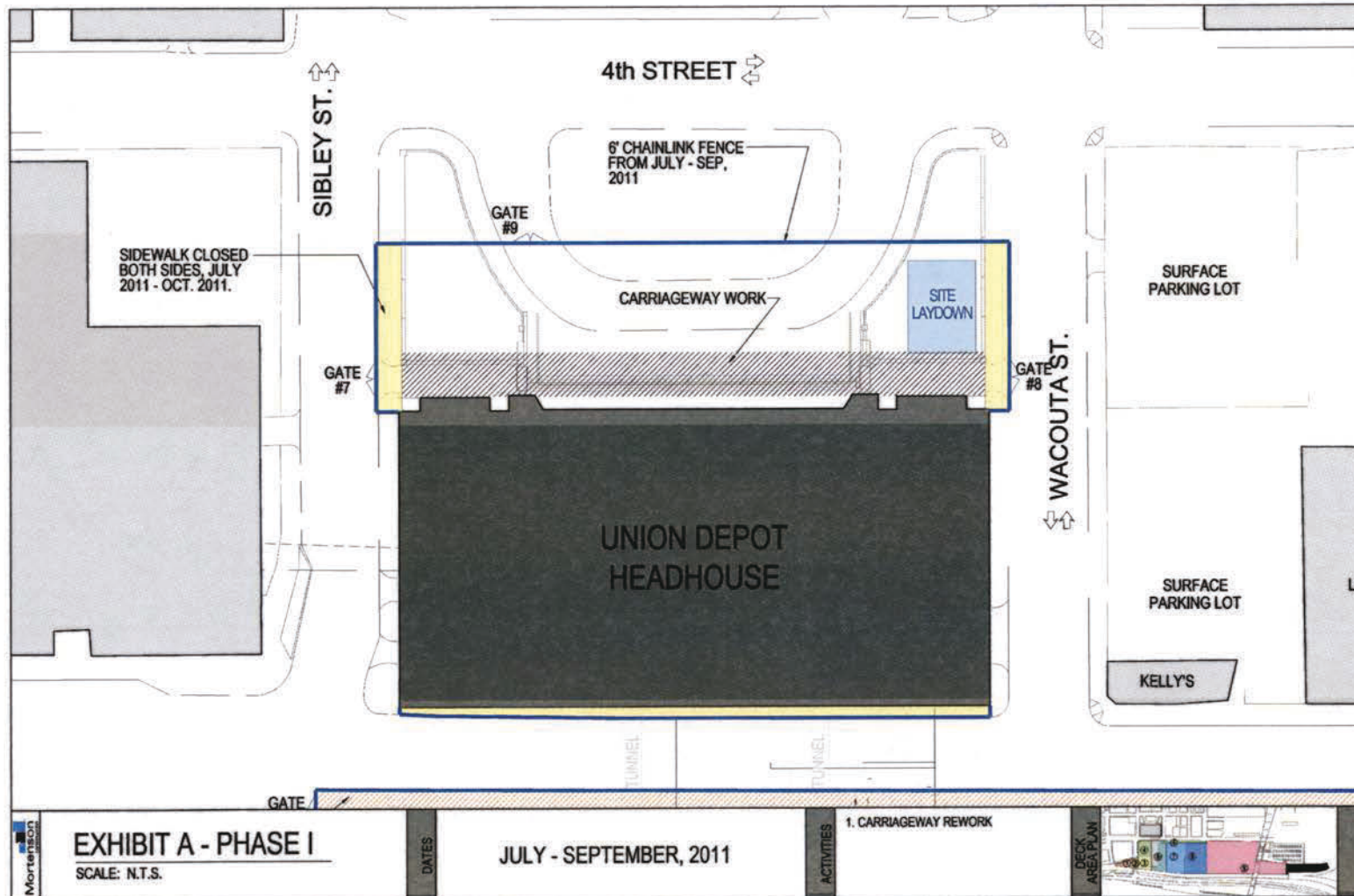
By: _____

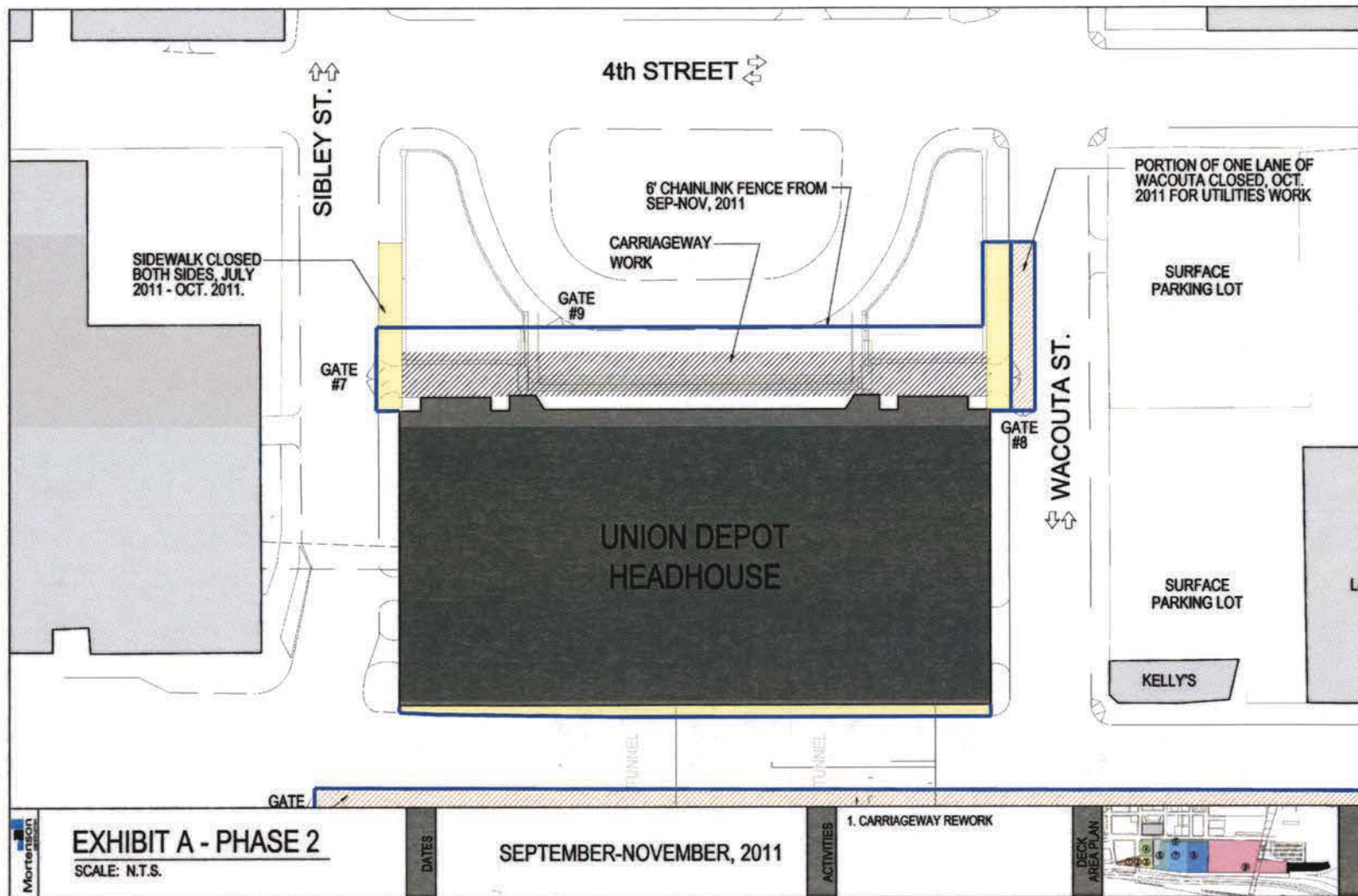
Assistant Ramsey County Attorney
50 West Kellogg Boulevard, Suite 560
St. Paul, MN 55102

Exhibit A Temporary Easement



Ramsey County Regional Railroad Authority Carriageway Phasing





12

Exhibit B
Description of Work

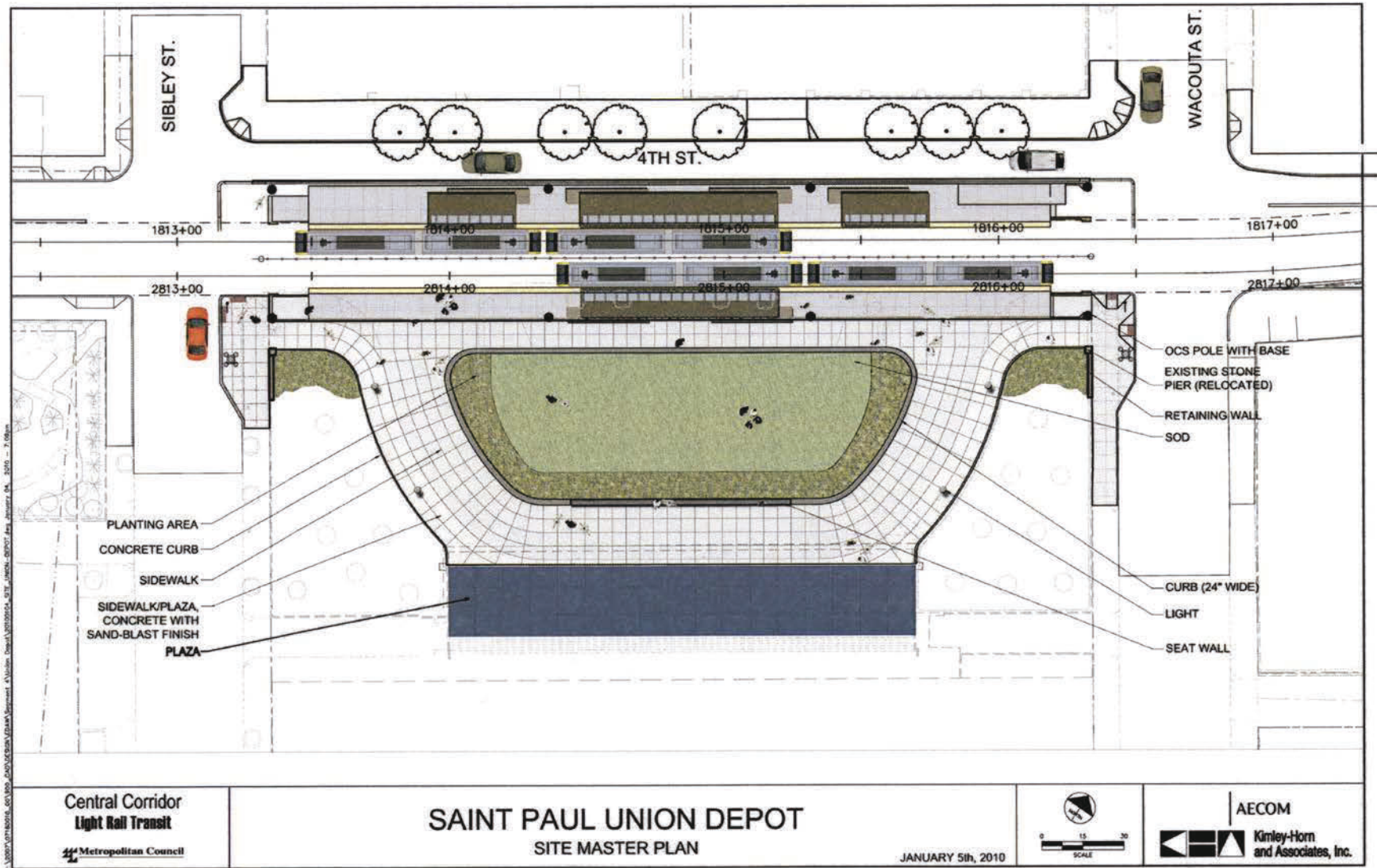
The Grantee agrees to:

1. Construct a sidewalk for Fourth Street, reconstruct the driveway and sidewalk, restore landscaping and irrigation, and install lighting pursuant to the Site Plan attached hereto as Exhibit C and pursuant to the Civil East plans and specifications;
2. Secure any permits or licenses required in connection with the work and shall comply with all laws applicable to the work and the Premises, including (but not limited to) any laws, standards, regulations, and permit requirements relating to environmental pollution or contamination or to occupational health and safety;
3. At Licensee's cost, repair or arrange for the repair of any damage to the RCRRA's property and any other property (real or personal) owned, used, or maintained by the RCRRA that is damaged by Licensee in connection with performance of the Work;
4. Pay for the costs of all labor, services, equipment, and materials used in conducting its work at the Premises and shall not permit any lien or encumbrance upon the Premises resulting from its activities thereon; and

The RCRRA agrees to:

1. Grant to the Licensee the right to use the Premises for the purpose of storing materials in conjunction with the Licensee construction work for the station and Union Depot site restoration work.

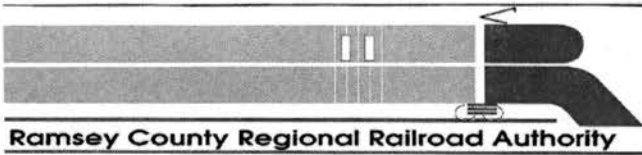
Exhibit C Site Plan



14

Exhibit D
Estimated Cost for Union Depot Plaza

Remove existing sidewalk	= \$8,900
Waterproof membrane	= \$13,100
5" concrete sidewalk	= \$25,000
Contractor fee	= \$8,500
	Total: \$55,500



2

REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: 06/07/11

Regional Railroad Authority Meeting Date:

SUBJECT: Gateway Corridor contract amendment payment

EXECUTIVE SUMMARY

The Gateway Corridor (formerly known as the I-94 Corridor) is the eastern gateway to the Twin Cities carrying more than 110,000 vehicles a day at I-694 and 130,000 vehicles a day at Trunk Highway 52. The 2030 Transportation Policy Plan identifies the Gateway Corridor from downtown St. Paul to the St. Croix River as a congested corridor in 2030. To maintain and improve mobility in the corridor, transit improvements are needed.

On March 3, 2010, the Ramsey County Regional Railroad Authority (RRA) approved the I-94 Corridor Joint Powers Agreement which established the I-94 Corridor Commission. On August 12, 2010 the Gateway Corridor Commission (Commission), formerly known as the I-94 Corridor Commission, approved the selection of CH2MHILL to complete the Gateway Corridor Alternatives Analysis (AA). Since that time, work has been underway to identify all possible transit alternatives for initial analysis. This work resulted in the identification of a managed lane as an eighth transit alternative for progression into more detailed analysis. The approved work scope for CH2MHILL identified seven alternatives for detailed analysis. The detailed analysis for the eighth alternative is outside of the initial scope of work, and requires a scope change to include the analysis of this additional alternative.

(The Executive Summary is continued on the following page)

ACTION REQUESTED

1. Approve the Ramsey County Regional Railroad Authority's payment of \$40,000 to the Gateway Corridor Commission to amend the Alternative Analysis work scope and budget to include a managed lane as an eighth build alternative.
2. Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.

1

SUBJECT: Gateway Corridor contract amendment payment

(Executive Summary continued from previous page)

CH2MHILL has provided Washington County RRA, the fiscal agent for the Commission, with a work scope and budget for completing the more detailed analysis on the managed lane alternative. The additional work is budgeted at \$99,917 and can be accomplished within the original contract schedule.

At the Gateway Corridor Commission meetings of April 14 and May 12, 2011, the Commission discussed the CH2MHILL contract amendment proposal and passed resolution 2011-20 which formally supports the addition of the managed lane as the eighth alternative to the AA work scope. As part of supporting the additional work, the Commission supported maintaining the existing contingency budget for the AA and asked the three funding partners (Washington County RRA, Ramsey County RRA, and the Metropolitan Council) to fund the additional work by the approximate percentages that were provided for in the original scope of work:

- Ramsey County RRA – 40%
- Washington County RRA – 40%
- Metropolitan Council – 20%

The formal action supporting the work scope amendment for the eighth alternative was contingent upon approval of additional funding from the Washington County RRA, Ramsey County RRA, and the Metropolitan Council. Approval of the amended work scope will result in Ramsey County RRA financial participation of \$40,000. These funds are available in the 2011 Regional Railroad Authority operating budget.

SUBJECT: Gateway Corridor contract amendment payment

ATTACHMENTS:

1. Contract Amendment Request
2. Contract Amendment Scope of Work
3. Gateway Corridor Commission Resolution 2011-02

PREVIOUS ACTION:

On March 17th 2009 (Resolution R09-09), the Ramsey County Regional Railroad Authority approved the Joint Powers Agreement.

On September 21st, 2009 (Resolution R10-46), the Ramsey County Regional Railroad Authority approved the Amended and Restated Joint Powers Agreement.

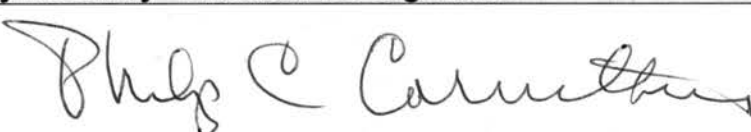
COUNTY MANAGER'S COMMENTS:

Ramsey County Regional Railroad Authority action is required to provide funding for the additional workscope items.

SUBJECT: Gateway Corridor contract amendment payment

Regional Railroad Authority – Authorized Signature	Date
	5/31/11

Budgeting & Accounting – Authorized Signature	Date
	5/31/11

County Attorney – Authorized Signature	Date
	6/1/2011

Property Management – Authorized Signature	Date

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

Subject: Gateway Corridor contract amendment payment

Draft Resolution

1 WHEREAS, The Gateway (I-94) Corridor begins at the Union Depot in downtown St.
3 Paul and travels east to the St. Croix River; and
4

5 WHEREAS, The Gateway Corridor Commission was formed in 2010 with the Regional
6 Railroad Authorities of Ramsey and Washington County and the communities of St. Paul,
7 Maplewood, Oakdale, Woodbury, Lake Elmo, West Lakeland Township, Afton, and Lakeland;
8 and
9

10 WHEREAS, The Gateway Corridor Commission entered into a contract with CH2MHILL
11 (Consultant) for the completion of the Gateway Corridor Alternatives Analysis (AA); and
12

13 WHEREAS, The Consultant's work scope included the analysis of seven build
14 alternatives; and
15

16 WHEREAS, There is a need to amend the Consultant's work scope and budget to
17 include a managed lane alternative as an eighth build alternative; and
18

19 WHEREAS, The addition of the eight build alternative will cost \$99,917 with the cost to
20 be split between the Washington County Regional Railroad Authority, the Ramsey County
21 Regional Railroad Authority and the Metropolitan Council; and
22

23 WHEREAS, On May 12, 2011, the Gateway Corridor Commission approved a resolution
24 of support for adding the eight alternative to the scope of work for the AA contingent upon
25 approval of the funding from the Metropolitan Council, Ramsey County Regional Railroad
26 Authority and the Washington County Regional Railroad Authority; and
27

28 WHEREAS, The Ramsey County Regional Railroad Authority is responsible for \$40,000
29 of this cost; Now Therefore Be It
30

31 RESOLVED, The Ramsey County Regional Railroad Authority approves the payment of
32 \$40,000 to the Gateway Corridor Commission to amend the Alternative Analysis work scope
33 and budget to include a managed lane alternative as an eighth build alternative; and Be It
34 Further
35

36 RESOLVED, The Ramsey Count Regional Railroad Authority authorizes the County
37 Manager to make payments all necessary budget adjustments including increasing estimated
38 revenues and appropriations.

Attachment # 1



CH2M HILL
1295 Northland Drive
Suite 200
Mendota Heights, MN 55120
Tel 651.365.8543
Fax 651.688.8844

April 5, 2011

Mr. Ted Schoenecker, PE, Transportation Planning Manager
Washington County Regional Railroad Authority
116600 Myeron Road North
Stillwater, MN 55082

Subject: Gateway Corridor Alternatives Analysis Amendment No. 1
Request for Use of Approved Contract Contingency and Contract Amendment

Dear Ted:

Based on our discussions over the past few weeks, this letter requests the use of the approved contract contingency, and an additional amount which would form a contract amendment, to add another build alternative, a managed lane alternative, to the Gateway Corridor AA workscope.

The request is a result of discussions with the Policy Advisory Committee, the Metropolitan Council, and Mn/DOT as stakeholders and the public commented on our preliminary list of alternatives to take forward for more analysis. All parties are in agreement that the project is best served by adding a managed lane alternative. We expect FTA agreement as well, in view of its acceptance of such an alternative in another project previously.

The addition of another build alternative, one distinctly different from a BRT alternative and thus not able to benefit from work already accomplished under a similar alternative, will require work under several tasks. The attached tables identify the breakdown by task and by firm, and maintain the required DBE participation of 15%. We estimate an additional budget of \$99,917 is required to modify the master and all subcontracts and accomplish the work. On the positive side, we believe the additional work can be accomplished within the original contract schedule, and therefore are not requesting an extension.

In view of the project experience to date in reaching consensus on managed lane elements of the alternatives, we have factored in what we believe is a realistic estimate of hours to maintain the level of agency outreach and coordination in the Task 2 Project Management budget.

I will be happy to discuss this with you at your convenience. Please do not hesitate to call once you have had a chance to review this request.

Sincerely,
CH2M HILL, Inc.

Tim Thoreen, AICP
Area Manager

Stephanie Eiler, AICP
I-94 Project Manager

Cc: Project File 411645
Mary Gute

CH2M Hill Team Scope of Services - 3/31/2011

Amendment No. 1: Managed Lane Alternative

The Work Plan below describes the tasks under which additional work is required to develop, evaluate and document an added Managed Lane (Build) alternative. This Work Plan adds a new alternative, Managed Lane, to those already scoped in the original contract budget. Task descriptions, subtasks and deliverables for all alternatives including the new Managed Lane alternative remain as described in the original contract scope. The tasks listed below are those under which additional work is required to add a Managed Lane alternative. The tasks are as organized in CH2M HILL's Scope of Services (Work Plan) included in master agreement between CH2M HILL and the WCRRA.

Task 2. Project Management

Based on current experience in addressing managed lane issues within the Gateway project, this additional alternative is expected to require considerable extra coordination and stakeholder facilitation. CH2M Hill will engage in additional coordination with Mn/DOT, the Metropolitan Council and the Federal Transit Administration to develop a managed lane alternative consistent with regional planning for similar facilities.

Task 3. Public Involvement

The CH2M Hill Team will engage in additional coordination with affected communities to address the design and function of a Managed Lane alternative.

Task 7 -Definition and Conceptual Design of Alternatives

The CH2M Hill Team will define and develop the conceptual design of a Managed Lane alternative. The process will include developing conceptual layouts for the alignment as well as applicable elements. Deliverables for the new alternative will be as scoped for alternatives in the original contract. A managed lane alternative will be added to the Definition of Alternatives report.

The task budget assumes the Managed Lane alternative will not replicate the runningway location and design characteristics of the BRT alternatives in the I-94 corridor.

Task 8. Operating Plan

The CH2M Hill Team will develop an operating/service plan for a Managed Lane alternative. The deliverable for the new alternative will be as scoped for alternatives in the original contract. Consistent with the other alternatives, the operating plan will be coordinated with Metro Transit service planning staff.

Task 9. Ridership Forecast

The CH2M Hill Team will forecast ridership for a Managed Lane alternative. The deliverable for the new alternative will be as scoped for alternatives in the original contract.

Task 10. Capital Cost Estimate

The CH2M Hill Team will develop an opinion of cost for a Managed Lane alternative. The cost estimate will be consistent with Mn/DOT and/or other agency costs to implement the recent managed lane in I-35W. Consistent with the estimates developed for the other alternatives, the cost estimate will be presented in FTA-required format. The deliverable for the new alternative will be as scoped for alternatives in the original contract.

Task 11. Operating and Maintenance Cost Estimate

The CH2M Hill Team will develop an operating and maintenance cost estimate for a Managed Lane alternative. The O&M cost estimate will be coordinated with Metro Transit, Mn/DOT and/or other agencies for their input on relevance to costs for the recent managed lane in I-35W. The deliverable for the new alternative will be as scoped for alternatives in the original contract.

Task 12. Cost Effectiveness Index (CEI)

The CH2M Hill Team will coordinate with FTA in developing the CEI for a Managed Lane alternative.

Task 13. Environmental/Scoping and Community Issues

The CH2M Hill Team will incorporate a Managed Lane alternative into the overall project screening-level analysis and documentation of potential environmental and community impacts, using appropriate methods, including GIS. As stated in the master contract work program, although the scoping process for this study is a precursor to official NEPA scoping, the analysis and work products will be conducted and prepared such that the AA will serve as an attachment to a future Federal EIS or EA when future entry into the NEPA process does occur.

Task 14. Evaluation of Alternatives

The CH2M Hill Team will incorporate a Managed Lane alternative into the overall project evaluation of alternatives. A Managed Lane alternative will be added to the evaluation technical memorandum and the final Definition of Alternatives report.

**Gateway Corridor Commission
Resolution No. 2011-02**

**RESOLUTION SUPPORTING THE ADDITION OF A MANAGED LANE
EIGHTH ALTERNATIVE TO THE SCOPE OF WORK FOR THE
ALTERNATIVES ANALYSIS**

WHEREAS, the Gateway Corridor Commission (Commission) was established in March of 2009 to address transportation needs in the Gateway (I-94) Corridor; and

WHEREAS, the Gateway Corridor is the principal east/west route for local, regional and interregional traffic through Ramsey, Washington, and St. Croix Counties connecting St. Paul-Minneapolis to the eastern metropolitan area and Wisconsin; and

WHEREAS, the Commission entered into a contract with CH2M Hill in the Fall of 2010 to complete and Alternatives Analysis study for the corridor; and

WHEREAS, the scope of work in the Alternatives Analysis (AA) included analysis of up to seven (7) alternatives; and

WHEREAS, the public participation process of the AA has identified Managed Lanes as an eighth alternative for inclusion in the analysis and the Technical and Policy Advisory Committees have recommended including this alternative; and

WHEREAS, CH2M Hill has provided a cost estimate of \$99,917 for completion of the work related to the addition of the eighth alternative.

NOW THEREFORE, BE IT RESOLVED, that the Commission hereby approves the inclusion a Managed Lane eighth alternative in the Alternatives Analysis scope of work for an amount not to exceed \$99,917 pending approval of the funding from the Metropolitan Council, Ramsey County Regional Railroad Authority and the Washington County Regional Railroad Authority.

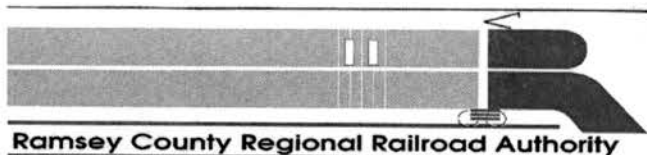
Approved:

Lisa A. Weik
Chair

May 12, 2011
Date Approved by Commission

I hereby certify that the foregoing resolution is a true and correct copy of the Resolution presented to and adopted by the Gateway Corridor Commission at a duly authorized meeting thereof held on the 12th day of May, 2011 as shown by the minutes of said meeting in my possession.

	YES	NO	ABSTAIN	ABSENT
ORTEGA	X			
WEIK	X			
LANTRY				X
ROSSBACH	X			
REINKE	X			
GIULIANI STEPHENS	X			
JOHNSTON	X			
KYLLO	X			
NELSON	X			
ZELLER	X			



3

REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: 06/07/11

Regional Railroad Authority Meeting Date: _____

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

EXECUTIVE SUMMARY

On August 17, 2010, the Ramsey County Regional Railroad Authority took action to: 1) commit to working collaboratively with consortium members in supporting regional planning efforts that advance federal Housing and Urban Development ("HUD"), Department of Transportation ("DOT") and the Environmental Protection Agency ("EPA") agencies' joint *Livability Principles*; 2) support the submission of a proposal to HUD for a Sustainable Communities Regional Planning Grant; and 3) authorize the Chair to sign a letter of commitment to accompany the HUD grant proposal (Resolution R10-42).

In November, 2010, the Twin Cities region was awarded two grants: the HUD grant, with the Metropolitan Council ("METC") serving as the fiscal agent, and the Living Cities funding, with Saint Paul Foundation serving as the fiscal agent.

(The Executive Summary is continued on the following page)

ACTION REQUESTED

1. Approve the Corridors of Opportunity Consortium Agreement effective upon signatures of parties and expiring January 31, 2014.
2. Authorize the Chair to execute the Corridors of Opportunity Consortium Agreement.
3. Approve Subrecipient Agreement SG011-031 with the Metropolitan Council for the Corridors of Opportunity Gateway Corridor Project, effective upon signature by parties through January 31, 2014, in the amount of \$150,000 in federal funds.
4. Approve Subrecipient Agreement SG011-045 with the Metropolitan Council for the Corridors of Opportunity Workforce/Economic Development Project, effective upon signature by parties through January 31, 2014, in the amount of \$247,000 in federal funds.
5. Authorize the Chair to execute the Subrecipient Agreements.
6. Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.
7. Authorize the Chair to serve as the appointed Ramsey County Regional Railroad Authority representative on the Corridors of Opportunity Policy Board.

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

(Executive Summary continued)

On March 1, 2011, the Ramsey County Regional Railroad Authority ("RRA") held a workshop on the HUD and Living Cities efforts jointly referred to as the *Corridors of Opportunity*, which detailed the collaborative efforts that are underway for the period of 2011 to 2013.

Two specific projects were funded under the *Corridors of Opportunity* initiative that directly involve Ramsey County: the Gateway Corridor Project, funded at \$150,000, and the Workforce /Economic Development Project, funded at \$247,000. In order to carry out the work of these two projects, RRA must enter into a Subrecipient agreement for each of these two projects with METC.

In addition, HUD specifically requires each partner involved in the consortium that comprises the *Corridors of Opportunity* Policy Board, to sign a consortium agreement, which encompasses the goals, principles and governance agreed upon by the consortium in oversight of the *Corridors of Opportunity* efforts.

Background

Since 2009, Ramsey County Regional Railroad Authority / Ramsey County have been actively involved in a multi-jurisdictional effort around regional transit-oriented development planning and implementation. These efforts have included key visits to the Twin Cities from heads of federal agencies, building momentum and support for investments into the Union Depot and the Central Corridor.

Policy leaders from seven Twin Cities' entities, including Ramsey County Regional Railroad Authority/Ramsey County, Hennepin County/Hennepin County Regional Railroad Authority, City of St. Paul, City of Minneapolis, Metropolitan Council, Minnesota Housing Finance Agency and the McKnight Foundation, formed a consortium and have collaborated to establish broad-based corridor-wide partnerships between jurisdictions, sectors and communities to fundamentally change the way the Twin Cities region carries out its transit planning and development. This paradigm shift approaches transit corridors as the geographic basis for planning a broad range of interconnected efforts encompassing affordable housing, economic development, environmental efforts, public health and work force development—in addition to multi-modal transportation—as a means of supporting the development of "livable" communities.

The first funding opportunity came by invitation to the McKnight Foundation from *Living Cities*, a private national entity comprised of twenty-two of the world's largest foundations and financial institutions. The grant application was submitted in June 2010 and in October, the Twin Cities was notified that it was selected as one of the five regions across the United States to receive Living Cities funding.

The second opportunity for funding came through the federal Housing and Urban Development ("HUD") agency, in the form of a regional planning grant for a maximum of \$5 million. The consortium submitted the HUD grant proposal, with the Metropolitan Council as the applicant, in August 2010. In November 2010, the METC was notified that the Twin Cities was awarded the full \$5 million grant from HUD.

Together, the HUD *Sustainable Communities Regional Planning* grant and the *Living Cities Integration Initiative* grant have become one large effort entitled *Corridors of Opportunity* that supports HUD's six "livability principles" and outcomes, as well as supporting the goals of the Living Cities Integration Initiative. (See attached).

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

ATTACHMENTS: (on file with the RRA office)

1. Corridors of Opportunity Consortium Agreement
2. Subrecipient Agreement # SG011-031 for the Corridors of Opportunity Gateway Corridor Project
3. Subrecipient Agreement # SG for the Corridors of Opportunity Workforce/Economic Development Project
4. Corridors of Opportunity Consortium Partners, Vision, Goals, Principles

PREVIOUS ACTION:

On August 17, 2010, in Resolution R10-42, the Ramsey County Regional Railroad Authority took action to commit to working collaboratively with consortium members in supporting regional planning efforts that advance federal Housing and Urban Development ("HUD"), Department of Transportation ("DOT") and the Environmental Protection Agency ("EPA") agencies' joint *Livability Principles*; supported the submission of a proposal to HUD for a Sustainable Communities Regional Planning Grant; and authorized the Chair to sign a letter of commitment to accompany the HUD grant proposal.

COUNTY MANAGER'S COMMENTS:

The Metropolitan Council must submit signed Subrecipient agreements and the Consortium agreement to HUD no later than June 1, 2011. Approval of the Subrecipient and Consortium agreements are the next steps in implementing the *Corridors of Opportunity* initiative.

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

Regional Railroad Authority – Authorized Signature

Date



5/19/11

Budgeting & Accounting – Authorized Signature

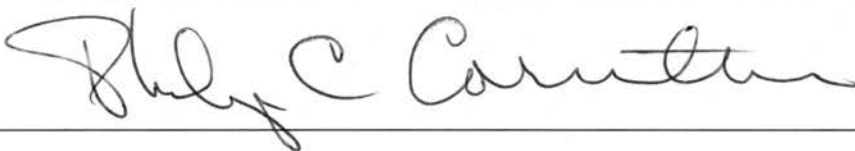
Date



5/31/11

County Attorney – Authorized Signature

Date



6/1/11

Property Management – Authorized Signature

Date

Information Services– Authorized Signature

Date

Other – Authorized Signature

Date

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

DRAFT RESOLUTION

1 WHEREAS, Ramsey County Regional Railroad Authority / Ramsey County have worked
2 collaboratively with Hennepin County/Hennepin County Regional Rail Authority, City of St. Paul,
3 City of Minneapolis, Metropolitan Council, Minnesota Housing Finance Agency and the McKnight
4 Foundation over the past couple of years to effectively respond to two national funding
5 opportunities for regional transit-oriented development planning and implementation in and along
6 planned transit corridors; and

7
8 WHEREAS, The first funding opportunity came by invitation to the McKnight Foundation
9 from Living Cities, a private national entity comprised of twelve large foundations and financial
10 institutions, to develop sustainable communities along transit corridors in the Twin Cities region;
11 and

12
13 WHEREAS, The second opportunity for funding is through the federal Housing and Urban
14 Development ("HUD") agency, in the form of a regional planning grant for a maximum of \$5 million;
15 and

16
17 WHEREAS, On August 17, 2010, the Ramsey County Regional Railroad Authority took
18 several actions committed to working collaboratively with consortium members in supporting
19 regional planning efforts that advance federal Housing and Urban Development ("HUD"),
20 Department of Transportation ("DOT") and the Environmental Protection Agency ("EPA") agencies'
21 joint *Livability Principles*; as well as supporting the submission of a proposal to HUD for a
22 Sustainable Communities Regional Planning Grant by the Metropolitan Council ; and authorizing
23 the Chair to sign a letter of commitment to accompany the HUD grant proposal; and

24
25 WHEREAS, In November 2010, the Twin Cities region was awarded both grants: the HUD
26 grant, with the Metropolitan Council serving as the fiscal agent, and the Living Cities funding, with
27 Saint Paul Foundation serving as the fiscal agent; and

28
29 WHEREAS, Together, the HUD *Sustainable Communities Regional Planning* grant and the
30 *Living Cities Integration Initiative* grant have become one single effort entitled *Corridors of*
31 *Opportunity* that supports HUD's six "livability principles" and outcomes, as well as supporting the
32 goals of the Living Cities Integration Initiative; and

33
34 WHEREAS, HUD specifically requires each member of the consortium involved in the
35 consortium that comprises the Sustainable Communities Regional Planning Grant Policy Board,
36 sign a consortium agreement, which encompasses the goals, principles and governance agreed
37 upon by the consortium in oversight of the *Corridors of Opportunity* efforts; and

38
39 WHEREAS, Two specific projects were funded under the Sustainable Communities
40 Regional Planning Grant that directly involves Ramsey County: the Gateway Corridor Project,
41 funded at \$150,000, and the Workforce /Economic Development Project, funded at \$247,000; and

42
43 WHEREAS, In order to carry out the work of these two projects, a Subrecipient agreement
44 between the Ramsey County Regional Railroad Authority and the Metropolitan Council for each of
45 these two projects is required; Now, Therefore, Be It
46

5

47 RESOLVED, The Ramsey County Regional Railroad Authority hereby approves the
48 Corridors of Opportunity Consortium Agreement effective upon signatures of parties and expiring
49 January 31, 2014; and Be It Further

50
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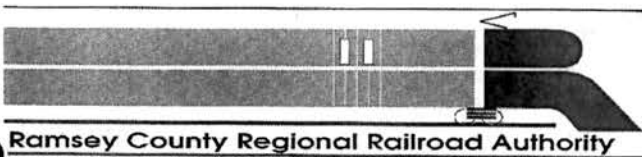
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6



3

REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: 06/07/11

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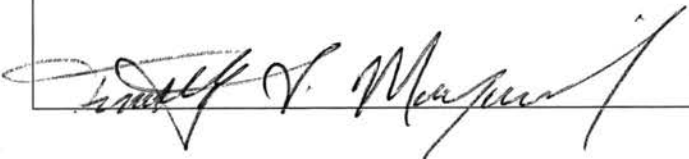
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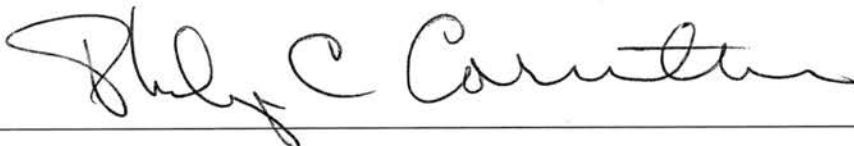
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SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

Regional Railroad Authority – Authorized Signature	Date
	5/17/11

Budgeting & Accounting – Authorized Signature	Date
	5/31/11

County Attorney – Authorized Signature	Date
	6/1/11

Property Management – Authorized Signature	Date

Information Services– Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

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73 Opportunity Policy Board.

6

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

I. Purpose

The purpose of this Consortium Agreement is to demonstrate a shared framework of understanding of the partners within the Corridors of Opportunity initiative (CoO). This framework will support the partners and guide the implementation of the initiative. The signatories of the Consortium Agreement are organizations represented on the Corridors of Opportunity Policy Board, and organizations receiving sub-recipient grants under the Sustainable Communities Regional Planning Grant. By signing this agreement, these signatories agree that:

- (1) They assent to goals, structures, operational protocols, and other aspects of the initiative, as described below,
- (2) They commit to fulfill the responsibilities agreed to by their organization, participate in the Corridors of Opportunity evaluation and hold other consortium members accountable for their responsibilities, and
- (3) They will identify and implement opportunities to align their organizations with the principles and approach described in this Agreement.

II. Signatories

The signatories to this document include the organizations that are (1) Corridors of Opportunity Lead Agencies, (2) voting members of the Corridors of Opportunity Policy Board, (3) represented by the leaders of the Community Engagement Team, and (4) sub-recipients of the HUD Sustainable Communities Regional Planning Grant:

- Alliance for Metropolitan Stability, Community Engagement Team organization
- Central Corridor Funders Collaborative, Policy Board member organization
- City of Apple Valley, Sustainable Communities sub-grantee
- City of Minneapolis, Policy Board member organization
- City of St. Paul, Policy Board member organization and Sustainable Communities sub-grantee

Attachment # 1

6

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

- Counties Transit Improvement Board, Policy Board member organization and Sustainable Communities sub-grantee
- District Energy, Sustainable Communities sub-grantee
- Family Housing Fund, Policy Board member organization
- Hennepin County, Policy Board member organization and Sustainable Communities sub-grantee
- The Itasca Project, Policy Board member organization
- Local Initiatives Support Corporation (through its Twin Cities Program), Policy Board member organization
- The McKnight Foundation, Lead Agency and Policy Board member organization
- Metropolitan Consortium of Community Developers, Policy Board member organization
- Metropolitan Council, Lead Agency and Policy Board member organization
- Minnesota Center for Neighborhood Organizing, Community Engagement Team organization
- Minnesota Housing, Policy Board member organization and Sustainable Communities sub-grantee
- Neighborhood Development Center, Policy Board member organization
- Nexus Community Partners, Community Engagement Team organization
- Northstar Rail Development Authority, Sustainable Communities sub-grantee
- Ramsey County Regional Railroad Authority, Policy Board member organization and Sustainable Communities sub-grantee
- Regional Council of Mayors, Policy Board member organization
- The Saint Paul Foundation, Lead Agency and Policy Board member organization
- Twin Cities Community Land Bank, Policy Board member organization
- Urban Land Institute - Minnesota, Policy Board member organization
- University of Minnesota, Sustainable Communities sub-grantee

III. Background

“Corridors of Opportunity” (CoO) is an initiative in the Minneapolis - Saint Paul Region to promote sustainable, vibrant, and healthy communities, using the region’s emerging transitway system as a development focus. The Metropolitan Council and a

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

broad consortium of policymakers, foundations, community organizations, and leaders will be engaged in these efforts from early 2011 through 2013. The initiative has two funding sources: (1) a Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development (HUD) and (2) funds from Living Cities, a collaboration of 22 of the nation's largest foundations and financial institutions. The Corridors of Opportunity initiative brings these two funding sources together under one vision, a combined governance and management structure, and a common set of goals.

The activities funded through HUD and Living Cities are complementary. Put simply, the HUD projects advance *strategies* for sustainable development in our region, and the Living Cities projects advance the *implementation and construction* of sustainable development. Consortium staff ensure that all of the activities within the Corridors of Opportunity initiative are carefully coordinated with one another.

The governing body of Corridors of Opportunity is a Policy Board. The Policy Board determined that the focus of our grant-funded strategies, implementation and construction would be the region's existing and emerging transitway corridors. Accordingly, it adopted the following vision for the initiative on March 30, 2011:

Transitway corridors will guide our region's growth, vitality, and competitiveness. Development along transitways will create distinctive places and strengthen local assets while increasing ridership and expanding access to jobs, affordable housing, and essential services for residents of all incomes and backgrounds.

A. Goals and Principles

On March 30, 2011, the Corridors of Opportunity Policy Board adopted the following goals that are aligned with the HUD Sustainable Communities Outcomes and Living Cities Integration Initiative goals:

- Develop a new model for transitway development by aligning transit planning and engineering with land use planning, affordable housing, workforce development and economic development.
- Engage historically-underrepresented communities in transitway planning and decision-making.

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT

May 26, 2011

- Use transitway development to expand access to jobs and affordable housing, particularly for low-income populations and people of color.
- Enhance the region's ability to compete in the global economy.
- Secure and align public, philanthropic, and private resources to attract robust private investment to the vision.
- Accelerate expansion of the transit system.
- Incorporate lessons learned from this approach to transitway planning into the Regional Plan for Sustainable Development.

The Policy Board also adopted the following six principles to guide the work of the consortium:

- **Equity:** The work of the initiative aims to advance the well-being of low-income people and families.
- **Economic Competitiveness:** The initiative will increase the region's ability to compete in the global economy and benefit local people, businesses and communities.
- **Transparency:** Active communication about our process and clarity about our results will enhance the value of our work and strengthen our inclusivity.
- **Sustainability:** An integrated approach that unites economic, environmental and equity concerns will lead to long-term solutions.
- **Collaboration:** Wedding the collective power of regional stakeholders and local community leadership to effectively address shared challenges and opportunities.
- **Innovation:** We are creative and entrepreneurial in our outlook, aiming to develop flexible solutions and practice cutting-edge thinking.

B. Regional Plan for Sustainable Development

HUD provided the Minneapolis-Saint Paul Area with a "Category 2" grant to be used for "the preparation of more detailed execution plans for an adopted Regional Plan for Sustainable Development" (Sustainable Communities Regional Planning Grant FY2010 NOFA, p. 15). It did so on the basis of our application, which focused on the components of the Metropolitan Development Guide, currently known as the Regional Development Framework, and

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

indicated that this guide is the statutory foundation of regional planning in our area and the statutory responsibility of the Metropolitan Council. It further explained that in approximately 2012, the Metropolitan Council will begin working on a 2040 Metropolitan Development Guide. As directed by state statute, this collection of documents will be the "guiding planning document for the region."

C. Sustainable Communities Grant Work Plans

The work plans for the HUD-funded portions of Corridors of Opportunity detail the objectives, team members, budget, activities, tasks, and other aspects of the 21 projects. Dozens of consortium staff members and Policy Board members developed these work plans collaboratively over a period of several months. In many cases, the consortium members consulted community members and organizations to guide and refine the development of the work plans.

The CoO Policy Board approved the work plans in a meeting on March 30, 2011. The version submitted to HUD on April 1, 2011 is found here: <http://www.metrocouncil.org/planning/COO/CoODetailedProjectWorkPlans.pdf>

Consortium staff will use the work plans to monitor the progress of the individual projects, and to coordinate interactions and connections among them. As stated in the Cooperative Agreement between HUD and the Metropolitan Council, and the Sub-recipient Agreements between the Metropolitan Council and partners, these work plans may be amended by staff in consultation with the Metropolitan Council and HUD staff. All changes must also be approved by the Metropolitan Council and HUD staff. It is anticipated that the work plans will change throughout the 3-year grant period, as the consortium responds to currently unforeseen circumstances and learns from on-going feedback.

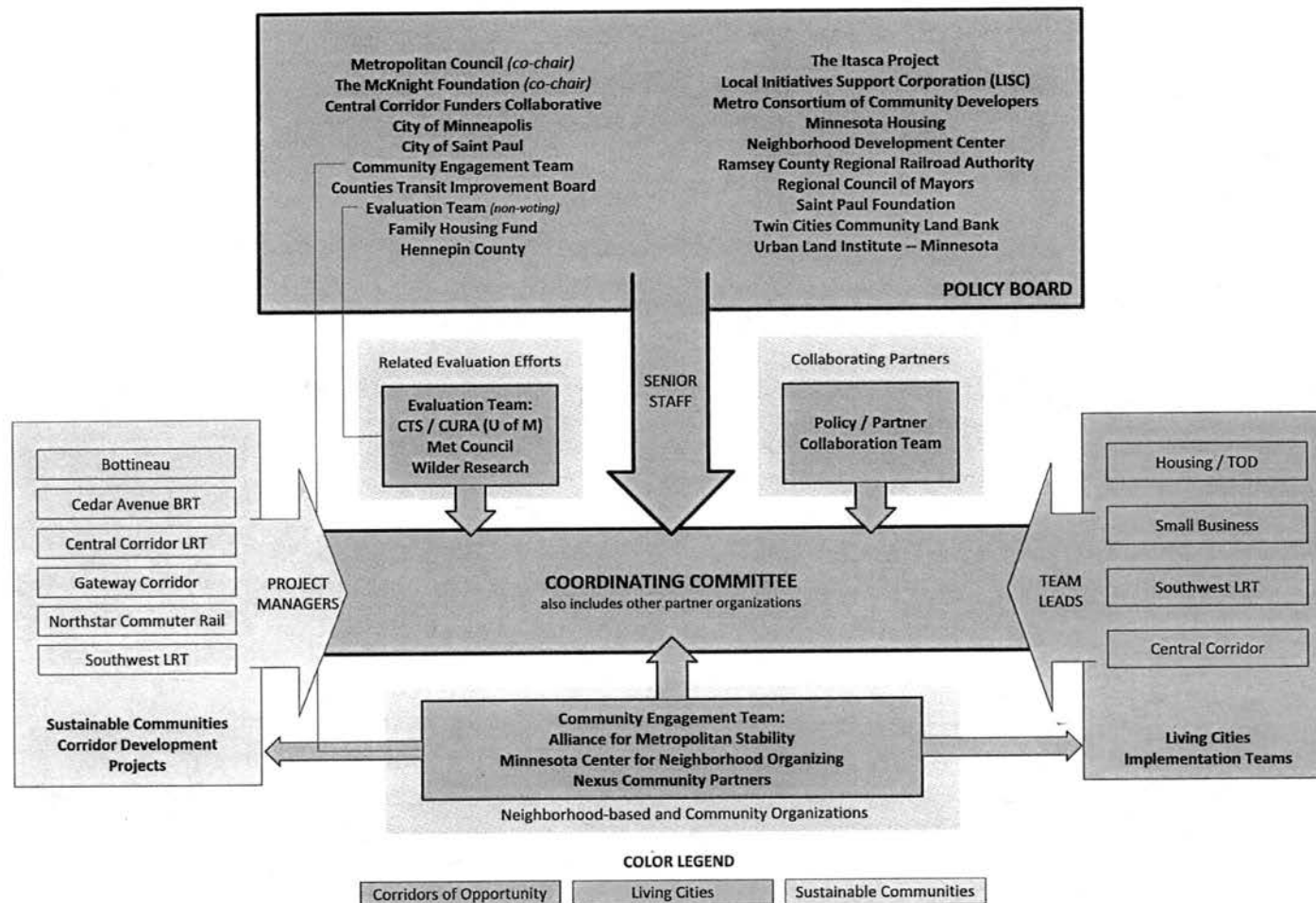
IV. Organizational Structure, Roles and Responsibilities

Dozens of organizations and hundreds of individuals are engaged in Corridors of Opportunity in pursuit of the shared vision. To achieve the maximum impact of this engagement, the consortium has created a collaborative network as described in the organizational chart below. Like the project work plans, the organizational structure of the consortium is subject to change, based on feedback of its members and the results of their work.

Corridors of Opportunity: A Partnership for Sustainable Communities in the Minneapolis - Saint Paul Region

CONSORTIUM AGREEMENT
May 26, 2011

Corridors of Opportunity Initiative



**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

A. Lead Agencies

The Metropolitan Council, the planning agency for the 7-county Minneapolis-Saint Paul region, is the lead agency for the Sustainable Communities Regional Planning Grant. The lead applicant during the application process, the Metropolitan Council now manages the \$5 million grant. Together with the McKnight Foundation, it also serves as a convener for Policy Board meetings and other events.

The McKnight Foundation and Saint Paul Foundation are the co-lead agencies for the Living Cities Integration Initiative.

