

CONTRACT BETWEEN THE CITY OF MINNEAPOLIS AND
THE MINNEAPOLIS HOUSING AND REDEVELOPMENT AUTHORITY
FOR
SITE PREPARATION IN THE HOLMES RENEWAL TAX INCREMENT DISTRICT
USING URBAN DEVELOPMENT ACTION GRANT FUNDS

This agreement is entered into this _____ day of _____, 19____ by
and between the City of Minneapolis, (herein called the "City") and the Minneapolis
Housing and Redevelopment Authority (herein called the "MHRA" or Contractor).

Whereas, the City has applied for and received grant funds from the United States
Government under Section 110 of the Housing and Community Development Act of 1977;

Whereas, the City wishes to engage the MHRA to carry out a program in the City of
Minneapolis with such funds;

Now, therefore, it is agreed between the parties hereto that:

PART 1: Urban Development Action Grant Program

1. Scope of Services

The MHRA shall be responsible for the acquisition of land and clearance of
structure as described in the City's Urban Development Action Grant contract number
B-78-AA-27-0004 with the U. S. Department of Housing and Urban Development (HUD) for
the Holmes Urban Renewal Project which was approved by the Minneapolis City Council
on March 9, 1979 and will utilize funds available under this contract.

- A. The MHRA shall acquire portions of Block 21, parcel 4, as designated
in the Holmes Neighborhood Urban Renewal Plan, R-48, dated August 15,
1968, and including modification number 1, dated August 11, 1977. The
MHRA shall conduct a land survey of the acquired property.
- B. The MHRA shall demolish structures on the above properties in accord-
ance with the following specifications:

a. General Specifications

The MHRA shall furnish all labor, material and equipment and shall perform all services and work required to wreck and remove the listed building in strict accordance with the Specifications and with the City ordinances pertaining to the moving or wrecking of buildings.

b. Salvage

All salvageable material shall become the property of the successful bidder. The MHRA shall be responsible for protection of all salvageable material upon notification by the City of award of contract.

c. Extermination

Before starting demolition of work, the MHRA shall effectively cause the extermination of rodents, and other pests from the said building by methods approved by the City of Minneapolis Health Department.

d. Use of Streets and Highways

It is desirable that University and Central Avenues be open at all times to insure normal movement of traffic. If, however, on discussion with the Director of Traffic Engineering by the MHRA it is determined that use of a street is required, normal traffic will be restricted during the hours of 7-9 A.M. and 4-6 P.M. Monday through Friday. The Director of Traffic Engineering shall issue the street Use Permit defining that portion of the street required. At no time will any street be permitted to be completely closed.

e. Use of Sidewalk Area

It is desirable that sidewalks remain open during demolition. It is understood that use of the sidewalk for placement of a batter board may be required in demolishing the building. The Director of Traffic Engineering shall issue the Street Use Permit pertaining to the sidewalk if required.

f. Licenses and Permits and Approvals

The MHRA or its subcontractor shall possess or obtain all required licenses, permits, and approvals and pay the prescribed fees.

g. Utility Services

The sewer and water services shall be cut off in accordance with the regulations of the City of Minneapolis and under their supervision. Telephone, gas, and electric utilities shall be terminated under the supervision of the utility owning the service. Sewer, water, and gas services shall be severed at the main in the street. All expense and cost of permits arising from or in conjunction with the performance of the provisions of this paragraph shall be borne by the MHRA.

h. Removal of Buildings and Miscellaneous Items

The MHRA, in addition to wrecking and removing all buildings, which shall include besides the main building any out buildings, sheds, etc., will completely remove all exterior and interior foundation walls, and/or blocks, footings, columns, piers, beams or other projections. All piping, heating plant, or other fixtures, furniture, partitions, steps, rubbish or other debris shall be removed from the basement. The basement floor shall be completely removed. Combustible debris shall be removed and not burned on the project.

The MHRA will be required to maintain a source of water to adequately dampen and water down the structure as the demolition operation proceeds. Under no circumstances shall dust and debris be allowed to blow or scatter from the area as a result of the demolition operation. MHRA can remove the sidewalk as necessary. Damage to curb and gutter, street paving and utility structures shall be avoided on property adjoining the site. Any damage caused by the operations shall be repaired at the expense of the MHRA.

Sheeting may be required to insure no damage to curb, gutter, and street paving and adjacent property not owned by the MHRA when removing basement wall.

i. Filling Excavation

After the basement foundation and/or blocks and footings have been removed completely, the excavation shall be filled with select granular material obtained from a location other than this project and approved by the Minneapolis City Engineer. Fill material shall be free of debris, perishable or combustible material, sod, roots or vegetation. The fill material shall be placed in a method approved by the City Engineer for the specific material to be used and compacted by inundation of the appropriate compaction equipment over its entire surface to obtain 95% maximum modified proctor density to a grade line matching adjacent lots and the existing sidewalk at the property lines. Fill shall be compacted at an optimum moisture content so as to obtain the maximum compaction, and moisture shall be added during the fill operation if necessary. The basement excavation shall be protected by a fence adequate to insure safety of all persons in the proximity of the demolition site from the time of wrecking of the building until the excavation is filled.