A "Core Staff" team comprised of staff members from these lead agencies and others meets at least once a week and staffs the various organizational entities within the consortium.

B. Policy Board

The Corridors of Opportunity Policy Board is the primary decision-making body for the consortium. On March 30, 2011, the Policy Board adopted the following "charge" to describe its role:

1. Ensure the quality implementation of Corridors of Opportunity vision and goals, particularly including active community engagement and outreach.
2. Establish strategic direction and core principles, then authorize staff to prepare and implement action plans to carry out the work.
3. Deliberate on tough strategic policy issues.
4. Participate with a spirit of innovation and solution-driven action. Connect the dots across the region, crossing both jurisdictional boundaries and programmatic silos and bring other public, private, non-profit and voluntary leaders into the conversation.
5. Bring together the resources of the organizations represented on the Policy Board to support the implementation of the Corridors of Opportunity vision.

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

6. Be willing to undertake systems redesign, both collectively and within each participating organization's individual programs and policies.

The Policy Board is co-chaired by representatives of two lead agencies in the initiative: Susan Haigh, Chair of the Metropolitan Council, and Lee Sheehy, Director of the Region and Communities Program at the McKnight Foundation. The Policy Board is currently comprised of representatives from the following organizations:

- Central Corridor Funders Collaborative
- City of Minneapolis
- City of St. Paul
- The Community Engagement Team:
 - Alliance for Metropolitan Stability
 - Minnesota Center for Neighborhood Organizing
 - Nexus Partners
- Counties Transit Improvement Board
- Evaluation Team
- Family Housing Fund
- Hennepin County
- The Itasca Project
- Local Initiative Support Corporation (through its Twin Cities Program),
- The McKnight Foundation
- Metropolitan Consortium of Community Developers
- Metropolitan Council
- Minnesota Housing
- Neighborhood Development Center
- Ramsey County Regional Railroad Authority
- The Saint Paul Foundation

13

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT

May 26, 2011

- Twin Cities Community Land Bank
- Regional Council of Mayors
- Urban Land Institute --Minnesota

Policy Board members are expected to attend the monthly meetings carry out the Policy Board charge, uphold CoO principles, and advance CoO goals. The Policy Board makes many decisions on a consensus basis. When votes are needed to clarify a decision, they must pass on a 2/3 majority.

The Policy Board may seek new members as necessary and will respond to requests by organizations that wish to appoint a representative to the board. All new members must be approved by a 2/3 vote of the board. Criteria for evaluating prospective members of the Policy Board include (but are not limited to) the following:

1. The organization plays a leadership role in the region in an issue area closely related to sustainable development.
2. The organization has committed to fully participating in the consortium, as outlined in this agreement.
3. The organization meets a need that is not met by a current Policy Board member organization.

C. Senior Staff Coordinating Committee

A Senior Staff Coordinating Committee consisting of (1) staff members from each of the organizations represented on the Policy Board, (2) project managers from the five corridor development projects, (3) the Community Engagement Team, and (4) other partners. This committee discusses and prepares items for the Policy Board and seeks to coordinate activities within the initiative. Organizations represented on the Senior Staff Coordinating Committee commit to providing a staff member to regularly attend the meetings, which usually occur once or twice per month.

D. Evaluation Team

The Corridors of Opportunity Evaluation is intended to provide both formative/developmental and summative feedback to the Policy Board. Formative/developmental feedback will provide an ongoing stream of input and

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

information to the Policy Board as the Corridors of Opportunity Initiative unfolds and allows partners to adjust strategies according to the information received. Summative feedback will assess the outcomes and impacts of the effort. The Evaluators hope to provide information that helps the Policy Board make key policy decisions and reinforce or modify the strategic direction given to the Living Cities Working Groups and Sustainable Communities funded projects.

The Corridors of Opportunity Evaluation Team integrates funding and evaluation activities from the Living Cities Integration Initiative and the HUD Sustainable Communities Grant. Consequently, the Corridors of Opportunity Evaluation now integrates the local evaluation activities originally envisioned in the Living Cities application and the HUD grant proposal. The Living Cities Integration Initiative has a national evaluation as does the Ford Foundation Metropolitan Opportunity Program, also envisioned to leverage the Corridors of Opportunity. With the Corridors' focus on transitways, additional evaluation, analysis and data-gathering activities have now been brought into what is informally known as the Evaluation Collective, the group of local evaluators who are now regularly meeting to coordinate evaluation and minimize duplicative data-collection efforts.

E. Community Engagement Team

The Community Engagement Team seeks to ensure that underrepresented communities are engaged in the Corridors of Opportunity initiative and that leadership within these communities is developed. Its purpose is also to assure that engagement leads to systematic change in the decision-making process beyond the three-year time period of the grant. To accomplish these goals, the consortium established a Community Engagement Team (CET) to advise the consortium on matters of community engagement and on how to use these funds.

The leaders of the CET are: (1) Repa Mekha, Nexus Partners, (2) Russ Adams, Alliance for Metropolitan Stability, and (3) Margaret Kaplan, Minnesota Center for Neighborhood Organizing.

The objectives of the CET are the following:

- Advise the Policy Board on issues of equity and community engagement

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

- Develop a community based working group to advise and support the CET
- Design and implement the sub-grant process
- Build capacity of community organizations
- Support equity in engagement and leadership
- Build capacity of government agencies to engage underrepresented communities
- Conduct on-going and iterative evaluation

The CET will achieve these objectives with the support of a Metropolitan Council staff member as a coordinator, and with the assistance of an advisory board of community organization representatives.

F. Partner Collaboration Team

The Partner Collaboration Team is comprised of organizations and agencies that have a direct interest in improving the livability in the region and around transit corridors. These groups are not necessarily directly involved in the programs funded by the HUD Sustainable Communities Regional Planning Program but have experience and expertise that can significantly add to the success of the various Sustainable Communities programs. The focus of the Partner Collaboration Team is to share expertise and lessons learned that will be helpful to the programs around the multifaceted topics of affordable housing, land use and transportation infrastructure through quarterly sessions. Initially these learning community sessions will focus on information and best practices that can inform the programs as they start their work, later the sessions will include discussions of what is being learned, issues, and opportunities encountered.

G. Implementation Teams, Work Groups and Sub-committees

Specific implementation teams have been created to further the work funded through the Living Cities Integration Initiative. These teams include:

Affordable Housing/TOD Implementation Team: Led by the Family Housing Fund, this team has representation from LISC, Twin Cities Community Land Bank, ULI-Minnesota, Metropolitan Consortium of Community Developers, The Saint Paul Foundation, and top housing officials from the Cities of Minneapolis and Saint Paul, the Metropolitan Council,

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

and Minnesota Housing. The team is focused deploying the Living Cities loan resources for housing and TOD projects along the corridors as well as identifying opportunities to align resources, policies, and programs in this area.

Small Business Implementation Team: Led by Neighborhood Development Center and the Metropolitan Consortium of Community Developers, the team provides façade matching grants, technical assistance, loan-making, marketing and business support, to small businesses along the Central Corridor. The team will make small business expansion and building ownership loans with Living Cities PRI resources as well as identifying core strategies that will allow businesses to plan, survive, and thrive during major public infrastructure projects.

Southwest LRT Implementation Team: The combined work being advanced with Living Cities and HUD resources is being carried out by the Southwest Community Works Technical Implementation Committee. This team has representation from Hennepin County, ULI-Minnesota, the Metropolitan Council and the corridor cities of Minneapolis, Saint Louis Park, Hopkins, Minnetonka, Edina, and Eden Prairie. The team is focused on creating a TOD Investment Framework, furthering the integration of land use planning with project engineering, and developing a strong public-private partnership along the line.

Central Corridor Implementation Team: Convened by the Central Corridor Funders Collaborative, this team will complete and begin to implement the Central Corridor Investment Framework.

Other work groups and sub-committees will be formed on an as-needed basis, and will be dissolved when their function is complete.

V. Community Engagement and Public Input

Engaging the community is a fundamental element of Corridors of Opportunity. The primary vehicle for community engagement is through the Community Engagement Team, described above.

In addition, most projects funded under the HUD Sustainable Communities grant contain a community engagement activities or components.

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

The Policy Board meetings also provide an opportunity for public engagement. Meeting agendas and information are posted on the Metropolitan Council website. This website also includes the contact information of key CoO staff members. Interested members of the public are directed to contact these staff members with questions and comments; the staff members then either respond to the inquiry, or direct the person to whoever can best respond to the inquiry. Policy Board meetings are open to the public.

VI. Effective Date

This Consortium Agreement will become effective upon signature by the parties. The provisions of the agreement may be reviewed, as appropriate, and amended or supplemented if mutually agreed upon in writing by the parties. Unless extended by written agreement of the parties or previously terminated by agreement of a majority of the signatories, this agreement will expire at the end of the three-year grant period, on January 31, 2014.

**Corridors of Opportunity: A Partnership for Sustainable Communities
in the Minneapolis - Saint Paul Region**

CONSORTIUM AGREEMENT
May 26, 2011

VII. Signatures

By my signature below, my organization/agency becomes a signatory to the Corridors of Opportunity Consortium Agreement.

Organization/Agency

Name, Title

Signature

Date

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

SUB-RECIPIENT: Ramsey County Regional Railroad Authority		GRANT NO. SG011-031
PROJECT: Gateway Corridor Analysis of Ridership Opportunities and Issues		
CONTACT PERSON(S): Josh Olson		
SUB-RECIPIENT GRANT AMOUNT: \$150,000.00		
LEVERAGED RESOURCES: \$28,000.00		
FEDERAL AWARD NO. MNRIP0023-10	CFDA NO. 14.703	
COUNCIL ACTION: April 27, 2011	EXPIRATION DATE: January 31, 2014	

Attachment #2

SUB-RECIPIENT GRANT AGREEMENT

THIS SUB-RECIPIENT GRANT AGREEMENT ("Agreement") is between the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota ("Council") and the entity identified above as "Sub-Recipient."

WHEREAS, on behalf of a regional consortium the Council applied for and is the recipient of a \$5,000,000 Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development ("HUD") to implement the federal government's Partnership for Sustainable Communities initiative in the seven-county metropolitan area; and

WHEREAS, the Sub-Recipient's proposed project was identified as a component of the work plan contained in the application submitted by the Council and the Sub-Recipient is a subgrantee of the Sustainable Communities Regional Planning Grant; and

WHEREAS, the \$5,000,000 Sustainable Communities Regional Planning Grant is subject to a Cooperative Agreement between HUD and the Council ("Cooperative Agreement") that contains terms and conditions for HUD's 2010 Notice of Funding Availability for HUD's Sustainability Communities Regional Planning Grant Program; and

WHEREAS, the Cooperative Agreement states that each recipient and sub-recipient in a HUD Office of Sustainable Housing and Communities grant program consortium must enter into a memorandum of understanding that binds recipients and sub-recipients to the HUD award and that by doing so the entities legally bind themselves to comply with all the terms and conditions of the grant award; and

WHEREAS, at its April 27, 2011 meeting the governing body of the Metropolitan Council approved this Agreement and authorized its Regional Administrator to execute this Agreement on behalf of the Council.

NOW THEREFORE, in reliance on the above representations and in consideration of the mutual promises and covenants contained in this Agreement, the Sub-Recipient and the Council agree as follows:

20

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

I. DEFINITIONS

1.01. Definition of Terms. The terms defined in this section have the meanings given them in this section unless otherwise provided or indicated by the context.

- (a) **Cooperative Agreement.** "Cooperative Agreement" means the cooperative agreement between HUD and the Council through which the Council will receive the \$5,000,000 Sustainable Communities Regional Planning Grant from HUD. The Cooperative Agreement comprises the form HUD-1044, any special conditions, and the Cooperative Agreement Terms and Conditions. A copy of the Cooperative Agreement is attached to this Agreement as Attachment A.
- (b) **Council Action.** "Council Action" means the action or decision of the governing body of the Metropolitan Council, on the meeting date identified at Page 1 of this Agreement, by which this Agreement was approved by the Council.
- (c) **Deliverable.** "Deliverable" means in-kind and leveraged resources and physical materials or products identified in the Sub-Recipient's Work Plan or the outcomes that will result from the performance or implementation of the Sub-Recipient's Work Plan.
- (d) **Work Plan.** "Work Plan" means the Sub-Recipient's plan for addressing a specific service delivery need, and consists of designated work activities including tasks and subtasks; a timeline for completing the work; performance measures; outputs and outcomes identified to achieve the performance measures/goals; budget; and resources designated to complete the work. (Coop. Agreement, p. 5). A copy of the Sub-Recipient's Work Plan is attached to this Agreement as Attachment B.

II. PROGRAM REQUIREMENTS

2.01 HUD Flow Down Provisions. The terms and conditions of the Cooperative Agreement between HUD and the Council flow down to all tiers of subgrantees. As a subgrantee, the Sub-Recipient must comply with all applicable requirements of the Cooperative Agreement and reporting provisions as set forth in the terms and conditions of the Cooperative Agreement or as established by HUD and the Office of Management and Budget. Selected provisions of the Cooperative Agreement are stated in summary fashion in this Agreement and referenced parenthetically for emphasis. Example: (Coop. Agreement, p. 5). However, consistent with the flow down requirements of the Cooperative Agreement, all applicable terms and conditions in the Cooperative Agreement apply in their entirety to this Agreement. The Sub-Recipient must obtain a DUNS number (or update its existing DUNS record) and register with the Central Contractor Registration (CCR; www.ccr.gov) no later than 120 days after the execution of the Cooperative Agreement. (Coop. Agreement, p. 19).

2.02 Allowable Costs. HUD will reimburse the Council for the costs of performing the Work Plan on a cost-reimbursement basis which HUD determines are allowable, allocable, and reasonable in accordance with applicable federal cost principals. Accordingly, grant funds will be disbursed to the Sub-Recipient on a cost-reimbursement basis consistent with applicable federal cost principles. (Coop. Agreement, pp. 5 & 6). If the Sub-Recipient incurs costs in excess of the Total Grant Amount or incurs costs that are not allowable costs, the excess shall be borne entirely by the Sub-Recipient. HUD has reserved the right to withhold five percent (5%) of the federal grant amount pending the

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

receipt and approval of a final progress report from the Council. (Coop. Agreement, pp. 6 & 7). Accordingly, the Council reserves the right to withhold five percent (5%) of the Sub-Recipient Grant Amount pending the receipt and approval of a final progress report. The grant funds may not be used for conducting interventions, remediation, rehabilitation or other activities that will physically alter any structure or property in any way. (Coop. Agreement, p. 7).

2.03 Sub-Recipient Grant Amount. The Council will make available to the Sub-Recipient the "Sub-Recipient Grant Amount" identified at Page 1 of this Agreement which shall be funded through the Sustainable Communities Regional Planning Grant awarded to the Council by HUD. Notwithstanding any other provision of this Agreement, the Sub-Recipient acknowledges and agrees that any reduction or termination of Sustainable Communities Regional Planning Grant funds made available to the Council, or any reduction or termination of the Leveraged Resources amount identified at Page 1 of this Agreement and required under Section 2.04 of this Agreement, may result in a like reduction in the Sub-Recipient Grant Amount made available to the Sub-Recipient.

2.04 Leveraged Resources Requirement. The Sub-Recipient must match the Sub-Recipient Grant Amount by not less than the Leveraged Resources amount stated at Page 1 of this Agreement. A reduction in the Leveraged Resources amount may result in a reduction in the Sub-Recipient Grant Amount made available to the Sub-Recipient. The Sub-Recipient must notify the Council at any time the Sub-Recipient believes it will not meet its Leveraged Resources requirement by the completion of this Agreement. The Council reserves the right to withhold payment of some or all of the Sub-Recipient Grant Amount if Leverage Resources are not spent. The following are not eligible to be counted as Leveraged Resources: the expenditure of any funds identified as Leveraged Resources if the expenditure occurred prior to February 1, 2011; and the cost of any work, services or in-kind support identified as Leveraged Resources that occurred or were provided prior to February 1, 2011.

2.05 Payments to Sub-Recipient. The Sub-Recipient's receipt of Sub-Recipient Grant Amount payments is dependent on the Council's receipt of grant funding from HUD according to the terms and conditions provided in the Cooperative Agreement. The Council will make payments to the Sub-Recipient within forty-five (45) calendar days after receipt of an approved reimbursement request from the Sub-Recipient or within five (5) business days after the Council receives reimbursement through HUD's Line of Credit Control System, whichever period of time is longer. The Sub-Recipient will submit reimbursement requests according to a schedule determined by the Council. The form and content of the written reimbursement request form will be determined by the Council.

2.06 Authorized Use of Grant Funds. The Sub-Recipient Grant Amount made available to the Sub-Recipient under this Agreement shall be used only for the purposes of implementing and performing the Work Plan. The Sub-Recipient is responsible for the complete and timely performance of the Work Plan. None of the work, services or activities covered by this Agreement may be subcontracted, assigned or otherwise transferred by the Sub-Recipient without the Council's prior written approval. Grant funds not used to implement and perform the Work Plan must be returned to the Council. HUD and the federal government reserve the right to seek recovery of any grant funds that are not expended in accordance with the requirements or conditions of this Agreement and the Cooperative Agreement. (Coop. Agreement, p. 19). The cost of any Work Plan work, services or activities incurred prior to February 1, 2011 is not an authorized use of the grant funds. (Coop. Agreement, p. 20). Except for allowable costs associated with closeout activities, the Sub-Recipient shall not incur costs or obligate grant funds for any purpose pertaining to the operation of the Work

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

Plan project or program, thirty (30) days prior to the end of the period of performance. (Coop. Agreement, p. 22).

2.07 Prohibited Use of Grant Funds. The Cooperative Agreement identifies ineligible activities for which the grant funds may not be used. (Coop. Agreement, p. 23). No increment above cost, fee, or profit may be paid to the Sub-Recipient under this Agreement. (Coop. Agreement, p. 23).

2.08 Work Plan Changes. The Sub-Recipient must promptly inform the Council's Project Manager in writing when any changes to the Work Plan are anticipated. All Work Plan changes are subject to prior approval by the Council's Project Manager and the HUD Government Technical Representative. (Coop. Agreement, p. 9).

2.09 Budget. The Sub-Recipient shall incur costs in conformance with the budget presented in its Work Plan. The Sub-Recipient shall not commingle funds computed under this Agreement with any other existing or future operating accounts held by the Sub-Recipient.

2.10 Interest Earnings and Program Income. Any grant funds advanced to the Sub-Recipient must be maintained in an interest bearing account. Any interest earned as a result of the advanced funds shall be promptly returned to the Council which in turn will be returned to HUD. (Coop. Agreement, pp. 16 & 17). Any program income, including royalties, must be used to support eligible activities. (Coop. Agreement, pp. 10 & 23).

2.11 Key Personnel. The Sub-Recipient will notify the Council if it intends to change its project manager or make changes to key personnel identified in the Work Plan. (Coop. Agreement, p. 22).

III. ACCOUNTING, AUDIT AND REPORT REQUIREMENTS

3.01 Accounting and Records. The Sub-Recipient agrees to establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Council. Notwithstanding the expiration and termination provisions of Sections 4.01 and 4.02, such accounts and records shall be kept by the Sub-Recipient and maintained for a period of six (6) years following the completion of the Work Plan activities described in Attachment A or six (6) years following the expenditure of the grant funds, whichever occurs earlier. For all expenditures of grant funds received pursuant to this Agreement, the Sub-Recipient will keep proper financial records and other appropriate documentation sufficient to evidence the nature and expenditure of the Leveraged Resources required under Section 2.04. Accounting methods shall be in accordance with generally accepted accounting principles.

3.02 Audits. The above accounts and records of the Sub-Recipient shall be audited in the same manner as all other accounts and records of the Sub-Recipient are audited and may be audited or inspected on the Sub-Recipient's premises or otherwise by HUD, the Comptroller of the United States, or any of their designees, and individuals or organizations designated and authorized by the Council at any time, following reasonable notification to the Sub-Recipient, for a period of six (6) years following the completion of the Project activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes section 16C.05, subdivision 5, the books, records, documents and accounting procedures and practices of the Sub-Recipient that are relevant to this Agreement are subject to examination by the Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

3.03 Biannual and Closeout Reporting Requirements. The Sub-Recipient will submit to the Council biannual progress reports on the Work Plan activities and the expenditures of the federal grant funds. The form and content of the report will be determined by the Council and HUD. The Sub-Recipient also will submit to the Council on a biannual basis a Standard Form 425, Federal Financial Report, detailing leveraged funds or in-kind contributions, a copy of which form is attached to this Agreement as Attachment C. The Standard Form 425 must be submitted to the Council no later than five (5) calendar days after the end of each biannual period so the Council can meet its biannual reporting requirements to HUD. As part of the closeout process the Sub-Recipient will submit to the Council a final narrative and a final Standard Form 425 detailing the progress made in achieving the purpose of this subgrant and adequate documentation of the total federal funds expended in support of the Work Plan activities to achieve this purpose. The final narrative and final Standard Form 425 are due to the Council fifteen (15) calendar days prior to the end of the period of performance. All Standard Form 425s should include the Catalog of Federal Domestic Assistance ("CFDA") number (**CFDA No. 14.703**) for the Sustainable Communities Regional Planning Grant Program and the Federal Award Number (**MNRIP0023-10**) for the HUD grant funding this Work Plan.

3.04 Closeout. To the extent applicable to the Sub-Recipient's Work Plan, the Sub-Recipient will provide the Council with the following closeout documentation fifteen (15) calendar days prior to the end of the performance period:

- (a) A Narrative Final Report summarizing Work Plan activities, including significant outcomes resulting from the activities and problems encountered during the performance period;
- (b) A Federal Financial Report (SF-425) of the total grant funds expended;
- (c) A completed Property Statement;
- (d) A completed Inventions, Patents, and Copyright Statement; and
- (e) A completed Closeout Certification.

Records must be kept in a safe place and be accessible to auditors, HUD, the Comptroller of the United States, or any of their designees, and individuals or organizations designated and authorized by the Council. (Coop. Agreement, pp. 9 & 10).

3.05 Federal Transparency Act. As required, the Sub-Recipient will directly provide "subaward" data to HUD, or otherwise will assist the Council in complying with the requirements of the Federal Funding Accountability and Transparency Act of 2006. (Coop. Agreement, pp. 11 & 12).

3.06 Single Audit Transparency Transactions. As required, the Sub-Recipient will assist the Council in meeting the requirements of the federal Uniform Administrative Requirements for Grants and Agreements, and other applicable federal reporting and audit requirements. (Coop. Agreement, p. 27). The Sub-Recipient will include on any Schedule of Expenditures of Federal Awards ("SEFA") the CFDA number (**CFDA No. 14.703**) for the Sustainable Communities Regional Planning Grant Program and the Federal Award Number (**MNRIP0023-10**) for the HUD grant funding this Work Plan.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

IV. AGREEMENT TERM

4.01 Term and Period of Performance. This Agreement is effective upon execution of the Agreement by the Council. Unless terminated pursuant to Section 4.02, this Agreement expires on the Expiration Date identified at Page 1 of this Agreement. For the purposes of Sections 2.06, 3.03 and 3.04, the term "period of performance" means the project completion date stated in the Sub-Recipient's Work Plan. The period of performance may be a date earlier than the Expiration Date identified at Page 1.

4.02 Termination. This Agreement may be terminated by the Council for cause at any time upon fourteen (14) calendar days' written notice to the Sub-Recipient. Cause shall mean a material breach of this Agreement and any amendments of this Agreement. If this Agreement is terminated prior to the Expiration Date, the Sub-Recipient shall receive payment on a pro rata basis for eligible Work Plan activities described in Attachment A that have been completed prior to the termination. Termination of this Agreement does not alter the Council's or HUD's authority to recover grant funds on the basis of a later audit or other review, and does not alter the Sub-Recipient's obligation to return any grant funds due to the Council or HUD as a result of later audits or corrections.

4.03 Amendment. Subject to HUD approval, this Agreement may be amended by written agreement signed by authorized representatives of the Council and the Sub-Recipient. The period of performance (but not the Expiration Date) may be modified without a formal amendment by written approval of the Council's authorized representative.

V. GENERAL PROVISIONS

5.01 Environmental Review. Any Sub-Recipient Work Plan activities that involve site control or acquisition are subject to HUD environmental review under Title 24 Code of Federal Regulations Part 50. (Coop. Agreement, pp. 15 & 16).

5.02 Copyrights. HUD reserves a royalty-free, non-exclusive, an irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for federal government purposes: (a) the copyright in any work developed under this Agreement; and (b) any rights of copyright to which the Sub-Recipient purchases ownership with the grant funds. (Coop. Agreement, p. 13).

5.03 Data Collection and Confidentiality. The Sub-Recipient will comply with the applicable provisions of the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13) as well as the applicable provisions of federal laws and HUD regulations governing the collection of data. (Coop. Agreement, p. 10). If the Sub-Recipient Work Plan includes services for "program beneficiaries," the Sub-Recipient must maintain confidential files on the program beneficiaries served. (Coop. Agreement, pp. 12 & 13).

5.04 Fair Housing and Civil Rights Laws. The Sub-Recipient represents, warrants, and certifies that it will comply with all applicable federal statutes, regulations, and requirements relating to non-discrimination and equal opportunity identified in HUD's regulations at Title 24 Code of Federal Regulations section 5.105(a). (Coop. Agreement, pp. 17 & 18).

5.05 Conflict of Interest. The members, officers and employees of the Sub-Recipient shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

5.06 Liability. The Sub-Recipient and the Council shall be responsible for their own acts or omissions. Neither the Council nor the Sub-Recipient (to the extent applicable to the Sub-Recipient) waives any immunities or limits on liability provided by Minnesota Statutes chapter 466, or other applicable state or federal law.

5.07 HUD Involvement. HUD intends to have substantial involvement in the review, development, and approval of all aspects of the work plans and activities funded under the Cooperative Agreement, including the performance of the Sub-Recipient's Work Plan. (Coop. Agreement, p. 19).

5.08 Inspector General Referrals. The Sub-Recipient shall promptly refer to an appropriate inspector general any credible evidence that a principal, employee, agent, contractor, subcontractor or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. (Coop. Agreement, p. 20).

5.09 Limitations on Consultant Payments. The grant funds may not be used to pay or to provide reimbursement for payment of a consultant's salary during any one-year period at a rate more than the equivalent of General Schedule 15, Step 10 base pay. (Coop. Agreement, p. 20). As of the date of this Agreement, the annual salary limit for one individual consultant is \$129,000.

5.10 Limitation on Payments to Influence Certain Federal Transactions. No grant funds may be used to pay any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any "covered Federal actions." (Coop. Agreement, pp. 20 & 21).

5.11 Publications and New Releases. The results of the Work Plan may be made available to the public through dedication, assignment by HUD, or other means, as HUD shall determine. All interim and final reports and any other specified deliverables shall be owned by the federal government and held for the benefit of the public which shall include the Council and the Sub-Recipient. Sub-Recipient publications and news releases are subject to other HUD terms and conditions stated in the Cooperative Agreement. (Coop. Agreement, p. 24).

5.12 Contractors and Subcontractors. The Sub-Recipient shall include in any subgrant, contract or subcontract for Work Plan activities appropriate provisions to ensure subgrantee, contractor and subcontractor compliance with all applicable state and federal laws, this Agreement and the Cooperative Agreement.

5.13 Contact Persons and Project Managers. Allison Brummel is the Council's contact person and project manager for the purposes of administering this Agreement. Payment request forms, written reports and correspondence submitted to the Council pursuant to this Agreement shall be directed to:

Metropolitan Council
Allison Brummel, Project Manager
Sustainable Communities Regional Planning Grant
390 Robert Street North
Saint Paul, Minnesota 55101-1805
allison.brummel@metc.state.mn.us
651.602.1363

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

The Sub-Recipient's contact person(s) is identified at Page 1 of this Agreement. If the Sub-Recipient's contact person changes, the Sub-Recipient must notify the Council's project manager. Nothing in this Agreement will be deemed to authorize the Council's or the Sub-Recipient's contact persons or project managers to execute amendments to this Agreement on behalf of their respective organizations.

5.14 Non-Assignment. This Agreement is not assignable and shall not be assigned by the Sub-Recipient or the Council.

5.15 Attachments. The following Attachments are incorporated into and are made a part of this Agreement:

Attachment A - Cooperative Agreement provisions governing the \$5,000,000 Sustainable Communities Regional Planning Grant from HUD.

Attachment B - Sub-Recipient Work Plan.

Attachment C - Federal Financial Report - Standard Form 425.

5.16 Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Sub-Recipient and on behalf of the Council represent and warrant on the Sub-Recipient's and the Council's behalf respectively that the individuals are duly authorized to execute this Agreement on the Sub-Recipient's and the Council's behalf respectively and that this Agreement constitutes the Sub-Recipient's and the Council's valid, binding and enforceable agreements.

IN WITNESS WHEREOF, the Sub-Recipient and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

SUB-RECIPIENT

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

METROPOLITAN COUNCIL

By: _____

Patrick P. Born
Regional Administrator

Date: _____

27

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT A

SIGNED COOPERATIVE AGREEMENT GOVERNING THE \$5,000,000 SUSTAINABLE
COMMUNITIES REGIONAL PLANNING GRANT FROM HUD



Metropolitan Council

January 28, 2011

John Malcom Smith, Grant Officer
U.S. Department of Housing and Urban Development
Office of Sustainable Housing and Communities
451 7th Street, Suite 10180, SW
Washington, DC 20024

Dear Mr. Smith,

Enclosed are three copies of our grant agreement, MNRIP0023-10, signed by the Regional Administrator of the Metropolitan Council, Thomas H. Weaver. Please contact Allison Brummel, Program Manager, at 651-602-1363 or allison.brummel@mtcc.state.mn.us if you have any questions or comments. We look forward to working with HUD on this exciting initiative.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Starling".

Elizabeth Starling
Assistant Director, HUD Sustainable Communities Program

www.metrocouncil.org

390 Robert Street North • St. Paul, MN 55101-1805 • (651) 602-1000 • Fax (651) 602-1550 • TTY (651) 291-0904

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30

Assistance Award/
Amendment

U.S. Department of Housing
and Urban Development

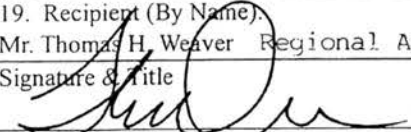
Office of Administration

1. Assistance Instrument ☒ Cooperative Agreement ☐ Grant		2. Type of Action ☒ Award ☐ Amendment	
3. Instrument Number MNRIP0023-10	4. Amendment Number	5. Effective Date of this Action February 1, 2011	6. Control Number
7. Name and Address of Recipient Metropolitan Council 390 Robert Street North St. Paul, MN: Minnesota 55101-1805 Phone: 651-602-1441 Fax:		8. HUD Administering Office HUD, Office of Sustainable Housing and Communities 451 Seventh Street, SW Room 10180 Washington, DC 20410	
10. Recipient Project Manager Mark VanderSchaaf, Director, Planning and Growth Management		8a. Name of Administrator J. Malcom Smith	8b. Telephone Number
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		9. HUD Government Technical Representative Steve Cerny, 202-402-5097, Steve.A.Cerny@hud.gov	
12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearing House		13. HUD Payment Office CFO National Accounting Center 801 Cherry Street Unit #45, Suite 2500 Fort Worth, TX 76102	
14. Assistance Amount Previous HUD Amount \$ 0.00 HUD Amount this action \$ 5,000,000.00 Total HUD Amount \$ 5,000,000.00 Recipient Amount \$ 8,907,875.00 Total Instrument Amount \$ 13,907,875.00		15. HUD Accounting and Appropriation Data 15a. Appropriation Number 860/20162 15b. Reservation Number Amount Previously Obligated \$ 0.00 Obligated by this action \$ 5,000,000.00 Total Obligated \$ 5,000,000.00	
16. Description Employer Identification Number: 41-600-8898 Program: SCRPG			

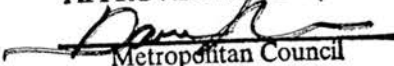
This instrument sets for the agreement between the parties as to all terms and conditions, amounts, tasks, and period of performance. By signing this award document, the Grantee certifies that it is in compliance with all administrative and financial provisions of this award. This grant instrument consists of the following, some of which are incorporated by reference:

1. HUD-1044 and HUD-1044 Continuation Sheets
2. Grant Agreement Terms and Conditions
3. HUD 424-CBW, Total Budget Summary
4. Grant Deliverables (See HUD 1044 Continuation Sheet)
5. Work Plan/Logic Model (Tasks within Work Plan are considered deliverables)
6. OMB Circular A-87, A-133 and A-102, which is incorporated at 24 CFR Part 85
7. Notice of Funding Availability (75 Federal Register 37458, Dock No. FR-5396-N-03, Doc No. 2010-15717)

Period of Performance is from February 1, 2011 to January 31, 2014 (36 months)

17. Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office. ☒		18. Recipient is not required to sign this document. ☐	
19. Recipient (By Name): Mr. Thomas H. Weaver Regional Administrator Signature & Title:  Date: 1-23-11		20. HUD (By Name): John Malcom Smith, Grant Officer Signature & Title: _____ Date: _____	
Previous editions are obsolete		form HUD 1044 (8/90) ref. Handbook 2210.17	

APPROVED AS TO FORM:


Metropolitan Council
Office of General Counsel

31

HUD 1044 CONTINUATION SHEET 1

INSTRUMENT NO: MNRIP0023-10

	HUD	Match/Leverage
1. <u>BUDGET</u>	<u>Amount</u>	<u>Amount</u>
Direct Labor	\$ 231,817.00	\$ 1,486,365.00
Fringe Benefits	\$ 97,363.00	\$ 0.00
Travel	\$ 17,400.00	\$ 0.00
Equipment	\$ 0.00	\$ 0.00
Supplies/Materials	\$ 0.00	\$ 0.00
Consultants	\$ 2,053,419.00	\$ 10,000.00
Contracts/Subcontracts	\$ 2,600,000.00	\$ 7,411,510.00
Construction	\$ 0.00	\$ 0.00
Other Direct Cost	\$ 0.00	\$ 0.00
Indirect Cost	\$ 0.00	\$ 0.00
TOTAL	\$5,000,000.00	\$ 8,907,875.00

If the grantee's match/leverage contribution is less than **\$8,907,875.00**, the Government reserves the right to negotiate new line items and/or amounts to satisfy the grantee's requirement, or to reduce the Government's share proportionally. The grantee shall notify HUD at any time it believes it will not meet its match requirement. In addition, the grantee shall obtain HUD approval regarding any changes concerning the intended use of matching funds. If the grantee exceeds the dollar amount shown above, there will be no impact on the Federal share.

2. AMOUNT OF COST SHARE

The estimated cost for the performance of this grant is \$5,000,000.00. HUD shall not be obligated to reimburse the Metropolitan Council in excess of \$5,000,000.00. The Grantee agrees to bear without reimbursement from HUD \$5,000,000.00 of the total costs. However, in the event that the Grantee incurs cost in excess of the total estimated project cost of \$5,000,000.00; all such excess costs shall be borne entirely by the Grantee.

3. DELIVERABLES IN ACCORDANCE WITH THE NOFA AND APPROVED WORK PLAN AND LOGIC MODEL

- A) **Final and approved work plan** (60 days after the effective date of the award)
- B) **Logic Model** (60 days after the effective date of the award)
- C) **Outreach to Public Housing Authorities** (60 days after the effective date of the award)
- D) **Signed and GTR-approved Consortium Agreement** (120 days after the effective date of the award) that at the minimum must include the following organizations:

Partnership(s)

- City of Saint Paul, MN
- City of Minneapolis, MN
- City of Apple Valley
- City of Hopkins
- Ramsey County, MN
- Hennepin County, MN

HUD 1044 CONTINUATION SHEET 2

- The McKnight Foundation
- Minnesota Housing Finance Agency (State government)
- Central Corridor Funder Collaborative
- NorthStar Corridor Development Authority

- E) **Comprehensive Sustainable Communities Regional Plan** (24-36 months)
F) Commitment to participate in performance measurement and evaluation conducted by third party.
G) Activities pertaining to the Regional Analysis of Impediments

4. INDIRECT COST RATE

N/A

5. KEY PERSONNEL

Name	Title	% of time on the grant
Mark Vander Schaaf	Project Director	40%
Allison Brummel	Program Manager	100%
Libby Starling	Research Manager	20%

6. PERIOD OF PERFORMANCE

36 months

7. AUDIT INFORMATION

The *Metropolitan Council* submitted an audit report conducted by Federal Audit Clearinghouse for the year ending December 31, 2009. The audit report attests to "Metropolitan Council's" practice of generally accepted accounting principles and compliance with laws and regulations relating to government auditing standards. The internal control structure has been reviewed in accordance with OMB Circular A-133 and found to be in non-compliance with requirements that are applicable to certain of its major federal programs.

8. SPECIAL CONDITIONS

Environmental Review, Activities that involve site control or acquisition are subject to HUD environmental review under 24 CFR Part 50. For projects involving these activities, HUD's notification of award constituted only a preliminary approval by HUD subject to the completion of an environmental review of the proposed site(s). Selection for participation and the execution of this *Agreement* do not constitute approval of the proposed site(s). Each proposal involving site control or acquisition is subject to a HUD environmental review, and the Grantee's proposal may be modified or the proposed sites rejected as a result of that review. The Grantee shall not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

U.S. Department of Housing and Urban Development
Office of Sustainable Housing And Communities

COOPERATIVE AGREEMENT PROVISIONS

TABLE OF CONTENTS

I. GENERAL

- Overview of Award Implementation
- Purpose
- Definitions

II. PROGRAM REQUIREMENTS

- Allowable Costs
- Administrative Requirements
- Advance Payment by Treasury Check or Electronic Funds Transfer
- Amendments
- Amount of Cost Share (Estimated Cost and Payment – Leveraging)
- Budget
- Central Contractor Registration (CCR)
- Certifications and Assurances
- Changes
- Closeout
- Collection of Data
- Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act)
- Conduct of Work
- Confidentiality
- Consortia Agreement
- Contact Information Updates
- Copyrights
- Default and Disputes
- Deliverable Products
- DUNS Number (Dun and Bradstreet Data Universal Numbering System)
- Environmental Review
- Equipment
- Estimated Cost and Payment - Line of Credit Control System (LOCCS)
- Fair Housing and Civil Rights Laws
- Flow Down Provisions
- HUD's Right to Audit and Disallow and Recover Funds
- HUD's Substantial Involvement
- Incurrence of Costs
- Indirect Costs
- Inspection and Acceptance
- Inspector General Referrals

- Limitation of Consultant Payments
- Limitation on Payments to Influence Certain Federal Transactions
- Lobbying Activities Prohibition
- Management and Work Plan
- Monitoring
- Order of Precedence
- Patent Rights (Small Business Firms and Nonprofit Organizations)
- Period of Performance and Extensions and Incurring Costs or Obligating Federal Funds Beyond the Expiration Date
- Personnel
- Profit/Fee
- Program Income
- Prohibited Use of Funds
- Publications and News Releases
- Reporting
- Reproduction of Reports
- Review of Deliverables
- Scope of Services
- Single Audit Transparency Transactions Listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-recipients.
- Special Conditions
- Sub-recipient Monitoring and Management
- Whistleblower Protection

I. GENERAL

Overview of Award Implementation

This cooperative agreement/grant (also referred to as *Agreement*) is between the Grantee (*Recipient*) identified in Block 7 of the form HUD-1044, and the U.S. Department of Housing and Urban Development. The award agreement consists of the form HUD-1044, any special conditions, and these Cooperative Agreement Terms and Conditions.

In signing this *Agreement*, the Grantee agrees to comply with all the requirements and conditions contained herein.

The provisions of the Notice of Funding Availability (NOFA) are hereby incorporated into this *Agreement*.

The Grantee's rights under this *Agreement* may not be assigned without the prior written approval of HUD.

The Grantee shall complete and submit a revised management and work plan with Logic Model, Deliverables/Outcomes and Budget within 60 calendar days after the effective date of the grant. These revisions shall update the general/basic plan submitted with the proposal and include any changes to the proposed work plan, budget, performance measures and deliverables, negotiated between HUD and the grantee. These revisions should be developed according to the instructions provided by the HUD Government Technical Representative identified on the form HUD-1044. Should you not address these specific issues, your grant may be terminated on the basis of failure to conclude negotiations or to provide HUD with requested information, in accordance with the General Section of the NOFA for which you applied.

Purpose

The purpose of this *Agreement* is as stated in the "Purpose of the Program" section of the NOFA.

Definitions

"Cooperative Agreement" means an agreement in which the Federal Government provides funding authorized by public statute where the government plays a substantial role in assisting the funding recipient.

"Equipment" means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

"Grant/Cooperative Officer" (Grant Officer) means the HUD individual who is responsible for processing and executing grant award, change in key personnel, change of scope, budget transfers, change of period of performance, and other administrative changes that would require a modification to the agreement. This term also refers to designated HUD Officials authorized to execute and/or administer this grant.

"Government Technical Representative (GTR)" means the HUD individual who is responsible for the technical administration of the grant, the evaluation of performance under the grant, the acceptance of technical reports or projects, and other such specific responsibilities as may be stipulated in the grant.

"Government Technical Monitor (GTM)" means the individual responsible for assisting a Government Technical Representative (GTR) in the latter's performance of his/her duties. The GTM is also the responsible individual that will comply with the Office of Sustainable Housing and Communities devolution of authority under our Continuity of Operations Plan (COOP). Should the National Capital Region become non-operational due to emergency conditions, the approval of vouchers and the authority to pay vouchers will transfer to the GTM until such time as the designation is lifted. The Government Technical Representative (GTR) will continue to be the point of contact for day-to-day management issues and responsibilities described above. In a state of emergency, HUD reserves the right to designate a GTR for COOP purposes.

"Grantee" as used herein refers to the recipient of this cooperative agreement.

"NOFA" means the Notice of Funding Availability, which announced the availability of funding for this grant.

"OSHC" means the HUD Office of Sustainable Housing and Communities, or its successor Office, if any.

"Publication" includes: (a) any document containing information for public consumption; or (b) the act of, or any act which may result in, disclosing information to the public.

"Recipient" means any entity other than an individual that received grant funds in the form of a grant, cooperative agreement or loan directly from the Federal government.

"Subaward" means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which the recipient received this award and that:
 - a. The recipient awards to an eligible sub-recipient; or
 - b. The sub-recipient at one tier awards to a sub-recipient at the next lower tier.
2. The term does not include the recipient's procurement of property and services needed to carry out the project or program (see, generally, § 210 of the

attachment to OMB Circular A-133 (2 CFR Part 180), "Audits of States, Local Governments, and Non-Profit Organizations").

3. A subaward may be provided through any legal agreement, including an agreement that the recipient or a sub-recipient considers a contract.

"Sub-recipient" means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary to such a program. The sub-recipient may also be a recipient of other Federal awards directly from the Federal awarding agency. Guidance on distinguishing between a sub-recipient and a vendor is provided in §__.210 of OMB Circular A-133 (2 CFR Part 180).

"Total Instrument Amount" is the amount under line item 14 of the HUD Form-1044 (Total Instrument Amount).

"Work Plan" refers to the Grantee's plan for addressing a specific service delivery need, and consists of designated work activities including tasks and subtasks as required by the program office; a timeline for completing the work; performance measures; outputs and outcomes identified to achieve the performance measures/goals; budget; and resources designated to complete the work.

II. PROGRAM REQUIREMENTS

Allowable Costs

This is a cost reimbursement award; the Grantee shall be reimbursed for certain costs, as described below, incurred in the performance of work in an amount not to exceed the obligated amount shown in block 15 on the Assistance Award Form (form HUD-1044). In the event the Grantee incurs costs in excess of the prescribed amount, the excess shall be borne entirely by the Grantee.

HUD shall reimburse the Grantee for costs incurred in the performance of this award which are determined by the GTR and the Grant Officer to be allowable, allocable, and reasonable in accordance with applicable Federal cost principles as follows:

Cost Principles for State, Local, and Indian Tribal Governments	OMB Circular A-87	Relocated to 2 CFR, Part 225; http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
Cost Principles for Non-profit Organizations	OMB Circular A-122	Relocated to 2 CFR, Part 230; http://www.whitehouse.gov/omb/fedreg/2005/083105_a122.pdf
Cost Principles for Educational Institutions	OMB Circular A-21	Relocated to 2 CFR, Part 220; http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf
Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations	OMB Circular A-110	Relocated to 2 CFR Part 215; http://www.whitehouse.gov/omb/fedreg/2005/083105_a110.pdf
Audits of States, Local Governments, and Non-Profit Organizations	OMB Circular A-133	Relocated to 2 CFR Part 180; http://www.whitehouse.gov/omb/fedreg/2005/083105_a133.pdf
Cost Principles for Commercial/For-profits	Federal Acquisition Regulations at 48 CFR Part 31.2	http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200948

Direct Costs are the allocable portion of allowable costs incurred directly for the purposes of the grant. Detailed explanations of direct costs are provided in applicable OMB Circulars (A-21 (2 CFR Part 220), Cost Principles for Educational Institutions, A-87 (2 CFR Part 225), Cost Principles for State, Local, and Indian Tribal Governments, or A-122 (2 CFR Part 230), Cost Principles for Nonprofit Organizations, as applicable) that can be accessed at the White House website, www.whitehouse.gov/omb/circulars_default

Administrative Requirements

For non-profits, awards will be governed by:

- 24 CFR Part 84, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
<http://ecfr.poaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a0f201e9fd6fec5af8e07d6e0eedf957&rgn=div5&view=text&node=24:1.1.1.1.38&idno=24>
- OMB Circular A-133 (2 CFR Part 180), Audits of States, Local Governments, and Non-Profit Organizations; and
- These grant provisions.

For State and local governments, awards will be governed by:

- 24 CFR Part 85, Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a0f201e9fd6fec5af8e07d6e0eedf957&rgn=div5&view=text&node=24:1.1.1.1.39&idno=24>
- OMB Circular A-133 (2 CFR Part 180), Audits of States, Local Governments, and Non-Profit Organizations; and
- These grant provisions.

Advance Payment By Treasury Check Or Electronic Funds Transfer

Advance payments by Treasury check or electronic funds transfer are hereby authorized under this grant. A Grantee that is subject to existing State program accreditation requirements may request an advance payment in writing, if applicable. HUD may provide to the Grantee a one-time cash advance that shall not exceed 10 percent of the grant amount, and shall be limited to the minimum amount needed for the actual, immediate cash requirements of the Grantee in carrying out the start up activities of this agreement and as agreed to by the Grant Officer. Neither these HUD funds nor non-HUD funds may be used for conducting interventions, remediation, rehabilitation, renovation or other activities that would physically alter any structure or property in any way. Refer to 24 CFR 58.34(a) for a list of exempt activities.

Amendments

This grant may be modified at any time by written amendment. Amendments, which reflect the rights and obligations of either party, shall be executed by both HUD (the Grant Officer) and the Grantee. Administrative amendments, such as changes in appropriation data, may be issued unilaterally by the Grant Officer.

Amount of Cost Share (Estimated Cost And Payment – Leveraging) (See Block 14 of form HUD-1044)

The estimated cost for the performance of this grant is the “**Total Instrument Amount**”.

The Grantee shall be reimbursed by HUD for costs incurred in the performance of this grant. HUD shall not be obligated to reimburse the Grantee in excess of the “**Total HUD Amount**”. HUD reserves the right to withhold five-percent (5%) of the Federal grant amount pending the receipt and approval of a final progress report. See clause entitled “Final Report” for more information. The proposed contribution to supplement HUD funds is the “**Recipient Amount**.” The Grantee agrees to bear without reimbursement by HUD the “**Recipient Amount**” of the total costs. The Grantee is not obligated to contribute more than the “**Recipient Amount**”. However, the Grantee shall be solely responsible for any costs in excess of the estimated cost of the “**Total Instrument Amount**”.

The Grantee must satisfy all leveraging requirements in the NOFA. If the Grantee's actual leveraging contribution is less than "**Recipient Amount**" under Block 14 of the HUD 1044, the Government reserves the right to negotiate new line items and/or amounts to satisfy the Grantee's leveraged funds requirement, or to reduce the Government's share proportionally. The Grantee shall notify the Government at any time it believes it will not meet its leveraged funds requirement by the completion of the grant. If the Grantee exceeds the leveraged amount, there will be no impact on the Federal share. HUD reserves the right to withhold payments if leveraged funds are not spent.

Any funds requested by the Grantee shall be requested in accordance with the clause entitled, "Estimated Cost and Payment - Line Of Credit Control System (LOCCS)."

HUD reserves the right to withhold payment if leveraged resources are not spent.

Budget

The Grantee shall incur costs in conformance with the original or negotiated budget, presented with the proposal for this grant. The Grantee shall not commingle any funds computed under this grant with any other existing or future operating accounts held by the Grantee.

If the Grantee has been contacted to submit documents to support the application that were not received prior to the execution of this grant, the Grantee will not be allowed to draw down funds in excess of 10% of the federal amount, until such time that the requirements have been met. HUD reserves the right to terminate an award if the required documents are not provided within 1 month from the date the written request was made.

Standard Form 425, Federal Financial Report, detailing leveraged funds or in-kind contributions shall be submitted on a quarterly basis. As part of the closeout process a final narrative and a final Standard Form 425 detailing the progress made in achieving the purpose of the grant and adequate documentation of the total federal funds expended in support of the activities to achieve this purpose are due to the GTR 30 days prior to the end of the period of performance (See clause entitled "Closeout").

The Federal Financial Report (Standard Form 425) shall be submitted on a quarterly basis and is due 10 days after the end of each quarter.

Central Contractor Registration (CCR)

Recipients and their first-tier sub-recipients must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards.

Certifications and Assurances

The certifications and assurances submitted in the Grantee's application are hereby incorporated into this agreement. They include:

- Standard Form 424 or HUD 424, Application for Federal Assistance
- Certification and Disclosure Form Regarding Lobbying (SF-LLL)
- Applicant/Recipient Disclosure Update Report (HUD-2880)
- Certification Regarding Parties Excluded From Procurements
- Certification Prohibiting Excessive Force Against Non-Violent Civil Rights Demonstrators
- Certification/Disclosure Regarding federal Debt
- Certification Regarding a Drug-Free Workplace
- Codes of Conduct and Conflict of Interest

A grantee must notify the GTR of any changes in the status or information on the above items.

Changes

In accordance with 24 CFR 85.30 or 84.25, as applicable, Grantees or sub-grantees must obtain the prior approval of the awarding agency whenever any programmatic changes are anticipated, including but not limited to the following:

- a) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).
- b) Budget revisions that are 10% or more of the cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed 10% of the current total approved budget, whenever the awarding agency's share exceeds \$100,000.
- c) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.
- d) Under non-construction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities, which are central to the purposes of the award.

Closeout

The Grantee shall provide the Grant Officer with closeout documentation 30 days prior to the end of the performance period, consisting of the following five elements:

- Narrative Final Report summarizing activities conducted under the award, including significant outcomes resulting from the activities and problems encountered during the performance period;
- Federal Financial Report (SF-425) of the total Federal Funds expended;

- Completed Property Statement;
- Completed Inventions, Patents, and Copyright Statement; and
- Completed Closeout Certification.
- Final Logic Model Report.

HUD will notify the Grantee in writing when the grant is closed. The Grantee has three areas of continuing responsibility after closeout of the grant:

- Records and materials must be kept in a safe place and be accessible to auditors and other government officials for three years after the grantee and all subgrantees/subcontractors make final payments and all other pending matters are closed. (If the grant is covered by 24 CFR Part 84, see related record retention requirements in 24 CFR 84.85(c)(2).) This requirement also extends to all subcontracts the Grantee has executed.
- Accountability for property continues as long as the Grantee holds the property, or for the period of time established by the agreement. Disposal of property must be in accordance with the rules established in the Property Management Standards referred to in the award. Program income, including royalties, must be used to support eligible activities.
- Notification to the Grant Officer if, at any time during the three-year period after project completion, the Grantee organization is discontinued or changes location. The Grant Officer should be notified immediately of the new address or the address of the party retaining all records.

Collection Of Data

Collection of data from ten or more respondents and sponsored by HUD shall be subject to the Paperwork Reduction Act (44 U.S.C. 3501— 3520). If a survey instrument for a collection of data sponsored by HUD is proposed, it will be subject to review and approval by the Office of Management and Budget (OMB). Such review and approval must be obtained prior to the use of the survey instrument. Also, a time element is involved here, which may considerably lengthen the time required for completion of the project proposed. Careful consideration should be given to any proposal, which requires the use of a survey or other information collection sponsored by HUD. The collection of data is deemed to be sponsored by HUD only under the following conditions (5 CFR 1320.3):

- a) The Grantee is conducting the collection of information at the specific request of HUD; or
- b) The terms and conditions of the grant require specific approval by HUD of the collection of information or collection procedures. Note that if the Grantee decides on its own to collect information and it does not need HUD approval to do so, then HUD is not the "sponsor" of the information collection.

Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act)

Applicants receiving an award from HUD should be aware of the requirements of the Transparency Act. The Transparency Act requires the establishment of a central website that makes information available to the public regarding entities receiving federal financial assistance, by not later than January 1, 2008. In fulfillment of the requirements of the Act, OMB launched <http://www.USAspending.gov> in December 2007. The website makes information available to the public on the direct awards made by the federal government. The Transparency Act also requires, beginning not later than January 2009, that data on subawards be made available on the same website.

In anticipation of the implementation of this requirement, HUD is placing awardees of its FY2010 competitive funding on notice of these requirements and that, once implemented, grantees will be required to report their subaward data to HUD or a central federal database. The only exceptions to this requirement under the Transparency Act are:

- 1) Federal transactions below \$25,000;
- 2) Credit card transactions prior to October 1, 2008;
- 3) Awards to entities that demonstrate to the Director of OMB that the gross income of such entity from all sources did not exceed \$300,000 in the previous tax year of such entity; and
- 4) Awards to individuals. Guidance for receiving an exception under item (3) above has not been finalized by OMB.

HUD is responsible for placing award information for direct grantees on the government website. The reporting of subaward data is the responsibility of the grantee. Grantees should be aware that the law requires the information provided on the federal website to include the following elements related to all subaward transactions, except as noted above:

- 1) The name of the entity receiving the award;
- 2) The amount of the award;
- 3) Information on the award, including the transaction type, funding agency, the North American Industry Classification System (NAICS) code or Catalog of Federal Domestic Assistance (CFDA) number (where applicable), program source, and an award title descriptive of the purpose of each funding action;
- 4) The location of the entity receiving the award and primary location of performance under the award, including the city, state, congressional district, and country;
- 5) A unique identifier of the entity receiving the award and of the parent entity of the recipient (the DUNS number), should the entity be owned by another entity; and
- 6) Any other relevant information specified by OMB.

HUD expects OMB to issue further guidance on subaward reporting. Based on preliminary input from the various federal agencies, applicants should be aware that consideration is being given to requiring the disclosure of additional data elements to help track

the flow of funding from the original federal award. Such data elements under consideration include the tier at which the subaward was made, the federal award number issued to the direct awardee, the dollar amount of the federal award emanating from the direct award going to the subawardee, as well as the total subaward amount, which could include funds from other sources, and registration in the CCR. Additional information regarding these requirements when determined will be provided when available. Subawardees and direct awardees should always use an Employer Identification Number (EIN) when registering with CCR, not a Social Security Number, to ensure personal information and data is protected. To obtain an EIN, go to <http://search.irs.gov/web/query.html?col=allirs&charset=utf-8&qp=&q=-Wct%3A%22Internal+Revenue+Manual%22&qc=&qm=0&rf=0&oq=&qt=form+SS4>.

To obtain form SS-4, Application for Employer Identification Number, and if you need assistance in completing the SS-4, you can contact the IRS helpline at 800-829-4933. The helpline is open from 7a.m. to 10 p.m. your local time (Alaska and Hawaii follow Pacific Time), Monday to Friday, except federal holidays.

Conduct of Work

During the effective period of this grant, the GTR and/or the GTM identified in Block 9 of the HUD-1044 shall be responsible for monitoring the technical effort of the Grantee, unless the Grantee is notified in writing by the Grant Officer of a replacement.

Only the Grant Officer has the authority to authorize deviations from this grant, including deviations from the Work Plan. In the event the Grantee does deviate without written approval of the Grant Officer, such deviation shall be at the risk of, and any costs related thereto shall be borne by, the Grantee.

Confidentiality

The service provider (e.g., the Grantee and any subgrantees, subcontractors or vendors) must maintain confidential files on individual program beneficiaries served. Recipient staff must keep paper files in a locked filing cabinet and protect all electronic files related to individual beneficiaries with a personal password.

The service providers shall maintain primary access to individual beneficiary files. Other project management staff may have access to these files only if they contain a "release of information" consent form signed by the individual beneficiary. A release of information form must clearly indicate which parties may have access to an individual beneficiary's file. Such parties might include the management staff and HUD staff. Recipient staff must only share individual beneficiary files with those parties listed on the signed form. If an individual beneficiary has not signed the consent form the parties listed may not read that individual beneficiary's file.

These categories serve as guidelines to recipient staff and management staff. The recipient must determine if the individual beneficiary's confidential information will significantly affect the safety and security of that individual or the recipient organization itself.

Consortia Agreement

This provision pertains to agreements awarded to a consortium or consortia. The designated Lead Agency is the official funding recipient. As such, the Lead Agency performs functions including the following:

- Maintaining the LOCCS account,
- Drawing down and dispersing grant funds,
- Paying related administrative expenses,
- Monitoring the work of the consortia members, and
- Submitting all required reports to the OSHC staff.

All recipients and sub-recipients in an OSHC grant program Consortium must enter into a memorandum of understanding that binds them to this award. By doing so, all entities are legally bound to comply with all the terms and conditions of the award. Should one or more parties not comply with the terms of this agreement at any time, and not be replaced by the Lead Agency, the portion of that entity's allotted award will be dropped from the award agreement. Non-lead agencies, in complying with this award agreement, are responsible for monitoring the time and work of the service providers at their site and for assuring that the Lead Agency has the proper information it needs to submit required reports to HUD and to maintain the award's LOCCS account.

Contact Information Updates

The Grantee shall inform the Grant Officer and GTR of any changes in contact information, including the organization's name, address, telephone, e-mail, and key personnel.

Copyrights

HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for Federal government purposes: (a) the copyright in any work developed under this award, sub-award, or contract awarded under this grant; and (b) any rights of copyright to which a Grantee or sub-grantee or a contractor purchases ownership with award funds.

Default and Disputes

The Grantee is in default if one or more of the following occurs:

1. Any use of award agreement funds for a purpose other than as authorized by this Agreement;

2. Any material noncompliance with Federal, State, or local laws or regulations as determined by HUD;
3. Any other material breach of this award agreement, or
4. Any misrepresentation in the application submissions which, if known to HUD, would have resulted in this award not being provided.
5. Failure to meet any reporting requirement.

If HUD determines preliminarily that the recipient is in default as described in items 1-5, above, HUD will give the recipient notice of this determination and the corrective or remedial action proposed by HUD. The recipient shall have an opportunity to demonstrate, within the time prescribed by HUD (not to exceed 30 days from the date of the notice), and on the basis of facts and data, that it is not in default, or that the proposed corrective or remedial action is inappropriate, before HUD implements the corrective or remedial action.

Where HUD determines that corrective or remedial actions by the recipient have not been undertaken as instructed, or will not be effective to correct the default and to prevent further default, HUD may take the following additional corrective and remedial actions under this award agreement:

1. Reduce the award in the amount affected by the default.
2. Take action against the recipient under 24 CFR Part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards.
3. Demand repayment of all award amounts.
4. Initiate litigation or other legal proceedings designed to require compliance with the statute, regulations, any terms or conditions of this award agreement, or other pertinent authorities.
5. Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee.
6. Withhold further payments.
7. Take any other remedial action legally available.

During performance of the grant, disagreements may arise between the Grantee and the Grant Officer on various issues. If a dispute concerning a question of fact arises, the Grant Officer shall prepare a final decision, taking into account all facts and documentation presented. The decision shall be mailed to the Grantee. The Grantee may appeal the decision in writing within thirty (30) days to the Deputy Secretary of HUD, or his or her designated representative, the Director, Office of Sustainable Housing and Communities.

Failure to comply with the requirements established in the award and these provisions, including failure to submit reports on time and in accordance with the requirements contained in these provisions, may result in HUD taking action to limit access to program funds. Actions by HUD may include, but are not limited to: requiring that reports and financial statements be submitted to the Grant Officer/GTR for approval before drawing down any funds; removing the Grantee from the eLOCCS; suspending the ability to incur costs or draw funds; and/or suspending or terminating the Grant for non-performance.

HUD may, on reasonable notice to the Grantee, temporarily suspend the award and withhold further payments pending corrective action by the Grantee. The award may be terminated in whole or in part before the end of the performance period for cause when the Grantee has failed to comply with the terms, conditions, standards, or provisions of this award. The award may be terminated for convenience when both parties agree that the continuation of the award would not produce beneficial results.

Deliverable Products

During the performance period, the recipient is required to submit to the GTR Official Work Products. These include but are not limited to progress reports; financial reports, closeout documentation; products specified in the Work Plans, such as reports for HUD and the public on activities conducted and results achieved, Logic Model reports, etc. Failure to submit required documents on time may cause the Grant Officer to take action to suspend or terminate the award.

Section 508 of the Rehabilitation Act of 1973 requires all Federal electronic and information technology to be accessible by people with disabilities. All Products of Work that will be posted on HUD's website must meet HUD's Web Publication Standards and Procedures at www.hud.gov/assist/webpolicies.cfm.

Environmental Review

This Environmental Review section applies to Category 2 Grants (Detailed Execution Plans and Programs), as described in the NOFA, for projects that involve site control or acquisition.

Activities that involve site control or acquisition are subject to HUD environmental review under 24 CFR Part 50. For projects involving these activities, HUD's notification of award constituted only a preliminary approval by HUD subject to the completion of an environmental review of the proposed site(s). Selection for participation and the execution of this *Agreement* do not constitute approval of the proposed site(s). Each proposal involving site control or acquisition is subject to a HUD environmental review, and the Grantee's proposal may be modified or the proposed sites rejected as a result of that review.

The Grantee shall not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received. An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by HUD on the desirability of the property for the project as a result of the completion of the HUD environmental review and the cost of the option is a nominal portion of the purchase price.

The Grantee shall assist HUD in complying with 24 CFR Part 50; shall supply HUD with all available, relevant information necessary for HUD to perform an environmental review for each property, as requested by HUD; and, shall carry out mitigating measures required by HUD or select alternate eligible property if required by HUD.

Equipment

When acquiring equipment, the Grantee shall comply with the requirements set forth in 24 CFR 84.34 or 24 CFR 85.32, whichever is applicable, OMB Circular A-87 (2 CFR Part 225), and OMB Circular A-122 (2 CFR Part 230).

Estimated Cost and Payment - Line Of Credit Control System (LOCCS/eLOCCS)

The Grantee shall be reimbursed for costs incurred in the performance of work under this grant in an amount not-to-exceed "**Total HUD Amount**" in Block 14 of the HUD 1044. In the event the Grantee incurs cost in excess of this amount, the excess shall be borne entirely by the Grantee.

Incurred costs shall be reimbursed through HUD's Line of Credit Control System (LOCCS) using the eLOCCS web based system. Each day LOCCS generates a payment tape for the Department of the Treasury, which disburses the payments via the Automated Clearinghouse (ACH) Payment System and a Voucher and Schedule of Payments. All payments are certified by HUD and forwarded to Treasury for processing.

Before receiving funds from the eLOCCS, the Grantee must designate a financial institution for HUD to make direct deposit payments through the ACH system. In the event the Grantee, during the performance of this grant, elects to designate a different financial institution for the receipt of any payments, notification of such change and the related information must be received by the Grant Officer 30 days prior to the date such change is to become effective.

To have access to LOCCS and the eLOCCS, the Grantee shall obtain a Security ID and Password from HUD's LOCCS Security Officer, using the form HUD-27054, LOCCS Voice Response /eLOCCS Access Authorization Form.

The Grantee shall submit the original vouchers for work performed to the GTR identified in Block 9 of the form HUD-1044. The voucher shall be supported by a detailed breakdown of the cost(s) claimed (Grantees are to use the Part 3 Financial Reporting Attachment included in Policy Guidance 2001-03). In order to assure proper payment, it is important that the voucher is in accordance with the payment amount requested through the eLOCCS. Payment requires the Grantee to go to eLOCCS and provide the Security ID number and requested information. Detailed instructions for using the LOCCS-eLOCCS were provided in HUD's Transmittal Letter for your award.

Funds advanced to the Grantee shall be maintained in an interest bearing account. Any interest earned by the Grantee as a result of the advanced funds shall be promptly returned to HUD.

All check remittances should be sent to the new Miscellaneous Lockbox as follows:

Bank of America
DHUD P.O. Box 277303
Atlanta, GA 30384-7303

If the Grantee is a State, local government or Indian Tribe, the Grantee may retain up to \$100.00 of interest earned per Grantee's fiscal year for administrative expenses (24 CFR 85.21).

If the Grantee is a University, non-profit or for profit organization, the Grantee may retain up to \$250.00 of interest earned per Grantee's fiscal year for administrative expenses (24 CFR 84.22).

State universities and hospitals shall comply with the Cash Management Improvement Act (CMIA), as it pertains to interest.

Other funds due to HUD after the end date of the grant or close-out, as a result of internal audit or other reasons, will be returned to the GTR identified in Block 9 of the form HUD-1044 of this grant.

Should the Grantee demonstrate an unwillingness or inability to establish procedures that will minimize the time elapsing between advances and disbursements, or fail to provide any required progress report in a timely manner, the authorization for advance payments may be revoked. The Grantee may then be required to finance the project with its own working capital and payment to the Grantee may be made by Treasury check to reimburse it for actual cash disbursements that are approved by the GTR.

Fair Housing and Civil Rights Laws

- a) The Grantee represents, warrants, and certifies to HUD that it shall comply with all applicable Federal statutes, regulations, and requirements relating to non-discrimination and equal opportunity identified in HUD's regulations at 24 CFR § 5.105(a), and assure such compliance of any of its sub-grantees under this Agreement, including the following:
 1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d-2000d-4) and implementing regulations at 24 CFR part 1, Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964;

2. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681:1683, 1685:1688) and implementing regulations at 24 CFR part 3, Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance;
 3. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations at 24 CFR part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development;
 4. Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*) and implementing regulations at 28 CFR part 35;
 5. The Fair Housing Act (42 U.S.C. §§ 3601-19) and implementing regulations at 24 CFR Part 100, Discriminatory Conduct Under the Fair Housing Act;
 6. Executive Order 11063, as amended by Executive Order 12259, and implementing regulations at 24 CFR part 107, Nondiscrimination and Equal Opportunity in Housing Under Executive Order 11063; and
 7. The Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107) and implementing regulations at 24 CFR part 146, Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance.
- b) The Grantee represents, warrants, and certifies to HUD that it shall administer its grant in a manner that affirmatively furthers fair housing and that, at a minimum, it shall carry out all actions to affirmatively further fair housing as proposed in its application for financial assistance under the Sustainable Communities Regional Planning Grant Program.
- c) The Grantee represents, warrants, and certifies to HUD that it shall ensure that employment, contracting, and other economic opportunities generated by the Sustainable Communities Regional Planning Grant Program shall, to the greatest extent feasible, be directed to low- and very low-income persons pursuant to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and HUD's implementing regulations at 24 CFR part 135.
- d) Grantees are required to cooperate and assist HUD in its nondiscrimination and equal opportunity compliance activities and are required to maintain and submit racial, ethnic, disability, and other demographic data pursuant to HUD's nondiscrimination and equal opportunity regulations including those at 24 CFR §§ 1.6, 8.55, 107.30, and 121.2.

Flow Down Provisions

If the Grantee contracts or subawards funds under this agreement with a person or entity to perform work under this award, the Grantee shall include in the contract or subaward agreement such provisions as may be necessary to ensure that all contractors and subgrantees comply with the requirements of the grant and reporting provisions as set forth in these terms and conditions or as established by HUD and the Office of Management and Budget (OMB)

The Terms and Conditions of this agreement flow down to all tiers of subgrantees. All subgrantees are required to obtain a DUNS numbers (or update its existing DUNS record), and register with the Central Contractor Registration (CCR; www.ccr.gov) no later than 120 days after execution of this agreement.

HUD's Right to Audit and Disallow and Recover Funds

The government reserves the right to seek recovery of any funds that were not expended in accordance with the requirements or conditions of this agreement based upon HUD review, the final audit, or any other special audits or reviews undertaken. HUD has the right to order a special audit, even if the Grantee's auditor or a cognizant agency has already conducted one.

HUD's Substantial Involvement

Because this is a Cooperative Agreement, HUD intends to have substantial involvement in the review, development, and approval of all aspects of the work to be carried out under this cooperative agreement. The substantial involvement will be focused through the GTR and GTM. Anticipated substantial involvement by HUD staff may include, but will not be limited to:

- Review and possibly suggest amendments to the study design, including:
 - study objectives
 - field sampling plan
 - sample handling and preparation
 - sample and data analysis
 - quality assurance
- Review and provide scientific and technical recommendations in response to quarterly progress reports (e.g., amendments to study design based on preliminary results).
- Review and provide scientific and technical recommendations on the final study report, including final interpretation of study results.

Incurrence of Costs

The Grantee is allowed to incur costs for activities beginning the date in Box #5 on the HUD-1044. Any costs incurred before the date are not allowable unless specifically authorized in writing by the Grant Officer or GTR.

Indirect Costs

If the Grantee has received a provisional rate, pending establishment of a final rate, reimbursement will be made on the basis of the provisional rate. By accepting this agreement, the Grantee agrees to bill at the provisional indirect cost rate until an approved indirect rate agreement becomes effective. Adjustments will be made from the provisional rate to the final rate. However, such adjustments must be within the total amount of the award as stated in Block #15 of the HUD-1044.

Inspection and Acceptance

Inspection, review, correction, and acceptance of all deliverables under this award shall be the responsibility of the GTR. The GTR may receive recommendations from assigned GTMs.

Inspector General Referrals

The Grantee or any subgrantee, subcontractor or other sub-recipient awarded funds shall promptly refer to an appropriate inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

Limitation on Consultant Payments

Per the requirements of the NOFA, federal funds may not be used to pay or to provide reimbursement for payment of the salary of a consultant, whether retained by the federal Government or the Grantee, at a rate more than the equivalent of General Schedule 15, Step 10 base pay rate. See the Office of Personnel Management Website, www.opm.gov, and its Salaries and Wages link for the current base rate, which may be lower than the local rate.

Limitation on Payments to Influence Certain Federal Transactions

Section 1352 of Title 31 of the U.S. Code provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering

Patent Rights (Small Business Firms And Nonprofit Organizations)

Patent rights are as specified in 37 CFR Part 401, entitled "Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts and Cooperative Agreements." Inquiries regarding this Patent Rights clause should be in writing and directed to:

Grant Officer
Office of Sustainable Housing and Communities
U.S. Department of Housing and Urban Development
451 Seventh Street SW, Room 10180
Washington, DC 20410-3000

Period of Performance and Extensions and Incurring Costs or Obligating Federal Funds Beyond the Expiration Date

a) The Grantee shall provide all services stipulated in this cooperative agreement for the period of months specified in the form HUD 1044, "Assistance Award/Amendment," or its Continuation Sheet, from the effective date stipulated in Block #5 of the HUD 1044. Grantees are to comply with the requirements of 24 CFR 84.28 or 24 CFR 85.23 (Period of availability of funds), as applicable, in charging costs to the grant. All obligations incurred under the award must be liquidated within the period of performance. The preparation of the final administrative and financial reports is to be completed 30 days prior to the end of the period of performance.

b) The Grantee shall not incur costs or obligate federal funds for any purpose pertaining to the operation of the project or program, 30 days prior to the end of the period of performance. The only costs which are authorized during the last 30 days of the period of performance are those strictly associated with closeout activities. Closeout activities are normally limited to the preparation of final progress, financial, and required project audit reports unless otherwise approved in writing by the Grant Officer.

The Office of Sustainable Housing and Communities has no obligation to provide any additional prospective funding. Any amendment of the award to increase funding is at the sole discretion of that Office.

Personnel

The personnel, specified as key personnel in the original or amended HUD form 2010 (Rating Factor Form), Factor 1, Capacity of the Applicant and Relevant Organizational Experience, are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other work, the Grantee shall notify the Grant Officer and GTR reasonably in advance in writing and shall submit justification (including proposed substitutions (with the qualifications and experience of the substitute personnel)) in sufficient detail to permit evaluation of the impact on the work effort. No diversion shall be made by the Grantee without the written consent of the Grant Officer.

into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Lobbying Activities Prohibition

The Grantee is subject to the provisions of section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. 1352 (the Byrd Amendment), implemented in HUD regulations at 24 CFR Part 87 and to the provisions of the Lobbying Disclosure Act of 1995, P.L. 104-65 (December 19, 1995).

Management and Work Plan (with Logic Model Standards)

The management and work plan, deliverables and budget revisions shall comply with the requirements established by the NOFA. The Grantee shall complete and submit a detailed management and work plan (with Logic Model) within 60 days after the effective date of the grant; this plan is subject to review and approval by HUD. The revisions to the general plan submitted in the proposal shall include any negotiated changes of the work plan or budget if applicable. The plan shall be developed according to the instructions and Logic Model standards that will be provided by the GTR.

The management and work plan consists of the goals and time-phased objectives and deliverables for each of the major tasks to be undertaken by the program. A Logic Model (milestones) has been developed to assist the Grantee plan and implement its program in a timely and cost-effective manner. A revised budget, in accordance with the final negotiation, shall be submitted (if necessary).

Monitoring

The responsible Departmental official, GTR, or designee may review and monitor the practices of the Grantee to determine whether it is in compliance with this Agreement or other requirements that arise as a result of the Grant Award. The GTR will also provide performance monitoring by tracking Grantee's progress in meeting the goals and objectives of the program.

Order of Precedence

In the event of any inconsistency among any provisions of this grant, the following order of precedence shall apply:

- a) Cooperative Agreement
- b) NOFA
- c) Management and Work Plan.
- d) Uniform Administrative Requirements.
- e) Grantee's Proposal (if incorporated)

Profit/Fee

No increment above cost, fee, or profit may be paid to the Grantee or any subgrantee under this award.

Program Income

Any program income derived as a result of this award shall be added to funds committed under the award to further activities eligible for assistance under this agreement. If not contained in the Work Plan or under Special Conditions itemized in these provisions, prior to using program income to further the objectives of the grant program, the parties shall mutually agree by written amendment on the use of program income. Program income received after the period of performance must be used to further the objectives of the applicable grant program for which this grant is awarded in accordance with 24 CFR 84.24 or 85.25, as applicable.

Prohibited Use of Funds

You may not use funds for the following ineligible activities:

- (a) Ineligible administrative activities under OMB Circular A-102 (24 CFR Part 85), Grants and Cooperative Agreements with States and Local Governments; OMB Circular A-110 (2 CFR Part 215) Uniform Administrative Requirements for Grants and Cooperative Agreement with Institutions of Higher Education, Hospitals and other Non-Profit Organizations;
- (b) Ineligible costs under OMB Circular A-87 (2 CFR Part 225), Cost Principles for State and Local and Indian Tribal Governments; and OMB Circular A-122 (2 CFR Part 230), Cost Principles for Non-Profit Organizations;
- (c) Developing plans that would assist business or industry to relocate to an area to the detriment of communities where the business or industry is currently located. This funding restriction does not apply to businesses that are displaced as a result of Category 2 projects. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601) (codified at 49 CFR Part 24) cover any person who moves permanently from real property or moves personal property from real property as a result of direct acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance (See the General Section).
- (d) Substitution of Sustainable Communities funds for funding already pledged to support community development; housing; watershed, air and water quality; transportation planning; food production and distribution planning; and other planning activities eligible under the sustainable communities planning program.

Publications and News Releases

The results of work conducted under the award may be made available to the public through dedication, assignment by HUD, or other means, as HUD shall determine.

All interim and final reports and any other specified deliverables shall be owned by the government and held for the benefit of the public which shall include Grantee and Grantee's sub-recipients.

Interim and final reports (including, if applicable, scientific manuscripts) may not be published by the Grantee or any sub-recipients participating in the work for a period of sixty days after acceptance of the deliverables by the GTR.

All deliverables, or any part thereof, and any independent products and special products arising from this award, when published by the Grantee or other participants in the work shall contain the following acknowledgment and disclaimer:

The work that provided the basis for this publication was supported by funding under an award with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Government."

Copies of all press releases, formal announcements, and other planned, written issuances containing news or information concerning work products or activities of this award that may be made by the Grantee or its staff, or any sub-grantee or other person or organization participating in the work of the award, shall, be provided to the GTR for review and comment before the planned release. Whenever possible, these should be provided to the GTR for review and comment at least two weeks before the planned release, but in no event simultaneously with the release.

The use of Social Media, such as web feeds, wikis, blogs, photo and video-sharing, podcasts, and microblogs is acceptable under OSHC grant programs. Information to be released through Social Media must be provided to the GTR for review and comment at least 2 business days before the planned release.

Reporting

a) Deliverables

The Grantee shall include a schedule listing all significant project milestones, and dates for submission of all project deliverables including quarterly project reports, interim reports where appropriate, the final report, and financial reports utilizing Standard Form 425, the Federal

Financial Report. Upon approval of the Work Plan, the Grantee should ensure all deliverables identified in the Work Plan and Logic Model schedule are delivered on time.

b) Biannual Progress Reports

A template to be used in the preparation of each biannual report will be provided by HUD after grant award. Biannual reports must reflect activities undertaken, obstacles encountered and solutions achieved, and accomplishments in each calendar quarter. Contracts, training materials and protocols, rosters of persons trained, outreach and educational materials prepared, and other significant products developed to implement, analyze or control the project or disseminate information are to be submitted with the quarterly reports as attachments.

Grantees shall submit reports as specified in this clause. The reports submitted to HUD require the submission of a work plan with specific, time phased, and realistic goals, objectives, and Logic Model milestones established. Biannual status reports that show progress and measure performance of the program in meeting approved work plan goals, objectives and Logic Model milestones are to be submitted.

Grantees are advised that failure to submit timely biannual progress reports will result in not having their "eLOCCS Request Voucher for Grant Payment" processed and also may result in a low performance rating, which could result in grant termination.

c) Required Reports

- Grantees are required to submit biannual reports, including Logic Model reports. Reporting requirements are specified in the Notice of Funding Availability and these Terms and Conditions. In case of conflict, the more-stringent provisions apply.
- Economic Opportunities for Low- and Very Low-Income Persons (Section 3). The HUD Form 60002, Economic Opportunities for Low- and Very Low-Income Persons (Section 3) must be submitted by January 10th, and yearly thereafter.
- Federal Financial Report (Standard Form 425)

d) Final Report

A final report shall be submitted. The final report shall summarize the applicant's plans, execution of the plans, achievements noted, and lessons learned. The report need not be lengthy, but should be of a quality and detail to provide freestanding description to any outside reader of all of the applicant's work and achievement under the grant. See clause entitled "Closeout" for the specific elements to be included with your final report. Specific and detailed guidance on preparing the forms and the narratives may be obtained from the GTR.

Reproduction of Reports**BRANCH PROCUREMENT OF CERTAIN KINDS OF PRINTING; "PRINTING" DEFINED**

Pub. L. 102-392, title II, Sec. 207(a), Oct. 6, 1992, 106 Stat. 1719, as amended by Pub. L. 103-283, title II, Sec. 207, July 22, 1994, 108 Stat. 1440; Pub. L. 104-201, div. A, title XI, Sec. 1112(e)(1), Sept. 23, 1996, 110 Stat. 2683, provided that:

- 1) None of the funds appropriated for any fiscal year may be obligated or expended by any entity of the executive branch for the procurement of any printing related to the production of Government publications (including printed forms), unless such procurement is by or through the Government Printing Office.
- 2) Paragraph (1) does not apply to (A) individual printing orders costing not more than \$1,000, if the work is not of a continuing or repetitive nature, and, as certified by the Public Printer, if the work is included in a class of work which cannot be provided more economically through the Government Printing Office, (B) printing for the Central Intelligence Agency, the Defense Intelligence Agency, National Imagery and Mapping Agency, or the National Security Agency, or (C) printing from other sources that is specifically authorized by law.

As used in this section, the term "printing" includes the processes of composition, platemaking, presswork, duplicating, silkscreen processes, binding, microform, and the end items of such processes.

Review of Deliverables

a) Definition - For the purpose of this clause, "Deliverables" include:

- 1) All interim and final reports;
- 2) Survey instruments required by Work Plan, if applicable;
- 3) Other physical materials and products produced directly under the Work Plan of this grant, if applicable; and
- 4) In-kind and leverage commitments, if applicable.

b) General

- 1) The GTR shall have the sole responsibility for HUD review, correction, and acceptance of the deliverables of this grant. Such review(s) shall be carried out promptly by the GTR, so as not to impede the work of the Grantee.
- 2) The Grantee shall carry out the required corrections, if any, provided by the GTR and shall promptly return a revised copy of the product to the GTR.
- 3) The basis for acceptance shall be the Grantee's good faith efforts to complete the deliverables of this grant.
- 4) The GTR's review, correction, and acceptance of deliverables shall be limited to:

- (i) corrections of omissions or errors of fact, methodology, or analysis; ii) deletion of irrelevant materials; and (iii) improvements in style readability.
- 5) In the review and acceptance of deliverables, the GTR may not require any change in the Grantee's stated views, opinions, or conclusions.
- 6) Should there be any disagreement between the Grantee and the GTR as to any correction, or the methodology or analysis on which any conclusion is based, the GTR may require the Grantee to insert a Government dissent(s) in the appropriate place(s). The inclusion of such dissent(s) in an Official Product of Work, otherwise found acceptable by GTR, and the return to the GTR of a revised copy containing the dissent(s), shall satisfy the requirements for acceptance of the Official Product of Work under this clause. Such dissent(s) shall not apply to any independent publication by the Grantee of Independent Products that may arise from the work or findings of this grant.

Scope of Services

The Grantee shall furnish the necessary personnel, materials, services, equipment, facilities (except as otherwise specified herein) and otherwise do all things necessary for or incidental to the performance of the work set forth in the original/revised application under the this NOFA, as well as the subsequent Management and Work Plan and Logic Model schedule.

Single Audit Transparency Transactions Listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-recipients.

- a) Uniform Administrative Requirements for Grants and Agreements" and OMB A-102 (24 CFR Part 85) Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of funds.
- b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133 (2 CFR Part 180), "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133 (2 CFR Part 180).
- c) Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of funds.
- d) Recipients agree to require their sub-recipients to include on their SEFA. This information is needed to allow the recipient to properly monitor sub-recipient expenditure of as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

Special Conditions

Special Conditions to this award are listed in the form HUD-1044 Continuation Sheets.

Sub-recipient Monitoring and Management

Recipients will be responsible for the monitoring and management of all sub-recipient awards. Management and reporting requirements applied to direct recipients tier-down to employees, affiliates, sub-recipients, and subcontractors, and recipients will be responsible for ensuring compliance and submitting required reports to HUD. Recipients may incorporate all sub-recipient reporting into a consolidated report with the exception of the requirements established for compliance with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) also known as FFATA or the Transparency Act.

Whistleblower Protection

Each grantee or sub-grantee awarded funds made available shall promptly refer to the HUD Office of Inspector General any credible evidence that a principal, employee, agent, contractor, sub-recipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. Complaints can be made to the HUD Office of Inspector General through any of the following means:

Calling toll-free at 1-800-347-3735; persons who have hearing or speech disabilities may reach this number from the Federal Relay Service, at 1-800-877-8339.

Faxing at (202) 708-4829

E-mailing to hotline@hudoig.gov

Writing to HUD OIG Hotline (GFI), 451 7th Street, SW, Washington, DC 20410

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT B

SUB-RECIPIENT WORK PLAN

1. What is the name of your project?

Corridors of Opportunities: Gateway Corridor Analysis of Ridership Opportunities and Issues

2. Who are the members of the project team? Please use the table below to list everyone that you consider to be part of the team. Also, indicate the project manager in bold. (Most projects will have only one project manager; at the most, indicate two.) Add more rows as needed.

* -Core Work Team

Name	Organization	Email	Phone
Josh Olson *	Ramsey County Regional Rail Authority	Josh.olson@co.ramsey.mn.us	(651) 266-2772
Janet Guthrie *	Ramsey County Manager's Office	Janet.guthrie@co.ramsey.mn.us	(651) 266-8021
Mary Karcz *	Ramsey County Manager's Office	Mary.karcz@co.ramsey.mn.us	(651) 266-8015
James Zentner *	Ramsey County Workforce Solutions	James.zentner@co.ramsey.mn.us	(651) 770-4483
To be identified *	Community Engagement Team member		
Ted Scheonecker	Washington County-	ted.schoenecker@co.washington.mn.us	(651) 430-4319
Steven Elmer	Metropolitan Council	Steven.Elmer@metc.state.mn.us	(651) 602-1756

3. Who else should be included on any project communications from Allison or others regarding your project? For example, include any assistants that should be copied on emails.

Name	Organization	Email	Phone
Not at this time			

4. Who is the primary contact for issues related to the legal sub-award document between the Metropolitan Council and the sub-awardee organization? This may be the project manager, or it may be another employee at the organization that is receiving the funding from the Metropolitan Council.

Josh Olson	Ramsey County Regional Rail Authority	Josh.olson@co.ramsey.mn.us	(651) 266-2772
Janet Guthrie	Ramsey County	Janet.guthrie@co.ramsey.mn.us	(651) 266-8021

63

5. Please summarize your project in narrative form (in one or two paragraphs). What are you trying to achieve and how? If the work being conducted under your Sustainable Communities sub-grant is part of a larger effort with other funding sources, describe how they relate.

In conjunction with the ongoing alternatives analysis for the Gateway Corridor (I-94 Corridor), identify non-traditional commuters and develop strategies for improving access to/from home and work.

This independent study is intended to address conditions in the urban, higher density areas of the corridor that will have an impact on the long-term effectiveness of the corridor project. Some of the people and communities that could benefit from better access to transit alternatives may be difficult to engage in the planning process. These existing communities are enduring serious economic challenges: high foreclosure rates, high poverty rates and concentrations of non-English speakers. At the same time, these communities are beginning the redevelopment process to address decades-old devastation caused by the exit of industry and manufacturing that left obsolete infrastructure and minimal jobs. The east metro also includes communities in which new jobs are emerging but they may be in areas that are geographically inaccessible without the right transit options. Well designed improvements in transportation choices will assist residents in gaining access to education and training in order to be able to compete for livable-wage jobs and spur business development in the corridor. The Gateway Corridor will also improve access to trail and park systems in the east metro area, access to health and other services, and access to retail and entertainment opportunities.

The proposed study would identify groups of potential transit users who are either likely to be missed in a standard planning process or likely be difficult to reach with information about transit options; describe likely destinations for work, shopping, education and training needs for these potential riders; analyze barriers to transit options; analyze transit access issues for business employees; and provide recommendations for strategies to improve transit choices and use for specific segments of the population.

6. What are the objectives of your project? Please list them here. Most projects will have between 1 and 7 objectives.

- Objective 1: Develop detailed descriptions of groups of potential transit users who are likely to be missed in a standard planning process or who are likely to be difficult to reach with information about transit options
- Objective 2: Develop descriptions of likely destinations for work, shopping education and training needs
- Objective 3: Analyze specific barriers that reduce a group's member from accessing transit options.
- Objective 4: Analyze business needs for transit access by employees and customers
- Objective 5: Recommend strategies to improve transit choices and use for specific segments of the population

7. Please use this table to outline the work that you will undertake to achieve the objectives of your project. Add more rows as needed and please maintain the system of numbering (1, 2, 3, etc. for the major activities, and 1a, 1b for the specific steps under each).

Major Activity or Specific Step Number	Description - 1 sentence only	Start Date (m/y) 2/11 or later	End Date (m/y) 11/13 or earlier	Responsible Party Must include an individual's name, may also include an entity/organization	Milestone or Deliverable - How will we know if this major activity or specific step is complete?	Objective – Which project objective does this major activity seek to advance? List the objective number from above. The specific steps under the major activities will probably contribute to the same objective, so you can leave them blank.
Activity 1	Project Planning and Development	2/11	8/11	Josh Olson	Documents listed below	1, 2, 3, 4, 5
Step 1a	Develop a draft work plan	2/11	4/11	Josh Olson	Work plan document	
Step 1b	Develop working relationship with Community Engagement Team	2/11	5/11	Josh Olson	Document that describes the roles, tasks, schedule and related information as mutually agreed to with CET	
Step 1c	Identify Project Partners and establish a broad definition of their roles	2/11	6/11	Josh Olson	List of Project Partners including their responsibilities, and primary contact Note: Given the nature of this project, this list may be adjusted at strategic points in order to improve the process	
Step 1d	Negotiate funding agreement with Met Council	2/11	6/11	Josh Olson \Janet Guthrie	Executed agreement	
Activity 2	Develop Background Information			Josh Olson	Documents listed below	1, 2, 3, 4, 5
Step 2a	Identify and contact established organizations and leaders with a current working relationship with local programs or planning activities; and organizations and leaders in emerging communities, such as immigrants and refugees,	5/11	10/11	Josh Olson\CET representative	List of organizations and leaders contacted. Note: During this time period, the core contacts will be made. However, given the nature of this project, new contacts are likely to continue throughout the process.	

65

9. Gateway Corridor Analysis of Ridership Opportunities and Issues – Work Plan
3/31/11

	in the corridor					
Step 2b	Compile background information using existing reports, documents and interview on related initiatives: review, summarize into findings	3/11	10/11	Josh Olson\Janet Guthrie\Jim Zentner\Mary Karcz	Summary of findings	
Step 2c	Preliminary identification of non-traditional commuters: MetroTransit information on current ridership, profile of current community residents (Census 20101, ACS, DHS refugee data, etc.); comparison of the differences	3/11	8/11	Josh Olson\Mary Karcz	Summary of the findings for date available during this calendar period. Additional data may be added as it becomes available.	
Step 2d	Identify business presence and needs working with DEED, PED, Chamber of Commerce, Port Authority, Ramsey County HRA, Metropolitan Council	5/11	10/11	Josh Olson\Jim Zentner	Lists of: Primary employment centers in the area, major business, major employers and types of businesses that could be enhanced by better transit	
Activity 3	Develop Engagement Plan			Josh Olson	Documents listed below	1, 2, 3, 4, 5
Step 3a	Develop "Scope of Work" for the Community Engagement process	8/11		Josh Olson\CET representative	Scope of Work Document	
Step 3b	Identify lead people and agencies: Internal staff assigned to participate in engagement process and external organizations identified through RPF process	11/11	2/12	Josh Olson\CET representative	List of County staff and other organizations. List of assigned roles and responsibilities	
Step 3c	Complete agreements necessary before engagement can begin, such as service contracts with outside organizations or board actions	1/12	4/12	Josh Olson\CET representative\Janet Guthrie\Mary Karcz	Completed agreements as required for the major participants	
Activity 4	Community Engagement Process begins	3/12	6/12	Josh Olson	Revised "Scope" is completed, Schedule and Meeting notes or agendas	1, 2, 3, 4, 5
Step 4a	Initiate community input process with "focusing" meeting.	3/12	3/12	Josh Olson\CET representative\Janet Guthrie\Mary Karcz\Jim Zentner	Meeting occurs with desired participants	
Step 4b	Adjust the Scope based on input in this stage of the Community Engagement Process	5/12	6/12	Josh Olson\CET representative\Janet Guthrie\Mary Karcz\Jim Zentner	Revised Scope of Work document	

9. Gateway Corridor Analysis of Ridership Opportunities and Issues – Work Plan
3/31/11

Step 4c	Schedule periodic "check-ins" with participants to discuss whether process is in fact meeting its goals	5/12	11/13	Josh Olson\CET representative\ Janet Guthrie\Mary Karcz\Jim Zentner	Schedule is prepared Discussions actually occur	
Step 4d	Details to be determined in Scope; anticipated activities include work groups and community meetings	7/12	8/13	Josh Olson\CET representative\ Janet Guthrie\Mary Karcz\Jim Zentner	Outcomes as defined in revised Engagement Plan Scope of Work	
Activity 5	Recommendations and findings	7/13	11/13	Josh Olson	Document with Findings and Recommendations, Meeting Agendas and Minutes	1, 2, 3, 4, 5
Step 5a	Draft findings and recommendations prepared	7/13	8/13	Josh Olson\CET representative\ Janet Guthrie\Mary Karcz\Jim Zentner	Findings and recommendations document	
Step 5b	Summary of findings presented to Gateway Commission, Ramsey County Railway Authority	9/13	9/13	Josh Olson	Meeting agenda and minutes	
Step 5c	Draft findings and recommendations distributed for the community	10/13	10/13	Josh Olson	Meeting agenda and minutes	
Activity 6	Final project activity and financial reporting	11/13	12/13	Josh Olson	All financial and reporting activity is completed	

8. Please fill out the table below to describe how you plan to spend the sub-award. We realize that this may change, and that's ok.

Activity or Product Make this as detailed as you can at this point. For example, instead of "personnel," state "salary and benefits for Jane Doe".	Final Recipient This may be the sub-award organization, a partner organization, or consultant. If you are doing an RFP and don't know the specific consultant yet, just say "consultant."	Amount
Project Management and grant supervision	Ramsey County Regional Rail Authority	\$35,000
Transportation for project staff, local public vehicle	Ramsey County Regional Rail Authority--	\$2,500
Office supplies, including printing	Ramsey County Regional Rail Authority-	\$2,000
Detailed transit use and needs analysis based on specific population and business characteristics (service providers will be determined at a later step in the process, after the Gateway Community Engagement Scope of Work is complete).	To be determined	\$105,000
Community meeting expenses		\$5,500
TOTAL USE OF HUD FUNDS		\$150,000

9. How many dollars of your sub-award do you estimate will be spent in each calendar year? This should add up to your sub-award amount. This information is for planning purposes only; we won't hold you to it.

2011	\$ 20,000
2012	\$ 65,000
2013	\$ 65,000
Total	\$150,000

10. Use this table to identify how your project advances the overall goals of the Corridors of Opportunity initiative, as established by the Policy Board. The Senior Staff Coordinating Committee and Policy Board will use this tool to assess if your project work plan is well-aligned and coordinated with the overall initiative.

Corridors of Opportunity Goals	Major Activity Number(s) – from question 7 above	Description – Explain how these project activities influence or advance the goal
CoO Goal 1: Develop a new model for transitway development by aligning transit planning and engineering with land use planning, affordable housing, workforce development and economic development.	3, 4, 5	These activities will enhance understanding of effective strategies to improve the connection between people who are harder-to-reach and the information about transit options. The steps include business and resident needs.
CoO Goal 2: Engage historically-underrepresented communities in transitway planning and decision-making.	2, 3, 4, 5	The project will focus on historically under-represented communities.
CoO Goal 3: Use transitway development to expand access to jobs and affordable housing, particularly for low-income populations and people of color.	2, 3, 4, 5	Connections with jobs and housing will be part of the "where" that the people in the Gateway area need to reach.
CoO Goal 4: Enhance the region's ability to compete in the global economy.	4, 5	Improving mobility improves workplace efficiency. It is an indicator of an area's attractiveness to businesses looking for locations.
CoO Goal 5: Secure and align public, philanthropic, and private resources to attract robust private investment to the vision.	4, 5	The recommendations and findings are likely to address a full range of organizations in the area. In addition, some of these organizations could be partners in the project.
CoO Goal 6: Accelerate expansion of the transit system.	4, 5	Building ridership encourages system development.

11.

12. Which HUD Mandatory Outcomes does your project advance? Please check all that apply.

- | | | |
|---|--|---|
| ☐ Creation of regional transportation, housing, water, and air quality plans tied to local comprehensive land use and capital investment plans. | ☒ Decrease in per capita VMT and transportation-related emissions for the region. | ☒ Increased proportion of homes and rental units affordable to a full range of household incomes close to high-quality transit service. |
| ☒ Aligned federal planning and investment resources that mirror the local and regional strategies for achieving sustainable communities. | ☒ Decrease in overall combined housing and transportation costs per household. | ☐ Decreased number of neighborhoods with high concentrations of poverty and minority segregation. |
| ☒ Increased participation and decision-making in developing and implementing a long range vision for the region by populations traditionally marginalized in public planning processes. | ☐ Increase in the share of residential and commercial construction on underutilized infill development sites that encourage revitalization while minimizing displacement in neighborhoods with significant disadvantaged populations. | ☐ Increased use of compact development as a tool for regional planning to accommodate population growth. |
| ☒ Reduced social and economic disparities for the low-income populations, communities of color, and other disadvantaged populations within the target region. | ☒ Increased proportion of low-and very-low income households within a 30-minute transit commute of major employment centers. | |

OK

13. What 1-3 measures do you suggest that the evaluation team uses to track your project's progress toward the HUD outcomes and/or the Corridors of Opportunity goals? These measures should be things that you could report upon, or measures that rely on data that are readily available to the public. At this point, these measures are only suggestions, but they will inform the development of the evaluation plan.

Immediate

1. Documentation of activities as described in section 7. Each activity has milestone documents or meetings listed. Delivery of the items listed in the final work plan will be evidence that the work has been performed.
2. Documentation that the process included, or made a reasonable effort to include, a wide range of communities in the process. Information on communities in be developed in the background information development phase. The communities actually involved in the process could be compared to this list to assess the range of participation.

Longer run

3. Shift in transit usage within the communities included in the process.

14. What are other suggestions you have for how to evaluate the success of your project?

When the project is complete:

- Do the community leaders believe that:
 - A respectful effort was made to understand their communities' transit needs and the barriers they encounter?
 - The findings and recommendations include sections relevant to their community?
 - They have a better understanding of how transitway planning and development occurs: its timing and complexity?
- Do businesses that participated believe that:
 - A respect effort was made to enhance communication about transit?
 - The findings and recommendations include sections relevant to businesses?

17

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT C

FEDERAL FINANCIAL REPORT - STANDARD FORM 425

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)			Page 1	of		
3. Recipient Organization (Name and complete address including Zip code)								
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	7. Basis of Accounting ☐ Cash ☐ Accrual			
8. Project/Grant Period From: (Month, Day, Year) To: (Month, Day, Year)				9. Reporting Period End Date (Month, Day, Year)				
10. Transactions						Cumulative		
(Use lines a-c for single or multiple grant reporting)								
Federal Cash (To report multiple grants, also use FFR Attachment):								
a. Cash Receipts								
b. Cash Disbursements								
c. Cash on Hand (line a minus b)								
(Use lines d-o for single grant reporting)								
Federal Expenditures and Unobligated Balance:								
d. Total Federal funds authorized								
e. Federal share of expenditures								
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)								
h. Unobligated balance of Federal funds (line d minus g)								
Recipient Share:								
i. Total recipient share required								
j. Recipient share of expenditures								
k. Remaining recipient share to be provided (line i minus j)								
Program Income:								
l. Total Federal program income earned								
m. Program income expended in accordance with the deduction alternative								
n. Program income expended in accordance with the addition alternative								
o. Unexpended program income (line l minus line m or line n)								
11. Indirect Expense		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
				g. Totals:				
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:								
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)								
a. Typed or Printed Name and Title of Authorized Certifying Official						c. Telephone (Area code, number and extension)		
b. Signature of Authorized Certifying Official						d. Email address		
						e. Date Report Submitted (Month, Day, Year)		
14. Agency use only:								

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

73

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

Attachment # 3

SUB-RECIPIENT: Ramsey County Regional Railroad Authority		GRANT NO. SG011-045
PROJECT: Jobs Central: An Employment & Workforce Cluster Project on Central Corridor		
CONTACT PERSON(S): Janet Guthrie		
SUB-RECIPIENT GRANT AMOUNT: \$247,000.00		
LEVERAGED RESOURCES: \$105,106.00		
FEDERAL AWARD NO. MNRIP0023-10		CFDA NO. 14.703
COUNCIL ACTION: April 27, 2011		EXPIRATION DATE: January 31, 2014

SUB-RECIPIENT GRANT AGREEMENT

THIS SUB-RECIPIENT GRANT AGREEMENT ("Agreement") is between the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota ("Council") and the entity identified above as "Sub-Recipient."

WHEREAS, on behalf of a regional consortium the Council applied for and is the recipient of a \$5,000,000 Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development ("HUD") to implement the federal government's Partnership for Sustainable Communities initiative in the seven-county metropolitan area; and

WHEREAS, the Sub-Recipient's proposed project was identified as a component of the work plan contained in the application submitted by the Council and the Sub-Recipient is a subgrantee of the Sustainable Communities Regional Planning Grant; and

WHEREAS, the \$5,000,000 Sustainable Communities Regional Planning Grant is subject to a Cooperative Agreement between HUD and the Council ("Cooperative Agreement") that contains terms and conditions for HUD's 2010 Notice of Funding Availability for HUD's Sustainability Communities Regional Planning Grant Program; and

WHEREAS, the Cooperative Agreement states that each recipient and sub-recipient in a HUD Office of Sustainable Housing and Communities grant program consortium must enter into a memorandum of understanding that binds recipients and sub-recipients to the HUD award and that by doing so the entities legally bind themselves to comply with all the terms and conditions of the grant award; and

WHEREAS, at its April 27, 2011 meeting the governing body of the Metropolitan Council approved this Agreement and authorized its Regional Administrator to execute this Agreement on behalf of the Council.

NOW THEREFORE, in reliance on the above representations and in consideration of the mutual promises and covenants contained in this Agreement, the Sub-Recipient and the Council agree as follows:

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

I. DEFINITIONS

1.01. Definition of Terms. The terms defined in this section have the meanings given them in this section unless otherwise provided or indicated by the context.

- (a) **Cooperative Agreement.** "Cooperative Agreement" means the cooperative agreement between HUD and the Council through which the Council will receive the \$5,000,000 Sustainable Communities Regional Planning Grant from HUD. The Cooperative Agreement comprises the form HUD-1044, any special conditions, and the Cooperative Agreement Terms and Conditions. A copy of the Cooperative Agreement is attached to this Agreement as Attachment A.
- (b) **Council Action.** "Council Action" means the action or decision of the governing body of the Metropolitan Council, on the meeting date identified at Page 1 of this Agreement, by which this Agreement was approved by the Council.
- (c) **Deliverable.** "Deliverable" means in-kind and leveraged resources and physical materials or products identified in the Sub-Recipient's Work Plan or the outcomes that will result from the performance or implementation of the Sub-Recipient's Work Plan.
- (d) **Work Plan.** "Work Plan" means the Sub-Recipient's plan for addressing a specific service delivery need, and consists of designated work activities including tasks and subtasks; a timeline for completing the work; performance measures; outputs and outcomes identified to achieve the performance measures/goals; budget; and resources designated to complete the work. (Coop. Agreement, p. 5). A copy of the Sub-Recipient's Work Plan is attached to this Agreement as Attachment B.

II. PROGRAM REQUIREMENTS

2.01 HUD Flow Down Provisions. The terms and conditions of the Cooperative Agreement between HUD and the Council flow down to all tiers of subgrantees. As a subgrantee, the Sub-Recipient must comply with all applicable requirements of the Cooperative Agreement and reporting provisions as set forth in the terms and conditions of the Cooperative Agreement or as established by HUD and the Office of Management and Budget. Selected provisions of the Cooperative Agreement are stated in summary fashion in this Agreement and referenced parenthetically for emphasis. Example: (Coop. Agreement, p. 5). However, consistent with the flow down requirements of the Cooperative Agreement, all applicable terms and conditions in the Cooperative Agreement apply in their entirety to this Agreement. The Sub-Recipient must obtain a DUNS number (or update its existing DUNS record) and register with the Central Contractor Registration (CCR; www.ccr.gov) no later than 120 days after the execution of the Cooperative Agreement. (Coop. Agreement, p. 19).

2.02 Allowable Costs. HUD will reimburse the Council for the costs of performing the Work Plan on a cost-reimbursement basis which HUD determines are allowable, allocable, and reasonable in accordance with applicable federal cost principals. Accordingly, grant funds will be disbursed to the Sub-Recipient on a cost-reimbursement basis consistent with applicable federal cost principles. (Coop. Agreement, pp. 5 & 6). If the Sub-Recipient incurs costs in excess of the Total Grant Amount or incurs costs that are not allowable costs, the excess shall be borne entirely by the Sub-Recipient. HUD has reserved the right to withhold five percent (5%) of the federal grant amount pending the

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

receipt and approval of a final progress report from the Council. (Coop. Agreement, pp. 6 & 7). Accordingly, the Council reserves the right to withhold five percent (5%) of the Sub-Recipient Grant Amount pending the receipt and approval of a final progress report. The grant funds may not be used for conducting interventions, remediation, rehabilitation or other activities that will physically alter any structure or property in any way. (Coop. Agreement, p. 7).

2.03 Sub-Recipient Grant Amount. The Council will make available to the Sub-Recipient the "Sub-Recipient Grant Amount" identified at Page 1 of this Agreement which shall be funded through the Sustainable Communities Regional Planning Grant awarded to the Council by HUD. Notwithstanding any other provision of this Agreement, the Sub-Recipient acknowledges and agrees that any reduction or termination of Sustainable Communities Regional Planning Grant funds made available to the Council, or any reduction or termination of the Leveraged Resources amount identified at Page 1 of this Agreement and required under Section 2.04 of this Agreement, may result in a like reduction in the Sub-Recipient Grant Amount made available to the Sub-Recipient.

2.04 Leveraged Resources Requirement. The Sub-Recipient must match the Sub-Recipient Grant Amount by not less than the Leveraged Resources amount stated at Page 1 of this Agreement. A reduction in the Leveraged Resources amount may result in a reduction in the Sub-Recipient Grant Amount made available to the Sub-Recipient. The Sub-Recipient must notify the Council at any time the Sub-Recipient believes it will not meet its Leveraged Resources requirement by the completion of this Agreement. The Council reserves the right to withhold payment of some or all of the Sub-Recipient Grant Amount if Leverage Resources are not spent. The following are not eligible to be counted as Leveraged Resources: the expenditure of any funds identified as Leveraged Resources if the expenditure occurred prior to February 1, 2011; and the cost of any work, services or in-kind support identified as Leveraged Resources that occurred or were provided prior to February 1, 2011.

2.05 Payments to Sub-Recipient. The Sub-Recipient's receipt of Sub-Recipient Grant Amount payments is dependent on the Council's receipt of grant funding from HUD according to the terms and conditions provided in the Cooperative Agreement. The Council will make payments to the Sub-Recipient within forty-five (45) calendar days after receipt of an approved reimbursement request from the Sub-Recipient or within five (5) business days after the Council receives reimbursement through HUD's Line of Credit Control System, whichever period of time is longer. The Sub-Recipient will submit reimbursement requests according to a schedule determined by the Council. The form and content of the written reimbursement request form will be determined by the Council.

2.06 Authorized Use of Grant Funds. The Sub-Recipient Grant Amount made available to the Sub-Recipient under this Agreement shall be used only for the purposes of implementing and performing the Work Plan. The Sub-Recipient is responsible for the complete and timely performance of the Work Plan. None of the work, services or activities covered by this Agreement may be subcontracted, assigned or otherwise transferred by the Sub-Recipient without the Council's prior written approval. Grant funds not used to implement and perform the Work Plan must be returned to the Council. HUD and the federal government reserve the right to seek recovery of any grant funds that are not expended in accordance with the requirements or conditions of this Agreement and the Cooperative Agreement. (Coop. Agreement, p. 19). The cost of any Work Plan work, services or activities incurred prior to February 1, 2011 is not an authorized use of the grant funds. (Coop. Agreement, p. 20). Except for allowable costs associated with closeout activities, the Sub-Recipient shall not incur costs or obligate grant funds for any purpose pertaining to the operation of the Work

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

Plan project or program, thirty (30) days prior to the end of the period of performance. (Coop. Agreement, p. 22).

2.07 Prohibited Use of Grant Funds. The Cooperative Agreement identifies ineligible activities for which the grant funds may not be used. (Coop. Agreement, p. 23). No increment above cost, fee, or profit may be paid to the Sub-Recipient under this Agreement. (Coop. Agreement, p. 23).

2.08 Work Plan Changes. The Sub-Recipient must promptly inform the Council's Project Manager in writing when any changes to the Work Plan are anticipated. All Work Plan changes are subject to prior approval by the Council's Project Manager and the HUD Government Technical Representative. (Coop. Agreement, p. 9).

2.09 Budget. The Sub-Recipient shall incur costs in conformance with the budget presented in its Work Plan. The Sub-Recipient shall not commingle funds computed under this Agreement with any other existing or future operating accounts held by the Sub-Recipient.

2.10 Interest Earnings and Program Income. Any grant funds advanced to the Sub-Recipient must be maintained in an interest bearing account. Any interest earned as a result of the advanced funds shall be promptly returned to the Council which in turn will be returned to HUD. (Coop. Agreement, pp. 16 & 17). Any program income, including royalties, must be used to support eligible activities. (Coop. Agreement, pp. 10 & 23).

2.11 Key Personnel. The Sub-Recipient will notify the Council if it intends to change its project manager or make changes to key personnel identified in the Work Plan. (Coop. Agreement, p. 22).

III. ACCOUNTING, AUDIT AND REPORT REQUIREMENTS

3.01 Accounting and Records. The Sub-Recipient agrees to establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Council. Notwithstanding the expiration and termination provisions of Sections 4.01 and 4.02, such accounts and records shall be kept by the Sub-Recipient and maintained for a period of six (6) years following the completion of the Work Plan activities described in Attachment A or six (6) years following the expenditure of the grant funds, whichever occurs earlier. For all expenditures of grant funds received pursuant to this Agreement, the Sub-Recipient will keep proper financial records and other appropriate documentation sufficient to evidence the nature and expenditure of the Leveraged Resources required under Section 2.04. Accounting methods shall be in accordance with generally accepted accounting principles.

3.02 Audits. The above accounts and records of the Sub-Recipient shall be audited in the same manner as all other accounts and records of the Sub-Recipient are audited and may be audited or inspected on the Sub-Recipient's premises or otherwise by HUD, the Comptroller of the United States, or any of their designees, and individuals or organizations designated and authorized by the Council at any time, following reasonable notification to the Sub-Recipient, for a period of six (6) years following the completion of the Project activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes section 16C.05, subdivision 5, the books, records, documents and accounting procedures and practices of the Sub-Recipient that are relevant to this Agreement are subject to examination by the Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

3.03 Biannual and Closeout Reporting Requirements. The Sub-Recipient will submit to the Council biannual progress reports on the Work Plan activities and the expenditures of the federal grant funds. The form and content of the report will be determined by the Council and HUD. The Sub-Recipient also will submit to the Council on a biannual basis a Standard Form 425, Federal Financial Report, detailing leveraged funds or in-kind contributions, a copy of which form is attached to this Agreement as Attachment C. The Standard Form 425 must be submitted to the Council no later than five (5) calendar days after the end of each biannual period so the Council can meet its biannual reporting requirements to HUD. As part of the closeout process the Sub-Recipient will submit to the Council a final narrative and a final Standard Form 425 detailing the progress made in achieving the purpose of this subgrant and adequate documentation of the total federal funds expended in support of the Work Plan activities to achieve this purpose. The final narrative and final Standard Form 425 are due to the Council fifteen (15) calendar days prior to the end of the period of performance. All Standard Form 425s should include the Catalog of Federal Domestic Assistance ("CFDA") number (**CFDA No. 14.703**) for the Sustainable Communities Regional Planning Grant Program and the Federal Award Number (**MNRIP0023-10**) for the HUD grant funding this Work Plan.

3.04 Closeout. To the extent applicable to the Sub-Recipient's Work Plan, the Sub-Recipient will provide the Council with the following closeout documentation fifteen (15) calendar days prior to the end of the performance period:

- (a) A Narrative Final Report summarizing Work Plan activities, including significant outcomes resulting from the activities and problems encountered during the performance period;
- (b) A Federal Financial Report (SF-425) of the total grant funds expended;
- (c) A completed Property Statement;
- (d) A completed Inventions, Patents, and Copyright Statement; and
- (e) A completed Closeout Certification.

Records must be kept in a safe place and be accessible to auditors, HUD, the Comptroller of the United States, or any of their designees, and individuals or organizations designated and authorized by the Council. (Coop. Agreement, pp. 9 & 10).

3.05 Federal Transparency Act. As required, the Sub-Recipient will directly provide "subaward" data to HUD, or otherwise will assist the Council in complying with the requirements of the Federal Funding Accountability and Transparency Act of 2006. (Coop. Agreement, pp. 11 & 12).

3.06 Single Audit Transparency Transactions. As required, the Sub-Recipient will assist the Council in meeting the requirements of the federal Uniform Administrative Requirements for Grants and Agreements, and other applicable federal reporting and audit requirements. (Coop. Agreement, p. 27). The Sub-Recipient will include on any Schedule of Expenditures of Federal Awards ("SEFA") the CFDA number (**CFDA No. 14.703**) for the Sustainable Communities Regional Planning Grant Program and the Federal Award Number (**MNRIP0023-10**) for the HUD grant funding this Work Plan.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

IV. AGREEMENT TERM

4.01 Term and Period of Performance. This Agreement is effective upon execution of the Agreement by the Council. Unless terminated pursuant to Section 4.02, this Agreement expires on the Expiration Date identified at Page 1 of this Agreement. For the purposes of Sections 2.06, 3.03 and 3.04, the term "period of performance" means the project completion date stated in the Sub-Recipient's Work Plan. The period of performance may be a date earlier than the Expiration Date identified at Page 1.

4.02 Termination. This Agreement may be terminated by the Council for cause at any time upon fourteen (14) calendar days' written notice to the Sub-Recipient. Cause shall mean a material breach of this Agreement and any amendments of this Agreement. If this Agreement is terminated prior to the Expiration Date, the Sub-Recipient shall receive payment on a pro rata basis for eligible Work Plan activities described in Attachment A that have been completed prior to the termination. Termination of this Agreement does not alter the Council's or HUD's authority to recover grant funds on the basis of a later audit or other review, and does not alter the Sub-Recipient's obligation to return any grant funds due to the Council or HUD as a result of later audits or corrections.

4.03 Amendment. Subject to HUD approval, this Agreement may be amended by written agreement signed by authorized representatives of the Council and the Sub-Recipient. The period of performance (but not the Expiration Date) may be modified without a formal amendment by written approval of the Council's authorized representative.

V. GENERAL PROVISIONS

5.01 Environmental Review. Any Sub-Recipient Work Plan activities that involve site control or acquisition are subject to HUD environmental review under Title 24 Code of Federal Regulations Part 50. (Coop. Agreement, pp. 15 & 16).

5.02 Copyrights. HUD reserves a royalty-free, non-exclusive, an irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for federal government purposes: (a) the copyright in any work developed under this Agreement; and (b) any rights of copyright to which the Sub-Recipient purchases ownership with the grant funds. (Coop. Agreement, p. 13).

5.03 Data Collection and Confidentiality. The Sub-Recipient will comply with the applicable provisions of the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13) as well as the applicable provisions of federal laws and HUD regulations governing the collection of data. (Coop. Agreement, p. 10). If the Sub-Recipient Work Plan includes services for "program beneficiaries," the Sub-Recipient must maintain confidential files on the program beneficiaries served. (Coop. Agreement, pp. 12 & 13).

5.04 Fair Housing and Civil Rights Laws. The Sub-Recipient represents, warrants, and certifies that it will comply with all applicable federal statutes, regulations, and requirements relating to non-discrimination and equal opportunity identified in HUD's regulations at Title 24 Code of Federal Regulations section 5.105(a). (Coop. Agreement, pp. 17 & 18).

5.05 Conflict of Interest. The members, officers and employees of the Sub-Recipient shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

5.06 Liability. The Sub-Recipient and the Council shall be responsible for their own acts or omissions. Neither the Council nor the Sub-Recipient (to the extent applicable to the Sub-Recipient) waives any immunities or limits on liability provided by Minnesota Statutes chapter 466, or other applicable state or federal law.

5.07 HUD Involvement. HUD intends to have substantial involvement in the review, development, and approval of all aspects of the work plans and activities funded under the Cooperative Agreement, including the performance of the Sub-Recipient's Work Plan. (Coop. Agreement, p. 19).

5.08 Inspector General Referrals. The Sub-Recipient shall promptly refer to an appropriate inspector general any credible evidence that a principal, employee, agent, contractor, subcontractor or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. (Coop. Agreement, p. 20).

5.09 Limitations on Consultant Payments. The grant funds may not be used to pay or to provide reimbursement for payment of a consultant's salary during any one-year period at a rate more than the equivalent of General Schedule 15, Step 10 base pay. (Coop. Agreement, p. 20). As of the date of this Agreement, the annual salary limit for one individual consultant is \$129,000.

5.10 Limitation on Payments to Influence Certain Federal Transactions. No grant funds may be used to pay any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any "covered Federal actions." (Coop. Agreement, pp. 20 & 21).

5.11 Publications and New Releases. The results of the Work Plan may be made available to the public through dedication, assignment by HUD, or other means, as HUD shall determine. All interim and final reports and any other specified deliverables shall be owned by the federal government and held for the benefit of the public which shall include the Council and the Sub-Recipient. Sub-Recipient publications and news releases are subject to other HUD terms and conditions stated in the Cooperative Agreement. (Coop. Agreement, p. 24).

5.12 Contractors and Subcontractors. The Sub-Recipient shall include in any subgrant, contract or subcontract for Work Plan activities appropriate provisions to ensure subgrantee, contractor and subcontractor compliance with all applicable state and federal laws, this Agreement and the Cooperative Agreement.

5.13 Contact Persons and Project Managers. Allison Brummel is the Council's contact person and project manager for the purposes of administering this Agreement. Payment request forms, written reports and correspondence submitted to the Council pursuant to this Agreement shall be directed to:

Metropolitan Council
Allison Brummel, Project Manager
Sustainable Communities Regional Planning Grant
390 Robert Street North
Saint Paul, Minnesota 55101-1805

allison.brummel@metc.state.mn.us
651.602.1363

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

The Sub-Recipient's contact person(s) is identified at Page 1 of this Agreement. If the Sub-Recipient's contact person changes, the Sub-Recipient must notify the Council's project manager. Nothing in this Agreement will be deemed to authorize the Council's or the Sub-Recipient's contact persons or project managers to execute amendments to this Agreement on behalf of their respective organizations.

5.14 Non-Assignment. This Agreement is not assignable and shall not be assigned by the Sub-Recipient or the Council.

5.15 Attachments. The following Attachments are incorporated into and are made a part of this Agreement:

Attachment A - Cooperative Agreement provisions governing the \$5,000,000 Sustainable Communities Regional Planning Grant from HUD.

Attachment B - Sub-Recipient Work Plan.

Attachment C - Federal Financial Report - Standard Form 425.

5.16 Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Sub-Recipient and on behalf of the Council represent and warrant on the Sub-Recipient's and the Council's behalf respectively that the individuals are duly authorized to execute this Agreement on the Sub-Recipient's and the Council's behalf respectively and that this Agreement constitutes the Sub-Recipient's and the Council's valid, binding and enforceable agreements.

IN WITNESS WHEREOF, the Sub-Recipient and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

SUB-RECIPIENT

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

METROPOLITAN COUNCIL

By: _____

Patrick P. Born
Regional Administrator

Date: _____

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT A

SIGNED COOPERATIVE AGREEMENT GOVERNING THE \$5,000,000 SUSTAINABLE
COMMUNITIES REGIONAL PLANNING GRANT FROM HUD



Metropolitan Council

January 28, 2011

John Malcom Smith, Grant Officer
U.S. Department of Housing and Urban Development
Office of Sustainable Housing and Communities
451 7th Street, Suite 10180, SW
Washington, DC 20024

Dear Mr. Smith,

Enclosed are three copies of our grant agreement, MNRIP0023-10, signed by the Regional Administrator of the Metropolitan Council, Thomas H. Weaver. Please contact Allison Brummel, Program Manager, at 651-602-1363 or allison.brummel@mtc.state.mn.us if you have any questions or comments. We look forward to working with HUD on this exciting initiative.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Starling".

Elizabeth Starling
Assistant Director, HUD Sustainable Communities Program

www.metrocouncil.org

390 Robert Street North • St. Paul, MN 55101-1805 • (651) 602-1000 • Fax (651) 602-1550 • TTY (651) 291-0904

An Equal Opportunity Employer

83

**Assistance Award/
Amendment**

**U.S. Department of Housing
and Urban Development**

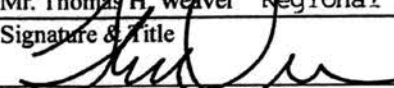
Office of Administration

1. Assistance Instrument ☒ Cooperative Agreement ☐ Grant		2. Type of Action ☒ Award ☐ Amendment	
3. Instrument Number MNRIP0023-10	4. Amendment Number	5. Effective Date of this Action February 1, 2011	6. Control Number
7. Name and Address of Recipient Metropolitan Council 390 Robert Street North St. Paul, MN: Minnesota 55101-1805 Phone: 651-602-1441 Fax:		8. HUD Administering Office HUD, Office of Sustainable Housing and Communities 451 Seventh Street, SW Room 10180 Washington, DC 20410	
10. Recipient Project Manager Mark VanderSchaaf, Director, Planning and Growth Management		8a. Name of Administrator J. Malcom Smith	8b. Telephone Number
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		9. HUD Government Technical Representative Steve Cerny, 202-402-5097, Steve.A.Cerny@hud.gov	
12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearing House		13. HUD Payment Office CFO National Accounting Center 801 Cherry Street Unit #45, Suite 2500 Fort Worth, TX 76102	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount \$ 0.00		15a. Appropriation Number	15b. Reservation Number
HUD Amount this action \$ 5,000,000.00		860/20162	
Total HUD Amount \$ 5,000,000.00		Amount Previously Obligated \$	0.00
Recipient Amount \$ 8,907,875.00		Obligated by this action \$	5,000,000.00
Total Instrument Amount \$ 13,907,875.00		Total Obligated \$	5,000,000.00
16. Description Employer Identification Number: 41-600-8898 Program: SCRPG			

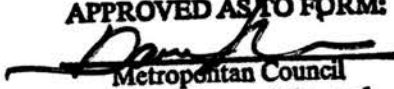
This instrument sets for the agreement between the parties as to all terms and conditions, amounts, tasks, and period of performance. By signing this award document, the Grantee certifies that it is in compliance with all administrative and financial provisions of this award. This grant instrument consists of the following, some of which are incorporated by reference:

1. HUD-1044 and HUD-1044 Continuation Sheets
2. Grant Agreement Terms and Conditions
3. HUD 424-CBW, Total Budget Summary
4. Grant Deliverables (See HUD 1044 Continuation Sheet)
5. Work Plan/Logic Model (Tasks within Work Plan are considered deliverables)
6. OMB Circular A-87, A-133 and A-102, which is incorporated at 24 CFR Part 85
7. Notice of Funding Availability (75 Federal Register 37458, Dock No. FR-5396-N-03, Doc No. 2010-15717)

Period of Performance is from February 1, 2011 to January 31, 2014 (36 months)

17. Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office. ☒		18. Recipient is not required to sign this document. ☐	
19. Recipient (By Name): Mr. Thomas H. Weaver Regional Administrator Signature & Title:  Date: 1-25-11		20. HUD (By Name): John Malcom Smith, Grant Officer Signature & Title: _____ Date: _____	
Previous editions are obsolete		form HUD 1044 (8/90) ref. Handbook 2210.17	

APPROVED AS TO FORM:


Metropolitan Council
Office of General Counsel

84

HUD 1044 CONTINUATION SHEET 1

INSTRUMENT NO: MNRIP0023-10

	HUD	Match/Leverage
1. <u>BUDGET</u>	<u>Amount</u>	<u>Amount</u>
Direct Labor	\$ 231,817.00	\$ 1,486,365.00
Fringe Benefits	\$ 97,363.00	\$ 0.00
Travel	\$ 17,400.00	\$ 0.00
Equipment	\$ 0.00	\$ 0.00
Supplies/Materials	\$ 0.00	\$ 0.00
Consultants	\$ 2,053,419.00	\$ 10,000.00
Contracts/Subcontracts	\$ 2,600,000.00	\$ 7,411,510.00
Construction	\$ 0.00	\$ 0.00
Other Direct Cost	\$ 0.00	\$ 0.00
Indirect Cost	\$ 0.00	\$ 0.00
TOTAL	\$5,000,000.00	\$ 8,907,875.00

If the grantee's match/leverage contribution is less than **\$8,907,875.00**, the Government reserves the right to negotiate new line items and/or amounts to satisfy the grantee's requirement, or to reduce the Government's share proportionally. The grantee shall notify HUD at any time it believes it will not meet its match requirement. In addition, the grantee shall obtain HUD approval regarding any changes concerning the intended use of matching funds. If the grantee exceeds the dollar amount shown above, there will be no impact on the Federal share.

2. **AMOUNT OF COST SHARE**

The estimated cost for the performance of this grant is \$5,000,000.00. HUD shall not be obligated to reimburse the Metropolitan Council in excess of \$5,000,000.00. The Grantee agrees to bear without reimbursement from HUD \$5,000,000.00 of the total costs. However, in the event that the Grantee incurs cost in excess of the total estimated project cost of \$5,000,000.00; all such excess costs shall be borne entirely by the Grantee.

3. **DELIVERABLES IN ACCORDANCE WITH THE NOFA AND APPROVED WORK PLAN AND LOGIC MODEL**

- A) **Final and approved work plan** (60 days after the effective date of the award)
- B) **Logic Model** (60 days after the effective date of the award)
- C) **Outreach to Public Housing Authorities** (60 days after the effective date of the award)
- D) **Signed and GTR-approved Consortium Agreement** (120 days after the effective date of the award) that at the minimum must include the following organizations:

Partnership(s)

- City of Saint Paul, MN
- City of Minneapolis, MN
- City of Apple Valley
- City of Hopkins
- Ramsey County, MN
- Hennepin County, MN

HUD 1044 CONTINUATION SHEET 2

- The McKnight Foundation
- Minnesota Housing Finance Agency (State government)
- Central Corridor Funder Collaborative
- NorthStar Corridor Development Authority

- E) **Comprehensive Sustainable Communities Regional Plan** (24-36 months)
F) Commitment to participate in performance measurement and evaluation conducted by third party.
G) Activities pertaining to the Regional Analysis of Impediments

4. INDIRECT COST RATE

N/A

5. KEY PERSONNEL

Name	Title	% of time on the grant
Mark Vander Schaaf	Project Director	40%
Allison Brummel	Program Manager	100%
Libby Starling	Research Manager	20%

6. PERIOD OF PERFORMANCE

36 months

7. AUDIT INFORMATION

The *Metropolitan Council* submitted an audit report conducted by Federal Audit Clearinghouse for the year ending December 31, 2009. The audit report attests to "Metropolitan Council's" practice of generally accepted accounting principles and compliance with laws and regulations relating to government auditing standards. The internal control structure has been reviewed in accordance with OMB Circular A-133 and found to be in non-compliance with requirements that are applicable to certain of its major federal programs.

8. SPECIAL CONDITIONS

Environmental Review. Activities that involve site control or acquisition are subject to HUD environmental review under 24 CFR Part 50. For projects involving these activities, HUD's notification of award constituted only a preliminary approval by HUD subject to the completion of an environmental review of the proposed site(s). Selection for participation and the execution of this *Agreement* do not constitute approval of the proposed site(s). Each proposal involving site control or acquisition is subject to a HUD environmental review, and the Grantee's proposal may be modified or the proposed sites rejected as a result of that review. The Grantee shall not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

86

U.S. Department of Housing and Urban Development
Office of Sustainable Housing And Communities

COOPERATIVE AGREEMENT PROVISIONS

TABLE OF CONTENTS

I. GENERAL

- Overview of Award Implementation
- Purpose
- Definitions

II. PROGRAM REQUIREMENTS

- Allowable Costs
- Administrative Requirements
- Advance Payment by Treasury Check or Electronic Funds Transfer
- Amendments
- Amount of Cost Share (Estimated Cost and Payment – Leveraging)
- Budget
- Central Contractor Registration (CCR)
- Certifications and Assurances
- Changes
- Closeout
- Collection of Data
- Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act)
- Conduct of Work
- Confidentiality
- Consortia Agreement
- Contact Information Updates
- Copyrights
- Default and Disputes
- Deliverable Products
- DUNS Number (Dun and Bradstreet Data Universal Numbering System)
- Environmental Review
- Equipment
- Estimated Cost and Payment - Line of Credit Control System (LOCCS)
- Fair Housing and Civil Rights Laws
- Flow Down Provisions
- HUD's Right to Audit and Disallow and Recover Funds
- HUD's Substantial Involvement
- Incurrence of Costs
- Indirect Costs
- Inspection and Acceptance
- Inspector General Referrals

- Limitation of Consultant Payments
- Limitation on Payments to Influence Certain Federal Transactions
- Lobbying Activities Prohibition
- Management and Work Plan
- Monitoring
- Order of Precedence
- Patent Rights (Small Business Firms and Nonprofit Organizations)
- Period of Performance and Extensions and Incurring Costs or Obligating Federal Funds Beyond the Expiration Date
- Personnel
- Profit/Fee
- Program Income
- Prohibited Use of Funds
- Publications and News Releases
- Reporting
- Reproduction of Reports
- Review of Deliverables
- Scope of Services
- Single Audit Transparency Transactions Listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-recipients.
- Special Conditions
- Sub-recipient Monitoring and Management
- Whistleblower Protection

I. GENERAL

Overview of Award Implementation

This cooperative agreement/grant (also referred to as *Agreement*) is between the Grantee (*Recipient*) identified in Block 7 of the form HUD-1044, and the U.S. Department of Housing and Urban Development. The award agreement consists of the form HUD-1044, any special conditions, and these Cooperative Agreement Terms and Conditions.

In signing this *Agreement*, the Grantee agrees to comply with all the requirements and conditions contained herein.

The provisions of the Notice of Funding Availability (NOFA) are hereby incorporated into this *Agreement*.

The Grantee's rights under this *Agreement* may not be assigned without the prior written approval of HUD.

The Grantee shall complete and submit a revised management and work plan with Logic Model, Deliverables/Outcomes and Budget within 60 calendar days after the effective date of the grant. These revisions shall update the general/basic plan submitted with the proposal and include any changes to the proposed work plan, budget, performance measures and deliverables, negotiated between HUD and the grantee. These revisions should be developed according to the instructions provided by the HUD Government Technical Representative identified on the form HUD-1044. Should you not address these specific issues, your grant may be terminated on the basis of failure to conclude negotiations or to provide HUD with requested information, in accordance with the General Section of the NOFA for which you applied.

Purpose

The purpose of this *Agreement* is as stated in the "Purpose of the Program" section of the NOFA.

Definitions

"Cooperative Agreement" means an agreement in which the Federal Government provides funding authorized by public statute where the government plays a substantial role in assisting the funding recipient.

"Equipment" means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

"Grant/Cooperative Officer" (Grant Officer) means the HUD individual who is responsible for processing and executing grant award, change in key personnel, change of scope, budget transfers, change of period of performance, and other administrative changes that would require a modification to the agreement. This term also refers to designated HUD Officials authorized to execute and/or administer this grant.

"Government Technical Representative (GTR)" means the HUD individual who is responsible for the technical administration of the grant, the evaluation of performance under the grant, the acceptance of technical reports or projects, and other such specific responsibilities as may be stipulated in the grant.

"Government Technical Monitor (GTM)" means the individual responsible for assisting a Government Technical Representative (GTR) in the latter's performance of his/her duties. The GTM is also the responsible individual that will comply with the Office of Sustainable Housing and Communities devolution of authority under our Continuity of Operations Plan (COOP). Should the National Capital Region become non-operational due to emergency conditions, the approval of vouchers and the authority to pay vouchers will transfer to the GTM until such time as the designation is lifted. The Government Technical Representative (GTR) will continue to be the point of contact for day-to-day management issues and responsibilities described above. In a state of emergency, HUD reserves the right to designate a GTR for COOP purposes.

"Grantee" as used herein refers to the recipient of this cooperative agreement.

"NOFA" means the Notice of Funding Availability, which announced the availability of funding for this grant.

"OSHC" means the HUD Office of Sustainable Housing and Communities, or its successor Office, if any.

"Publication" includes: (a) any document containing information for public consumption; or (b) the act of, or any act which may result in, disclosing information to the public.

"Recipient" means any entity other than an individual that received grant funds in the form of a grant, cooperative agreement or loan directly from the Federal government.

"Subaward" means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which the recipient received this award and that:
 - a. The recipient awards to an eligible sub-recipient; or
 - b. The sub-recipient at one tier awards to a sub-recipient at the next lower tier.
2. The term does not include the recipient's procurement of property and services needed to carry out the project or program (see, generally, § .210 of the

attachment to OMB Circular A-133 (2 CFR Part 180), "Audits of States, Local Governments, and Non-Profit Organizations").

3. A subaward may be provided through any legal agreement, including an agreement that the recipient or a sub-recipient considers a contract.

"Sub-recipient" means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary to such a program. The sub-recipient may also be a recipient of other Federal awards directly from the Federal awarding agency. Guidance on distinguishing between a sub-recipient and a vendor is provided in §____.210 of OMB Circular A-133 (2 CFR Part 180).

"Total Instrument Amount" is the amount under line item 14 of the HUD Form-1044 (Total Instrument Amount).

"Work Plan" refers to the Grantee's plan for addressing a specific service delivery need, and consists of designated work activities including tasks and subtasks as required by the program office; a timeline for completing the work; performance measures; outputs and outcomes identified to achieve the performance measures/goals; budget; and resources designated to complete the work.

II. PROGRAM REQUIREMENTS

Allowable Costs

This is a cost reimbursement award; the Grantee shall be reimbursed for certain costs, as described below, incurred in the performance of work in an amount not to exceed the obligated amount shown in block 15 on the Assistance Award Form (form HUD-1044). In the event the Grantee incurs costs in excess of the prescribed amount, the excess shall be borne entirely by the Grantee.

HUD shall reimburse the Grantee for costs incurred in the performance of this award which are determined by the GTR and the Grant Officer to be allowable, allocable, and reasonable in accordance with applicable Federal cost principles as follows:

Cost Principles for State, Local, and Indian Tribal Governments	OMB Circular A-87	Relocated to 2 CFR, Part 225; http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
Cost Principles for Non-profit Organizations	OMB Circular A-122	Relocated to 2 CFR, Part 230; http://www.whitehouse.gov/omb/fedreg/2005/083105_a122.pdf
Cost Principles for Educational Institutions	OMB Circular A-21	Relocated to 2 CFR, Part 220; http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf
Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations	OMB Circular A-110	Relocated to 2 CFR Part 215; http://www.whitehouse.gov/omb/fedreg/2005/083105_a110.pdf
Audits of States, Local Governments, and Non-Profit Organizations	OMB Circular A-133	Relocated to 2 CFR Part 180; http://www.whitehouse.gov/omb/fedreg/2005/083105_a133.pdf
Cost Principles for Commercial/For-profits	Federal Acquisition Regulations at 48 CFR Part 31.2	http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200948

Direct Costs are the allocable portion of allowable costs incurred directly for the purposes of the grant. Detailed explanations of direct costs are provided in applicable OMB Circulars (A-21 (2 CFR Part 220), Cost Principles for Educational Institutions, A-87 (2 CFR Part 225), Cost Principles for State, Local, and Indian Tribal Governments, or A-122 (2 CFR Part 230), Cost Principles for Nonprofit Organizations, as applicable) that can be accessed at the White House website, www.whitehouse.gov/omb/circulars_default

Administrative Requirements

For non-profits, awards will be governed by:

- 24 CFR Part 84, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
<http://ecfr.poaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a0f201e9fd6fec5af8e07d6e0eedf957&rgn=div5&view=text&node=24:1.1.1.1.38&idno=24>
- OMB Circular A-133 (2 CFR Part 180), Audits of States, Local Governments, and Non-Profit Organizations; and
- These grant provisions.

92

For State and local governments, awards will be governed by:

- 24 CFR Part 85, Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a0f201e9fd6fec5af8e07d6e0eedf957&rgn=div5&view=text&node=24:1.1.1.39&idno=24>
- OMB Circular A-133 (2 CFR Part 180), Audits of States, Local Governments, and Non-Profit Organizations; and
- These grant provisions.

Advance Payment By Treasury Check Or Electronic Funds Transfer

Advance payments by Treasury check or electronic funds transfer are hereby authorized under this grant. A Grantee that is subject to existing State program accreditation requirements may request an advance payment in writing, if applicable. HUD may provide to the Grantee a one-time cash advance that shall not exceed 10 percent of the grant amount, and shall be limited to the minimum amount needed for the actual, immediate cash requirements of the Grantee in carrying out the start up activities of this agreement and as agreed to by the Grant Officer. Neither these HUD funds nor non-HUD funds may be used for conducting interventions, remediation, rehabilitation, renovation or other activities that would physically alter any structure or property in any way. Refer to 24 CFR 58.34(a) for a list of exempt activities.

Amendments

This grant may be modified at any time by written amendment. Amendments, which reflect the rights and obligations of either party, shall be executed by both HUD (the Grant Officer) and the Grantee. Administrative amendments, such as changes in appropriation data, may be issued unilaterally by the Grant Officer.

Amount of Cost Share (Estimated Cost And Payment – Leveraging) (See Block 14 of form HUD-1044)

The estimated cost for the performance of this grant is the “**Total Instrument Amount**”.

The Grantee shall be reimbursed by HUD for costs incurred in the performance of this grant. HUD shall not be obligated to reimburse the Grantee in excess of the “**Total HUD Amount**”. HUD reserves the right to withhold five-percent (5%) of the Federal grant amount pending the receipt and approval of a final progress report. See clause entitled “Final Report” for more information. The proposed contribution to supplement HUD funds is the “**Recipient Amount**.” The Grantee agrees to bear without reimbursement by HUD the “**Recipient Amount**” of the total costs. The Grantee is not obligated to contribute more than the “**Recipient Amount**”. However, the Grantee shall be solely responsible for any costs in excess of the estimated cost of the “**Total Instrument Amount**”.

The Grantee must satisfy all leveraging requirements in the NOFA. If the Grantee's actual leveraging contribution is less than "**Recipient Amount**" under Block 14 of the HUD 1044, the Government reserves the right to negotiate new line items and/or amounts to satisfy the Grantee's leveraged funds requirement, or to reduce the Government's share proportionally. The Grantee shall notify the Government at any time it believes it will not meet its leveraged funds requirement by the completion of the grant. If the Grantee exceeds the leveraged amount, there will be no impact on the Federal share. HUD reserves the right to withhold payments if leveraged funds are not spent.

Any funds requested by the Grantee shall be requested in accordance with the clause entitled, "Estimated Cost and Payment - Line Of Credit Control System (LOCCS)."

HUD reserves the right to withhold payment if leveraged resources are not spent.

Budget

The Grantee shall incur costs in conformance with the original or negotiated budget, presented with the proposal for this grant. The Grantee shall not commingle any funds computed under this grant with any other existing or future operating accounts held by the Grantee.

If the Grantee has been contacted to submit documents to support the application that were not received prior to the execution of this grant, the Grantee will not be allowed to draw down funds in excess of 10% of the federal amount, until such time that the requirements have been met. HUD reserves the right to terminate an award if the required documents are not provided within 1 month from the date the written request was made.

Standard Form 425, Federal Financial Report, detailing leveraged funds or in-kind contributions shall be submitted on a quarterly basis. As part of the closeout process a final narrative and a final Standard Form 425 detailing the progress made in achieving the purpose of the grant and adequate documentation of the total federal funds expended in support of the activities to achieve this purpose are due to the GTR 30 days prior to the end of the period of performance (See clause entitled "Closeout").

The Federal Financial Report (Standard Form 425) shall be submitted on a quarterly basis and is due 10 days after the end of each quarter.

Central Contractor Registration (CCR)

Recipients and their first-tier sub-recipients must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards.

Certifications and Assurances

The certifications and assurances submitted in the Grantee's application are hereby incorporated into this agreement. They include:

- Standard Form 424 or HUD 424, Application for Federal Assistance
- Certification and Disclosure Form Regarding Lobbying (SF-LLL)
- Applicant/Recipient Disclosure Update Report (HUD-2880)
- Certification Regarding Parties Excluded From Procurements
- Certification Prohibiting Excessive Force Against Non-Violent Civil Rights Demonstrators
- Certification/Disclosure Regarding federal Debt
- Certification Regarding a Drug-Free Workplace
- Codes of Conduct and Conflict of Interest

A grantee must notify the GTR of any changes in the status or information on the above items.

Changes

In accordance with 24 CFR 85.30 or 84.25, as applicable, Grantees or sub-grantees must obtain the prior approval of the awarding agency whenever any programmatic changes are anticipated, including but not limited to the following:

- a) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).
- b) Budget revisions that are 10% or more of the cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed 10% of the current total approved budget, whenever the awarding agency's share exceeds \$100,000.
- c) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.
- d) Under non-construction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities, which are central to the purposes of the award.

Closeout

The Grantee shall provide the Grant Officer with closeout documentation 30 days prior to the end of the performance period, consisting of the following five elements:

- Narrative Final Report summarizing activities conducted under the award, including significant outcomes resulting from the activities and problems encountered during the performance period;
- Federal Financial Report (SF-425) of the total Federal Funds expended;

95

- Completed Property Statement;
- Completed Inventions, Patents, and Copyright Statement; and
- Completed Closeout Certification.
- Final Logic Model Report.

HUD will notify the Grantee in writing when the grant is closed. The Grantee has three areas of continuing responsibility after closeout of the grant:

- Records and materials must be kept in a safe place and be accessible to auditors and other government officials for three years after the grantee and all subgrantees/subcontractors make final payments and all other pending matters are closed. (If the grant is covered by 24 CFR Part 84, see related record retention requirements in 24 CFR 84.85(c)(2).) This requirement also extends to all subcontracts the Grantee has executed.
- Accountability for property continues as long as the Grantee holds the property, or for the period of time established by the agreement. Disposal of property must be in accordance with the rules established in the Property Management Standards referred to in the award. Program income, including royalties, must be used to support eligible activities.
- Notification to the Grant Officer if, at any time during the three-year period after project completion, the Grantee organization is discontinued or changes location. The Grant Officer should be notified immediately of the new address or the address of the party retaining all records.

Collection Of Data

Collection of data from ten or more respondents and sponsored by HUD shall be subject to the Paperwork Reduction Act (44 U.S.C. 3501— 3520). If a survey instrument for a collection of data sponsored by HUD is proposed, it will be subject to review and approval by the Office of Management and Budget (OMB). Such review and approval must be obtained prior to the use of the survey instrument. Also, a time element is involved here, which may considerably lengthen the time required for completion of the project proposed. Careful consideration should be given to any proposal, which requires the use of a survey or other information collection sponsored by HUD. The collection of data is deemed to be sponsored by HUD only under the following conditions (5 CFR 1320.3):

- a) The Grantee is conducting the collection of information at the specific request of HUD; or
- b) The terms and conditions of the grant require specific approval by HUD of the collection of information or collection procedures. Note that if the Grantee decides on its own to collect information and it does not need HUD approval to do so, then HUD is not the "sponsor" of the information collection.

Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) (Transparency Act)

Applicants receiving an award from HUD should be aware of the requirements of the Transparency Act. The Transparency Act requires the establishment of a central website that makes information available to the public regarding entities receiving federal financial assistance, by not later than January 1, 2008. In fulfillment of the requirements of the Act, OMB launched <http://www.USAspending.gov> in December 2007. The website makes information available to the public on the direct awards made by the federal government. The Transparency Act also requires, beginning not later than January 2009, that data on subawards be made available on the same website.

In anticipation of the implementation of this requirement, HUD is placing awardees of its FY2010 competitive funding on notice of these requirements and that, once implemented, grantees will be required to report their subaward data to HUD or a central federal database. The only exceptions to this requirement under the Transparency Act are:

- 1) Federal transactions below \$25,000;
- 2) Credit card transactions prior to October 1, 2008;
- 3) Awards to entities that demonstrate to the Director of OMB that the gross income of such entity from all sources did not exceed \$300,000 in the previous tax year of such entity; and
- 4) Awards to individuals. Guidance for receiving an exception under item (3) above has not been finalized by OMB.

HUD is responsible for placing award information for direct grantees on the government website. The reporting of subaward data is the responsibility of the grantee. Grantees should be aware that the law requires the information provided on the federal website to include the following elements related to all subaward transactions, except as noted above:

- 1) The name of the entity receiving the award;
- 2) The amount of the award;
- 3) Information on the award, including the transaction type, funding agency, the North American Industry Classification System (NAICS) code or Catalog of Federal Domestic Assistance (CFDA) number (where applicable), program source, and an award title descriptive of the purpose of each funding action;
- 4) The location of the entity receiving the award and primary location of performance under the award, including the city, state, congressional district, and country;
- 5) A unique identifier of the entity receiving the award and of the parent entity of the recipient (the DUNS number), should the entity be owned by another entity; and
- 6) Any other relevant information specified by OMB.

HUD expects OMB to issue further guidance on subaward reporting. Based on preliminary input from the various federal agencies, applicants should be aware that consideration is being given to requiring the disclosure of additional data elements to help track

the flow of funding from the original federal award. Such data elements under consideration include the tier at which the subaward was made, the federal award number issued to the direct awardee, the dollar amount of the federal award emanating from the direct award going to the subawardee, as well as the total subaward amount, which could include funds from other sources, and registration in the CCR. Additional information regarding these requirements when determined will be provided when available. Subawardees and direct awardees should always use an Employer Identification Number (EIN) when registering with CCR, not a Social Security Number, to ensure personal information and data is protected. To obtain an EIN, go to <http://search.irs.gov/web/query.html?col=allirs&charset=utf-8&qp=&qs=-Wct%3A%22Internal+Revenue+Manual%22&qc=&qm=0&rf=0&oq=&qt=form+SS4>.

To obtain form SS-4, Application for Employer Identification Number, and if you need assistance in completing the SS-4, you can contact the IRS helpline at 800-829-4933. The helpline is open from 7a.m. to 10 p.m. your local time (Alaska and Hawaii follow Pacific Time), Monday to Friday, except federal holidays.

Conduct of Work

During the effective period of this grant, the GTR and/or the GTM identified in Block 9 of the HUD-1044 shall be responsible for monitoring the technical effort of the Grantee, unless the Grantee is notified in writing by the Grant Officer of a replacement.

Only the Grant Officer has the authority to authorize deviations from this grant, including deviations from the Work Plan. In the event the Grantee does deviate without written approval of the Grant Officer, such deviation shall be at the risk of, and any costs related thereto shall be borne by, the Grantee.

Confidentiality

The service provider (e.g., the Grantee and any subgrantees, subcontractors or vendors) must maintain confidential files on individual program beneficiaries served. Recipient staff must keep paper files in a locked filing cabinet and protect all electronic files related to individual beneficiaries with a personal password.

The service providers shall maintain primary access to individual beneficiary files. Other project management staff may have access to these files only if they contain a "release of information" consent form signed by the individual beneficiary. A release of information form must clearly indicate which parties may have access to an individual beneficiary's file. Such parties might include the management staff and HUD staff. Recipient staff must only share individual beneficiary files with those parties listed on the signed form. If an individual beneficiary has not signed the consent form the parties listed may not read that individual beneficiary's file.

These categories serve as guidelines to recipient staff and management staff. The recipient must determine if the individual beneficiary's confidential information will significantly affect the safety and security of that individual or the recipient organization itself.

Consortia Agreement

This provision pertains to agreements awarded to a consortium or consortia. The designated Lead Agency is the official funding recipient. As such, the Lead Agency performs functions including the following:

- Maintaining the LOCCS account,
- Drawing down and dispersing grant funds,
- Paying related administrative expenses,
- Monitoring the work of the consortia members, and
- Submitting all required reports to the OSHC staff.

All recipients and sub-recipients in an OSHC grant program Consortium must enter into a memorandum of understanding that binds them to this award. By doing so, all entities are legally bound to comply with all the terms and conditions of the award. Should one or more parties not comply with the terms of this agreement at any time, and not be replaced by the Lead Agency, the portion of that entity's allotted award will be dropped from the award agreement. Non-lead agencies, in complying with this award agreement, are responsible for monitoring the time and work of the service providers at their site and for assuring that the Lead Agency has the proper information it needs to submit required reports to HUD and to maintain the award's LOCCS account.

Contact Information Updates

The Grantee shall inform the Grant Officer and GTR of any changes in contact information, including the organization's name, address, telephone, e-mail, and key personnel.

Copyrights

HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for Federal government purposes: (a) the copyright in any work developed under this award, sub-award, or contract awarded under this grant; and (b) any rights of copyright to which a Grantee or sub-grantee or a contractor purchases ownership with award funds.

Default and Disputes

The Grantee is in default if one or more of the following occurs:

1. Any use of award agreement funds for a purpose other than as authorized by this Agreement;

2. Any material noncompliance with Federal, State, or local laws or regulations as determined by HUD;
3. Any other material breach of this award agreement, or
4. Any misrepresentation in the application submissions which, if known to HUD, would have resulted in this award not being provided.
5. Failure to meet any reporting requirement.

If HUD determines preliminarily that the recipient is in default as described in items 1-5, above, HUD will give the recipient notice of this determination and the corrective or remedial action proposed by HUD. The recipient shall have an opportunity to demonstrate, within the time prescribed by HUD (not to exceed 30 days from the date of the notice), and on the basis of facts and data, that it is not in default, or that the proposed corrective or remedial action is inappropriate, before HUD implements the corrective or remedial action.

Where HUD determines that corrective or remedial actions by the recipient have not been undertaken as instructed, or will not be effective to correct the default and to prevent further default, HUD may take the following additional corrective and remedial actions under this award agreement:

1. Reduce the award in the amount affected by the default.
2. Take action against the recipient under 24 CFR Part 24 and Executive Order 12549 with respect to future HUD or Federal grant awards.
3. Demand repayment of all award amounts.
4. Initiate litigation or other legal proceedings designed to require compliance with the statute, regulations, any terms or conditions of this award agreement, or other pertinent authorities.
5. Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee.
6. Withhold further payments.
7. Take any other remedial action legally available.

During performance of the grant, disagreements may arise between the Grantee and the Grant Officer on various issues. If a dispute concerning a question of fact arises, the Grant Officer shall prepare a final decision, taking into account all facts and documentation presented. The decision shall be mailed to the Grantee. The Grantee may appeal the decision in writing within thirty (30) days to the Deputy Secretary of HUD, or his or her designated representative, the Director, Office of Sustainable Housing and Communities.

Failure to comply with the requirements established in the award and these provisions, including failure to submit reports on time and in accordance with the requirements contained in these provisions, may result in HUD taking action to limit access to program funds. Actions by HUD may include, but are not limited to: requiring that reports and financial statements be submitted to the Grant Officer/GTR for approval before drawing down any funds; removing the Grantee from the eLOCCS; suspending the ability to incur costs or draw funds; and/or suspending or terminating the Grant for non-performance.

HUD may, on reasonable notice to the Grantee, temporarily suspend the award and withhold further payments pending corrective action by the Grantee. The award may be terminated in whole or in part before the end of the performance period for cause when the Grantee has failed to comply with the terms, conditions, standards, or provisions of this award. The award may be terminated for convenience when both parties agree that the continuation of the award would not produce beneficial results.

Deliverable Products

During the performance period, the recipient is required to submit to the GTR Official Work Products. These include but are not limited to progress reports; financial reports, closeout documentation; products specified in the Work Plans, such as reports for HUD and the public on activities conducted and results achieved, Logic Model reports, etc. Failure to submit required documents on time may cause the Grant Officer to take action to suspend or terminate the award.

Section 508 of the Rehabilitation Act of 1973 requires all Federal electronic and information technology to be accessible by people with disabilities. All Products of Work that will be posted on HUD's website must meet HUD's Web Publication Standards and Procedures at www.hud.gov/assist/webpolicies.cfm.

Environmental Review

This Environmental Review section applies to Category 2 Grants (Detailed Execution Plans and Programs), as described in the NOFA, for projects that involve site control or acquisition.

Activities that involve site control or acquisition are subject to HUD environmental review under 24 CFR Part 50. For projects involving these activities, HUD's notification of award constituted only a preliminary approval by HUD subject to the completion of an environmental review of the proposed site(s). Selection for participation and the execution of this *Agreement* do not constitute approval of the proposed site(s). Each proposal involving site control or acquisition is subject to a HUD environmental review, and the Grantee's proposal may be modified or the proposed sites rejected as a result of that review.

The Grantee shall not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received. An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by HUD on the desirability of the property for the project as a result of the completion of the HUD environmental review and the cost of the option is a nominal portion of the purchase price.

101

The Grantee shall assist HUD in complying with 24 CFR Part 50; shall supply HUD with all available, relevant information necessary for HUD to perform an environmental review for each property, as requested by HUD; and, shall carry out mitigating measures required by HUD or select alternate eligible property if required by HUD.

Equipment

When acquiring equipment, the Grantee shall comply with the requirements set forth in 24 CFR 84.34 or 24 CFR 85.32, whichever is applicable, OMB Circular A-87 (2 CFR Part 225), and OMB Circular A-122 (2 CFR Part 230).

Estimated Cost and Payment - Line Of Credit Control System (LOCCS/eLOCCS)

The Grantee shall be reimbursed for costs incurred in the performance of work under this grant in an amount not-to-exceed "**Total HUD Amount**" in Block 14 of the HUD 1044. In the event the Grantee incurs cost in excess of this amount, the excess shall be borne entirely by the Grantee.

Incurred costs shall be reimbursed through HUD's Line of Credit Control System (LOCCS) using the eLOCCS web based system. Each day LOCCS generates a payment tape for the Department of the Treasury, which disburses the payments via the Automated Clearinghouse (ACH) Payment System and a Voucher and Schedule of Payments. All payments are certified by HUD and forwarded to Treasury for processing.

Before receiving funds from the eLOCCS, the Grantee must designate a financial institution for HUD to make direct deposit payments through the ACH system. In the event the Grantee, during the performance of this grant, elects to designate a different financial institution for the receipt of any payments, notification of such change and the related information must be received by the Grant Officer 30 days prior to the date such change is to become effective.

To have access to LOCCS and the eLOCCS, the Grantee shall obtain a Security ID and Password from HUD's LOCCS Security Officer, using the form HUD-27054, LOCCS Voice Response /eLOCCS Access Authorization Form.

The Grantee shall submit the original vouchers for work performed to the GTR identified in Block 9 of the form HUD-1044. The voucher shall be supported by a detailed breakdown of the cost(s) claimed (Grantees are to use the Part 3 Financial Reporting Attachment included in Policy Guidance 2001-03). In order to assure proper payment, it is important that the voucher is in accordance with the payment amount requested through the eLOCCS. Payment requires the Grantee to go to eLOCCS and provide the Security ID number and requested information. Detailed instructions for using the LOCCS-eLOCCS were provided in HUD's Transmittal Letter for your award.

Funds advanced to the Grantee shall be maintained in an interest bearing account. Any interest earned by the Grantee as a result of the advanced funds shall be promptly returned to HUD.

All check remittances should be sent to the new Miscellaneous Lockbox as follows:

Bank of America
DHUD P.O. Box 277303
Atlanta, GA 30384-7303

If the Grantee is a State, local government or Indian Tribe, the Grantee may retain up to \$100.00 of interest earned per Grantee's fiscal year for administrative expenses (24 CFR 85.21).

If the Grantee is a University, non-profit or for profit organization, the Grantee may retain up to \$250.00 of interest earned per Grantee's fiscal year for administrative expenses (24 CFR 84.22).

State universities and hospitals shall comply with the Cash Management Improvement Act (CMIA), as it pertains to interest.

Other funds due to HUD after the end date of the grant or close-out, as a result of internal audit or other reasons, will be returned to the GTR identified in Block 9 of the form HUD-1044 of this grant.

Should the Grantee demonstrate an unwillingness or inability to establish procedures that will minimize the time elapsing between advances and disbursements, or fail to provide any required progress report in a timely manner, the authorization for advance payments may be revoked. The Grantee may then be required to finance the project with its own working capital and payment to the Grantee may be made by Treasury check to reimburse it for actual cash disbursements that are approved by the GTR.

Fair Housing and Civil Rights Laws

- a) The Grantee represents, warrants, and certifies to HUD that it shall comply with all applicable Federal statutes, regulations, and requirements relating to non-discrimination and equal opportunity identified in HUD's regulations at 24 CFR § 5.105(a), and assure such compliance of any of its sub-grantees under this Agreement, including the following:
 1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d-2000d-4) and implementing regulations at 24 CFR part 1, Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964;

2. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681:1683, 1685:1688) and implementing regulations at 24 CFR part 3, Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance;
 3. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations at 24 CFR part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development;
 4. Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*) and implementing regulations at 28 CFR part 35;
 5. The Fair Housing Act (42 U.S.C. §§ 3601-19) and implementing regulations at 24 CFR Part 100, Discriminatory Conduct Under the Fair Housing Act;
 6. Executive Order 11063, as amended by Executive Order 12259, and implementing regulations at 24 CFR part 107, Nondiscrimination and Equal Opportunity in Housing Under Executive Order 11063; and
 7. The Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-6107) and implementing regulations at 24 CFR part 146, Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance.
- b) The Grantee represents, warrants, and certifies to HUD that it shall administer its grant in a manner that affirmatively furthers fair housing and that, at a minimum, it shall carry out all actions to affirmatively further fair housing as proposed in its application for financial assistance under the Sustainable Communities Regional Planning Grant Program.
 - c) The Grantee represents, warrants, and certifies to HUD that it shall ensure that employment, contracting, and other economic opportunities generated by the Sustainable Communities Regional Planning Grant Program shall, to the greatest extent feasible, be directed to low- and very low-income persons pursuant to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and HUD's implementing regulations at 24 CFR part 135.
 - d) Grantees are required to cooperate and assist HUD in its nondiscrimination and equal opportunity compliance activities and are required to maintain and submit racial, ethnic, disability, and other demographic data pursuant to HUD's nondiscrimination and equal opportunity regulations including those at 24 CFR §§ 1.6, 8.55, 107.30, and 121.2.

104

Flow Down Provisions

If the Grantee contracts or subawards funds under this agreement with a person or entity to perform work under this award, the Grantee shall include in the contract or subaward agreement such provisions as may be necessary to ensure that all contractors and subgrantees comply with the requirements of the grant and reporting provisions as set forth in these terms and conditions or as established by HUD and the Office of Management and Budget (OMB)

The Terms and Conditions of this agreement flow down to all tiers of subgrantees. All subgrantees are required to obtain a DUNS numbers (or update its existing DUNS record), and register with the Central Contractor Registration (CCR; www.ccr.gov) no later than 120 days after execution of this agreement.

HUD's Right to Audit and Disallow and Recover Funds

The government reserves the right to seek recovery of any funds that were not expended in accordance with the requirements or conditions of this agreement based upon HUD review, the final audit, or any other special audits or reviews undertaken. HUD has the right to order a special audit, even if the Grantee's auditor or a cognizant agency has already conducted one.

HUD's Substantial Involvement

Because this is a Cooperative Agreement, HUD intends to have substantial involvement in the review, development, and approval of all aspects of the work to be carried out under this cooperative agreement. The substantial involvement will be focused through the GTR and GTM. Anticipated substantial involvement by HUD staff may include, but will not be limited to:

- Review and possibly suggest amendments to the study design, including:
 - study objectives
 - field sampling plan
 - sample handling and preparation
 - sample and data analysis
 - quality assurance
- Review and provide scientific and technical recommendations in response to quarterly progress reports (e.g., amendments to study design based on preliminary results).
- Review and provide scientific and technical recommendations on the final study report, including final interpretation of study results.

Incurrence of Costs

The Grantee is allowed to incur costs for activities beginning the date in Box #5 on the HUD-1044. Any costs incurred before the date are not allowable unless specifically authorized in writing by the Grant Officer or GTR.

Indirect Costs

If the Grantee has received a provisional rate, pending establishment of a final rate, reimbursement will be made on the basis of the provisional rate. By accepting this agreement, the Grantee agrees to bill at the provisional indirect cost rate until an approved indirect rate agreement becomes effective. Adjustments will be made from the provisional rate to the final rate. However, such adjustments must be within the total amount of the award as stated in Block #15 of the HUD-1044.

Inspection and Acceptance

Inspection, review, correction, and acceptance of all deliverables under this award shall be the responsibility of the GTR. The GTR may receive recommendations from assigned GTMs.

Inspector General Referrals

The Grantee or any subgrantee, subcontractor or other sub-recipient awarded funds shall promptly refer to an appropriate inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

Limitation on Consultant Payments

Per the requirements of the NOFA, federal funds may not be used to pay or to provide reimbursement for payment of the salary of a consultant, whether retained by the federal Government or the Grantee, at a rate more than the equivalent of General Schedule 15, Step 10 base pay rate. See the Office of Personnel Management Website, www.opm.gov, and its Salaries and Wages link for the current base rate, which may be lower than the local rate.

Limitation on Payments to Influence Certain Federal Transactions

Section 1352 of Title 31 of the U.S. Code provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering

into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Lobbying Activities Prohibition

The Grantee is subject to the provisions of section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. 1352 (the Byrd Amendment), implemented in HUD regulations at 24 CFR Part 87 and to the provisions of the Lobbying Disclosure Act of 1995, P.L. 104-65 (December 19, 1995).

Management and Work Plan (with Logic Model Standards)

The management and work plan, deliverables and budget revisions shall comply with the requirements established by the NOFA. The Grantee shall complete and submit a detailed management and work plan (with Logic Model) within 60 days after the effective date of the grant; this plan is subject to review and approval by HUD. The revisions to the general plan submitted in the proposal shall include any negotiated changes of the work plan or budget if applicable. The plan shall be developed according to the instructions and Logic Model standards that will be provided by the GTR.

The management and work plan consists of the goals and time-phased objectives and deliverables for each of the major tasks to be undertaken by the program. A Logic Model (milestones) has been developed to assist the Grantee plan and implement its program in a timely and cost-effective manner. A revised budget, in accordance with the final negotiation, shall be submitted (if necessary).

Monitoring

The responsible Departmental official, GTR, or designee may review and monitor the practices of the Grantee to determine whether it is in compliance with this Agreement or other requirements that arise as a result of the Grant Award. The GTR will also provide performance monitoring by tracking Grantee's progress in meeting the goals and objectives of the program.

Order of Precedence

In the event of any inconsistency among any provisions of this grant, the following order of precedence shall apply:

- a) Cooperative Agreement
- b) NOFA
- c) Management and Work Plan.
- d) Uniform Administrative Requirements.
- e) Grantee's Proposal (if incorporated)

107

Patent Rights (Small Business Firms And Nonprofit Organizations)

Patent rights are as specified in 37 CFR Part 401, entitled "Rights to Inventions made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts and Cooperative Agreements." Inquiries regarding this Patent Rights clause should be in writing and directed to:

Grant Officer
Office of Sustainable Housing and Communities
U.S. Department of Housing and Urban Development
451 Seventh Street SW, Room 10180
Washington, DC 20410-3000

Period of Performance and Extensions and Incurring Costs or Obligating Federal Funds Beyond the Expiration Date

a) The Grantee shall provide all services stipulated in this cooperative agreement for the period of months specified in the form HUD 1044, "Assistance Award/Amendment," or its Continuation Sheet, from the effective date stipulated in Block #5 of the HUD 1044. Grantees are to comply with the requirements of 24 CFR 84.28 or 24 CFR 85.23 (Period of availability of funds), as applicable, in charging costs to the grant. All obligations incurred under the award must be liquidated within the period of performance. The preparation of the final administrative and financial reports is to be completed 30 days prior to the end of the period of performance.

b) The Grantee shall not incur costs or obligate federal funds for any purpose pertaining to the operation of the project or program, 30 days prior to the end of the period of performance. The only costs which are authorized during the last 30 days of the period of performance are those strictly associated with closeout activities. Closeout activities are normally limited to the preparation of final progress, financial, and required project audit reports unless otherwise approved in writing by the Grant Officer.

The Office of Sustainable Housing and Communities has no obligation to provide any additional prospective funding. Any amendment of the award to increase funding is at the sole discretion of that Office.

Personnel

The personnel, specified as key personnel in the original or amended HUD form 2010 (Rating Factor Form), Factor 1, Capacity of the Applicant and Relevant Organizational Experience, are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other work, the Grantee shall notify the Grant Officer and GTR reasonably in advance in writing and shall submit justification (including proposed substitutions (with the qualifications and experience of the substitute personnel)) in sufficient detail to permit evaluation of the impact on the work effort. No diversion shall be made by the Grantee without the written consent of the Grant Officer.

Profit/Fee

No increment above cost, fee, or profit may be paid to the Grantee or any subgrantee under this award.

Program Income

Any program income derived as a result of this award shall be added to funds committed under the award to further activities eligible for assistance under this agreement. If not contained in the Work Plan or under Special Conditions itemized in these provisions, prior to using program income to further the objectives of the grant program, the parties shall mutually agree by written amendment on the use of program income. Program income received after the period of performance must be used to further the objectives of the applicable grant program for which this grant is awarded in accordance with 24 CFR 84.24 or 85.25, as applicable.

Prohibited Use of Funds

You may not use funds for the following ineligible activities:

- (a) Ineligible administrative activities under OMB Circular A-102 (24 CFR Part 85), Grants and Cooperative Agreements with States and Local Governments; OMB Circular A-110 (2 CFR Part 215) Uniform Administrative Requirements for Grants and Cooperative Agreement with Institutions of Higher Education, Hospitals and other Non-Profit Organizations;
- (b) Ineligible costs under OMB Circular A-87 (2 CFR Part 225), Cost Principles for State and Local and Indian Tribal Governments; and OMB Circular A-122 (2 CFR Part 230), Cost Principles for Non-Profit Organizations;
- (c) Developing plans that would assist business or industry to relocate to an area to the detriment of communities where the business or industry is currently located. This funding restriction does not apply to businesses that are displaced as a result of Category 2 projects. The requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601) (codified at 49 CFR Part 24) cover any person who moves permanently from real property or moves personal property from real property as a result of direct acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance (See the General Section).
- (d) Substitution of Sustainable Communities funds for funding already pledged to support community development; housing; watershed, air and water quality; transportation planning; food production and distribution planning; and other planning activities eligible under the sustainable communities planning program.

Publications and News Releases

The results of work conducted under the award may be made available to the public through dedication, assignment by HUD, or other means, as HUD shall determine.

All interim and final reports and any other specified deliverables shall be owned by the government and held for the benefit of the public which shall include Grantee and Grantee's sub-recipients.

Interim and final reports (including, if applicable, scientific manuscripts) may not be published by the Grantee or any sub-recipients participating in the work for a period of sixty days after acceptance of the deliverables by the GTR.

All deliverables, or any part thereof, and any independent products and special products arising from this award, when published by the Grantee or other participants in the work shall contain the following acknowledgment and disclaimer:

The work that provided the basis for this publication was supported by funding under an award with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Government."

Copies of all press releases, formal announcements, and other planned, written issuances containing news or information concerning work products or activities of this award that may be made by the Grantee or its staff, or any sub-grantee or other person or organization participating in the work of the award, shall, be provided to the GTR for review and comment before the planned release. Whenever possible, these should be provided to the GTR for review and comment at least two weeks before the planned release, but in no event simultaneously with the release.

The use of Social Media, such as web feeds, wikis, blogs, photo and video-sharing, podcasts, and microblogs is acceptable under OSHC grant programs. Information to be released through Social Media must be provided to the GTR for review and comment at least 2 business days before the planned release.

Reporting**a) Deliverables**

The Grantee shall include a schedule listing all significant project milestones, and dates for submission of all project deliverables including quarterly project reports, interim reports where appropriate, the final report, and financial reports utilizing Standard Form 425, the Federal

Financial Report. Upon approval of the Work Plan, the Grantee should ensure all deliverables identified in the Work Plan and Logic Model schedule are delivered on time.

b) Biannual Progress Reports

A template to be used in the preparation of each biannual report will be provided by HUD after grant award. Biannual reports must reflect activities undertaken, obstacles encountered and solutions achieved, and accomplishments in each calendar quarter. Contracts, training materials and protocols, rosters of persons trained, outreach and educational materials prepared, and other significant products developed to implement, analyze or control the project or disseminate information are to be submitted with the quarterly reports as attachments.

Grantees shall submit reports as specified in this clause. The reports submitted to HUD require the submission of a work plan with specific, time phased, and realistic goals, objectives, and Logic Model milestones established. Biannual status reports that show progress and measure performance of the program in meeting approved work plan goals, objectives and Logic Model milestones are to be submitted.

Grantees are advised that failure to submit timely biannual progress reports will result in not having their "eLOCCS Request Voucher for Grant Payment" processed and also may result in a low performance rating, which could result in grant termination.

c) Required Reports

- Grantees are required to submit biannual reports, including Logic Model reports. Reporting requirements are specified in the Notice of Funding Availability and these Terms and Conditions. In case of conflict, the more-stringent provisions apply.
- Economic Opportunities for Low- and Very Low-Income Persons (Section 3). The HUD Form 60002, Economic Opportunities for Low- and Very Low-Income Persons (Section 3) must be submitted by January 10th, and yearly thereafter.
- Federal Financial Report (Standard Form 425)

d) Final Report

A final report shall be submitted. The final report shall summarize the applicant's plans, execution of the plans, achievements noted, and lessons learned. The report need not be lengthy, but should be of a quality and detail to provide freestanding description to any outside reader of all of the applicant's work and achievement under the grant. See clause entitled "Closeout" for the specific elements to be included with your final report. Specific and detailed guidance on preparing the forms and the narratives may be obtained from the GTR.

Reproduction of Reports**BRANCH PROCUREMENT OF CERTAIN KINDS OF PRINTING; "PRINTING" DEFINED**

Pub. L. 102-392, title II, Sec. 207(a), Oct. 6, 1992, 106 Stat. 1719, as amended by Pub. L. 103-283, title II, Sec. 207, July 22, 1994, 108 Stat. 1440; Pub. L. 104-201, div. A, title XI, Sec. 1112(e)(1), Sept. 23, 1996, 110 Stat. 2683, provided that:

- 1) None of the funds appropriated for any fiscal year may be obligated or expended by any entity of the executive branch for the procurement of any printing related to the production of Government publications (including printed forms), unless such procurement is by or through the Government Printing Office.
- 2) Paragraph (1) does not apply to (A) individual printing orders costing not more than \$1,000, if the work is not of a continuing or repetitive nature, and, as certified by the Public Printer, if the work is included in a class of work which cannot be provided more economically through the Government Printing Office, (B) printing for the Central Intelligence Agency, the Defense Intelligence Agency, National Imagery and Mapping Agency, or the National Security Agency, or (C) printing from other sources that is specifically authorized by law.

As used in this section, the term "printing" includes the processes of composition, platemaking, presswork, duplicating, silkscreen processes, binding, microform, and the end items of such processes.

Review of Deliverables

a) Definition - For the purpose of this clause, "Deliverables" include:

- 1) All interim and final reports;
- 2) Survey instruments required by Work Plan, if applicable;
- 3) Other physical materials and products produced directly under the Work Plan of this grant, if applicable; and
- 4) In-kind and leverage commitments, if applicable.

b) General

- 1) The GTR shall have the sole responsibility for HUD review, correction, and acceptance of the deliverables of this grant. Such review(s) shall be carried out promptly by the GTR, so as not to impede the work of the Grantee.
- 2) The Grantee shall carry out the required corrections, if any, provided by the GTR and shall promptly return a revised copy of the product to the GTR.
- 3) The basis for acceptance shall be the Grantee's good faith efforts to complete the deliverables of this grant.
- 4) The GTR's review, correction, and acceptance of deliverables shall be limited to:

- (i) corrections of omissions or errors of fact, methodology, or analysis; ii) deletion of irrelevant materials; and (iii) improvements in style readability.
- 5) In the review and acceptance of deliverables, the GTR may not require any change in the Grantee's stated views, opinions, or conclusions.
- 6) Should there be any disagreement between the Grantee and the GTR as to any correction, or the methodology or analysis on which any conclusion is based, the GTR may require the Grantee to insert a Government dissent(s) in the appropriate place(s). The inclusion of such dissent(s) in an Official Product of Work, otherwise found acceptable by GTR, and the return to the GTR of a revised copy containing the dissent(s), shall satisfy the requirements for acceptance of the Official Product of Work under this clause. Such dissent(s) shall not apply to any independent publication by the Grantee of Independent Products that may arise from the work or findings of this grant.

Scope of Services

The Grantee shall furnish the necessary personnel, materials, services, equipment, facilities (except as otherwise specified herein) and otherwise do all things necessary for or incidental to the performance of the work set forth in the original/revised application under the this NOFA, as well as the subsequent Management and Work Plan and Logic Model schedule.

Single Audit Transparency Transactions Listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-recipients.

- a) Uniform Administrative Requirements for Grants and Agreements” and OMB A-102 (24 CFR Part 85) Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of funds.
- b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133 (2 CFR Part 180), “Audits of States, Local Governments, and Non-Profit Organizations,” recipients agree to separately identify the expenditures for Federal awards on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133 (2 CFR Part 180).
- c) Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of funds.
- d) Recipients agree to require their sub-recipients to include on their SEFA. This information is needed to allow the recipient to properly monitor sub-recipient expenditure of as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

Special Conditions

Special Conditions to this award are listed in the form HUD-1044 Continuation Sheets.

Sub-recipient Monitoring and Management

Recipients will be responsible for the monitoring and management of all sub-recipient awards. Management and reporting requirements applied to direct recipients tier-down to employees, affiliates, sub-recipients, and subcontractors, and recipients will be responsible for ensuring compliance and submitting required reports to HUD. Recipients may incorporate all sub-recipient reporting into a consolidated report with the exception of the requirements established for compliance with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) also known as FFATA or the Transparency Act.

Whistleblower Protection

Each grantee or sub-grantee awarded funds made available shall promptly refer to the HUD Office of Inspector General any credible evidence that a principal, employee, agent, contractor, sub-recipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. Complaints can be made to the HUD Office of Inspector General through any of the following means:

Calling toll-free at 1-800-347-3735; persons who have hearing or speech disabilities may reach this number from the Federal Relay Service, at 1-800-877-8339.

Faxing at (202) 708-4829

E-mailing to hotline@hudoig.gov

Writing to HUD OIG Hotline (GFI), 451 7th Street, SW, Washington, DC 20410

114

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT B

SUB-RECIPIENT WORK PLAN

12. Jobs Central: An Employment & Workforce Cluster Project on Central Corridor – Work Plan 4.1.11

1. What is the name of your project? **Jobs Central: An Employment & Workforce Cluster Project on Central Corridor**

2. Who are the members of the project team? Please use the table below to list everyone that you consider to be part of the team. Also, indicate the project manager in bold. (Most projects will have only one project manager; at the most, indicate two.) Add more rows as needed.

Name	Organization	Email	Phone
Karin Berkholtz or Deb Barr-Helgen	City of Minneapolis	karin.berkholtz@ci.minneapolis.mn.us	612-673-3240
Patricia Brady	Workforce Solutions	patricia.brady@county.ramsey.mn.us	651-779-5651
Maura Brown	Alliance for Metropolitan Stability	maura@metrostability.org	612-332-4471
Patrick Connoy	Hennepin County	patrick.connoy@co.hennepin.mn.us	612-348-2215
Janet Guthrie	Ramsey County	janet.guthrie@co.ramsey.mn.us	651-266-8021
Mary Karcz	Ramsey County	mary.karcz@co.ramsey.mn.us	651-266-8015
Ellen Muller	City of St Paul	ellen.muller@ci.stpaul.mn.us	651-266-6605
Burke Murphy	Dept of Employment and Economic Development	burke.murphy@state.mn.us	763-607-4945
Jonathan Sage Martinson*	Central Corridor Funders Collaborative	jonathan@funderscollaborative.org	651-280-2384
Jim Zentner	Workforce Solutions	james.zentner@county.ramsey.mn.us	651-770-4483
Other additions*	TBD; representing the diversity of the corridor's communities, and nonprofit, private and public sectors, with a particular emphasis on organizations that are led by or representing low-income people and people of color.		

* - not confirmed

3. Who else should be included on any project communications from Allison or others regarding your project? For example, include any assistants that should be copied on emails.

Name	Organization	Email	Phone
Cheryl Kempe	Ramsey County	Cheryl.kempe@co.ramsey.mn.us	651-266-8013

4. Who is the primary contact for issues related to the legal sub-award document between the Metropolitan Council and the sub-awardee organization? This may be the project manager, or it may be another employee at the organization that is receiving the funding from the Metropolitan Council.

Mary Karcz, Ramsey County - mary.karcz@co.ramsey.mn.us – (651) 266-8015

5. Please summarize your project in narrative form (in one or two paragraphs). What are you trying to achieve and how? If the work being conducted under your Sustainable Communities sub-grant is part of a larger effort with other funding sources, describe how they relate.

The **Jobs Central: An Employment & Workforce Cluster Project on Central Corridor** is a pilot demonstrating the efficacy of on-the-ground outreach to businesses and residents within the Central Corridor in St. Paul and Minneapolis, which integrates economic and workforce development strategies to strengthen the prosperity of the entire corridor. In the past, economic development and workforce development planning and implementation have, to a large degree, occurred in isolation of one another with only periodic, targeted connections made between them. This pilot's strategy aligns employment needs of existing and emerging businesses, institutions, and industry clusters along the corridor, with skills assessment, training, and employment services provided to corridor residents.

Using collected and analyzed quantitative and qualitative economic and workforce data on the industry clusters, institutions, and small businesses along the corridor, this pilot's goal is to support local industry job growth—and access to current and emerging jobs—by enhancing job skills of corridor residents who are immigrant, low-income and/or persons of color, and aligning these with job skill requirements of employers along the corridor.

6. What are the objectives of your project? Please list them here. Most projects will have between 1 and 7 objectives.

Objective 1: Understand and support existing and emerging businesses, industry clusters, and key institutions along Central Corridor by linking them to employment, education and workforce-related services.

Objective 2: Enhance the employability and access to jobs to corridor residents who are unemployed or underemployed through the use of skills assessment, training, and credentialing.

Objective 3: Develop a tool kit and recommendations on developing partnerships between industry clusters, anchor institutions, and workforce development services and training institutions for use in other transit corridors.

7. Please use this table to outline the work that you will undertake to achieve the objectives of your project. Add more rows as needed and please maintain the system of numbering (1, 2, 3, etc. for the major activities, and 1a, 1b for the specific steps under each).

Major Activity / Step	Description	Start Date m/y	End Date m/y	Responsible Party	Milestone or Deliverable	Objective
1	Identify and catalogue existing workforce, training, and educational services/resources along the Corridor	6/11	12/12	Project Leads/	Database of services/resources available for dissemination, along	1, 2, 3

12. Jobs Central: An Employment & Workforce Cluster Project on Central Corridor – Work Plan 4.1.11

				Workforce	with methods for keeping database current	
1a	Collect information on employment, training and education services on Central Corridor East and West					
1b	Compile comprehensive resource list on employment, education, and training programs, services on Corridor					
1c	Analyze how existing programs and services support corridor industry clusters and businesses					
2	Identify and analyze existing industry clusters and businesses; their current and emerging business needs that serve as economic drivers, and the subsequent job skills requirements and projected job vacancies	6/11	6/12	Project Lead/ Clusters, Consultants	Local and Traded industry clusters are identified along with their workforce needs, and connections between clusters and workforce, training and education services/institutions is made	1, 2, 3
2a	Collect existing baseline data on firms, employers and employment concentrations of Central Corridor					
2b	Coordinate collection of additional information from businesses and employers with Data and Evaluation Team					
2c	Outreach to local businesses to discuss current and emerging business development needs and opportunities, including jobs that will be expanded or added and skill requirements needed by current and future workers				Coordinating industry cluster, anchor institution, and business outreach with WorkKeys efforts	
	Determine potential for expanding collection of data to other firms, employers and employment concentrations within close proximity to the Corridor, depending on additional resources and capacity available.					
3	Identify 1,500 corridor residents who are un- or under-employed and link them to WorkKeys skill assessments, training, and credentialing services (three stages: East, West, and East expansion of Corridor)	10/11	5/13	Project Leads/ Workforce, Outreach Interns	1,500 corridor residents have participated in job skills assessments, a portion of whom will have participated in workforce services, Adult Basic Education services, skills training, and/or credentialing	1, 2, 3
3a	Community Outreach and Engagement planning and strategies are planned					
3b	Coordinate implementation of WorkKeys assessment and training resources with local non-profit employment service providers				Tracking degree of certification with job placement; tracking referrals to Adult Basic Education for remedial support, and re-testing for WorkKeys certification	

118

12. Jobs Central: An Employment & Workforce Cluster Project on Central Corridor – Work Plan 4.1.11

3c	Recruit and train local residents as outreach interns					
3d	Begin neighborhood recruitment, connecting low-income , immigrant and /or persons of color to WorkKeys assessment locations, job training service providers, and ongoing support					
3e	Determine potential for expanding assessment of educational attainment, skill levels, barriers to employment, and general demographics to additional residents within the Corridor, depending on additional resources and capacity available.					
4	Make improvements to existing databases to integrate Corridor-wide data on job seekers and skills; job openings and skill requirements; and analyze matches and gaps between job seekers and the workforce needs of the identified industry and business clusters	10/11	12/12	Project Leads/ Workforce,	Database will be operational for use by employers for posting job vacancies and for recruiting employees, and by job seekers along the Corridor to post resumes and credentials and search for employment opportunities	1, 2, 3
5	Align job training, education and employment services to skill requirements of jobs from existing and emerging industry clusters and businesses on Corridor.	1/12	1/13	Project Leads / Workforce, DEED Business Representatives	Career pathways are catalogued for jobs in industry clusters and businesses on Corridor identifying skill requirements and credentials for jobs; training and education resources available to acquire skills; and contacts for employment and placement services	1, 2, 3
	Educate and engage city, county and state agencies on micro-cluster model of workforce and economic development practices					
	Educate employers on the value of the WorkKeys assessment and credentialing					
6	Develop toolkit and recommendations on aligning employment resources and credentialed job seekers to industry clusters / business on corridor, for use by other transit corridors	1/12	1/13	Project Leads / Clusters and Workforce	Toolkit and recommendations are developed and ready for dissemination	3
6a	Document methodologies, activities, outcomes and lessons learned with recommendations for other transitway corridors					

8. Please fill out the table below to describe how you plan to spend the sub-award. We realize that this may change, and that's ok.

Activity or Product Make this as detailed as you can at this point. For example, instead of "personnel," state "salary and benefits for Jane Doe". 2.5 year budget (June, 2011 to November, 2013)	Final Recipient This may be the sub-award organization, a partner organization, or consultant. If you are doing an RFP and don't know the specific consultant yet, just say	Amount
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12. Jobs Central: An Employment & Workforce Cluster Project on Central Corridor – Work Plan 4.1.11

	"consultant."	
Project Management:	Janet Guthrie, Ramsey County	\$ 0
Industry Clusters Project Lead and Consultant(s):	Burke Murphy, Minnesota Department of Employment and Economic Development and Consultant(s)	\$83,200
Workforce East Project Lead: Outreach Interns NCRC Assessments for 500 residents – Year 1 NCRC Assessments for 500 residents – Year 2 Expansion Supplies, Materials for Outreach	Jim Zentner, Workforce Solutions	\$100,300
Workforce West Project Lead: Outreach Interns NCRC Assessments for 500 residents – Supplies, Materials for Outreach	TBD	\$55,350
Database expansion for Central Corridor use – employers/job seekers	TBD	\$8,000
Total		\$246,850

9. How many dollars of your sub-award do you estimate will be spent in each calendar year? This should add up to your sub-award amount. This information is for planning purposes only; we won't hold you to it.

2011	\$ 75,000
2012	\$ 120,000
2013	\$ 51,850
Total	\$ 246,850

10. Use this table to identify how your project advances the overall goals of the Corridors of Opportunity initiative, as established by the Policy Board. The Senior Staff Coordinating Committee and Policy Board will use this tool to assess if your project work plan is well-aligned and coordinated with the overall initiative.

Corridors of Opportunity Goals	Major Activity #	Description – Explain how these project activities influence or advance the goal
CoO Goal 1: Develop a new model for transitway development by aligning transit	1,2,3,4,5,6	These activities tie workforce development and economic development into planning for increased prosperity along transit corridors

120

12. Jobs Central: An Employment & Workforce Cluster Project on Central Corridor – Work Plan 4.1.11

planning and engineering with land use planning, affordable housing, workforce development and economic development.		
CoO Goal 2: Engage historically-underrepresented communities in transitway planning and decision-making.	3,6	Engaging historically under-represented communities in planning for and implementation of targeted skill assessment, skill training and other services; and engaging in capturing the learning from the pilot along with making recommendations and development of tool kit for use by other corridors.
CoO Goal 3: Use transitway development to expand access to jobs and affordable housing, particularly for low-income populations and people of color.	1,2,3,4,5,6	All activities support this goal of enhancing access to jobs and supporting job growth within the corridor
CoO Goal 4: Enhance the region's ability to compete in the global economy.	2	Analyze industry clusters – traded and local as well as Anchor Institutions – for occupations in demand, skills gaps, and align job skills training opportunities with education and workforce pipeline to serve both businesses and job seekers
CoO Goal 5: Secure and align public, philanthropic, and private resources to attract robust private investment to the vision.	1,2,3,4,5,6	All activities support this goal by aligning public, private, and philanthropic resources invested into supporting job growth and access to jobs
CoO Goal 6: Accelerate expansion of the transit system.		

11. Which HUD Mandatory Outcomes does your project advance? Please check all that apply.

- | | | |
|---|--|--|
| ☐ Creation of regional transportation, housing, water, and air quality plans tied to local comprehensive land use and capital investment plans. | ☐ Decrease in per capita VMT and transportation-related emissions for the region. | ☐ Increased proportion of homes and rental units affordable to a full range of household incomes close to high-quality transit service. |
| ☒ Aligned federal planning and investment resources that mirror the local and regional strategies for achieving sustainable communities. | ☐ Decrease in overall combined housing and transportation costs per household. | ☒ Decreased number of neighborhoods with high concentrations of poverty and minority segregation. |
| ☒ Increased participation and decision-making in developing and implementing a long range vision for the region by populations traditionally marginalized in public planning processes. | ☐ Increase in the share of residential and commercial construction on underutilized infill development sites that encourage revitalization while minimizing displacement in neighborhoods with significant disadvantaged populations. | ☐ Increased use of compact development as a tool for regional planning to accommodate population growth. |
| ☒ Reduced social and economic disparities for the low-income populations, communities of color, and other disadvantaged populations within the target region. | ☐ Increased proportion of low-and very-low income households within a 30-minute transit commute of major employment centers. | |

121

12. What 1-3 measures do you suggest that the evaluation team uses to track your project's progress toward the HUD outcomes and/or the Corridors of Opportunity goals? These measures should be things that you could report upon, or measures that rely on data that are readily available to the public. At this point, these measures are only suggestions, but they will inform the development of the evaluation plan.
- a. Numbers of residents who complete WorkKeys assessment and receive a National Career Readiness Certificate (NCRC)
 - b. Number of employers that align with one or more industry/business clusters and engage in identifying current and future job openings/expansions
 - c. How many employers require NCRC in their hiring practices to employ people in the corridor?
 - d. How many CBOs incorporate the NCRC in preparing job seekers
 - e. Number of businesses, hospitals and universities/ institutions who participate in project either through survey, face to face meetings, or participation in meetings.
 - f. Number of CBOs (employment service providers) contacted/participate in planning for job training in alignment with industry clusters and anchor institution needs
 - g. Template and tool kit are completed and available for other corridors for replication
13. What are other suggestions you have for how to evaluate the success of your project?
- a. Businesses and institutions participate in industry focused collaborations.
 - b. Level of participation by historically under-represented communities, including immigrant, low-income and/or communities of color.
 - c. Collaborative team develops sustainable practices.

122

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM

ATTACHMENT C

FEDERAL FINANCIAL REPORT - STANDARD FORM 425

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)		Page 1	of
3. Recipient Organization (Name and complete address including Zip code)					
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	
				6. Report Type ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	
				7. Basis of Accounting ☒ Cash ☐ Accrual	
8. Project/Grant Period From: (Month, Day, Year)			To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)
10. Transactions					Cumulative
(Use lines a-c for single or multiple grant reporting)					
Federal Cash (To report multiple grants, also use FFR Attachment):					
a. Cash Receipts					
b. Cash Disbursements					
c. Cash on Hand (line a minus b)					
(Use lines d-o for single grant reporting)					
Federal Expenditures and Unobligated Balance:					
d. Total Federal funds authorized					
e. Federal share of expenditures					
f. Federal share of unliquidated obligations					
g. Total Federal share (sum of lines e and f)					
h. Unobligated balance of Federal funds (line d minus g)					
Recipient Share:					
i. Total recipient share required					
j. Recipient share of expenditures					
k. Remaining recipient share to be provided (line i minus j)					
Program Income:					
l. Total Federal program income earned					
m. Program income expended in accordance with the deduction alternative					
n. Program income expended in accordance with the addition alternative					
o. Unexpended program income (line l minus line m or line n)					
11. Indirect Expense		a. Type	b. Rate	c. Period From	d. Base
				Period To	e. Amount Charged
					f. Federal Share
				g. Totals:	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:					
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)					
a. Typed or Printed Name and Title of Authorized Certifying Official				c. Telephone (Area code, number and extension)	
				d. Email address	
b. Signature of Authorized Certifying Official				e. Date Report Submitted (Month, Day, Year)	
				14. Agency use only:	

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

Standard Form 425 - Revised 6/28/2010
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

124

Attachment

Approval of Subrecipient Agreements and Consortium Agreement for HUD Sustainable Communities and Living Cities Integration Initiative

Corridors of Opportunity Policy Board Members

The Corridors of Opportunity Policy Board is co-chaired by representatives of two lead agencies in the initiative: Susan Haigh, Chair of the Metropolitan Council, and Lee Sheehy, Director of the Region and Communities Program at the McKnight Foundation. The Policy Board is currently comprised of representatives from the following organizations:

- ❖ Local Initiative Support Corporation
- ❖ The Itasca Project
- ❖ Urban Land Institute --Minnesota
- ❖ Family Housing Fund
- ❖ Metropolitan Council
- ❖ Ramsey County
- ❖ Evaluation Team
- ❖ Hennepin County
- ❖ The Community Engagement Team:
 - Alliance for Metropolitan Stability
 - Minnesota Center for Neighborhood Organizing
 - Nexus Partners
- ❖ The Saint Paul Foundation
- ❖ Twin Cities Community Land Bank
- ❖ Metropolitan Consortium of Community Developers
- ❖ City of Minneapolis
- ❖ Central Corridor Funders Collaborative
- ❖ Counties Transit Improvement Board
- ❖ The McKnight Foundation
- ❖ Neighborhood Development Center
- ❖ Minnesota Housing
- ❖ Regional Council of Mayors
- ❖ City of St. Paul

The Corridors of Opportunity is a combined regional effort formed on the basis of two grants that were awarded late in 2010: The Living Cities Integration Initiative, and the Housing and Urban Development (HUD) Sustainable Communities Regional Planning Grant.

Living Cities Integration Initiative

The Integration Initiative was created with a mission to support new, bold approaches for low-income families and the communities in which they live. The goals of the Integration Initiative are:

- ❖ Improve lives of low-income people in significant, measurable ways
- ❖ Create a new framework for solving complex problems
- ❖ Challenge obsolete conventional wisdom
- ❖ Drive the private market to work on behalf of low-income people
- ❖ Create a "new normal".

Housing and Urban Development (HUD) Sustainable Communities

HUD created the Sustainable Communities Planning Grants program to achieve these outcomes:

- ❖ Regional plans tied to local comprehensive land use/capital investment plans
- ❖ Aligned federal resources mirror local/regional sustainable communities strategies

- ❖ Increased participation and decision-making by marginalized populations in public planning
- ❖ Reduced social/economic disparities
- ❖ Decreased regional per capita Vehicle Miles Traveled ("VMT")
- ❖ Decreased housing/transportation costs per household
- ❖ Increased infill while minimizing displacement
- ❖ Increased transit access for low income households

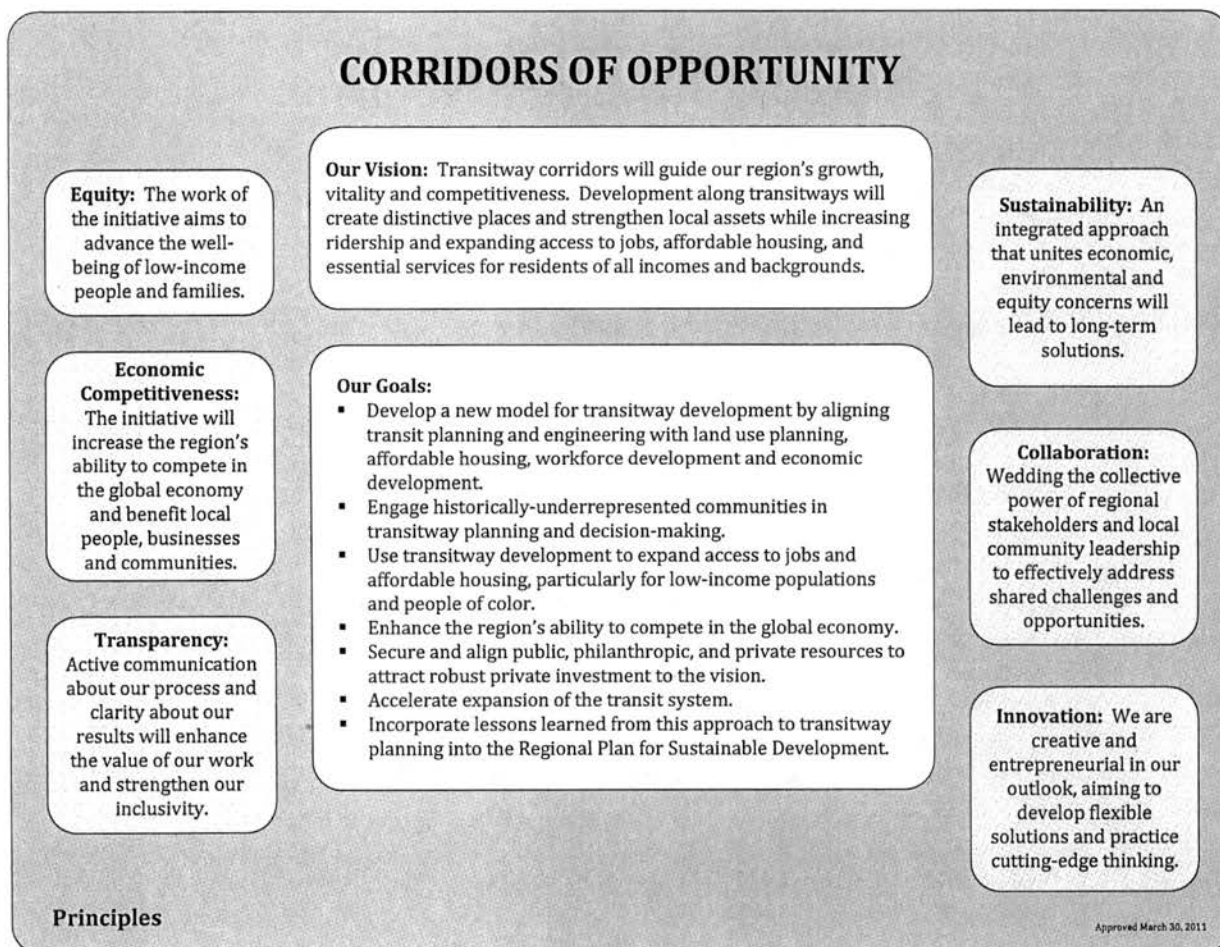
Livability Principles

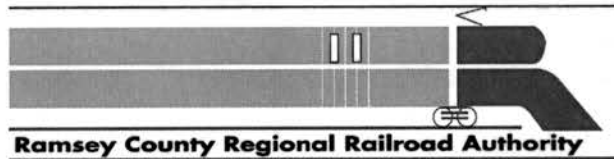
There are six Livability Principles which have been jointly created by three federal agencies: Housing and Urban Development (HUD), Environmental Protection Agency (EPA), and Department of Transportation (DOT). The principles guide the collective work funded through these federal grants and must be demonstrated throughout the regional efforts:

- ❖ Provide more transportation choices
- ❖ Promote equitable affordable housing
- ❖ Enhance economic competitiveness
- ❖ Support existing communities
- ❖ Coordinate and leverage federal policies and investments
- ❖ Value communities and neighborhoods

Vision Goals and Guiding Principles

The Corridors of Opportunity has defined a vision, goals and guiding principles for the regional work:





6560 Ramsey County Government Center West
50 Kellogg Boulevard West
St. Paul, Minnesota 55102 (651) 266-2760

REGIONAL RAILROAD AUTHORITY MEETING

June 21, 2011

Immediately following the Housing and Redevelopment Authority Meeting
Council Chambers - Third Floor Court House

.....
ROLL CALL and Call to Order

AGENDA of the June 21 2011 Board Meeting is presented for approval.

MINUTES of the June 7, 2011 Board Meeting is presented for approval.

ADMINISTRATIVE AGENDA

1. Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

Board Action Requested:

- 1) Approve and authorize the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide heating energy for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than September 1, 2011, subject to approval by the County Attorney's Office and Budgeting and Accounting.
- 2) Approve and authorize the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide chilled water for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than March 1, 2012, subject to approval by the County Attorney's Office and Budgeting and Accounting.

CORRIDOR UPDATES

ADJOURNMENT

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

June 7, 2011

The Ramsey County Regional Railroad Authority met with the following members present: Bennett, Carter, Ortega, Parker, Reinhardt, Rettman, McDonough – 7. Absent: 0. Also present was Julie Kleinschmidt, County Manager and Phil Carruthers, Director of Civil Division, Ramsey County Attorney's Office.

Chair McDonough called the meeting to order at 10:25 AM.

AGENDA

Commissioner Parker moved approval of the Agenda of the June 7, 2011 Board Meeting, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Parker, Reinhardt, Rettman, Bennett, Carter, McDonough – 7. Nays – 0.

MINUTES

Commissioner Rettman moved approval of the Minutes of the May 17, 2011 Board Meeting, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Parker, Reinhardt, Rettman, Bennett, Carter, McDonough – 7. Nays – 0.

1. Agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Project

Commissioner Carter moved approval of the following resolution, seconded by Commissioner Parker. Roll Call: Ayes – Ortega, Parker, Reinhardt, Rettman, Bennett, Carter, McDonough – 7. Nays – 0. (R11-17)

WHEREAS, The Central Corridor light rail transit line will start at a station in front of the Union Depot, and

WHEREAS, The Metropolitan Council needs to do work on Ramsey County Regional Railroad Authority property to construct the project, and

WHEREAS, Portions of the Union Depot project will reduce the cost of Central Corridor work by approximately, \$55,500, and

WHEREAS, A Temporary Construction Agreement has been negotiated with the Metropolitan Council to provide construction access and pay the Ramsey County Regional Railroad Authority \$55,500 for its construction activities, now, therefore be it

RESOLVED, The Ramsey County Regional Railroad Authority approves an agreement with the Metropolitan Council for a temporary construction easement at the Union Depot for the Central Corridor Light Rail Transit Project, and be it further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to execute the agreement.

2. Gateway Corridor contract amendment payment

Commissioner Ortega moved approval of the following resolution, seconded by Commissioner Parker. Roll Call: Ayes – Ortega, Parker, Reinhardt, Rettman, Bennett, Carter, McDonough – 7. Nays – 0. (R11-18)

WHEREAS, The Gateway (I-94) Corridor begins at the Union Depot in downtown St. Paul and travels east to the St. Croix River; and

WHEREAS, The Gateway Corridor Commission was formed in 2010 with the Regional Railroad Authorities of Ramsey and Washington County and the communities of St. Paul, Maplewood, Oakdale, Woodbury, Lake Elmo, West Lakeland Township, Afton, and Lakeland; and

WHEREAS, The Gateway Corridor Commission entered into a contract with CH2MHILL (Consultant) for the completion of the Gateway Corridor Alternatives Analysis (AA); and

WHEREAS, The Consultant's work scope included the analysis of seven build alternatives; and

WHEREAS, There is a need to amend the Consultant's work scope and budget to include a managed lane alternative as an eighth build alternative; and

WHEREAS, The addition of the eight build alternative will cost \$99,917 with the cost to be split between the Washington County Regional Railroad Authority, the Ramsey County Regional Railroad Authority and the Metropolitan Council; and

WHEREAS, On May 12, 2011, the Gateway Corridor Commission approved a resolution of support for adding the eight alternative to the scope of work for the AA contingent upon approval of the funding from the Metropolitan Council, Ramsey County Regional Railroad Authority and the Washington County Regional Railroad Authority; and

WHEREAS, The Ramsey County Regional Railroad Authority is responsible for \$40,000 of this cost; Now Therefore Be It

RESOLVED, The Ramsey County Regional Railroad Authority approves the payment of \$40,000 to the Gateway Corridor Commission to amend the Alternative Analysis work scope and budget to include a managed lane alternative as an eighth build alternative; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the County Manager to make payments all necessary budget adjustments including increasing estimated revenues and appropriations.

3. Approval of Subrecipient Agreements and Consortium Agreement for the HUD Sustainable Communities and Living Cities Integration Initiatives

Commissioner Parker moved approval of the following resolution, seconded by Commissioner Ortega.

Commissioner Rettman mentioned she has struggled with this initiative since the Board had a workshop on it. She had commented that she still has some questions regarding the community process for this initiative including involvement with the community. She stated she is glad that foundations and corporations want to invest in corridors. Although community involvement, as a cornerstone of these initiatives, remains a commitment and goal, in her observation it is reflected as less important. She reaffirmed her issue with calling communities marginalized. She stated just because business profits are miniscule does not mean you are a marginalized business; even though a person's property lot may seem like marginal space, they have been provided with affordable housing and they are not marginalized community members. The purpose of the initiative is to keep changing the paradigm based on new housing and new jobs, but it should also be saving the housing, jobs, and families that already exist there. These areas have been studied to death and have been declared as needing help from others, but it cannot just be more consultants and studies. The people in the businesses are real individuals and have issues to address to allow them to remain in the corridor, survive the construction, and thrive in the future. She submits that the paradigm shift so that the people and longtime businesses that are in corridor can remain there and offer the affordable opportunities. She believes this is a part of the initiative and the focus of the leadership, but we must involve the community. She does not want to vote against this item, but she also does not want to see the "tapestry" and diversity of this neighborhood gone in ten years. She will work toward helping with this, but it can't be more consultants and more studies. It has to be with the people that are in the community.

Commissioner Carter thanked Commissioner Rettman for her comments. She said she will support this because they heard about the work of the sustainable communities' structure. She is also reassured by the fact that there is a focus on community engagement, and that this is an initiative that will place emphasis on jobs, housing, employment, business opportunity and even education for people who are living in corridors

today. However, it must address opportunity for those who are there. We have not always necessarily done what is needed to assure that there is this sort of focus to guide us in the right direction. But she thinks this is a beginning and is encouraged by what is in these initiatives today. She also asked that the Board be kept engaged, updated, involved and put to work on behalf of all of our communities.

Roll Call: Ayes – Ortega, Parker, Reinhardt, Rettman, Bennett, Carter, McDonough – 7. Nays – 0.

Chair McDonough commented that a lot of work has gone into the community engagement piece. He reinforced his commitment that this is an inclusive process as we move forward and acknowledged that it is a great opportunity for us. The work we are doing here is the foundation for the future, not only in this corridor but also how we look at all our corridors that we develop in the metro area. We will continue to improve the processes, whether it is community engagement, how we deal with affordable housing or business support, and we will learn from them as we move forward. It's important to be at the table regionally because these are the same issues that affect us regionally. As we step back and bring in this regional partnership, we cannot lose track of the close connection to the community because we lose all the benefits of working together as a region. He said this balance of working together regionally and keeping the local connection is very important.

(R11-19)

WHEREAS, Ramsey County Regional Railroad Authority / Ramsey County have worked collaboratively with Hennepin County/Hennepin County Regional Rail Authority, City of St. Paul, City of Minneapolis, Metropolitan Council, Minnesota Housing Finance Agency and the McKnight Foundation over the past couple of years to effectively respond to two national funding opportunities for regional transit-oriented development planning and implementation in and along planned transit corridors; and

WHEREAS, The first funding opportunity came by invitation to the McKnight Foundation from Living Cities, a private national entity comprised of twelve large foundations and financial institutions, to develop sustainable communities along transit corridors in the Twin Cities region; and

WHEREAS, The second opportunity for funding is through the federal Housing and Urban Development ("HUD") agency, in the form of a regional planning grant for a maximum of \$5 million; and

WHEREAS, On August 17, 2010, the Ramsey County Regional Railroad Authority took several actions committed to working collaboratively with consortium members in supporting regional planning efforts that advance federal Housing and Urban Development ("HUD"), Department of Transportation ("DOT") and the Environmental Protection Agency ("EPA") agencies' joint *Livability Principles*; as well as supporting the submission of a proposal to HUD for a Sustainable Communities Regional Planning Grant by the Metropolitan Council ; and authorizing the Chair to sign a letter of commitment to accompany the HUD grant proposal; and

WHEREAS, In November 2010, the Twin Cities region was awarded both grants: the HUD grant, with the Metropolitan Council serving as the fiscal agent, and the Living Cities funding, with Saint Paul Foundation serving as the fiscal agent; and

WHEREAS, Together, the HUD *Sustainable Communities Regional Planning* grant and the *Living Cities Integration Initiative* grant have become one single effort entitled *Corridors of Opportunity* that supports HUD's six "livability principles" and outcomes, as well as supporting the goals of the Living Cities Integration Initiative; and

WHEREAS, HUD specifically requires each member of the consortium involved in the consortium that comprises the Sustainable Communities Regional Planning Grant Policy Board, sign a consortium agreement, which encompasses the goals, principles and governance agreed upon by the consortium in oversight of the *Corridors of Opportunity* efforts; and

WHEREAS, Two specific projects were funded under the Sustainable Communities Regional Planning Grant that directly involves Ramsey County: the Gateway Corridor Project, funded at \$150,000, and the Workforce /Economic Development Project, funded at \$247,000; and

WHEREAS, In order to carry out the work of these two projects, a Subrecipient agreement between the Ramsey County Regional Railroad Authority and the Metropolitan Council for each of these two projects is required; Now, Therefore, Be It

RESOLVED, The Ramsey County Regional Railroad Authority hereby approves the Corridors of Opportunity Consortium Agreement effective upon signatures of parties and expiring January 31, 2014; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to execute the Corridors of Opportunity Consortium Agreement; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority approves Subrecipient Agreement SG011-031 with the Metropolitan Council for the Corridors of Opportunity Gateway Corridor Project, effective upon signature by parties through January 31, 2014, in the amount of \$150,000 in federal funds; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority approves Subrecipient Agreement SG011-045 with the Metropolitan Council for the Corridors of Opportunity Workforce/Economic Development Project, effective upon signature by parties through January 31, 2014, in the amount of \$247,000 in federal funds; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to execute the Subrecipient Agreements; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations; and Be It Further

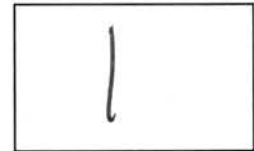
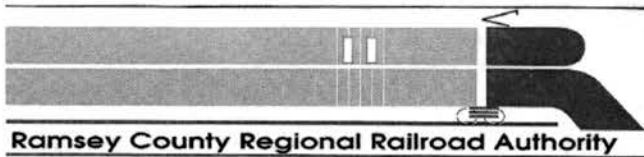
RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to serve as the appointed Ramsey County Regional Railroad Authority representative on the Corridors of Opportunity Policy Board.

CORRIDOR UPDATES

No updates were reported.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 10:40 AM.



REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: **06/21/11**

Regional Railroad Authority Meeting Date:

SUBJECT: Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

EXECUTIVE SUMMARY

The mechanical systems for the Union Depot Multi-Modal Transit Hub were designed by Mortenson to use hot and chilled water systems for heating and cooling the building. Construction/renovation of the Union Depot is underway. Installation of the systems needs to begin within the next month in order to coordinate the timing for the Sibley Street site work and road closures with the District Energy piping installation, prepare for the 2011 heating season, and completion of the project by the end of 2012.

Staff requests approval of two standard service agreements. One agreement is with District Energy Saint Paul, Inc. for hot water delivery and the other with District Cooling Saint Paul, Inc. for chilled water. The Initial Demand for these agreements have been negotiated by Property Management.

ACTION REQUESTED

1. Approve and authorize the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide heating energy for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than September 1, 2011, subject to approval by the County Attorney's Office and Budgeting and Accounting.
2. Approve and authorize the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide chilled water for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than March 1, 2012, subject to approval by the County Attorney's Office and Budgeting and Accounting.

SUBJECT: Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

ATTACHMENTS:

1. Hot Water Delivery Agreement for the Union Depot Multi-Modal Transit Hub
2. Chilled Water Delivery Agreement for the Union Depot Multi-Modal Transit Hub

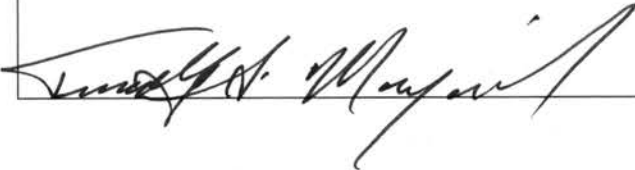
PREVIOUS ACTION:

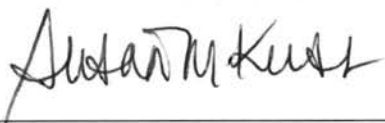
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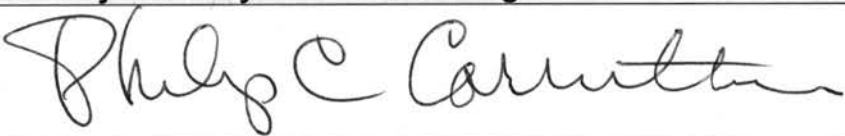
COUNTY MANAGER'S COMMENTS:

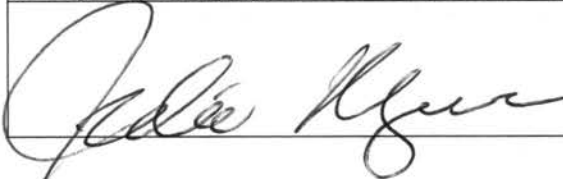
The Union Depot Multi-Modal Transit Hub is under construction/renovation and on schedule to be completed by the end of 2012. The new mechanical systems in the Union Depot are designed by Mortenson to use hot water and chilled water systems for heating and cooling of the building. These agreements will support the project schedule and ensure a climate controlled environment for the building tenants.

SUBJECT: Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

Regional Railroad Authority – Authorized Signature	Date
	6/9/11

Budgeting & Accounting – Authorized Signature	Date
	6/16/11

County Attorney – Authorized Signature	Date
	6/10/2011

Property Management – Authorized Signature	Date
	6-16-11

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

Draft Resolution

1 WHEREAS, The Ramsey County Regional Railroad Authority is developing the Union Depot
2 as a Multi-Modal Transit Hub, and

3
4 WHEREAS, The mechanical systems of the facility are designed to use hot and chilled water
5 for heating and cooling, and

6
7 WHEREAS, Staff requests approval of agreements with District Energy to provide hot and
8 chilled water to the facility, now therefore be it

9
10 RESOLVED, The Ramsey County Regional Railroad Authority approves and authorizes the
11 Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide heating
12 energy for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no
13 later than September 1, 2011 subject to approval by the County Attorney's Office and Budgeting and
14 Accounting, and Be It Further

15
16 RESOLVED, The Ramsey County Regional Railroad Authority approves and authorizes the
17 Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide chilled water
18 for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than
19 March 1, 2012 subject to approval by the County Attorney's Office and Budgeting and Accounting.
20

HOT WATER DELIVERY AGREEMENT

This **HOT WATER DELIVERY AGREEMENT** ("Agreement") is by and between **District Energy St. Paul, Inc.**, a Minnesota non-profit corporation ("District Energy"), and **Ramsey County Regional Railroad Authority** ("Customer"):

ARTICLE I
CUSTOMER'S PURCHASE

1.1 Customer represents that it owns space commonly known as the **Union Depot** located at 214 East Fourth Street, St. Paul, Minnesota ("Building") and is an "exempt person" within the meaning of Section 103(b)(3) of the Internal Revenue Code of 1986, as amended.

1.2 Customer's Point of Delivery, as used in Article IV, is **shown on Attachment A**. Service Connection Charges, as described in Section 5.4, shall not exceed **zero** dollars upon Customer's completion of the full Term of this Agreement.

1.3 Completion Date will be the First Service Date (hereafter defined in Article III), which the parties contemplate will be no later than **September 1, 2011**. Customer shall diligently proceed to complete its Building Conversion (hereafter defined) prior to the stated date; however, such date shall be extended for reasonable periods of time if Customer requests such extension and Customer does not require nor utilize heat or domestic hot water service for Customer's Building. The term of the Agreement shall be twenty (**20**) years from the First Service Date, and shall continue thereafter pursuant to Article III, unless otherwise terminated pursuant to Article XV.

1.4 Customer's "Initial Demand" as estimated based on District Energy's estimate of the Building's utilization of electricity, steam, oil, natural gas, other fuels or a combination of the foregoing for heating purposes, is **1900 kilowatts**, based on a "Utilization Factor" of **1900 hours**. Customer's Demand (hereafter defined) shall be determined in accordance with Article VI.

1.5 Subject to the contingencies, terms, and conditions hereinafter set forth in this Agreement, Customer agrees to pay for and exclusively buy from District Energy the heat energy ("Thermal Energy") derived from hot water furnished by District Energy hereunder ("Hot Water") to satisfy the space heating and domestic hot water requirements used to calculate the Initial Demand.

1.6 Customer is completing technical piping reconfiguration for the use of the Hot Water return water for a snowmelt system, including additional piping and sub-metering for this service ("Snowmelt System"). Customer shall be permitted to utilize the Hot Water return line to access the low temperature energy for the purpose of the Snowmelt System. The Customer shall not access the Hot Water return line for any purpose other than for the Snowmelt System without the prior written consent of District Energy. The Customer shall pay to District Energy the full Energy rate and Snowmelt Demand rate which is fifty percent (50%) of the Demand Rate for this Hot Water return line energy utilized in the Snowmelt System. The Customer's "Initial Demand" for the Snowmelt System as estimated based on District Energy's estimated utilization of electricity, steam, oil, natural gas, other fuels or a combination of the foregoing for the purposes of melting snow, is **270 kilowatts**, based on a "Utilization Factor" of **1700 hours**.

1.7 District Energy reserves the right from time to time to assign its rights under this Agreement (including its rights to payments hereunder) to one or more creditors (each, a "Secured Party") as collateral security for one or more financings, and Customer hereby agrees to any and all such assignments. As a result of such assignment, Customer may receive notice from such Secured Party with an assertion that an event of default has occurred under the financing, and that payments under this Agreement are to be made to such Secured Party. Customer also hereby agrees to make such payments to such Secured Party, and District Energy agrees to hold Customer harmless for making such payments to such Secured

Party after Customer has received such notice of default. Customer further agrees that all such Secured Parties shall be deemed third-party beneficiaries of this Agreement, until such time as Customer receives written notice to the contrary from District Energy and each such Secured Party.

UNIFORM PROVISIONS

Attached hereto and deemed incorporated herein are Uniform Provisions of the Hot Water Delivery Agreement identical for all customers ("Uniform Provisions"). Customer acknowledges and represents that Customer has reviewed the Uniform Provisions and does, by execution hereof, incorporate the same herein and agrees to be bound by the terms and conditions of the Uniform Provisions. Provisions of Article I represent unique Customer characteristics and shall be controlling as they relate to Articles II-XXVII.

ADDENDUM

The following additional provision is hereby agreed to by the parties hereto and incorporated into this Agreement:

A.1 Indemnification. The provisions of Section 22.7 shall apply only until the expiration of any applicable statute of limitations but in no case more than six (6) years after the termination of this Agreement.

A.2 Equal Opportunity Employment. District Energy agrees to comply with all applicable federal, state, and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sexual orientation, gender, marital status, status with regard to public assistance, disability, or age.

A.3 Insurance. District Energy agrees to carry insurance acceptable to Ramsey County for the duration of the Agreement; said acceptance shall not be unreasonably withheld. Customer agrees that the insurance currently maintained by District Energy, as evidenced in the attached Certificate of Insurance, is acceptable. Evidence of such coverage shall be provided to Ramsey County annually. If District Energy elects to purchase a "claims made" liability policy, Ramsey County shall be notified and all efforts made to ensure continuity of coverage using extended reporting periods and retroactive dates as necessary.

A.4 Prevailing Wage. District Energy and all subcontractors shall conform to the labor laws of the State of Minnesota, and all other laws, ordinances, and legal requirements affecting the work in Ramsey County and Minnesota. The minimum wage rate per hour to be paid for each classification of work shall be the union wage rate in the locality of the project for those classifications over which the unions have jurisdiction and the local prevailing rate for those classifications of work in the localities over which the unions do not have jurisdiction.

A.5 Workplace Violence Prevention. District Energy shall make all reasonable efforts to ensure that District Energy's employees, officials and subcontractors do not engage in violence while performing under this Agreement. Violence, as defined by the Ramsey County Workplace Violence Prevention and Respectful Workplace Policy, is defined as words and actions that hurt or attempt to threaten or hurt people; it is any action involving the use of physical force, harassment, intimidation, disrespect, or misuse of power and authority, where the impact is to cause pain, fear or injury.

A.6 Unavailability of Funding. The purchase of goods or services from District Energy under this Agreement is subject to the availability and provision of funding from the United States, the State of Minnesota, or other funding sources, and the appropriation of funds from the Board of County Commissioners. The Customer may immediately terminate this Agreement if the funding for the contracted goods and services is no longer available or is not appropriated by the Board of County Commissioners, and the Customer does not require heating for the Building for the remaining term of the Agreement. Upon receipt of the Customer's notice of termination of the Agreement District Energy shall take all actions necessary to discontinue further commitments of funds to the Agreement. Termination shall be treated as termination without cause and will not result in any penalty or expense to the Customer.

A.7 Data Practices. All data collected, created, received, maintained by the Customer or disseminated for any purpose by District Energy to the Customer under this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, or any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

A.8 Audit. Until the expiration of six (6) years after the furnishing of services pursuant to this Agreement, District Energy, upon written request, shall make available to the Customer, the State Auditor or the Customer's ultimate funding sources, a copy of this Agreement and the books, documents, records and accounting procedures and practices of District Energy relating to this Agreement.

A.9 Prompt Payment. Payment of interest on late payments and disputes regarding payments shall be governed by the provisions of Minn. Stat. Section 471.425.

DISCLAIMER

This Agreement and the Uniform Provisions shall constitute the full understanding of the parties hereto with respect to the transaction contemplated hereby and shall supersede all prior oral or written negotiations or agreements.

AUTHORIZATION

The person(s) executing this Agreement on behalf of Customer represent(s) and warrant(s) that, if Customer is a corporation or a partnership, the undersigned is/are duly authorized and empowered to execute and enter into this Agreement and obligate and bind Customer to this Agreement and the covenants, obligations, and requirements hereof.

District Energy's representative executing this Agreement represents and warrants that the representative is duly authorized and empowered to enter into this Agreement.

NOTICES

Notices from one party to the other shall be provided in accordance with Article XXVII of the Uniform Provisions and shall be addressed as follows:

IF TO CUSTOMER:

Ramsey County Regional Railroad Authority
Attention: Timothy Mayasich, Director
50 West Kellogg Blvd., #6560
St Paul, MN 55102-1657

IF TO DISTRICT ENERGY:

District Energy St. Paul, Inc.
Attention: Kenneth Smith, President & CEO
Hans O. Nyman Energy Center
76 Kellogg Boulevard West
St. Paul, MN 55102-1611

7

IN WITNESS WHEREOF, Customer and District Energy have executed and delivered this Agreement as of the _____ day of _____, 2011.

CUSTOMER:

**Regional Railroad Authority,
Minnesota, Ramsey County**

By: _____

Jim McDonough

Its: Chair,

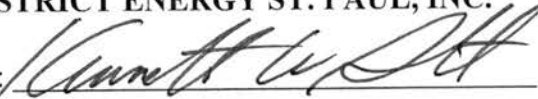
Date: _____

By: _____

Bonnie Jackelen

Its: Chief Clerk, Board of Ramsey County
Commissioners

DISTRICT ENERGY ST. PAUL, INC.

By: 

Kenneth W. Smith

Its: President and CEO

Date: 6/8/2011

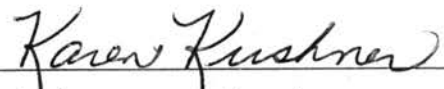
Approved Recommended:

By: 

Timothy Mayasich

Its: Director, RCRRA

Approved as to form:

By: 

Karen Kushner

Its: Assistant County Attorney

8

ARTICLE II
DISTRICT ENERGY SERVICE

2.1 District Energy represents that it has constructed and operates a hot water distribution system under a franchise from the City of St. Paul, Minnesota (the "Franchise") and that it owns a coal-fired generating plant, and, as necessary, has access to and may utilize sufficient additional sources of energy in the generation of Hot Water giving it the capability to produce all Hot Water needed to meet the Aggregate Demand (as hereinafter defined of all District Energy Customers purchasing Hot Water ("Hot Water Customers") at the design condition of -19° Fahrenheit.

2.2 District Energy represents that it has constructed or will construct and place such piping and equipment as necessary to connect its heat sources to Customer's Point of Delivery by no later than Customer's Completion Date.

2.3 District Energy acknowledges that Customer's Initial Demand is reasonable, based upon District Energy's estimates or verification of Customer's records.

2.4 District Energy agrees to continuously furnish needed Hot Water and sell Thermal Energy to Customer, subject to the contingencies, terms, and conditions herein set forth.

ARTICLE III
TERM

This Agreement shall be from the date hereof and continue in force unless terminated by mutual agreement of the parties and/or in accordance with the provisions of Article XV. The Term of this Agreement shall commence on the earlier of Customer's Completion Date or on the date Customer first receives hot water for continuing heating purposes at Customer's point of delivery ("First Service Date"), and shall, unless otherwise expressly modified by the Company Board of Directors after obtaining the consent of any Company letter-of-credit provider, continue for a period of not less than ten (10) years.

ARTICLE IV
CONVERSION OF BUILDING

4.1 "Building Conversion" shall mean such modification of or alteration to the Building and its heating system ("Building Heating System") as shall be required to make the Building Heating System

compatible with (a) the performance specifications required by District Energy, as specified in that certain document entitled "Standards and Guidelines for Designing Heating Systems in Buildings Connected to a Hot Water District Heating System" prepared by District Energy and published in January, 1982, including any subsequent amendments, (the "Standards"), and (b) utilization of Thermal Energy in accordance with this Agreement. To the extent not inconsistent with the Standards, Customer may design the Building Conversion to the specifications desired by Customer.

4.2 "Point of Delivery" shall mean the point established in Article I to which Hot Water shall be delivered through the District Heating System to the Customer and the point at which such water shall be returned from the Customer's Building Heating System to the District Heating System; a Point of Delivery shall demarcate the Building Heating System and the District Heating System.

4.3 Customer shall complete its Building Conversion prior to the Completion Date, subject to Section 1.3, so that it may receive Hot Water from the Point of Delivery and utilize Thermal Energy.

ARTICLE V
CONNECTION TO DISTRICT
HEATING SYSTEM

5.1 "District Heating System" shall mean all equipment, facilities and materials, including boiler, heat exchangers, heating sources, pumps, pressurizers, pipes, lines, gauges and controls, and any other type of property now or hereafter owned, operated, or controlled by District Energy for the purpose of or incidental or useful to heating, distributing, receiving, collecting, monitoring and metering Hot Water, excluding any part of any Customer's Building Heating System. District Energy shall own all Hot Water within the District Heating System.

5.2 Prior to the Completion Date, District Energy shall cause the District Heating System to be constructed or expanded in such a manner as may be required to enable the delivery of Hot Water to Customer's Point of Delivery and the return of Hot Water therefrom to the District Heating System in accordance herewith.

5.3 All property constituting a part of the District Heating System in or on the Building, or its surrounding premises, shall at all times be the property of District Energy; and upon the earlier of

termination or expiration of this Agreement, District Energy shall have the right at its option to remove such property from the Building and its premises, provided that promptly after such removal District Energy shall cause the Building and premises to be returned to substantially the same condition as would have existed but for such removal. District Energy shall inform Customer of its intention to remove the property from the Building and premises within thirty (30) days after the earlier of the termination or expiration of this Agreement, or such property shall become the property of Customer. If District Energy shall elect to cause the removal of its property (and thus, also restoration of Customer's Building and premises), it shall do so within sixty (60) days following the date of notice of its intention to remove, or such property shall become the property of Customer.

5.4 Customer shall be responsible for all Service Connection Charges related to connecting Customer's Building to the District Heating System. Service Connection Charges as used herein shall include, but not be limited to, actual construction costs, design and other professional fees, permit, insurance and financing costs incurred to complete the connection. The parties acknowledge that the Service Connection Charges may be the subject of negotiation between the parties hereto and Customer acknowledges by execution hereof that in the absence of a written agreement to the contrary, Customer is solely responsible for all said Service Connection Charges.

ARTICLE VI **DEMAND CHARGE**

6.1 Subject to Article XXII, commencing on the earlier of Customer's First Service Date or Completion Date and thereafter during the term of this Agreement, Customer shall incur District Energy Demand Charges as determined in this Article VI.

6.2 Not applicable after September 30, 1986.

6.3 Subject to Sections 1.4, 6.4, and 6.5, Customer's "Demand" in respect of a District Energy fiscal year (October 1 through September 30) shall mean Customer's maximum rate of Thermal Energy utilization, expressed in kilowatts, in any hour during the twelve-month period ending May 31 immediately prior to such fiscal year.

6.4 Until such time as equipment capable of directly measuring Demand is available on a reasonably cost-justified basis and installed for Customer, Customer's Demand for a given District Energy fiscal year shall be deemed to be the greater of

(a) Customer's Demand as actually measured or determined by District Energy at any time during such year or (b) Customer's weather normalized annual Thermal Energy utilization (in kilowatt hours) for the twelve-month period ending the previous May 31, divided by Customer's Utilization Factor as established in Section 1.4. For purposes of this Section, for each District Energy fiscal year, beginning less than sixteen (16) months after Customer's First Service Date, Customer's Demand for such year shall be deemed to be the same as Customer's Initial Demand.

6.5 Notwithstanding any other provision herein, Customer may request, not later than May 31, a Demand different from that established under Sections 6.3 or 6.4 for the District Energy fiscal year beginning the following October 1 if Customer can establish prior thereto, to the reasonable satisfaction of District Energy, that Customer's utilization and Demand for Thermal Energy during the entire District Energy fiscal year next commencing will be reduced by fifteen percent (15%) or more in comparison with the then current fiscal year.

6.6 "Aggregate Demand" for a District Energy fiscal year shall be the sum of the Demand for Thermal Energy of all Hot Water Customers.

6.7 "Demand-Related Costs" in respect of a given District Energy fiscal year shall mean the following charges or allowances and all District Energy costs other than Energy-Related Costs defined in 7.3 incurred or made in such year: (a) all District Energy operating, maintenance and repair costs, but excluding any costs defined as Energy-Related Costs; (b) reasonable District Energy general and administrative costs, including legal and engineering costs related to hookup of additional Customers; (c) all District Energy debt service net of District Energy interest income other than that allocated to the Expansion Fund pursuant to Section 21.4; (d) net increases (with reductions in Demand-Related Costs to the extent of decreases) in District Energy working capital and fuel inventory during such year; (e) capital expenditures not amortized through debt service and net increases (with a reduction in Demand-Related Costs to the extent of decreases) during such year for reserves for replacements and capital improvements, including increases (or decreases) with respect to the Expansion Reserve Fund defined in 21.2; (f) amounts not collectable for Demand Charges due (with credit for charges collected that in other fiscal years were expensed as uncollectable); (g) prompt payment discounts in respect of Demand Charges; (h) amounts, if any, required to be collected by District Energy from Hot Water Customers to meet minimum debt coverage requirements under any indenture or any

financing agreement related to bonds, substantially all the proceeds of which are used by or on behalf of District Energy provided such amounts under this provision 6.7(h) shall not be used for expansion purposes; (i) Demand Rate discounts offered pursuant to Section 1.6; provided that Demand-Related Costs shall not include depreciation.

6.8 Not later than June 30 each calendar year, District Energy shall cause its staff to prepare an estimate of District Energy's total projected Demand-Related Costs for the next succeeding District Energy fiscal year. Not later than July 31 in each calendar year, District Energy's Board of Directors shall approve a fiscal budget for all Demand-Related Costs expected to be incurred in the next succeeding fiscal year (Projected Demand-Related Costs). The proposed rates generated thereby shall be forwarded for such rate review, approval or modification by the City Council of Saint Paul, Minnesota, or such other public body, as may be required by the Franchise. A written statement of the Projected Demand-Related Costs shall be forwarded to Customer upon request.

6.9 For each fiscal year, Customer's Demand Charge shall be equal to the Projected Demand-Related Costs divided by Aggregate Demand as of such October 1 (which yields Demand Charge per kilowatt) multiplied by Customer's Demand as to such October 1. Customer shall pay the annual Demand Charge in the fiscal year beginning such October 1 in twelve equal Billing Period installments or as otherwise provided in Section 8.4.

6.10 If Customer does not have a Demand established on October 1 of any District Energy fiscal year, Customer's Demand Charge for each Billing Period commencing in such year on or subsequent to the earlier of Customer's First Service Date or Completion Date shall be equal to Customer's Demand multiplied by the Demand Charge per kilowatt for that year adjusted for the number of months Customer is connected to the District Heating System in that year.

6.11 Notwithstanding anything to the contrary herein, upon approval by at least sixty percent (60%) of District Energy's directors, for the last six months of any District Energy fiscal year, Customer's monthly Demand Charge payments may be appropriately proportionally increased if, but for such increase, the Projected Demand-Related Costs for such fiscal year are reasonably expected to be materially less than the actual Demand-Related Costs reasonably expected to be incurred in such year.

ARTICLE VII

ENERGY CHARGE

7.1 Customer shall pay for Thermal Energy in accordance with a formula based in part upon an Energy Charge as determined under this Article VII.

7.2 Customer's Thermal Energy utilization shall be calculated by measuring the volume of Hot Water delivered to the Customer's Building and the difference in temperature of the Hot Water received at the Point of Delivery from the District Heating System and the Hot Water returned from the Customer's Building Heating System to such point.

7.3 "Energy-Related Costs" in respect to a given District Energy fiscal period shall mean all costs or allocations of costs projected by District Energy for such period relating to: (a) District Energy consumption of fuels, including but not limited to, coal, oil, and natural gas, or purchases of thermal energy; (b) consumption of electricity used in the production and distribution of Hot Water; (c) reasonable allowances for amounts not collectable for energy charges due (with credit for charges collected that in other periods were expensed as uncollectable), and (d) prompt payment discounts in respect of Energy Charges. For purposes of valuing or pricing fuel consumed from inventory under clause (a) above, the weighted average method shall be employed; normal storage losses shall be prorated according to the rate of fuel use. Not later than June 30 each calendar year, District Energy shall cause its staff to prepare an estimate of District Energy's total projected Energy-Related Costs for the next succeeding District Energy fiscal year, a copy of which report, upon request, shall be furnished to Customer. Not later than July 31 in each calendar year, District Energy's Board of Directors shall approve a fiscal budget for all Energy-Related Costs expected to be incurred in the next succeeding fiscal year which shall be the "Projected Energy-Related Costs." The proposed rates generated thereby shall be forwarded for such rate review, approval or modification by the City Council of Saint Paul, Minnesota, or such other public body, as may be required by the Franchise.

7.4 District Energy's Metering Equipment shall be capable of accurately recording Customer's utilization of Thermal Energy.

7.5 Customer's Energy Charge for a given Billing Period shall be equal to all Projected Energy-Related Costs for such fiscal year divided by the number of all kilowatt hours of Thermal Energy estimated to be used by all District Energy Hot Water Customers during such fiscal year (which yields an

Energy Charge per kilowatt-hour), multiplied by the number of kilowatt hours of Thermal Energy utilized by Customer for such Billing Period. The Energy Charge may be appropriately adjusted (i.e. spread over the remaining months in the fiscal year) from time to time during the fiscal year to cover cost increases (or decreases) occurring subsequent to the establishment of Projected Energy-Related Costs for such period regarding energy purchased by District Energy, to the extent such costs are in excess of (or below) those costs projected by District Energy in establishing the Energy Charge for such period.

ARTICLE VIII

MISCELLANEOUS RATE CONSIDERATIONS

8.1 Annually after September 30, 1986, when it is shown by independent, qualified and competent consultants that Demand Charge and Energy Charge procedures do not accurately reflect the cost of providing services District Energy may, where reasonable, practical and necessary, revise such procedures provided such revisions are approved by District Energy's Board of Directors and by a minimum of fifty percent (50%) of all Hot Water Customers and Customers constituting at least fifty percent (50%) of Aggregate Demand.

8.2 If during any year the maximum temperature of Hot Water returned from Customer's Building Heating System to Customer's Point of Delivery exceeds 160° Fahrenheit during the months of November through March, Customer's Demand for such year may be increased by District Energy by an amount appropriate to reflect the increased rate of Hot Water delivery to Customer at such time, and Customer's Demand Charge shall be increased accordingly. District Energy shall not deliver Hot Water to Customer at a temperature exceeding 260° Fahrenheit.

8.3 District Energy shall promptly inform Customer in writing of the basis on which District Energy established Customer's Demand Charge, Energy Charge and Demand for any time during the three (3) years preceding the date that Customer requests such information.

8.4 Notwithstanding any provision of this Agreement to the contrary, Customer buildings with Demand of 100 kilowatts or less may be charged a combined Demand/Energy Rate to be called the Single Rate. The Single Rate shall be charged according to Thermal Energy usage as metered or otherwise determined by District Energy. The Single Rate shall be computed by dividing twelve (12) monthly installments of Demand Charge per kilowatt by 1700 and adding that result to the Energy Charge per

kilowatt hour to obtain the combined Single Rate per kilowatt hour. Customers paying the Single Rate shall not be subject to the Demand refund and assessment procedures of Section 10.4; for purposes of that Section, the portion of the Single Rate which exceeds the Energy Charge shall be allocated to Demand Charge revenues.

8.5 Notwithstanding any provision to the contrary, District Energy in its sole discretion may charge and Customer shall pay charges for specific services more properly charged to an individual Customer than to all Customers as a whole, including but not limited to: (1) Service shutoff and/or reinstatements; (2) Damage to system equipment; (3) Consumption of system water, including Penalty charges for unauthorized drainage; and (4) Service calls for problems not related to District Energy equipment. Such charges shall be paid in addition to Demand Charges and Energy Charges as a part of Customer's monthly billing.

ARTICLE IX

METERING

9.1 Prior to Customer's Completion Date, District Energy shall install, at District Energy's expense, all equipment ("Metering Equipment") necessary to accurately measure and record (a) Customer's Thermal Energy utilization and (b) Customer's Demand (to the extent such equipment is available and reasonably cost justified).

9.2 Customer shall permit District Energy to install Metering Equipment in Customer's Building or on Customer's premises in the area adjacent to the Point of Delivery or such other area as may be specified by mutual agreement of the parties, taking into account accessibility and Customer's need for Building security.

9.3 District Energy shall own and maintain District Energy Metering Equipment in good repair and operating condition at District Energy's expense.

9.4 Any electricity required for the operation or maintenance of the Metering Equipment shall be supplied by Customer at Customer's expense.

9.5 Customer shall promptly notify District Energy if at any time Customer has reason to believe the Metering Equipment is not accurately measuring the Thermal Energy used by the Building Heating System or Customer's Demand.

9.6 District Energy shall cause such testing and calibration of the Metering Equipment as a Customer shall request, provided that the cost of any such testing

and calibration shall be borne by the Customer if such testing does not disclose an inaccuracy of more than five percent (5%) in measuring utilization of Thermal Energy or Demand. Upon the discovery of any such inaccuracy, the Metering Equipment shall be promptly adjusted or replaced at District Energy's sole expense to accurately measure utilization of Thermal Energy or Demand. If any measuring inaccuracy of greater than five percent (5%) is discovered, an appropriate adjustment to the Customer's Service Bill shall be made in respect of the month immediately preceding such discovery and until the time of repair or replacement, based on the assumption that the same degree of inaccuracy existed throughout such period until repair or replacement unless a particular event or accident is reasonably shown to have caused meter inaccuracy, in which event the date for billing adjustment shall be established thereby. No other adjustments shall be made except an appropriate adjustment may be also made to earlier Service Bills (hereinafter defined) at District Energy's election if District Energy has reasonable cause to believe that a Customer did not timely act in good faith to notify District Energy of a suspected measuring inaccuracy.

9.7 Notwithstanding the foregoing Section 9.6, in any Billing Period during which the Metering Equipment shall fail to register utilization of Thermal Energy by a Customer, the amount of Thermal Energy utilized by such Customer during such period shall be estimated by District Energy based on the Thermal Energy utilized by the Customer in the past and the Thermal Energy utilized by other Customers with similar usage characteristics during the period in question.

ARTICLE X

BILLING AND PAYMENT

10.1 Unless Customer is otherwise notified by District Energy, the Metering Equipment shall be read to determine the Customer's Thermal Energy utilization at least once each Billing Period. A "Billing Period" shall be a "month" which may be any period between 28 and 33 consecutive days (except for February which may be 26 days) ; provided that in any calendar year there shall be twelve (12) such discrete consecutive months.

10.2 Unless Customer is otherwise notified by District Energy, District Energy shall within thirty (30) days following the end of a Billing Period send to Customer by U.S. Mail, or otherwise deliver to Customer, a bill ("Service Bill") bearing the date of sending or delivery and setting forth amounts due by Customer to District Energy hereunder in respect of such Billing Period or any prior Billing Periods.

10.3 District Energy shall have the right, upon notice to Customer, to estimate Customer's utilization of Thermal Energy during any Billing Period and submit to Customer a Service Bill based on such estimate, provided that at least quarterly, District Energy shall read the Metering Equipment and thereafter appropriately credit or charge Customer for the Thermal Energy it actually utilized in comparison with the previously estimated utilization which was billed to and paid by Customer.

10.4 Following any District Energy fiscal year, District Energy shall determine (a) the difference between Energy Charge revenues and actual Energy-Related costs and (b) the difference between Demand Charge revenues and actual Demand- Related Costs. If in either case, the difference between such revenues and the corresponding costs exceeds one tenth of one percent (0.1%) of such costs, this difference shall be divided by the total applicable units of Energy or Demand, as appropriate, and multiplied by each Customer's usage to determine each Customer's share of such difference. District Energy shall promptly credit or refund to Customer its share of excess revenues and District Energy may promptly bill Customer for its share of excess costs. In no event shall District Energy charge Customer in accordance with this section more than once in any calendar year, and Customer shall have up to ninety (90) days to pay any excess found to be due and billed as provided herein. Any difference of under one tenth of one percent (0.1%) shall be added to or subtracted from the following year's difference.

10.5 A Service Bill shall be due and payable immediately upon receipt by Customer without set-off, counterclaim, abatement, or reduction by Customer. Customer's prompt payment of Service Bills shall not diminish or constitute a waiver of, Customer's claims or remedies in arbitration, in subsequent legal proceedings, or in any other way, including challenging the billed amount itself.

10.6 Customer shall receive a discount of five percent (5%) for making full payment of all amounts due pursuant to a Service Bill within ten (10) days of the date of such bill.

10.7 If the Service Bill or Service Connection Charge of Customer has not been paid in full within forty-five (45) days after the date thereof, District Energy may thereupon or thereafter suspend the delivery of Hot Water to Customer, provided Customer has been given written warning thereof at least fifteen (15) days prior to such suspension, and take such lawful action to effect collection of such bill, including commencement of legal proceedings, as District Energy shall deem desirable. Customer shall

be liable for all costs and expenses (including attorney's fees) personally incurred by District Energy in connection with any attempt to make such collection (whether or not a lawsuit is commenced).

ARTICLE XI
ADDITIONAL CUSTOMER
COVENANTS AND OBLIGATIONS

11.1 Without the consent of District Energy, Customer shall not cause or voluntarily permit any modification or alteration to any part of the Metering Equipment or the District Heating System, except in an emergency situation where life, health or property is threatened.

11.2 Without the consent of District Energy, Customer shall not cause or voluntarily permit any action which interferes with the delivery or return of Hot Water, the utilization of Thermal Energy or the operation, maintenance, repair, replacement, construction, installation, expansion, removal or alteration of the District Heating System or the Metering Equipment, except in an emergency situation where life, health or property is threatened.

11.3 No Hot Water Customer, including Customer, shall provide heating service from its Building Heating System to any other building other than such Customer's Building or buildings and appurtenant structures without the consent of District Energy.

11.4 District Energy shall not be liable to Customer or such Customer's officers, agents, employees, lessees, licensees, invitees or trespassers in respect of, and each Customer shall hold harmless and indemnify District Energy from and against liabilities, losses, damages, costs, expenses (including attorney's fees), claims, actions, judgments, and settlements of any nature whatsoever for any personal injury, death, or property or economic damage arising out of or incidental in any manner whatsoever to the operation of the Customer's Building Heating System, but only to the extent such injury, death or damage was not caused by the negligence, recklessness or intentional misconduct of District Energy or its officers, employees, agents, lessees, licensees, invitees, trespassers or contractors.

11.5 Customer shall not be liable to District Energy or District Energy's officers, agents, employees, lessees, licensees, invitees or trespassers in respect of, and District Energy shall hold harmless and indemnify Customer from liabilities, losses, damages, costs, expenses (including attorney's fees), claims, actions, judgments, and settlements of any nature whatsoever for any personal injury, death or

property or economic damage arising out of or incidental in any manner whatsoever to the operation of the District Heating System or Metering Equipment, but only to the extent such injury, death, or damage was not caused by the negligence, recklessness, or intentional misconduct of Customer or its officers, employees, agents, lessees, licensees, invitees, trespassers or contractors.

ARTICLE XII
ADDITIONAL DISTRICT ENERGY
COVENANTS AND OBLIGATIONS

12.1 District Energy shall maintain the District Heating System in good repair and operating condition and cause it to be operated in a safe and efficient manner.

12.2 Subject to Article XIV, District Energy agrees to provide Customer with a continuous, non-interruptible supply of Hot Water at Customer's Point of Delivery. District Energy shall not rely on interruptible energy sources to provide necessary Hot Water.

12.3 District Energy shall use its best efforts to secure and maintain in good standing all necessary permits, easements, licenses, franchises and rights necessary or desirable to make and continue the delivery of Hot Water to all District Energy Hot Water Customers.

12.4 District Energy agrees to annually have a complete audit conducted by a qualified Certified Public Accounting (CPA) firm.

12.5 District Energy agrees to maintain the District Heating System and the Metering Equipment, utilizing Preventive Maintenance. "Preventive Maintenance" means undertaking, where economically practicable, to repair existing District Energy equipment to minimize the need for costly major repair work or replacement.

12.6 At least once every five (5) years after October 1, 1985, District Energy shall engage a qualified professional engineer to completely inspect the District Heating System and Metering Equipment, to investigate the physical condition of District Energy's property and equipment, operating procedures and Preventive Maintenance practices, and to prepare a written report of such inspection, which report shall be made available to Customer; provided, however, the Preventive Maintenance practices shall be reviewed and evaluated by an independent qualified professional engineer and a written report shall be filed with District Energy no later than December 31, 1986.

12.7 Subject to Article XIV, commencing on the earlier of Customer's Completion Date or First Service Date and thereafter while this Agreement is in effect, District Energy shall deliver to Customer's Point of Delivery sufficient Hot Water to meet all Customer's Thermal Energy requirements from time to time as established in Article VI hereof, provided that District Energy shall not be obligated to deliver Thermal Energy at a rate in excess of Customer's Demand.

ARTICLE XIII

BOARD OF DIRECTORS

In accordance with District Energy Articles of Incorporation and By-Laws, the District Energy Board of Directors shall be comprised of seven (7) members. Three members of the Board are to be appointed by the Mayor of the City of Saint Paul, with approval by the City Council of Saint Paul, and shall serve their appointed terms as provided in the By-Laws. Three members of the Board are to be elected, one by each Customer Class, (Small, Medium and Large) and shall serve their elected terms as provided in the By-Laws. The seventh member shall be elected by majority vote of the Board and shall serve the elected term as provided in the By-Laws.

ARTICLE XIV

INTERRUPTION OF SERVICE

14.1 Customer's obligation hereunder to make payments, and District Energy's obligation to charge, in respect of a Demand Charge shall be adjusted by appropriate reduction with respect to any Billing Period during which District Energy is unable for 24 consecutive hours to fully perform its obligations to deliver Hot Water in accordance herewith; to the extent reasonably determinable in good faith by District Energy, any such Demand Charge, as adjusted, shall equal an amount which bears the same ratio to the Demand Charge, before adjustment, in a given Billing Period, as the amount of Thermal Energy utilized by Customer in such Billing Period bears to the total Thermal Energy Customer would have used if District Energy had fully performed in accordance with Customer's Agreement.

14.2 In the event that the District Heating System is unable to supply all Thermal Energy to meet the needs of all Hot Water Customers in accordance with their respective Agreements, District Energy shall reasonably attempt to allocate delivery of Thermal Energy first to each such Customer in such amounts as necessary to maintain the maximum warmth possible for all Hot Water Customers, and thereafter in proportion to the Demand of each Hot Water

Customer, subject only to such exceptions as are necessary to protect human life, health, and safety.

14.3 Notwithstanding anything to the contrary herein, District Energy shall have the right without any liability to Customer, or its officers, employees, agents, or any person to interrupt, reduce or discontinue the delivery of Hot Water (a) for purposes of inspection, maintenance, repair, replacement, construction, installation, removal or alteration of the District Heating System or the Metering Equipment, and (b) to prevent the delivery of Hot Water to Customer from causing any bonds which have financed any acquisition or construction of the District Heating System ("Bonds") to become Industrial Development Bonds within the meaning of Section 103 of the Internal Revenue Code, or its successor provisions. District Energy shall use its best efforts to give written notice to Customer of any expected interruption of delivery of Hot Water at least sixty (60) days prior to the date of such interruption and shall use its best efforts to inform Customer of the expected length of any interruption. District Energy shall reasonably attempt to schedule non-emergency interruptions during the months from May through September. District Energy shall not be required to supply Hot Water to Customer at any time District Energy reasonably believes Customer's Building Heating System to be unsafe, provided District Energy shall have given written notice of the basis for such belief at least thirty (30) days prior to suspension or termination of Hot Water delivery for such reason unless such condition constitutes an emergency condition in which case District Energy shall have the immediate right to interrupt service. In the event, during such 30 day period Customer cures, or demonstrates to the reasonable satisfaction of District Energy that it has made progress toward cure of such unsafe condition, then such suspension or termination shall be cancelled or delayed by District Energy.

14.4 Notwithstanding anything to the contrary herein or in any Agreement, District Energy shall not be required to deliver to any person who is not an "exempt person" within the meaning of Section 103 of the Internal Revenue Code or its successor provisions more than twenty-five percent (25%) of the "output" (within the meaning of such section) of the District Heating System.

14.5 In the event District Energy interrupts service and this Agreement has not been terminated, District Energy agrees to use its best efforts to provide Customer with a temporary source of heat, such as mobile boilers unless such Customer's service has been disconnected for non-payment, unsafe conditions in Customer's equipment by order of lawful authority, or by operation of Article 14.4 of this Agreement.

ARTICLE XV
TERMINATION

15.1 Notwithstanding anything to the contrary herein, if one or more of the following events or conditions shall exist or occur, District Energy may elect at its option to terminate this Agreement by giving notice to Customer of such fact not less than thirty (30) days prior to the date of such termination:

(a) Customer fails to pay any amounts due under a Service Bill to such Customer within forty-five (45) days from the date thereof except as provided in Section 10.4;

(b) Customer fails to duly observe or perform any covenant or obligation to be observed or performed by Customer pursuant to this Agreement (other than non-payment of Service Bills) and Customer fails to cure such failure or to observe or perform (or demonstrate to the reasonable satisfaction of District Energy that Customer has made progress toward cure with a reasonable expectation of full cure within a reasonable period) within the aforesaid forty-five (45) days following a written, specific request from District Energy to do so;

(c) Customer's Building, or any substantial portion of the District Heating System is abandoned, destroyed, demolished, substantially destroyed or demolished, becomes permanently inoperable or is taken by right of eminent domain; or

(d) It becomes unlawful under any valid federal or state law, regulation or rule for either District Energy to deliver to the Customer or the Customer to receive and pay for Hot Water.

15.2 If one or more of the following events or conditions shall exist or occur, Customer may elect at its option to terminate this Agreement by giving notice to District Energy of such fact no less than thirty (30) days prior to the date of such termination:

(a) Customer's Building is permanently abandoned, destroyed, or demolished; or substantially destroyed or demolished for which rebuilding or substantial repairs are not commenced within six (6) months following such destruction;

(b) Customer's Building, or any substantial portion thereof, is taken by right of eminent domain or becomes, in substantial part,

permanently inoperable and has been so for a period in excess of six (6) months;

(c) It becomes unlawful under any valid federal or state law, regulation or rule for either District Energy to deliver to Customer or Customer to receive and pay for Hot Water; or

(d) For a continuous period of thirty (30) days, District Energy is unable to deliver Hot Water to the Customer in substantial compliance with this Agreement.

15.3 Notwithstanding anything to the contrary herein, to the extent the same does not conflict with, violate or cause a default, penalty, new lien or acceleration of performance under any indenture pursuant to which Bonds originally used to finance construction of the District Heating System are issued, Customer in any year may at its option terminate this Agreement on any anniversary (evenly divisible by five) of the Completion Date, provided the Customer gives notice to District Energy no later than May 31 of such year of such fact, and provided that as of the date such notice is received by District Energy the Aggregate Demand, excluding such Customer's Demand and the Demand of all other Hot Water Customers who have on such date or prior thereto given due notice of their termination of their respective Hot Water Delivery Agreements, exceeds 168,750 kilowatts.

15.4 Without prejudice to any party's rights to such damages for breach by the other party of any term or condition hereof, upon termination of this Agreement for any reason prior to the expiration of its term, District Energy shall promptly bill Customer and the Customer shall pay District Energy within thirty (30) days after receipt of such bill for all unpaid amounts otherwise due pursuant to this Agreement, plus the unamortized portion of the cost incurred by District Energy in causing Customer's Building to be connected to the District Heating System, less the Service Connection Charge actually paid by Customer; such cost shall be the total amount of expense actually paid, expensed or incurred by District Energy for materials, labor or services, or the financing thereof, with respect to constructing that portion of the District Heating System which but for the need to deliver Hot Water to the Customer's Point of Delivery would not have been constructed. Within ninety (90) days of Customer's First Service Date, District Energy shall inform Customer of: (a) District Energy's cost (explained above) in causing Customer's Building to be connected to the District Heating System, and (b) the number of years the costs

in (a) are to be amortized over. All amortization shall be on a straight-line basis.

ARTICLE XVI
RIGHT-OF-WAY;
ACCESS TO BUILDING

Duly authorized agents, officers, and employees of District Energy shall have the right to enter into the Building or onto the surrounding premises of Customer at reasonable times when necessary for inspection, repair, replacement, construction, installation, removal, alteration or calibration of the Metering Equipment and the District Heating System, subject to reasonable supervision and control by Customer. Customer shall duly grant such access, to the Building and surrounding premises to the extent reasonably necessary to cause and continue delivery of Hot Water hereunder, and so long as same does not impair the continued use of the premises.

ARTICLE XVII
RECORDS AND ACCOUNTS

17.1 District Energy shall keep and maintain such true and complete books, records, and accounts as shall be necessary to compute Service Bills, Demand, Energy-Related Costs, and Demand-Related Costs preserving the same for a period not less than three (3) years following the fiscal period to which they apply. Unless otherwise determined by District Energy, the fiscal year of District Energy shall be the period from October 1 of each year to September 30 of the following year.

17.2 Customer shall have the right at any time during District Energy's business hours, upon three (3) days' prior notice to District Energy to examine, audit or copy, at Customer's expense, all books, records and accounts of District Energy applicable to, or having any impact upon Demand Charges or Energy Charges, or upon Customer's account or Customer's required performance of this Agreement; provided that District Energy shall not be required by this provision to disclose confidential operating information of other Customers unless such information is germane to, and is requested by twenty-five percent (25%) of all Customers by number and Demand, based on an allegation that any Customer(s) are receiving any favored treatment not in strict accordance with this Agreement.

ARTICLE XVIII
ARBITRATION

Any dispute or controversy between District Energy and any Customer arising out of or related to the execution, performance, interpretation or breach

of this Agreement, or any of its terms or conditions including the correctness of the computational or measurement process related to calculations of Customer's Energy Charges or Demand Charges shall, at the election of either such party, be submitted for resolution by an arbitrator selected and acting in accordance with the arbitration rules promulgated by the American Arbitration Association as outstanding from time to time. Any decision by such an arbitrator shall be final, subject to any rights of appeal, modification, vacation, or confirmation before a court of competent jurisdiction.

ARTICLE XIX
AMENDMENT AND WAIVER

19.1 Except as otherwise expressly provided herein, neither this Agreement, nor any terms herein, may be terminated, amended, altered, or modified except by an instrument in writing executed by Customer and District Energy or except as may be agreed to in writing by District Energy and at least a majority of such Customers on the basis of their demand; provided no such amendment shall be made which shall conflict with, or cause a default, penalty, new lien or acceleration of performance, under any indenture.

19.2 Any waiver at any time by either District Energy or Customer of its rights concerning a default or any matter arising from or incidental to this Agreement shall not constitute a waiver concerning any subsequent default or other matter.

19.3 Failure of District Energy or Customer to enforce at any time any provision of this Agreement to require at any time performance by the other party of any provision herein shall not constitute or be deemed a waiver of such provision nor affect in any manner the validity of this Agreement or the right of such party thereafter to enforce any provisions herein unless such waiver be in writing and specifically referring to such matters.

ARTICLE XX
ASSIGNMENT; SUCCESSORS

20.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Customer may transfer, sell, convey or assign Customer's interest in his or its Building or the premises on which such Building is located only in a transaction which is not a sham designed primarily or principally for the purpose of avoiding performance of Customer's obligations hereunder, as follows: (a) all or substantially all such interest if the person acquiring such interest shall fully and enforceably assume in writing all Customer's obligations under

this Agreement; and (b) less than substantially all Customer's interest, if such person acquiring such interest shall fully and enforceably assume in writing an appropriate portion of Customer's obligations hereunder.

20.2 To the extent Customer's obligations under this Agreement are transferred and assumed in accordance with this Article XX, and to that extent only, Customer shall be released from such obligations.

20.3 Except by the written consent of District Energy, Customer (if a corporation or business entity) shall not consolidate with or merge into any other person or convey or transfer all or substantially all of its properties and assets to any person unless: (a) such person shall fully and enforceably assume in writing all Customer's obligations under this Agreement, and (b) such transaction is not a sham transaction designated primarily or principally for the purpose of avoiding performance of Customer's obligations hereunder.

ARTICLE XXI **EXPANSION**

21.1 The parties hereto acknowledge that substantial public support has been provided for the development of the District Heating System with the intention that its benefits be extended to other Customers in Saint Paul as economically feasible. Therefore, District Energy may extend the District Heating System to sell Thermal Energy to additional Customers, provided that the following conditions are met:

(1) All such District Energy Customers shall enter into Agreements with District Energy in a form comparable hereto in all material respects. The parties hereto recognize that the Agreements with federal, state or local governmental customers with exception of Rate Charges may vary in form and content: therefore, those Agreements are excepted from any requirements of material conformity with other Agreements. No customer other than the federal government shall be allowed to enter into a Hot Water Delivery Agreement for a shorter term than this Agreement. Notwithstanding the provisions of this Article or any other Article of this Agreement, District Energy may enter into Agreements with "Small Customers" and "Incentive Program Customers," the terms of which may vary from the material terms of the HWDA. Small customers, as used herein, are Customers with a contractual

demand of 100 kilowatts or less. Incentive Program Customers are Customers executing a Hot Water Delivery Agreement after adoption of the First and Second Uniform Amendments and participating in the Incentive Program adopted by the Board of Directors. All Small Customer Agreements shall conform with the provisions of amended Section 8.4 hereof. Incentive Program Customer Agreements shall conform to the existing Hot Water Delivery Agreement except as amended by the provisions of Section 1.6 hereof.

(2) Prior to the commencement of any Major Expansion Project, a comprehensive final feasibility study shall be obtained from a qualified consulting firm stating that the construction, financing, and operation of such Major Expansion Project, taking into account projected new Customer hookup fees, committed public subsidies, and advances from the Expansion Reserve fund established below, and any other committed sources, are feasible and will not cause any increase in Demand Charges to the then District Energy Customers. "Major Expansion Project" means any project or projects undertaken within any District Energy fiscal year, which, when aggregated, result in construction costs exceeding Two Million Dollars (\$2,000,000) increased by a sum representing a percentage thereof equal to the percentage increase in the Consumer Price Index from October 1, 1982, to such time. "Consumer Price Index" shall mean that index published from time to time by the United States government reflecting changes in costs of goods or services to consumers or any substantially similar successor index.

(3) Expansion as used herein shall not limit in any way District Energy's ability to expand unless said expansion constitutes a Major Expansion Project; provided further that nothing contained herein shall limit the construction of a hot water line from the District Energy Third Street Plant to NSP's High Bridge facility upon such terms and conditions and at such time as the construction is deemed necessary and desirable by District Energy.

21.2 Notwithstanding anything to the contrary herein, beginning October 1, 1986, Demand-Related Costs in each District Energy fiscal year shall include an amount to be allocated to an "Expansion Reserve" fund equal to seven percent (7%) of the total of other

Demand-Related Costs for such year, unless the total District Energy resulting projected rates would cause Demand and Energy Charges projected for a District Energy Customer (assuming average Demand and Thermal Energy use) to exceed the total projected cost to provide the same Demand and Thermal Energy using firm natural gas, in which case the seven percent (7%) amount shall be reduced until hot water rates are equal to firm natural gas rates or the seven percent (7%) is eliminated, whichever first occurs. For purposes of this determination, the annual combustion efficiency of natural gas shall be deemed to be sixty-five percent (65%).

21.3 The charge described in Section 21.2 above, shall terminate at the end of the term of this Agreement.

21.4 The Expansion Reserve Fund shall include amounts allocated pursuant to Section 21.2, together with any interest earned thereon. Amounts in such fund shall be advanced only for the purpose of expanding the District Heating System by action of the District Energy Board of Directors or for debt coverage as provided in any indentures.

ARTICLE XXII **CONTINGENT CUSTOMER OBLIGATION**

22.1 Notwithstanding anything to the contrary herein, in the event Aggregate Demand, as determined in Section 6.6, falls below 135,000 kilowatts, hereinafter "Minimum Demand" in any District Energy fiscal year commencing on or after October 1, 1986, then Customer's Demand Charge for that fiscal year shall be calculated pursuant to the provisions of this Article XXII.

22.2 Customer's "Contingent Demand" is defined to mean the higher of (a) Customer's Initial Demand, as specified in Section 1.4 or (b) Customer's most recent Demand as determined pursuant to Article VI.

22.3 The sum of all the "Contingent Demand" for all Hot Water Customers shall be the "Aggregate Contingent Demand."

22.4 Notwithstanding anything to the contrary herein but subject to the provisions of Section 22.6, for any District Energy fiscal year commencing on or after October 1, 1986, in which Aggregate Demand is expected to be less than the Minimum Demand, subject to any adjustment or changes pursuant to Section 6.11 or 10.4, Customer's total Demand Charge shall equal the Projected Demand-Related Costs divided by Aggregate Contingent Demand as of such October 1 (which yields Contingent Demand Charge per kilowatt), multiplied by Customer's

Contingent Demand as of such October 1. Customer's foregoing Demand shall be determined preceding the fiscal year it is anticipated that the Aggregate Demand will be less than the Minimum Demand. Customer shall pay this annual Demand Charge in the next succeeding fiscal year in twelve equal Billing Period installments.

22.5 CUSTOMER EXPRESSLY ACKNOWLEDGES AND RECOGNIZES THAT EXCEPT AS MAY OTHERWISE BE PROVIDED IN SECTION 22.6, UNTIL THE EARLIER OF EXPIRATION OR TERMINATION OF THIS AGREEMENT, CUSTOMER SHALL PAY DEMAND CHARGES THAT WILL, WHEN ADDED TO THE DEMAND CHARGES OF OTHER CUSTOMERS, BE SUFFICIENT TO PAY ALL DEMAND-RELATED COSTS, EVEN IF THE CUSTOMER NO LONGER USES HOT WATER, IF THE TOTAL DEMAND OF ALL HOT WATER CUSTOMERS FALLS BELOW THE MINIMUM DEMAND.

22.6 Notwithstanding any provisions herein to the contrary, the Customer shall be relieved of its contingent obligation under Sections 22.4 or 22.5 to pay Demand Charges in excess of what it is otherwise required to pay under this Agreement if and to the extent District Energy is required under an indenture by specific reference to such contingent obligation to relieve the Customer of the same in order to preserve the tax exempt status of revenue bonds issued to finance the District Heating System.

ARTICLE XXIII **DISTRICT ENERGY MANAGEMENT**

District Energy may take any and all steps necessary to operate and maintain the hot water District Heating System in accordance with all applicable Federal and State laws and regulations, unless otherwise restricted herein. District Energy shall be governed at all times with the overall goal of providing competent and effective management and conservation of the resources of District Energy to assure uninterrupted, efficient and economical service to Customers.

ARTICLE XXIV **REPORTING**

24.1 Upon request, District Energy shall mail to Customer a copy of District Energy's audit report, conducted as required in Section 12.4.

24.2 Upon request, District Energy shall mail to Customer a copy of the engineering consulting report, conducted as required in Section 12.6.

ARTICLE XXV
SEVERABILITY

If any of the terms, covenants or conditions of this Agreement shall be held invalid by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application shall remain valid, enforceable and not affected thereby.

ARTICLE XXVI
APPLICABLE LAW

The validity, performance, construction, interpretation and enforcement of this Agreement and all terms, covenants and conditions therein, shall be governed by and construed in accordance with the laws of the State of Minnesota.

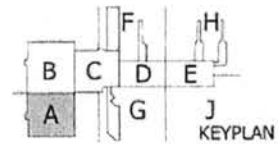
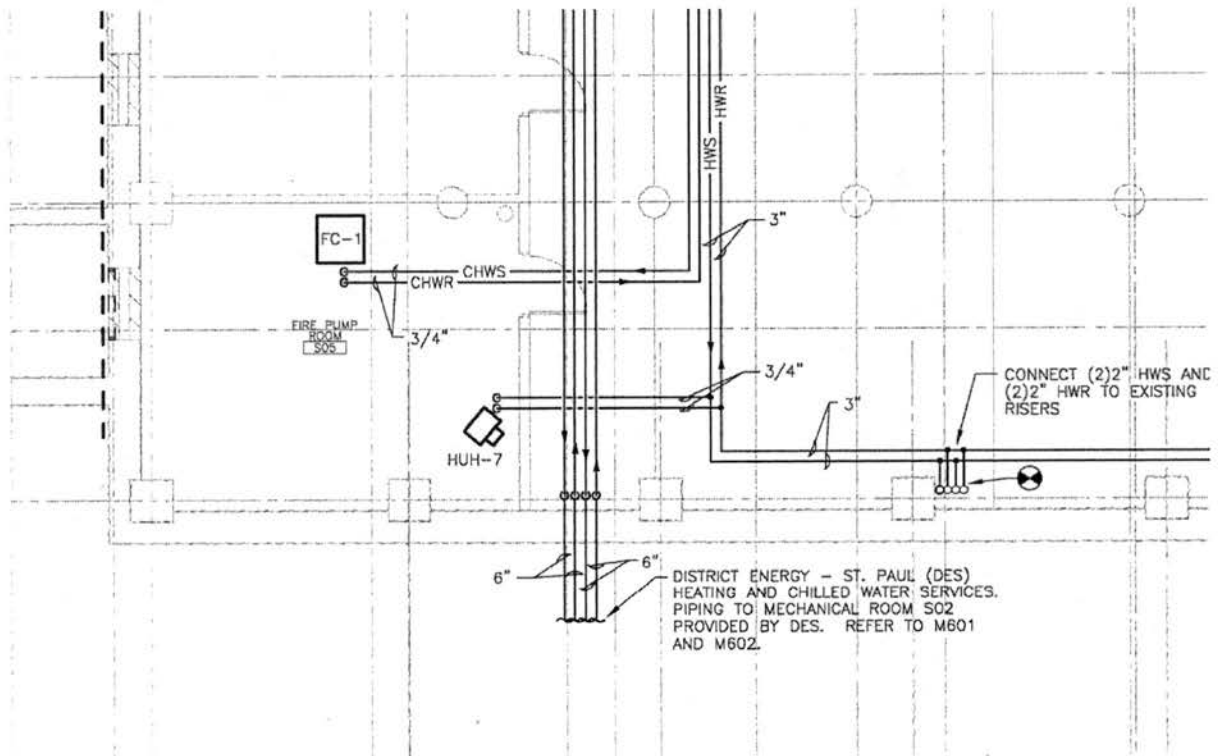
ARTICLE XXVII
NOTICES

Any notices, demands or requests to a party permitted or required under this Agreement, or incidental thereto, shall (if in writing containing such information as is otherwise required) be deemed given to a party on the earlier of the date on which such notice, demand or request is actually delivered or on which the same is mailed with postage prepaid by registered or certified mail, addressed to such party's billing address.

DISCLAIMER

This Agreement encompasses the full understanding of the parties hereto with respect to the transaction contemplated hereby. Customer acknowledges that no agreements, representations or understanding of a legal, engineering or other nature have been made and/or relied upon by Customer except as contained herein.

Attachment A



DISTRICT COOLING SERVICE AGREEMENT

This **DISTRICT COOLING SERVICE AGREEMENT** ("Agreement") is by and between **District Cooling St. Paul, Inc.** ("District Cooling") formerly District Energy Services, Inc., ("District Services"), a Minnesota non-profit corporation (an affiliate of District Energy St. Paul, Inc. ("District Energy")) and **Ramsey County Regional Railroad Authority** ("Customer").

ARTICLE I
CUSTOMER'S PURCHASE

1.1 Customer represents that it owns space commonly known as the **Union Depot** located at 214 East Fourth Street, St. Paul, Minnesota ("Building") and is an "**exempt person**" within the meaning of Section 103(b)(3) of the Internal Revenue Code of 1986, as amended.

1.2 Subject to the contingencies, terms, and conditions hereinafter set forth in this Agreement, including the Uniform Provisions, as hereinafter defined, Customer agrees to pay for and exclusively buy all cooling for the Building loads for the term of this Agreement from District Cooling in the form of cooling energy ("Thermal Energy") derived from chilled water furnished by District Cooling hereunder ("Chilled Water").

1.3 Customer's Completion Date will be the First Service Date (defined in Section 3.1), which the parties contemplate will be no later than **March 1, 2012**. Customer shall diligently proceed to complete its Building Conversion (defined in Section 4.1) prior to the stated date; however, such date shall be extended for reasonable periods of time, subject to the provisions of Section 22.8 hereof, if Customer requests such extension and Customer does not require nor utilize Chilled Water services for Customer's Building. The term of the Agreement shall be twenty (20) years from the actual First Service Date pursuant to Article III, unless otherwise terminated pursuant to Article XV.

1.4 For purposes of this Agreement, Customer's "Initial Contract Demand" for Chilled Water is **450 tons**. Customer's Initial Contract Demand shall remain in effect from the earlier of Customer's Completion Date or First Service Date up to and including **September 30, 2014** ("Initial Contract Demand Term"). Thereafter the Contract Demand (hereafter defined) shall be determined in accordance with Section 6.4.

1.5 Customer's Point of Delivery, as used in Section 4.2 hereof, is that point as identified on the Attachment A hereto. Service Connection Charges, as described in Section 5.4, shall not exceed **zero** dollars upon Customer's completion of the full term of this Agreement.

1.6 District Cooling reserves the right from time to time to assign its rights under this Agreement (including its rights to payments hereunder) to one or more creditors (each, a "Secured Party") as collateral security for one or more financings, and Customer hereby agrees to any and all such assignments. As a result of such assignment, Customer may receive notice from such Secured Party with an assertion that an event of default has occurred under the financing, and that payments under this Agreement are to be made to such Secured Party. Customer also hereby agrees to make such payments to such Secured Party, and District Cooling agrees to hold Customer harmless for making such payments to such Secured Party after Customer has received such notice of default. Customer further agrees that all such Secured Parties shall be deemed third-party beneficiaries of this Agreement, until such time as Customer receives written notice to the contrary from District Cooling and each such Secured Party.

UNIFORM PROVISIONS

Attached hereto and deemed incorporated herein are Uniform Provisions of the District Cooling Service Agreement ("Uniform Provisions") which, subject to the provisions of 21.1, shall be identical for all customers. Customer acknowledges and represents that Customer has reviewed the Uniform Provisions and does, by execution hereof, incorporate the same herein and agrees to be bound by the terms and conditions

of the Uniform Provisions. Provisions of this Article I represent unique Customer characteristics and requisites and, consistent with the Addendum hereafter, shall be controlling as they relate to Articles II-XXII.

ADDENDUM

The following additional provisions are hereby agreed to by the parties hereto and incorporated into the District Cooling Service Agreement:

A.1 The references in Section 6.2 of the Uniform Provisions to "prior to October 1, 1994" and "October 1994 and thereafter" and in Section 6.9 of the Uniform Provisions to "after September 30, 1994" shall be deemed to refer to "prior to October 1, 1995", "October 1995 and thereafter", and "after September 30, 1995" respectively.

A.2 The language in Section 6.7 of the Uniform Provisions referring to Section 21.2, 21.3, and 21.4 is of no force and effect as these sections were deleted by the First Uniform Amendment to the District Cooling Service Agreement, the provisions of which have been incorporated into this Agreement.

A.3 All of the other terms and conditions of the District Cooling Service Agreement shall continue in full force and effect. In the event of an irreconcilable conflict or inconsistency between another section of the District Cooling Service Agreement and this Addendum, the terms of this Addendum shall control.

A.4 Indemnification. The provisions of Section 22.7 shall apply only until the expiration of any applicable statute of limitations but in no case more than six (6) years after the termination of this Agreement.

A.5 Equal Opportunity Employment. District Cooling agrees to comply with all applicable federal, state, and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sexual orientation, gender, marital status, status with regard to public assistance, disability, or age.

A.6 Unavailability of Funding. The purchase of goods or services from District Cooling under this Agreement is subject to the availability and provision of funding from the United States, the State of Minnesota, or other funding sources, and the appropriation of funds from the Board of County Commissioners. The Customer may immediately terminate this Agreement if the funding for the contracted goods and services is no longer available or is not appropriated by the Board of County Commissioners, and the Customer does not require cooling for the Building for the remaining term of the Agreement. Upon receipt of the Customer's notice of termination of the Agreement District Cooling shall take all actions necessary to discontinue further commitments of funds to the Agreement. Termination shall be treated as termination without cause and will not result in any penalty or expense to the Customer.

A.7 Insurance. District Cooling agrees to carry insurance acceptable to Ramsey County for the duration of the Agreement; said acceptance shall not be unreasonably withheld. Customer agrees that the insurance currently maintained by District Cooling, as evidenced in the attached Certificate of Insurance, is acceptable. Evidence of such coverage shall be provided to Ramsey County annually. If District Cooling elects to purchase a "claims made" liability policy, Ramsey County shall be notified and all efforts made to ensure continuity of coverage using extended reporting periods and retroactive dates as necessary.

A.8 Prevailing Wage. District Cooling and all subcontractors shall conform to the labor laws of the State of Minnesota, and all other laws, ordinances, and legal requirements affecting the work in Ramsey County and Minnesota. The minimum wage rate per hour to be paid for each classification of work shall be the union wage rate in the locality of the project for those classifications over which the unions have jurisdiction and the local prevailing rate for those classifications of work in the localities over which the unions do not have jurisdiction.

A.9 Workplace Violence Prevention. District Cooling shall make all reasonable efforts to ensure that District Cooling's employees, officials and subcontractors do not engage in violence while performing under this Agreement. Violence, as defined by the Ramsey County Workplace Violence Prevention and Respectful Workplace Policy, is defined as words and actions that hurt or attempt to threaten or hurt people; it is any action involving the use of physical force, harassment, intimidation, disrespect, or misuse of power and authority, where the impact is to cause pain, fear or injury.

A.10 Data Practices. All data collected, created, received, maintained by the Customer or disseminated for any purpose by District Cooling to the Customer under this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, or any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

A.11 Audit. Until the expiration of six (6) years after the furnishing of services pursuant to this Agreement, District Cooling, upon written request, shall make available to the Customer, the State Auditor or the Customer's ultimate funding sources, a copy of this Agreement and the books, documents, records and accounting procedures and practices of District Cooling relating to this Agreement.

A.12 Prompt Payment. Payment of interest on late payments and disputes regarding payments shall be governed by the provisions of Minn. Stat. Section 471.425.

DISCLAIMER

This Agreement and the Uniform Provisions shall constitute the full understanding of the parties hereto with respect to the transaction contemplated hereby and shall supersede all prior oral or written negotiations or agreements.

AUTHORIZATION

The person(s) executing this Agreement on behalf of Customer represent(s) and warrant(s) that, if Customer is a corporation or a partnership, the undersigned is/are duly authorized and empowered to execute and enter into this Agreement and obligate and bind Customer to this Agreement and the covenants, obligations, and requirements hereof.

District Cooling's representative executing this Agreement represents and warrants that the representative is duly authorized and empowered to enter into this Agreement.

NOTICES

Notices from one party to the other shall be provided in accordance with Section 22.5 of the Uniform Provisions and shall be addressed as follows:

IF TO CUSTOMER:

Ramsey County Regional Railroad Authority
Attention: Timothy Mayasich, Director
50 West Kellogg Blvd., #6560
St Paul, MN 55102-1657

IF TO DISTRICT COOLING:

District Cooling St. Paul, Inc.
Attention: Kenneth Smith, President & CEO
Hans O. Nyman Energy Center
76 Kellogg Boulevard West
St. Paul, MN 55102-1611

24

IN WITNESS WHEREOF, Customer and District Cooling have executed and delivered this Agreement as of the _____ day of _____, 2011.

CUSTOMER:

**Regional Railroad Authority,
Minnesota, Ramsey County**

By: _____

Jim McDonough

Its: Chair

Date: _____

By: _____

Bonnie Jackelen

Its: Chief Clerk, Board of Ramsey County
Commissioners

Approved Recommended:

By: _____

Timothy Mayasich

Its: Director, RCRRA

Approved as to form:

By: _____

Karen Kushner

Its: Assistant County Attorney

DISTRICT COOLING ST. PAUL, INC.

By: _____

Kenneth W. Smith

Its: President and CEO

Date: 6/8/2011

25

UNIFORM PROVISIONS OF DISTRICT COOLING SERVICE AGREEMENT

ARTICLE II CHILLED WATER SERVICE

2.1 District Services represents that it intends to construct and operate a chilled water distribution system under a franchise from the City of St. Paul, Minnesota (the "Franchise") and that it has contractual rights to utilize a coal-fired generating plant, and, as necessary, has access to and may utilize sufficient additional sources of energy in the generation of Chilled Water giving it the capability to produce all Chilled Water needed to meet the Aggregate Demand (as hereinafter defined) of all District Services Customers purchasing Chilled Water ("Chilled Water Customers") at the design condition of 95 degrees F dry bulb and 77 degrees F wet bulb. The normal Chilled Water supply temperature shall not exceed 42 degrees F during the months of June through September or 50 degrees F at other times.

2.2 District Services represents that it has constructed or will construct and place such piping and equipment as necessary to connect its chilled water sources to Customer's Point of Delivery by no later than Customer's Completion Date.

2.3 District Services acknowledges that Customer's Initial Demand appears reasonable, based upon District Services' estimates or verification of Customer's records.

2.4 District Services agrees to continuously furnish needed Chilled Water and sell Thermal Energy to Customer, subject to the contingencies, terms, and conditions herein set forth.

ARTICLE III TERM

3.1 The initial term of this Agreement shall commence on the date hereof and continue, subject to the terms and conditions hereof, for a term of twenty (20) years following the earlier of Customer's Completion Date or the date on which Customer first receives Chilled Water for cooling purposes at Customer's Point of Delivery ("First Service Date"). Upon expiration of this initial term, the Agreement shall be automatically renewed for successive five-year terms, provided that either party may terminate the agreement at the end of the initial term or any renewal term after giving written notice to the other party at least 12 months and no more than 18 months prior to the date of expiration of such term.

ARTICLE IV CONVERSION OF BUILDING

4.1 "Building Conversion" shall mean such modification of or alteration to the Building and its cooling system ("Building Cooling System"), at Customer's sole expense, as shall be required to make the Building Cooling System compatible with (a) the performance specifications required by District Services, as specified in that certain document entitled "Customer Connection Standards for District Cooling" prepared by District Services (the "Standards"), and (b) utilization of Thermal Energy in accordance with this Agreement. To the extent not inconsistent with the Standards and this Agreement, Customer may design the Building Conversion to the specifications desired by Customer. Building Cooling System shall not include meters.

4.2 "Point of Delivery" shall mean the point established in Section 1.5 to which Chilled Water shall be delivered through the District Cooling System to the Customer and the point at which such water shall be returned from the Customer's Building Cooling System to the District Cooling System; the Point of Delivery is the property of Customer and shall demarcate the Building Cooling System and the District Cooling System.

4.3 Customer shall complete its Building Conversion prior to the Completion Date, subject to Section 1.3, prior to receiving Chilled Water from the Point of Delivery and utilizing Thermal Energy.

ARTICLE V DISTRICT COOLING SYSTEM AND CONNECTION THERETO

5.1 "District Cooling System" shall mean all equipment, meters, facilities and materials, including chillers, heat exchangers, pumps, pressurizers, pipes, lines, gauges and controls, and any other type of property now or hereafter owned, operated, or controlled by District Services for the purpose of or incidental or useful to cooling, distributing, receiving, collecting, monitoring and metering Chilled Water, excluding any part of Customer's Building Cooling System. District Services shall own all Chilled Water within or supplied by the District Cooling System.

5.2 Prior to the Completion Date, District Services shall, consistent with Section 2.2, cause the District Cooling System to be constructed or expanded in such a manner as may be required to enable the

delivery of Chilled Water to Customer's Point of Delivery and the return of water therefrom to the District Cooling System in accordance herewith.

5.3 All property constituting a part of the District Cooling System in or on the Building, or its surrounding premises, shall at all times be the property of District Services. Upon the earlier of termination or expiration of this Agreement, District Services shall have the right at its option to remove such property from the Building and its premises. Within thirty (30) days after the earlier of the termination or expiration of this Agreement, District Services shall inform Customer in writing of its intentions regarding removal of the property from the Building and premises. If District Services shall elect to cause the removal of its property, it shall do so within sixty (60) days following the date of notice of its intention to remove, or such property shall become the property of Customer. Promptly after such removal District Services shall cause the Building and premises to be returned to substantially the same condition as would have existed but for such removal and allowance for ordinary wear and tear.

5.4 Customer shall be responsible for all Service Connection Charges related to connecting Customer's Building to the District Cooling System, up to the amount specified in Section 1.5. Service Connection Charges as used herein shall include, but not be limited to, actual construction costs, design and other professional fees, permit, insurance and financing costs incurred to complete the connection. The Service Connection Charges may be the subject of negotiation between the parties hereto and Customer acknowledges by execution hereof that, in the absence of a written agreement to the contrary, Customer is solely responsible for all said Service Connection Charges.

ARTICLE VI **DEMAND CHARGE**

6.1 Commencing on the earlier of Customer's First Service Date or Completion Date and thereafter during the term of this Agreement, Customer shall incur Chilled Water Demand Charges as determined in this Article VI.

6.2 For rate periods subsequent to the earlier of First Service Date or Completion Date and prior to October 1, 1994, Customer shall pay District Services a "Demand Charge" in each Billing Period (hereinafter defined in Section 10.1) equal to the product of Customer's Demand (hereinafter defined) for such period multiplied by the following applicable Demand Charge rates:

<u>Applicable Rate</u> <u>Period</u>	<u>Demand Charge</u> <u>Rate</u>
April 1993-Sept. 1993	\$18.14 per ton per month
Oct. 1993-Sept. 1994	\$18.81 per ton per month
Oct. 1994-Sept. 1995	\$19.58 per ton per month

For Rate Periods October 1994 and thereafter, the Demand Charge Rate shall be as determined in accordance with the provisions of this Article.

6.3 "Contract Demand" shall mean the Demand as established in Sections 1.4 and 6.4.

6.4 Effective for Billing Periods after completion of the Initial Contract Demand Term, Contract Demand for Chilled Water will be re-established annually by District Services by plotting measured Demand data points occurring during June, July, August, and September of the previous two twelve-month periods against temperature data points for the corresponding dates. District Services will extrapolate by regression analysis the resulting relationships to determine the new Contract Demand for Chilled Water at the standard design condition defined in Section 2.1. The determination of Contract Demand under this Agreement shall be based upon Customer's peak one-hour consumption and not upon Customer's instantaneous peaks. The Contract Demand as re-established shall not be less than the greater of 80 percent of the Initial Demand or 80 percent of Customer's peak one-hour consumption during the Initial Demand period.

6.5 At no time shall District Services be obligated to furnish Customer with Chilled Water at a level in excess of the Contract Demand established from time to time pursuant to the terms of this Agreement. District Services shall agree to reasonable increases in Customer's Contract Demand, subject to available capacity, and shall give existing customers preference over new customers in the allocation of new capacity.

6.6 "Aggregate Demand" shall be the District Services' estimate of total Demand for a fiscal year.

6.7 "Demand-Related Costs" relative to a given District Services fiscal year shall mean the following district cooling charges or allowances in such year: (a) operating, maintenance and repair costs, but excluding any costs defined as Energy-Related Costs; (b) general and administrative costs, insurance costs, including legal and engineering costs related to hookup of additional Customers; (c) debt service net of interest income; (d) net increases in working capital and fuel inventory during such

year; (e) capital expenditures not amortized through debt service and net increases during such year for reserves for replacements and capital improvements; (f) amounts not collectible for Demand Charges due (with credit for charges collected that in other fiscal years were expensed as uncollectible); (g) prompt payment discounts relative to Demand Charges; (h) amounts, if any, required to be collected by District Services from Chilled Water Customers to meet minimum debt coverage requirements under any indenture or any financing agreement related to bonds, substantially all the proceeds of which are used by or on behalf of District Services; and (i) such amounts, if any, authorized pursuant to Sections 21.2, 21.3, and 21.4 hereof, provided that Demand-Related Costs shall not include depreciation. Demand-Related Costs relating to jointly used personnel, services, equipment or facilities shall be allocated equitably between district cooling and district heating based on published cost allocation procedures which shall be subject to independent audit and the annual rate review process.

6.8 Not later than June 30 each calendar year, District Services shall prepare an estimate of District Services total projected Demand-Related Costs for the next succeeding District Services fiscal year. Not later than July 31 in each calendar year, District Services Board of Directors shall approve a fiscal budget for all Demand-Related Costs expected to be incurred in the next succeeding fiscal year which shall be the Projected Demand-Related Costs. The proposed rates generated thereby shall be forwarded for such rate review, approval or modification by the City Council of the City of Saint Paul, Minnesota, or such other public body, as may be required by the Franchise and a copy provided to Customer.

6.9 For each District Services fiscal year after September 30, 1994, Customer's Demand Charge shall be equal to the Projected Demand-Related Costs divided by Aggregate Demand as of such October 1 (which yields Demand Charge per ton) multiplied by Customer's Demand as to such October 1. Customer shall pay the annual Demand Charge in the fiscal year beginning such October 1 in twelve equal Billing Period installments.

6.10 If Customer's First Service Date or Completion Date occurs after October 1 of any District Services fiscal year, Customer's Demand Charge for each Billing Period of service during such year shall be equal to Contract Demand multiplied by the Demand Charge per ton for that year adjusted for the number of months Customer is connected to the District Cooling System in that year.

6.11 Upon approval by at least sixty percent (60%) of District Services' directors, Customer's monthly Demand Charge payments may be proportionally increased for the last six months of any District Services fiscal year, if, but for such increase, the Projected Demand-Related Costs for such fiscal year are reasonably expected to be materially less than the actual Demand-Related Costs reasonably expected to be incurred in such year.

ARTICLE VII

ENERGY CHARGE

7.1 Customer shall pay for Thermal Energy in accordance with a formula based in part upon an Energy Charge as determined under this Article VII.

7.2 Customer's Thermal Energy utilization shall be calculated by measuring the volume of Chilled Water delivered to the Customer's Building and the difference between the temperature of the Chilled Water received at the Point of Delivery from the District Cooling System and the temperature of the Chilled Water returned at the Point of Delivery.

7.3 "Energy-Related Costs" with respect to a given District Services fiscal period shall mean all district cooling costs or allocations of costs projected by District Services for such period relating to: (a) consumption of fuels, including but not limited to, coal, oil and natural gas, or purchases of thermal energy; (b) consumption of electricity used in the production and distribution of Chilled Water; (c) reasonable allowances for amounts not collectible for energy charges due (with credit for charges collected that in other periods were expensed as uncollectible), and (d) prompt payment discounts relative to Energy Charges. For purposes of valuing or pricing fuel consumed from inventory under clause (a) above, the weighted average method shall be employed; normal storage losses shall be prorated according to the rate of fuel use. Joint fuel and electricity costs shall be allocated equitably between district heating and district cooling based on published cost allocation procedures which shall be subject to independent audit and the annual rate review process. Not later than June 30 each calendar year, District Services shall prepare an estimate of District Services' total projected Energy-Related Costs for the next succeeding District Services fiscal year, a copy of which report, upon request, shall be furnished to Customer. Not later than July 31 in each calendar year, District Services Board of Directors shall approve a fiscal budget for all Energy-Related Costs expected to be incurred in the next succeeding fiscal year which shall be the "Projected Energy-Related Costs." The proposed rates generated thereby shall be forwarded for such rate review, approval or modification by the City

Council of the City of Saint Paul, Minnesota, or such other public body, as may be required by the Franchise and a copy provided to Customer.

7.4 District Services Metering Equipment shall be capable of accurately recording Customer's utilization of Thermal Energy.

7.5 Customer's Energy Charge for a given Billing Period shall be equal to all Projected Energy-Related Costs for the applicable fiscal year divided by the total ton-hours of Thermal Energy estimated to be used by all District Services Chilled Water Customers during such fiscal year (which yields an Energy Charge per ton-hour), multiplied by the number of ton-hours of Thermal Energy utilized by Customer for such Billing Period. The Energy Charge may be appropriately adjusted (i.e., spread over the remaining months in the fiscal year) from time to time during the fiscal year to cover cost increases (or decreases) occurring subsequent to the establishment of Projected Energy-Related Costs for such period regarding energy purchased by District Services, to the extent such costs are in excess of (or below) those costs projected by District Services in establishing the Energy Charge for such period. The Energy Charge shall be reconciled on an annual basis in accordance with Section 10.4.

ARTICLE VIII **MISCELLANEOUS CHARGE** **CONSIDERATIONS**

8.1 In the event that it is shown by independent, qualified and competent consultants engaged by District Services that Demand Charge and Energy Charge procedures do not accurately reflect the cost of providing district cooling services, District Services may, where reasonable, practical and necessary, revise such procedures provided such revisions are approved by District Services Board of Directors and by a minimum of fifty percent (50%) of all Chilled Water Customers and Customers constituting at least fifty percent (50%) of Aggregate Demand.

8.2 District Services shall respond to a Customer request to promptly inform Customer in writing of the basis on which District Services established Customer's Demand Charge. Energy Charge and Contract Demand for any time during the three (3) years preceding the date that Customer requests such information.

8.3 Notwithstanding any provision to the contrary, District Services in its sole discretion may charge and Customer shall pay charges for specific services charged to Customer, including but not limited to expenses and costs related to: (a) service shutoff

and/or reinstatements; (b) damage to system equipment caused by Customer or Customer's employees, agents, tenants, licensees, or trespassers; (c) consumption of system water, including penalty charges for unauthorized drainage; and (d) service calls for problems not related to the District Cooling System. Customer shall pay such charges in addition to Demand Charges and Energy Charges as due and said charges shall be included in Customer's monthly billing.

8.4 Customer's Allowable Chilled Water Flow in any Billing Period shall be equal to or less than 103 gallons per ton-hour multiplied by the ton-hours of Thermal Energy used in that period. Beginning on June 1 of the year after the year in which the First Service Date occurs, for any month between June and September inclusive in which Customer's actual Chilled Water flow exceeds 110 gallons per ton-hour of Thermal Energy used, Customer shall pay an excess flow charge. For any month between June and September inclusive in which Customer's Chilled Water flow is less than 75 gallons per ton-hour of Thermal Energy used, Customer shall receive a reduced flow credit. Until September 30, 1994, the rate of such charge or credit shall be \$0.40 per thousand gallons above or below the Allowable Chilled Water Flow. Thereafter, the flow charge/credit rate shall be as filed with and approved by the City of Saint Paul.

ARTICLE IX **METERING**

9.1 Prior to Customer's Completion Date, District Services shall install, at District Services' expense, all equipment necessary to accurately measure and record (a) Customer's Thermal Energy utilization and (b) Customer's Demand ("Metering Equipment").

9.2 Customer shall permit District Services to install Metering Equipment in Customer's Building or on Customer's premises in the area adjacent to the Point of Delivery or such other area as may be specified by mutual agreement of the parties, taking into account accessibility and Customer's need for Building security.

9.3 District Services shall own and maintain the Metering Equipment in good repair and operating condition at District Services' expense.

9.4 Any electricity required for the operation or maintenance of the Metering Equipment shall be supplied by Customer at Customer's expense.

9.5 Customer shall promptly notify District Services if at any time Customer has reason to

believe the Metering Equipment is not accurately measuring the Thermal Energy used by the Building Cooling System or Customer's Demand.

9.6 In any Billing Period during which the Metering Equipment shall fail to register utilization of Thermal Energy by a Customer, the amount of Thermal Energy utilized by such Customer during such period shall be estimated by District Services based on the Thermal Energy utilized by the Customer in the past and the Thermal Energy utilized by other Customers with similar usage characteristics during the period in question and Customer shall be billed and shall pay accordingly.

9.7 District Services shall cause such testing and calibration of the Metering Equipment as Customer shall request, provided that the cost of any such testing and calibration shall be borne by the Customer if such testing does not disclose an inaccuracy of more than five percent (5%) in measuring utilization of Thermal Energy or Demand. If such testing discloses an inaccuracy of five percent (5%) or greater, the cost of any such testing and calibration shall be borne by District Services. Upon the discovery of any inaccuracy, the Metering Equipment shall be promptly adjusted or replaced at District Services' sole expense. If any measuring inaccuracy is discovered, an appropriate adjustment to the Customer's Service Bill shall be made for the month immediately preceding such discovery and until the time of repair or replacement, based on the assumption that the same degree of inaccuracy existed throughout such period until repair or replacement unless a particular event or accident is reasonably shown to have caused meter inaccuracy, in which event the date for billing adjustment shall be established thereby. No other adjustments shall be made except an appropriate adjustment may be also made to earlier Service Bills (hereinafter defined) at District Services election if District Services has reasonable cause to believe that a Customer did not, at the earliest possible point in time notify District Services of a suspected measuring inaccuracy.

ARTICLE X

BILLING AND PAYMENT

10.1 Unless Customer is notified otherwise by District Services, the Metering Equipment shall be read by District Services to determine the Customer's Thermal Energy utilization at least once each Billing Period. A "Billing Period" shall be a "month" which may be any period between 28 and 33 consecutive days (except for February which may be 26 days); provided that in any calendar year there shall be twelve (12) such discrete consecutive months.

10.2 Unless Customer is notified otherwise by District Services, District Services shall within thirty (30) days following the end of a Billing Period send to Customer by U.S. Mail, or otherwise deliver to Customer, a bill ("Service Bill") bearing the date of sending or delivery and setting forth amounts due by Customer to District Services hereunder regarding such Billing Period, any prior Billing Periods and other Customer charges.

10.3 District Services shall have the right, upon notice to Customer, to estimate Customer's utilization of Thermal Energy during any Billing Period and submit to Customer a Service Bill based on such estimate, provided that at least quarterly, District Services shall read the Metering Equipment and thereafter appropriately credit or charge Customer for the Thermal Energy it actually utilized in comparison with the previously estimated utilization that was billed to and paid by Customer.

10.4 Following every District Services fiscal year, District Services shall determine (a) the difference between Energy Charge revenues and actual Energy-Related costs and (b) the difference between Demand Charge revenues and actual Demand-Related Costs. If in either case, the difference between such revenues and the corresponding costs, together with the preceding year's difference if less than 0.1 percent, exceeds one-tenth of one percent (0.1%) of such costs, this difference shall be divided by the total applicable units of Energy or Demand, as appropriate, and multiplied by each Customer's usage to determine each Customer's share of such difference. District Services shall promptly credit or refund to Customer its share of excess revenues and District Services may promptly bill Customer for its share of excess costs; provided that District Services shall not refund a Customer's share of excess revenues if that Customer has an outstanding balance due. In no event shall District Services charge Customer in accordance with this Section 10.4 more than once in any calendar year, and Customer shall have up to ninety (90) days to pay any excess found to be due and billed as provided herein. Any difference of under one tenth of one percent (0.1%) shall be added to or subtracted from the following year's difference.

10.5 A Service Bill shall be due and payable immediately upon receipt by Customer without set-off, counterclaim, abatement, or reduction by Customer. Customer's prompt payment of Service Bills shall not diminish or constitute a waiver of Customer's claims or remedies in arbitration, in subsequent legal proceedings, or in any other way, including challenging the billed amount itself.

10.6 Customer shall receive a discount of five percent (5%) for making full payment of all amounts due pursuant to a Service Bill within ten (10) days of the date of such bill.

10.7 The failure or refusal of Customer to pay in full any Service Bill within forty-five (45) days after the date thereof may, in District Services' sole discretion, result in any or all of the following: (1) suspension or termination of the delivery of Chilled Water to Customer, provided that Customer will be provided a written notice of said suspension or termination at least fifteen (15) days prior to said suspension, said written notice may be included on or with the Service Bill; (2) commencement of such action to effect collection, including legal proceedings; and (3) notification to residential or other tenants of the pending suspension of service as may be required or deemed appropriate. Customer shall be liable for all costs and expenses including attorneys' fees incurred by District Services in connection with any attempt to make such collection, whether or not a lawsuit is commenced.

10.8 In the event delivery of Chilled Water to Customer is suspended or terminated pursuant to any of the provisions of this Agreement and Customer requests resumption of delivery of Chilled Water to Customer, unless otherwise agreed to in writing by Customer and District Services, such resumption shall not occur, until each of the following occurs: (a) Customer pays in full all Demand and Energy Charges and other charges incurred by or properly assessed upon Customer to the date of resumption of delivery of Chilled Water; (b) Customer pays in full any and all costs attributable to the suspension or termination of delivery of Chilled Water to Customer, including, without limitation, the costs associated with disconnection of service and any and all labor and professional fees incurred with respect thereto; (c) Customer pays in full any and all costs and expenses incurred by District Services in any efforts to collect amounts due to it from Customer, including any legal fees and expenses; and (d) Customer deposits with District Services an amount estimated by District Services to sufficiently reimburse District Services for the expenses related to reconnection to or resumption of service; any excess of such sum so deposited will be credited against Customer's future Service Bill(s) to the extent of the amount deposited.

ARTICLE XI

ADDITIONAL CUSTOMER COVENANTS AND OBLIGATIONS

11.1 Without the prior express, written consent of District Services, Customer shall not cause or permit any modification or alteration to any part of the

Metering Equipment or the District Cooling System, except in an emergency situation where life, health or property is threatened.

11.2 Without the prior express, written consent of District Services, Customer shall not cause or voluntarily permit any action which interferes with the delivery or return of Chilled Water, the utilization of Thermal Energy or the operation, maintenance, repair, replacement, construction, installation, expansion, removal or alteration of the District Cooling System or the Metering Equipment, except in an emergency situation where life, health or property is threatened.

11.3 Customer shall not provide cooling service from its Building Cooling System to any building other than such Customer's Building or buildings and appurtenant structures, as identified in Article I, without the prior express, written consent of District Services.

11.4 District Services shall not be liable to Customer or such Customer's officers, agents, employees, lessees, licensees, invitees or trespassers, and each Customer shall hold harmless and indemnify District Services from and against liabilities, losses, damages, costs, expenses (including attorneys' fees), claims, actions, judgments, and settlements of any nature whatsoever, for any personal injury, death, or property or economic damage arising out of or incidental in any manner whatsoever, to the operation of the Customer's Building Cooling System, but only to the extent such injury, death or damage was not caused by the negligence, recklessness or intentional misconduct of District Services or its officers, employees, agents, lessees, licensees, invitees, or contractors.

11.5 Customer shall not be liable to District Services or District Services officers, agents, employees, lessees, licensees, invitees or trespassers, and District Services shall hold harmless and indemnify Customer from and against liabilities, losses, damages, costs, expenses (including attorney's fees), claims, actions, judgments, and settlements of any nature whatsoever, for any personal injury, death or property or economic damage arising out of or incidental in any manner whatsoever to the operation of the District Cooling System or Metering Equipment, but only to the extent such injury, death, or damage was not caused by the negligence, recklessness, or intentional misconduct of Customer or its officers, employees, agents, lessees, licensees, invitees, trespassers or contractors.

ARTICLE XII
ADDITIONAL DISTRICT SERVICES
COVENANTS AND OBLIGATIONS

12.1 In accordance with the applicable laws and regulations, District Services shall maintain the District Cooling System in good repair and operating condition and cause it to be operated in a safe and efficient manner.

12.2 Subject to Article XIV, District Services agrees to provide Customer with a continuous, non-interruptible supply of Chilled Water at Customer's Point of Delivery. District Services shall not rely on interruptible energy sources to provide necessary Chilled Water.

12.3 District Services shall secure and maintain in good standing public liability and casualty insurance and all necessary permits, easements, licenses, franchises and rights necessary or desirable to make and continue the delivery of Chilled Water to all District Services Chilled Water Customers.

12.4 District Services agrees to annually have a complete audit conducted by a qualified Certified Public Accounting (CPA) firm.

12.5 District Services agrees to maintain the District Cooling System and the Metering Equipment, utilizing Preventive Maintenance. "Preventive Maintenance" means undertaking, where feasible and economically practicable, to repair, inspect and test existing District Services equipment to minimize the need for costly major repair work or replacement.

12.6 At least once every five (5) years after October 1, 2001, District Services, as a maintenance and repair cost, shall engage a qualified professional engineer to completely inspect the District Cooling System and Metering Equipment, to investigate the physical condition of District Services property and equipment, operating procedures and Preventive Maintenance practices, and to prepare a written report of such inspection, which report shall be made available to Customer.

12.7 Subject to Article XIV and Customer's performance hereunder, commencing on the earlier of Customer's Completion Date or First Service Date and thereafter while this Agreement is in effect, District Services shall deliver to Customer's Point of Delivery sufficient Chilled Water to meet all Customer's Thermal Energy requirements from time to time as established in Article VI hereof, provided that District Services shall not be obligated to deliver Thermal Energy at a level in excess of Customer's Demand.

ARTICLE XIII
DISTRICT SERVICES MANAGEMENT

District Services shall take any and all steps necessary to operate and maintain the District Cooling System in accordance with all applicable Federal, State and local laws and regulations, unless expressly restricted herein. District Services shall be governed at all times in accordance with the overall goal of providing competent and effective management and conservation of the resources of District Services to assure uninterrupted, efficient and economical service to Customers.

ARTICLE XIV
INTERRUPTION OF SERVICE

14.1 Customer's obligation hereunder to make payments applicable to, and District Services obligation to charge, a Demand Charge shall be adjusted by appropriate reduction with respect to any Billing Period during which District Services is unable for 48 consecutive hours to, in whole or in part, perform its obligations to deliver Chilled Water in accordance herewith; to the extent reasonably determinable in good faith by District Services, any such Demand Charge, as adjusted, shall equal an amount which bears the same ratio to the Demand Charge, before adjustment, in a given Billing Period, as the amount of Thermal Energy utilized by Customer in such Billing Period bears to the total Thermal Energy Customer would have used if District Services had fully performed in accordance with Customer's Agreement.

14.2 In the event that the District Cooling System is unable to supply all Thermal Energy to meet the needs of all Chilled Water Customers in accordance with their respective Agreements, District Services shall reasonably attempt to allocate delivery of Thermal Energy first in such amounts as necessary to support critical operations and maintain the maximum comfort possible for all Chilled Water Customers, and thereafter in proportion to the Demand of each Chilled Water Customer, subject only to such exceptions as are necessary to protect human life, health, and safety.

14.3 District Services shall have the right, under any and all circumstances, without any liability to Customer, or its officers, employees, agents, lessees, licensees or any person to interrupt, reduce or discontinue the delivery of Chilled Water (a) for purposes of inspection, maintenance, repair, replacement, construction, installation, removal or alteration of the District Cooling System or the Metering Equipment, and/or (b) to prevent the delivery of Chilled Water to Customer from causing any bonds which have financed any acquisition or

construction of the District Cooling System ("Bonds") to become Industrial Development Bonds within the meaning of Section 103 of the Internal Revenue Code, or its successor provisions. District Services shall use its best efforts to give written notice to Customer of any expected interruption of delivery of Chilled Water at least sixty (60) days prior to the date of such interruption and shall use its best efforts to inform Customer of the expected length of any interruption. District Services shall reasonably attempt to schedule non-emergency interruptions during the months from October through April. District Services shall not be required to supply Chilled Water to Customer and may suspend or terminate such supply at any time District Services reasonably believes Customer's Building Cooling System to be in an unsafe condition, provided District Services shall have given written notice of the basis for such belief at least thirty (30) days prior to suspension or termination of Chilled Water delivery unless such condition constitutes an emergency condition in which case District Services shall have the immediate right to interrupt service. In the event, during such 30 day period Customer cures, or demonstrates to the reasonable satisfaction of District Services that it has made progress toward cure of such unsafe condition, then such suspension or termination shall be canceled or delayed by District Services.

ARTICLE XV TERMINATION

15.1 If one or more of the following events or conditions shall exist or occur, District Services may, in its sole discretion, elect to terminate this Agreement by giving notice to Customer of such fact not less than thirty (30) days prior to the date of such termination:

(a) Customer fails to pay any amounts due under Customer's Service Bill within forty-five (45) days from the date thereof except as provided in Section 10.4; or

(b) Customer fails to duly observe or perform any covenant or obligation to be observed or performed by Customer pursuant to this Agreement (other than non-payment of Service Bills) and Customer fails to cure such failure or so observe or perform (or demonstrate to the reasonable satisfaction of District Services that Customer has made progress toward cure with a reasonable expectation of full cure within a reasonable period) within the forty-five (45) days following a written, specific request from District Services to do

so; or

(c) Customer's Building, or any substantial portion of the District Cooling System, is permanently abandoned, destroyed, demolished, substantially destroyed or demolished, becomes permanently inoperable or is taken by right of eminent domain; or

(d) It becomes unlawful under any federal or state law, regulation or rule for District Services to deliver to the Customer or for the Customer to receive and pay for Chilled Water.

15.2 If one or more of the following events or conditions shall exist or occur, Customer may elect at its option to terminate this Agreement by giving written notice to District Services of such fact no less than thirty (30) days prior to the date of such termination:

(a) Customer's Building is permanently abandoned, destroyed, or demolished (the 30-day period does not apply to destruction or demolition) or substantially destroyed or demolished for which rebuilding or substantial repairs are not undertaken or planned within six (6) months following such destruction;

(b) Customer's Building, or any substantial portion thereof, is taken by right of eminent domain; or

(c) Customer's Building becomes permanently inoperable and has been so for a period in excess of six (6) months;

(d) It becomes unlawful under any federal or state law, regulation or rule for District Services to deliver to Customer or for Customer to receive and pay for Chilled Water; or

(e) For a period of thirty (30) consecutive days, District Services is unable to deliver Chilled Water to the Customer in substantial compliance with this Agreement.

15.3 Without prejudice to any party's rights to damages for breach by the other party of any term or condition hereof, upon termination of this Agreement for any reason prior to the expiration of its term, District Services shall promptly bill Customer and the Customer shall pay District Services within thirty (30) days after receipt of such bill all unpaid amounts due pursuant to this

Agreement, plus the unamortized portion of the cost incurred by District Services in causing Customer's Building to be connected to the District Cooling System, less the Service Connection Charge actually paid by Customer; such cost shall be the total amount of expense actually paid, expensed or incurred by District Services for materials, labor or services, or the financing thereof, with respect to constructing that portion of the District Cooling System which but for the need to deliver Chilled Water to the Customer's Point of Delivery would not have been constructed. Within one hundred eighty (180) days of Customer's First Service Date, District Services shall inform Customer of: (a) District Services cost (set forth above) in causing Customer's Building to be connected to the District Cooling System, and (b) the number of years over which the costs in (a) are to be amortized. All amortization shall be on a straight-line basis.

ARTICLE XVI **RIGHT-OF-WAY; ACCESS TO BUILDING**

Duly authorized agents, officers, and employees of District Services shall have the right to enter into the Building or onto the surrounding premises of Customer's Building at reasonable times when necessary for inspection, repair, replacement, construction, installation, removal, alteration or calibration of the Metering Equipment and the District Cooling System, subject to reasonable supervision by Customer. Customer shall duly grant such access, to the Building and surrounding premises to the extent reasonably necessary to cause and continue delivery of Chilled Water hereunder, and so long as same does not impair the continued use of the premises.

ARTICLE XVII **RECORDS AND ACCOUNTS**

17.1 District Services shall keep and maintain such true and complete books, records, and accounts as shall be necessary to compute Service Bills, Demand, Energy-Related Costs, and Demand-Related Costs, preserving the same for a period not less than three (3) years following the fiscal period to which they apply. Unless otherwise determined by District Services, the fiscal year of District Services shall be the period from October 1 of each year to September 30 of the following year.

17.2 Customer shall have the right at any time during District Services business hours, upon three (3) days' prior notice to District Services, to examine, audit or copy, at Customer's expense, all books, records and accounts of District Services applicable to, or having any impact upon Demand Charges or Energy Charges, or upon Customer's

account or Customer's required performance of this Agreement; provided that District Services shall not be required by this provision to disclose confidential operating information of other Customers unless such information is germane to, and is requested by 25% of all Customers by number and Demand, based on an allegation that any Customer(s) are receiving favored treatment not in strict accordance with this Agreement.

ARTICLE XVIII **ARBITRATION**

Any dispute or controversy between District Services and any Customer arising out of or related to the execution, performance, interpretation or breach of this Agreement, or any of its terms or conditions including the correctness of the computational or measurement process related to calculation of Customer's Energy Charges or Demand Charges, at the election of either such party, shall be submitted for resolution by an arbitrator selected and acting in accordance with the arbitration rules promulgated by the American Arbitration Association as outstanding from time to time. Such non-binding arbitration shall be conducted in accordance with the rules of discovery provided for by the Minnesota Rules of Civil Procedure. Any decision by such an arbitrator shall be subject to any rights of appeal, modification, vacation, or confirmation before a court of competent jurisdiction. Each party shall bear their respective costs of said arbitration.

ARTICLE XIX **AMENDMENT AND WAIVER**

19.1 Except as otherwise expressly provided herein, neither this Agreement, nor any terms herein, may be terminated, amended, altered, or modified except by an instrument in writing executed by Customer and District Services or except as may be agreed to in writing by District Services and, in the case of the Uniform Provisions Articles II through XXII, at least a majority of such Customers on the basis of their demand; provided, however, no such amendment shall be made which shall conflict with, or cause a default, penalty, new lien or acceleration of performance, under any District Services indenture or financing agreement.

19.2 Any waiver at any time by either District Services or Customer of its rights concerning a default or any matter arising from or incidental to this Agreement shall not constitute a waiver concerning any other default or matter.

19.3 Failure of District Services or Customer to enforce at any time any provision of this Agreement

to require at any time performance by the other party of any provision herein shall not constitute or be deemed a waiver of such provision nor affect in any manner the validity of this Agreement or the right of such party thereafter to enforce any provisions herein unless such waiver be in writing and specifically referring to the provision sought to be enforced.

ARTICLE XX ASSIGNMENT; SUCCESSORS

20.1 This Agreement shall inure to the benefit of and be binding upon the successors, personal representatives, heirs, trustees and assigns of the parties hereto.

20.2 To the extent Customer's obligations under this Agreement are transferred and assumed in accordance with this Article XX, and to that extent only, Customer shall be released from such obligations.

20.3 Customer may transfer, sell, convey or assign Customer's interest in Customer's Building, land or the premises on which such Building is located and, effective upon assumption, Customer shall be relieved of only those of its obligations that are expressly assumed by the party to whom Customer transfers, sells, conveys, or assigns Customer's interest in Customer's Building, land or the premises on which such Building is located. Nothing contained in this Agreement shall serve to relieve Customer of any of its obligations under this Agreement if the purported transfer, sale, conveyance or assignment of Customer's interest in Customer's Building, land, or premises on which such Building is located is a sham designed primarily or principally for the purpose of avoiding performance of Customer's obligations.

20.4 In the event that Customer conveys by any means all, or substantially all, of Customer's interest in the Building and fails to secure an assumption of this Agreement in accordance with the provisions of this Article XX, then and in that event, District Services may, in its sole discretion, suspend or terminate services to the Building and said act or acts shall not relieve Customer, in whole or in part, of Customer's continuing obligation to District Services pursuant to this Agreement.

ARTICLE XXI EXPANSION

21.1 The parties hereto acknowledge that substantial public support has been provided for the development of the District Cooling System with the intention that its benefits be extended to other

Customers in Saint Paul as economically feasible. Therefore, District Services may extend the District Cooling System to sell Thermal Energy to additional Customers, provided that the following conditions are met:

(1) All such District Services customers shall enter into Agreements with District Services with identical Uniform Provisions; provided the parties hereto recognize that the Agreements with federal or state governmental customers may be for a shorter term.

(2) Prior to the commencement of any System Pipeline Extension or Major Expansion Project, a financial forecast shall be prepared by District Services management and presented to the District Services Board showing that the construction, financing, and operation of such System Pipeline Extension or Major Expansion Project, taking into account projected new Customer revenues and hookup fees, committed public subsidies if any, and any other committed sources, will not cause any material increase in Demand Charges to the then District Services Customers. In the case of a Major Expansion Project, such forecast shall be audited by a qualified accounting firm. "System Pipeline Extension" means any extension of a Chilled Water distribution pipeline exceeding 350 feet in length. "Major Expansion Project" means any expansion project or projects undertaken within any District Services fiscal year, which, when aggregated for the Fiscal Year, result in construction costs exceeding 15 percent of the total undepreciated value of District Services property, plant and equipment as of the end of the previous fiscal year.

(3) Expansion as used herein shall not limit in any way District Services ability to expand unless said expansion constitutes a System Pipeline Extension or Major Expansion Project.

21.2 [Deleted by First Uniform Amendment approved October 8, 1991.]

21.3 [Deleted by First Uniform Amendment approved October 8, 1991.]

21.4 [Deleted by First Uniform Amendment approved October 8, 1991.]

ARTICLE XXII
GENERAL PROVISIONS

22.1 Upon request, District Services shall mail to Customer a copy of District Services audit report, conducted as required in Section 12.4.

22.2 Upon request, District Services shall mail to Customer a copy of the engineering consulting report, conducted as required in Section 12.6.

22.3 If any of the terms, covenants or conditions of this Agreement shall be held invalid by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application shall remain valid, enforceable and not affected thereby.

22.4 The validity, performance, construction, interpretation and enforcement of this Agreement and all terms, covenants and conditions herein, shall be governed by and be in accordance with the laws of the State of Minnesota and all actions shall be venued in Ramsey County.

22.5 Any notices, demands or requests to a party permitted or required under this Agreement, or incidental thereto, shall be in writing and be deemed given to a party on the date on which such notice, demand or request is actually delivered or, in the case of a Service Bill and notices related thereto, the date on which the same is mailed with postage prepaid by registered or certified United States mail, addressed to such party's billing address.

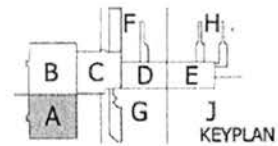
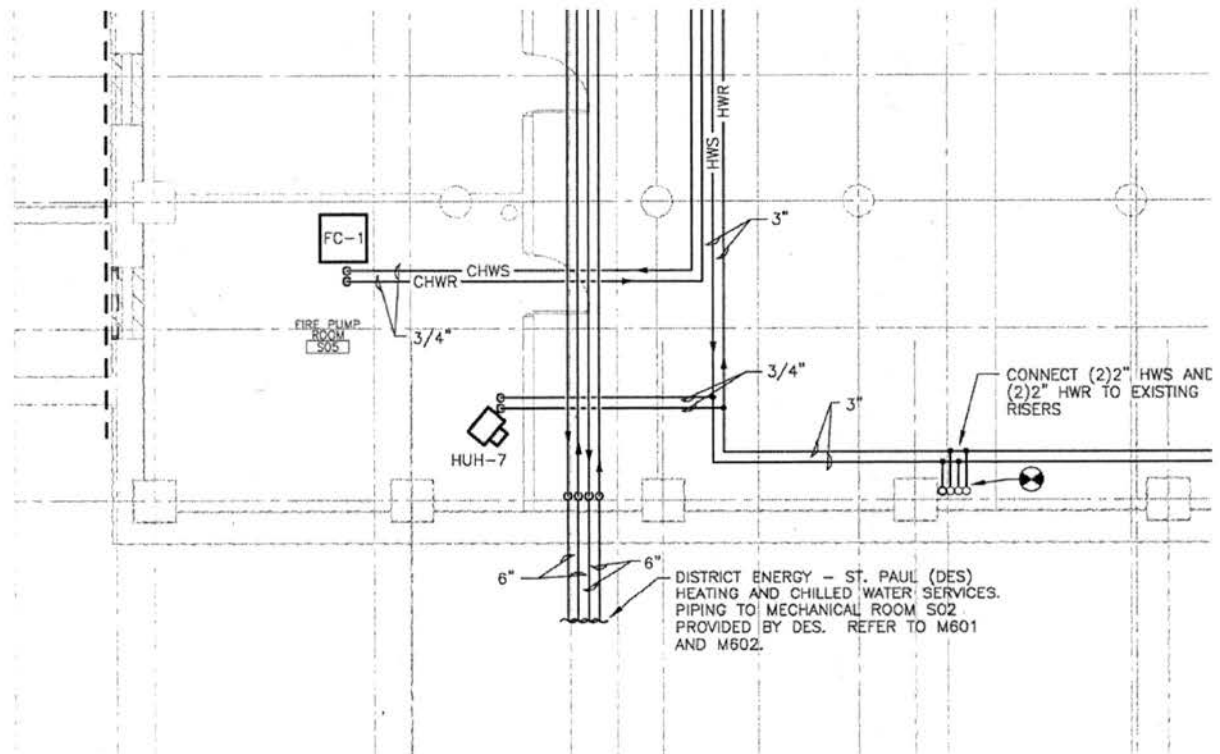
22.6 The parties agree that it is not their intention to create, nor does this Agreement in fact constitute, a joint venture between the parties and the parties shall not in any way be construed as being joint venturers.

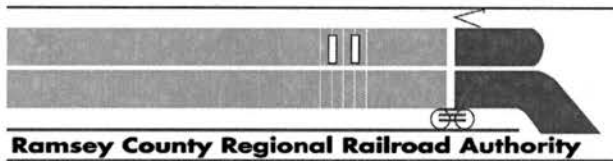
22.7 All indemnification provisions shall survive the term of this Agreement.

22.8 Performance of this Agreement is subject to the good faith performance by the parties and neither party shall be penalized for acts of war or acts of nature or similar occurrences beyond the reasonable control of the parties.

tls\dcсаunif
1/24/92

Attachment A





6560 Ramsey County Government Center West
50 Kellogg Boulevard West
St. Paul, Minnesota 55102 (651) 266-2760

REGIONAL RAILROAD AUTHORITY MEETING

June 28, 2011

Immediately following the County Board Meeting
Council Chambers - Third Floor Court House

.....
ROLL CALL and Call to Order

AGENDA of the June 28, 2011 Regional Railroad Authority Meeting is presented for approval.

MINUTES of the June 21, 2011 Regional Railroad Authority Meeting is presented for approval.

ADMINISTRATIVE AGENDA

1. Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

Board Action Requested:

- 1) Approve the financial commitment of up to \$16,500 to serve as a local match to a Transportation, Community and System Preservation (TCSP) program offer by the Federal Highway Administration.
- 2) Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.

2. Potential State Government Shutdown

Board Action Requested:

- 1) Call on the Governor and members of the Minnesota House and Senate to resolve their public policy, ideological, and financial disagreements and produce a state budget before July 1, 2011.
- 2) Authorize Ramsey County Regional Railroad Authority (RCRRA) representatives to work with the members of the Ramsey County Legislative Delegation to achieve the desired outcome.
- 3) Authorize the Chair of the RCRRA to sign Affidavits in support of petitions filed for temporary funding of core functions of the State of Minnesota and to file a petition on behalf of Ramsey County Regional Railroad Authority.
- 4) Direct that this issue will be brought back to the RCRRA for discussion and possible action at each of its meetings until the issue is resolved at the State level.

(Continued)

3. Authorization to borrow funds from the Ramsey County General Fund during State shutdown

Board Action Requested:

- 1) Authorize the Director of the Ramsey County Regional Railroad Authority (RCRRA) to borrow funds from the County of Ramsey from time to time and as needed for cash flow for the RCRRA's Union Depot Renovation Project.
- 2) Approve that the loan of such funds will be subject to repayment upon receipt of federal and state funds, and interest shall be paid by the RCRRA at the current federal funds rate.
- 3) Approve that the loan shall be evidenced by a Memorandum of Understanding in substantially the form attached hereto.
- 4) Authorize the Chair of the RCRRA to execute the Memorandum of Understanding on behalf of the RCRRA.
- 5) Authorize the Director of the RCRRA to request periodic loans from the County of Ramsey as needed to continue to cash flow for the Union Depot Project on behalf of the RCRRA.

CORRIDOR UPDATES

ADJOURNMENT

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

June 21, 2011

The Ramsey County Regional Railroad Authority met with the following members present: Bennett, Carter, Ortega, Parker, Reinhardt, Rettman, McDonough – 7. Absent: 0. Also present was Julie Kleinschmidt, County Manager and Phil Carruthers, Director of Civil Division, Ramsey County Attorney's Office.

Chair McDonough called the meeting to order at 11:10 AM.

AGENDA

Commissioner Parker moved approval of the Agenda of the June 21, 2011 Board Meeting, seconded by Commissioner Reinhardt. Roll Call: Ayes – Parker, Reinhardt, Rettman, Bennett, Carter, Ortega, McDonough – 7. Nays – 0.

MINUTES

Commissioner Rettman moved approval of the Minutes of the May 17, 2011 Board Meeting, seconded by Commissioner Parker. Roll Call: Ayes – Parker, Reinhardt, Rettman, Bennett, Carter, Ortega, McDonough – 7. Nays – 0.

1. Union Depot Multi-Modal Transit Hub: District Energy Heating and Cooling Service Agreements

Commissioner Parker moved approval of the following resolution, seconded by Commissioner Reinhardt. Roll Call: Ayes – Parker, Reinhardt, Rettman, Bennett, Carter, Ortega, McDonough – 7. Nays – 0. (R11-20)

WHEREAS, The Ramsey County Regional Railroad Authority is developing the Union Depot as a Multi-Modal Transit Hub, and

WHEREAS, The mechanical systems of the facility are designed to use hot and chilled water for heating and cooling, and

WHEREAS, Staff requests approval of agreements with District Energy to provide hot and chilled water to the facility, now therefore be it

RESOLVED, The Ramsey County Regional Railroad Authority approves and authorizes the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide heating energy for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than September 1, 2011 subject to approval by the County Attorney's Office and Budgeting and Accounting, and Be It Further

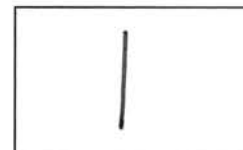
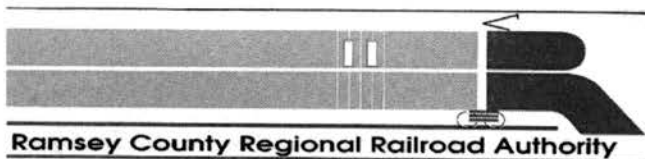
RESOLVED, The Ramsey County Regional Railroad Authority approves and authorizes the Chair to execute the Service Agreement with District Energy Saint Paul, Inc. to provide chilled water for the Union Depot Multi-Modal Transit Hub for the period of twenty years, beginning no later than March 1, 2012 subject to approval by the County Attorney's Office and Budgeting and Accounting.

CORRIDOR UPDATES

No updates were reported.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 11:12 AM.



REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date:

Regional Railroad Authority Meeting Date: 06/28/11

SUBJECT: Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

EXECUTIVE SUMMARY:

The City of Saint Paul plans to submit an application for \$200,000 to complete a Streetcar Feasibility Plan with the goal of developing a set of prioritized citywide streetcar investments that are physically viable, offer the greatest potential for improving local circulation, support economic development and complement existing and planned regional transportation systems. An application requires a local match of \$50,000. In a letter dated June 6, 2011 from Mayor Chris Coleman, the City of Saint Paul is requesting Ramsey County Regional Railroad Authority (RCRRA) to commit up to \$16,500 towards the local match.

The U.S. Department of Transportation, via the Federal Highway Administration, is currently soliciting proposals from state and local agencies for initiatives that will "support planning, development, and implementation of strategies to integrate transportation, community and system preservation plans and practices." The Transportation, Community, and System Preservation (TCSP) Program offers discretionary grants that support studies that:

- Improve the efficiency of the transportation system of the United States
- Reduce environmental impacts of transportation
- Reduce the need for costly future public infrastructure investments
- Ensure efficient access to jobs, services, and centers of trade
- Examine community development patterns and identify strategies to encourage private sector development patterns and investments that support these goals.

Financial commitment by RCRRA would be contingent upon Saint Paul being awarded the grant. Funding is available in the 2011 RCRRA operating budget.

ACTION REQUESTED:

1. Approve the financial commitment of up to \$16,500 to serve as a local match to a Transportation, Community and System Preservation (TCSP) program offer by the Federal Highway Administration.
2. Authorize the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.

SUBJECT: Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

ATTACHMENTS:

Letter of Inquiry from Mayor Chris Coleman

PREVIOUS ACTION:

None

COUNTY MANAGER'S COMMENTS:

Streetcar systems are being re-introduced to urban centers throughout the country because they have been proven to revitalize neighborhoods and provide more transit options. The integration of a streetcar system within the city of St. Paul will require analysis as to how the system will interact with existing and proposed regional transitways, multi-modal hubs such as Union Depot, and existing regional transit governance including Metropolitan Transit, CTIB, and other state and local government entities.

SUBJECT: Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

Regional Railroad Authority – Authorized Signature	Date
	6/22/11

Budgeting & Accounting – Authorized Signature	Date
	6/23/11

County Attorney – Authorized Signature	Date
	6/23/11

Property Management – Authorized Signature	Date

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

Draft Resolution

1
2
3 WHEREAS, The Ramsey County Regional Railroad Authority has worked to advance transit
4 projects like the Central Corridor Light Rail Transit corridor, The Union Depot Multi-Modal Transit
5 and Transportation Hub (Depot), and other transit projects to the benefit of the citizens of Ramsey
6 County; and

7 WHEREAS, The Ramsey County Regional Railroad Authority has worked to advance the
8 Central Corridor and other transit projects and promote economic development opportunities that
9 benefit the citizens of Ramsey County; and

10
11 WHEREAS, The City of Saint Paul plans to submit an application for \$200,000 to complete
12 a Streetcar Feasibility Plan; and

13
14 WHEREAS, The goal of the feasibility study is to develop a set of prioritized citywide
15 streetcar investments that are physically viable, offer the greatest potential for improving local
16 circulation, support economic development and complement existing and planned regional
17 transportation systems; and

18
19 WHEREAS, The application for funding requires a local match of \$50,000; and

20
21 WHEREAS, The City of Saint Paul has formally requested that the Ramsey County
22 Regional Railroad Authority actively participate in the study and commit up to \$16,500 towards the
23 local match; and

24
25 WHEREAS, The financial commitment by the Ramsey County Regional Railroad Authority
26 would be contingent upon Saint Paul being awarded the grant; Now, Therefore, Be It

27
28 RESOLVED, The Ramsey County Regional Railroad Authority approves the financial
29 commitment of up to \$16,500 towards a Saint Paul Streetcar Feasibility Study; and Be It Further

30
31 RESOLVED, The Ramsey County Regional Railroad Authority Authorizes the County
32 Manager to make all necessary budget adjustments including increasing estimated revenues and
33 appropriations.

Attachment



CITY OF SAINT PAUL
Mayor Christopher B. Coleman

390 City Hall
15 West Kellogg Boulevard

Telephone: 651-266-8510
Facsimile: 651-228-8521

June 6, 2011

Commissioner Jim McDonough, Chair
Ramsey County Regional Rail Authority
RCGC-West, Suite 6560
Saint Paul, MN 55102

Dear Commissioner McDonough,

Please consider this a Letter of Inquiry with respect to possible Ramsey County Regional Rail Authority support for a Saint Paul Streetcar Feasibility Plan. Our request is that the RCRRA consider contributing \$16,500 as part of a \$50,000 local match to a \$200,000 federal grant. Any commitment on your part would be contingent upon our being awarded the grant.

The U.S. Department of Transportation, through its Federal Highway Administration, is soliciting proposals from States and localities for initiatives that will "support planning, development, and implementation of strategies to integrate transportation, community and system preservation plans and practices."

The Transportation, Community and System Preservation (TCSP) Program offers discretionary grants to support work that:

- Improves the efficiency of the transportation system of the United States.
- Reduces environmental impacts of transportation.
- Reduces the need for costly future public infrastructure investments.
- Ensures efficient access to jobs, services, and centers of trade.
- Examines community development patterns and identify strategies to encourage private sector development patterns and investments that support these goals.

The City of Saint Paul plans to submit an application for \$200,000 to complete a Streetcar Feasibility Plan with the goal of developing a set of prioritized citywide streetcar investments that are physically viable, offer the greatest potential for improving local circulation, support economic development and complement existing and planned regional transportation systems.

5

Jim McDonough
June 6, 2011
Page two

As the regional discussion around transit evolves beyond planning for and building the major lines, appropriate questions are being asked about the next steps. What kind of network can most effectively reach all those who live beyond walking distance to the light rail lines? The answer in cities and regions around the country has focused, at least in part, on streetcars which have proven to yield a very high return on investment. As a historic streetcar city, where so much of our street and block pattern is already compatibly designed, it is important that we look closely at the possibility that streetcars would be key to our region taking full advantage of the investment now being made in the Central Corridor and the other transitways.

Saint Paul's plan would parallel a plan already adopted by the City of Minneapolis and would support early conversations between the two cities around how the systems should be designed to complement and connect with each other as well as the larger Metro Transit system.

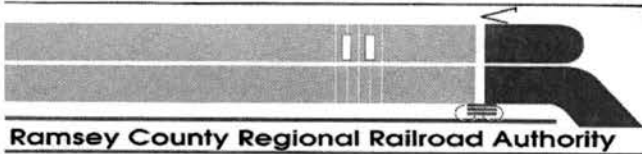
Thank you for considering this request. Please don't hesitate to call Nancy Homans at 651-266-8568 if you need additional information.

Sincerely,



Christopher B. Coleman
Mayor

6



2

REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: 6/28/2011

Regional Railroad Authority Meeting Date:

SUBJECT: Potential State Government Shutdown

EXECUTIVE SUMMARY

Ramsey County Regional Railroad Authority (RCRRA) staff continues to work on determining the impact of a potential State shutdown on RCRRA services. Staff is communicating with their counterparts at the State to determine the financial and operational impact of a potential shutdown with regard to State and federally funded programs that are provided by RCRRA.

The attached resolution asks the Governor, as well as members of both bodies of the Legislature, to resolve their public policy disagreements and produce a balanced State budget before July 1, 2011, so that a shutdown of State government can be averted. If further authorizes RCRRA representatives to work with members of the Ramsey County Legislative Delegation to achieve this outcome.

(The Executive Summary is continued on the following page)

ACTION REQUESTED

1. Call on the Governor and members of the Minnesota House and Senate to resolve their public policy, ideological, and financial disagreements and produce a state budget before July 1, 2011.
2. Authorize Ramsey County Regional Railroad Authority (RCRRA) representatives to work with the members of the Ramsey County Legislative Delegation to achieve the desired outcome.
3. Authorize the Chair of the RCRRA to sign Affidavits in support of petitions filed for temporary funding of core functions of the State of Minnesota and to file a petition on behalf of Ramsey County Regional Railroad Authority.
4. Direct that this issue will be brought back to the RCRRA for discussion and possible action at each of its meetings until the issue is resolved at the State level.

1

(Executive Summary continued)

The RCRRA has received commitments from the State of Minnesota and the United States Government (administered by the State of Minnesota) to provide funding for the renovation and reconstruction of the Union Depot. The financial contributions from the State are necessary to cash flow the Union Depot project to pay the contractor for work and expenses. Without the financial contribution from the State, it may be necessary to temporarily suspend work on the project, with resulting loss of jobs construction schedule delays that will increase the cost of the project. Added costs and loss of jobs caused by a temporary shutdown of the project are will impose added costs to the property tax payers of Ramsey County.

Staff will be making regular updates to the RCRRA at their meetings on this issue.

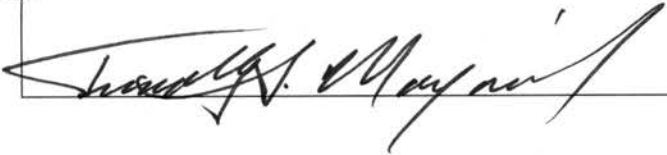
SUBJECT: Potential State Government Shutdown

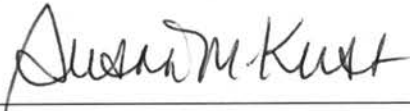
ATTACHMENTS:

PREVIOUS ACTION:

COUNTY MANAGER'S COMMENTS:

SUBJECT: Potential State Government Shutdown

Regional Railroad Authority – Authorized Signature	Date
	6/23/11

Budgeting & Accounting – Authorized Signature	Date
	6/23/11

County Attorney – Authorized Signature	Date
	6/23/11

Property Management – Authorized Signature	Date

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Potential State Government Shutdown

Draft Resolution

WHEREAS, The Minnesota Legislature met in regular session from January 3 through May 23, 2011; and

WHEREAS, Despite this lengthy process, both bodies of the Legislature and the Governor have failed to produce a balanced State budget; and

WHEREAS, Because of the impasse in State government, the possibility exists that portions of the government of the State of Minnesota will shut down, beginning July 1, 2011, causing many valuable public services to be in jeopardy of being closed until the budget can be balanced, either by court order or an agreement of the parties; and

WHEREAS, This impending shutdown puts at serious risk the intergovernmental fiduciary partnership that exists between the State, Federal and local units of government; and

WHEREAS, The Ramsey County Regional Railroad Authority (RCRRA) has acquired the Union Depot, the Union Depot Head House, and adjacent property for the purpose of renovating and reconstructing the Depot and Head House to serve as a multi-modal transit hub to serve the metropolitan area and the State of Minnesota's present and future transit and transportation needs (the Project); and

WHEREAS, The RCRRA has received commitments from the State of Minnesota and the United States Government to provide funding for renovation and reconstruction activities associated with the Project; and

WHEREAS, The RCRRA has committed its own property tax levy funds to acquire the properties and to contribute to the renovation and reconstruction costs; and

WHEREAS, In reliance on the commitments from the State and Federal governments, the RCRRA has entered into a design and construction contract in the amount of \$148,753,916.00 for the Project; and

WHEREAS, The RCRRA's contractor has begun work on the Project and incurred costs and expenses in connection with the project; and

WHEREAS, The financial contributions from the State and Federal Governments are necessary to cash flow the Project to pay the contractor for work and expenses; and

WHEREAS, Without the financial contribution from the State and Federal Governments, it may be necessary to temporarily suspend the work on the project, with resulting loss of jobs and delays in the completion of the Project which will increase the costs of the Projects; and

WHEREAS, The added costs and loss of jobs caused by a temporary shutdown of the Project represent an added cost to the property tax payers of Ramsey County and must be avoided; Now, Therefore Be It

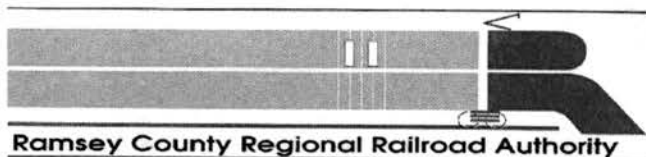
RESOLVED, The RCRRA hereby calls on the Governor and members of both the Minnesota House and Minnesota Senate to resolve their public policy, ideological and financial

47 disagreements, and produce a balanced State budget before July 1, 2011, so that a shutdown of
48 State government can be averted; and Be It Further

49
50 RESOLVED, The RCRRA authorizes RCRRA representatives to work with the members of
the Ramsey County Legislative delegation to achieve this outcome; and Be It Further

52
53 RESOLVED, The RCRRA authorizes the Chair of the RCRRA to sign Affidavits in support of
54 petitions filed for temporary funding of core functions of the State of Minnesota and to file a petition
55 on behalf of RCRRA; and Be It Further

56
57 RESOLVED, The RCRRA directs that this issue will be brought back to the RCRRA for
58 discussion and possible action at each of its meetings until the issue is resolved at the State level.



3

REQUEST FOR ACTION

Type of Agenda: ☐ Policy ☐ Discussion
☒ Administrative ☐ Information

Regional Railroad Authority Meeting Date: 6/28/2011

Regional Railroad Authority Meeting Date:

SUBJECT: Authorization to borrow funds from the Ramsey County General Fund during State shutdown

EXECUTIVE SUMMARY

On December 15, 2009, the Ramsey County Regional Railroad Authority (RCRRA) approved the 2011 RCRRA budget of \$154,700,534. Acquisition, renovation, and reconstruction of the Union Depot, as well as payments for the construction of the Central Corridor light rail transit line are the bulk of the 2011 RCRRA budget appropriations.

The 2011 RCRRA budget appropriations are offset by federal, state, and Ramsey County tax levy dollars. The federal and state reimbursement processes require the RCRRA to spend on their projects first, and then seek reimbursement.

Because the Minnesota Legislature and the Governor have failed to produce a balanced State budget, the possibility exists that portions of the government of the State of Minnesota will shut down, beginning July 1, 2011. This shutdown causes many valuable public services to be in jeopardy of being closed until the budget can be balanced, either by court order or an agreement of the parties.

(The Executive Summary is continued on the following page)

ACTION REQUESTED

1. Authorize the Director of the Ramsey County Regional Railroad Authority (RCRRA) to borrow funds from the County of Ramsey from time to time and as needed for cash flow for the RCRRA's Union Depot Renovation Project.
2. Approve that the loan of such funds will be subject to repayment upon receipt of federal and state funds, and interest shall be paid by the RCRRA at the current federal funds rate.
3. Approve that the loan shall be evidenced by a Memorandum of Understanding in substantially the form attached hereto.
4. Authorize the Chair of the RCRRA to execute the Memorandum of Understanding on behalf of the RCRRA.
5. Authorize the Director of the RCRRA to request periodic loans from the County of Ramsey as needed to continue to cash flow for the Union Depot Project on behalf of the RCRRA.

(Executive Summary continued)

The impending State shutdown may cause cash flow issues for the RCRRA due to the reimbursement processes being delayed due to the furlough of State staff during the shutdown. RCRRA staff has projected that RCRRA projects would be able to sustain a State shutdown through July 2011, but would most likely require borrowing cash from the County's General Fund if the shutdown continues past July 2011.

Repayment of funds from a loan from the County will be made upon receipt of federal and state funds and will include interest at the current federal funds rate.

SUBJECT: Authorization to borrow funds from the Ramsey County General Fund during State shutdown

ATTACHMENTS:

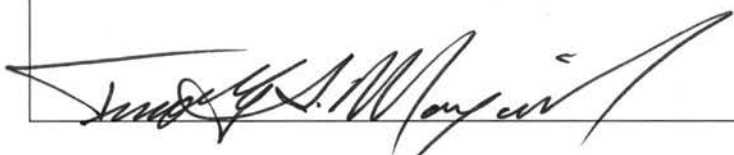
Memorandum of Understanding

PREVIOUS ACTION:

COUNTY MANAGER'S COMMENTS:

Minn. Stat. §398A.06, subd.2 authorizes the County to lend money to the RCRRA.

SUBJECT: Authorization to borrow funds from the Ramsey County General Fund during State shutdown

Regional Railroad Authority – Authorized Signature	Date
	6/23/11

Budgeting & Accounting – Authorized Signature	Date
	6/23/11

County Attorney – Authorized Signature	Date
	6/23/11

Property Management – Authorized Signature	Date

Information Services – Authorized Signature	Date

Other – Authorized Signature	Date

SUBJECT: Authorization to borrow funds from the Ramsey County General Fund during State shutdown

DRAFT RESOLUTION

1 WHEREAS, The Ramsey County Regional Railroad Authority (RCRRA) was organized in
2 April, 1987, as a political subdivision of the State of Minnesota, under the provisions of Minnesota
3 Statutes 1986 Chapter 398A, by Resolution of the Board of Commissioners of the County of
4 Ramsey (the County); and

5
6 WHEREAS, In 2010 the RCRRA acquired title to and possession of the St. Paul Union
7 Depot (the Depot) from the United States Postal Service; and

8
9 WHEREAS, In 2009 the RCRRA acquired title to and possession of the St. Paul Union
10 Depot Head House; and

11
12 WHEREAS, The RCRRA has received funds and commitments for funds from the United
13 States Government, the State of Minnesota, and has committed its own funds for the renovation
14 and reconstruction of the Depot and the Head House into a multi-modal transit hub serving light rail
15 transit, passenger rail service, high speed rail, buses, and other transit modes for the metropolitan
16 transit system (the Project); and

17
18 WHEREAS, In 2010 the RCRRA entered into design and construction contracts for the
19 Project totaling \$148,753,916; and

20
21 WHEREAS, It is estimated that the Project is providing daily employment for approximately
22 150 persons; and

23
24 WHEREAS, The Project is currently under construction and significant demolition of
25 structure has taken place and continues to occur; and

26
27 WHEREAS, The funds from the United States government to be paid for the Project will be
28 paid on a reimbursement basis only; and

29
30 WHEREAS, The funds from the State of Minnesota to be paid for the Project will be paid on
31 a reimbursement basis; and

32
33 WHEREAS, On or about May 23, 2011, the Minnesota Legislature adjourned and the
34 Governor of the State has vetoed the appropriation bills which were to provide funding for State
35 government departments for the fiscal year beginning July 1, 2011; and

36
37 WHEREAS, Absent an approved appropriation from the Legislature, effective July 1, 2011,
38 Minnesota State departments will be required to cease all but the most essential operations; and

39
40 WHEREAS, On June 7, 2011, the State Department of Administration advised the RCRRA
41 and other contractors, vendees and grantees that in the absence of legislative action, it would be
42 necessary to suspend all work and performance on state-funded contracts effective July 1, 2011;
43 and

44
45 WHEREAS, The reason for suspension of work activity with respect to the Project is that the
46 State will not have staff available to process reimbursement payments to the RCRRA, and as a
47 result the RCRRA will have insufficient cash to pay its Project contractors; and

WHEREAS, In addition to loss of jobs caused by the temporary shutdown of the Project, the following Project activities will cause the RCRRA to accrue additional financial costs to be incurred by Ramsey County tax payers:

- Costs of delay are not eligible for federal funding and will be paid by the local property tax payer.
- Almost 100 contracts are in place with contractors, subcontractors, and suppliers.
- Approximately twenty disadvantaged businesses enterprises (DBE's) are working on the Project. These are typically smaller firms, less able to withstand erratic start/stop conditions.
- A lengthy shutdown threatens the Project's scheduled completion date.
- A critical phase of the construction project is scheduled to begin July 1, 2011, and be completed by October 31, 2011.
- Bridge reconstruction of the railroad viaduct over Sibley Street at Warner Road has closed the street entirely. Half of the existing viaduct has been removed and needs to be put back in place. It is scheduled for completion by August 1, 2011 so that new track can be laid for Amtrak service (Sibley Street is a primary arterial access to the City of St. Paul off of Warner Road).
- New Xcel electrical service and District Energy heating/cooling utilities are scheduled to be installed in July 2011 while Sibley Street is closed.
- Also in the area of Sibley Street, new water, sanitary sewer and storm sewer services are being relocated to serve the property and must be also completed prior to August 1, 2011 in order to repave the street.
- A material delay will force significant work to be done under winter conditions.
- A material delay will cause RCRRA to incur significant costs to demobilize and remobilize approximately thirty-five separate contractors.
- The RCRRA will need to reopen negotiations with its tenants to extend the timing and compensation of the planned shutdown period.
- The RCRRA must give M.A. Mortenson a 10-day written notice to terminate the project, as no provision to suspend the project exists within the contract.
- The RCRRA will engage State certified private inspectors to replace State employees to ensure ongoing compliance with approved plans and specifications.

and

WHEREAS, If it is determined that the RCRRA can avoid a shutdown of the Project and the resulting layoff of workers, loss of jobs, and other expenses resulting from such shutdown, the RCRRA will continue to fund the project with RCRRA levy dollars, and

WHEREAS, In the event the RCRRA has depleted its ability to fund the Project, it will need to request cash loans from the County of Ramsey that will meet cash obligations and expenditures; and

WHEREAS, The County has sufficient cash reserves to lend to the RCRRA money to provide cash flow loans to keep the Project active; and

WHEREAS, The amounts and timing of such loans is at present not known with certainty, and

WHEREAS, Minn. Stat. §398A.06, subd. 2, authorizes the County to lend money to the RCRRA; Now, Therefore be it

6

98 RESOLVED, The Ramsey County Regional Railroad Authority authorizes its Director to
99 borrow funds from the County of Ramsey from time to time and as needed for cash flow for the
100 Ramsey County Regional Railroad Authority's Union Depot Renovation Project; and Be It Further
101

102 RESOLVED, The Ramsey County Regional Railroad Authority approves that the loan of
103 such funds shall be subject to the following terms:

- 104 1. Repayment shall be made upon receipt of federal and state funds.
- 105 2. Interest shall be paid by the RCRRA at the current federal funds rate; and Be It
106 Further

107
108 RESOLVED, The Ramsey County Regional Railroad Authority approves that loan shall be
109 evidenced by a Memorandum of Understanding in substantially the form attached hereto; and Be
110 It Further

111
112 RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to
113 execute the Memorandum of Understanding on behalf of the Ramsey County Regional Rail
114 Authority; and Be It Further

115
116 RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Director of the
117 Ramsey County Regional Railroad Authority to request periodic loans from the County of Ramsey
118 as needed to continue cash flow for the Project on behalf of the Ramsey County Regional Railroad
119 Authority.

Attachment

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the Agreement) is entered into between the County of Ramsey, a political subdivision of the State of Minnesota (the County) and the Ramsey County Regional Railroad Authority (RCRRA), a political subdivision of the State of Minnesota organized under the authority of Minnesota Statutes Chapter 398A (1986) (the RCRRA) on this 28th day of June, 2011.

WITNESSETH:

WHEREAS, The RCRRA has acquired the Union Depot and Union Depot Head House located in the City of St. Paul for the purpose of constructing a multi-modal transit hub to serve the transit needs of Ramsey County residents and the Metropolitan area; and

WHEREAS, The Depot and Head House are in need of substantial renovation and reconstruction to serve as a transit hub; and

WHEREAS, The RCRRA has entered into a construction contract for \$148,753,916.00 for completion of the renovation and reconstruction project (the Project);

WHEREAS, Pursuant to the construction contract, reconstruction work for the Project has begun and is at present ongoing; and

WHEREAS, The RCRRA has received grants of funds from the State of Minnesota and the United States government for continuation of the reconstruction work and is dependent on receipt of those funds to provide cash flow for the reconstruction activities; and

WHEREAS, On or about May 23, 2011, the Minnesota Legislature adjourned and the Governor of the State has vetoed the appropriation bills which were to provide funding for State government departments for the fiscal year beginning July 1, 2011; and

WHEREAS, Absent an approved appropriation from the Legislature, effective July 1, 2011, Minnesota State departments will be required to cease all but the most essential operations; and

WHEREAS, On June 7, 2011, the State Department of Administration advised the RCRRA and other contractors, vendees and grantees that in the absence of legislative action, it would be necessary to suspend all work and performance on state-funded contracts effective July 1, 2011; and

8

WHEREAS, Temporary shutdown of the Project will result in the loss of approximately 150 jobs and the following Project activities will be delayed with serious additional financial costs to Ramsey County taxpayers:

- Costs of delay are not eligible for federal funding and will be paid by the local property tax payer.
- Almost 100 contracts are in place with contractors, subcontractors, and suppliers.
- Approximately twenty disadvantaged businesses enterprises (DBE's) are working on the Project. These are typically smaller firms, less able to withstand erratic start/stop conditions.
- A lengthy shutdown threatens the Project's scheduled completion date.
- A critical phase of the construction project is scheduled to begin July 1, 2011, and be completed by October 31, 2011.
- Bridge reconstruction of the railroad viaduct over Sibley Street at Warner Road has closed the street entirely. Half of the existing viaduct has been removed and needs to be put back in place. It is scheduled for completion by August 1, 2011 so that new track can be laid for Amtrak service (Sibley Street is a primary arterial access to the City of St. Paul off of Warner Road).
- New Xcel electrical service and District Energy heating/cooling utilities are scheduled to be installed in July 2011 while Sibley Street is closed.
- Also in the area of Sibley Street, new water, sanitary sewer and storm sewer services are being relocated to serve the property and must be also completed prior to August 1, 2011 in order to repave the street.
- A material delay will force significant work to be done under winter conditions.
- A material delay will cause RCRRA to incur significant costs to demobilize and remobilize approximately thirty-five separate contractors.
- The RCRRA will need to reopen negotiations with its tenants to extend the timing and compensation of the planned shutdown period.
- The RCRRA must give M.A. Mortenson a 10-day written notice to terminate the project, as no provision to suspend the project exists within the contract.
- The RCRRA will engage State certified private inspectors to replace State employees to ensure ongoing compliance with approved plans and specifications.

WHEREAS, The RCRRA will make every effort to avoid a shutdown of the Project and the resulting layoff of workers, loss of jobs, and other expenses resulting from such shutdown, provided it can borrow sufficient cash to continue to meet cash contractual obligations and payments; and

WHEREAS, The County has sufficient cash reserves to lend to the RCRRA money to provide cash flow loans to enable the RCRRA to meet its contractual obligations an payments and avoid shutting down the Project ; and

WHEREAS, The amounts and timing of such loans is at present not known with certainty; and

WHEREAS, Minn. Stat. §398A.06, subd. 2, authorizes the County to lend money to the RCRRA; and

WHEREAS, By Resolution _____, RCRRA requested that Ramsey County provide temporary cash flow loans for the Project, as needed, and

WHEREAS, By Resolution _____, the County approved the RCRRA request for temporary cash flow loans.

NOW, THEREFORE, in consideration of the mutual promises herein, the County and the RCRRA hereby agree as follows:

1. The County agrees to lend to the RCRRA funds from its general reserves to assist the RCRRA's cash flow for the Union Depot and Union Depot Head House reconstruction and renovation project.
2. Loans may be requested by the RCRRA by its Director from time to time as needed to continue to meet contractual obligations and payments to avoid shutting down the Project. Requests shall be made to the Ramsey County Manager by letter and shall state the amount requested and specify the date needed.
3. The RCRRA shall repay the loans promptly after it receives reimbursements of State funds from the State of Minnesota.
4. The RCRRA shall pay interest on any funds borrowed at the current federal funds rate, determined as of the date of the loan.
5. It is understood that departments of Ramsey County will also need to borrow funds from the County to replace funds from the State of Minnesota temporarily delayed by the July 1 shutdown of government services. If in the sole discretion of the County Manager it is her opinion that there are insufficient cash reserves to prudently fund all County department needs and provide loans to the RCRRA, the County Manager may decline to or adjust the amount of a loan request made by the RCRRA.

6. The County Manager shall notify the RCRRA as soon as possible if it becomes evident that County reserves available for loans are becoming depleted below the level of prudence so that the RCRRA may take steps to avoid commitment or funds to the Project, if necessary.

COUNTY OF RAMSEY

Date: _____

By: _____
Victoria Reinhardt
Chair

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

Date: _____

By: _____
Jim McDonough
Chair