Because a future use of part of the site may include a facility requiring a deep excavation, the City Engineer shall communicate with the MHRA from time to time, providing that information is available, to indicate where fill should not be compacted in order to avoid removing the compacted fill later. The City shall give MHRA 14 days notice regarding its fill requirements prior to the start of back-filling. Where possible, in any contracts with subcontractors, the MHRA shall include alternate provisions for payment with deductions for fill not placed and compacted.

j. Existing Signs and Meters

The existing sign and meters will be removed by the City if required by the contractor.

k. Safety and Clean-Up

No combustible debris shall be thrown, stored or burned on adjacent parcels, sidewalks, streets or alleys. Debris created from wrecking of this property must be disposed of as demolition or removal as work proceeds.

All wrecking operations, storing or processing of noncombustible debris shall be restricted to the boundaries of the properties described above.

The MHRA shall erect and maintain such red lights, fences, barrier or other protections as are necessary to prevent accidents in consequence of its operation on the site. It shall be liable for all damages and whatsoever may occur out of its operation, whether on the site, or on the public streets and sidewalks adjacent to the site or elsewhere. It shall protect, indemnify and hold harmless the City of Minneapolis, its building inspector, officers, employees or agents from all liabilities and damages thus occurring and it shall satisfy any claims and defend any suit which might be brought to recover such damages.

The MHRA shall comply with all instructions of the City of Minneapolis and the ordinances and codes of same regarding signs, advertising, traffic corners, danger signals, barricades, fire protection, and all safety laws, ordinances and rulings.

Note that the removal of junk debris and refuse shall also include removal of vehicles on the lots. It shall be the Contractor's responsibility in determining if they are abandoned.

1. Worker's Compensation Insurance

Covering all employees of the MHRA working on the project, in accordance with the Minnesota Workmen's Compensation Law, and carrying an "All States Endorsement".

Said policy or policies of insurance shall be furnished by the MHRA to the City for its examination prior to execution of the contract together with a certificate or certificates executed by the authorized representative of the insurer issuing each of the policies herein required, certifying to the insurance coverage herein required and stipulating that the policy will not be cancelled on less than ten day's notice to the City. After examination and approval of said policy or policies by the City, they will be returned to MHRA, but the certificate or certificates of insurance will be retained by the City. Upon requests by the City the MHRA shall promptly furnish to the City for examination at any time all contracts of insurance required herein.

It shall be the duty of the MHRA to require that each and every sub-contractor furnish evidence of the same insurance coverage as specified above for the MHRA, or in the alternative the MHRA shall provide such insurance coverage for the sub-contractor.

m. Insurance

(1) The MHRA shall not commence work on this project until it has obtained all insurance required under this paragraph and has submitted certificates evidencing such insurance to the Purchasing Agent, nor shall any sub-contractor be allowed to commence work until all similar insurance required has been obtained by the sub-contractor and approved.

(2) Public Liability and Property Damage

The MHRA shall, prior to commencement of the work, obtain and furnish a policy or policies of insurance by an insurer duly licensed within the State of Minnesota, showing at least the following coverages in force as of the date of execution of the contract, and continuing in force for at least the life of said contract:

(a) Public Liability Insurance

Including Comprehensive General Liability, Comprehensive Auto Liability, and Completed Operations Liability, all in the following amounts:

- Bodily injury liability in the amount of at least \$250,000.00 for injury or death to any one person in any one occurrence.
- Bodily injury liability in the amount of at least \$500,000.00 for injuries or deaths arising out of any one occurrence.
- Property damage liability of at least \$100,000.00 for any one occurrence, and in the aggregate amount of at least \$300,000.00. Such property damage insurance shall include coverage for property in the care, custody and control of the insured.

Such public liability insurance policy or policies shall provide Contractual Liability coverage with respect to the obligation of the MHRA to defend, indemnify, and save harmless the City of Minneapolis and/or its Boards and its Officers, Employees, and Agents.

The insurance of the MHRA shall begin when it receives the notice to proceed.

n. Right of the City to do the Work

If the MHRA should neglect to prosecute the work properly or fail to perform any provision of the contract, the City, after three days written notice to the MHRA, may without prejudice to any other remedy the City may have make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the MHRA, provided however, that the City Engineer shall approve such action and the amount charged to the MHRA.

C. The MHRA shall carry out interim property management.

D. The MHRA agrees to begin and to complete the above activities within the following schedule?

- Begin Activities: When authorized by the City.
- Complete Activities: 90 days from the date the MHRA is authorized by the City to begin activities, or acquisition, whichever is later.

II. Compensation

A. It is expressly agreed and understood that the total compensation to be paid to the MHRA by the City shall not exceed actual program costs plus 5.5% for administration.

B. Costs above line item budget amounts shall not be expended by the MHRA without prior City approval by the City Coordinator. Budget amounts are as follows:

Acquisition	\$1,157,000
Clearance & Demolition	30,000
Interim Property Management	<u>2,000</u>
TOTAL	\$1,189,000

Variations from the budget total shall require the approval of the City Council but shall not require the amendment of this agreement.

- C. If the MHRA does not have adequate temporary funds to carry out land acquisition covered by this agreement, the City shall advance such temporary funds to the MHRA up to budget amounts in II. B above, or amounts approved by the City if greater than in II. B above, following 4 week's notice by MHRA, to be available on the date of closing in the case of land acquisition.
- D. The City shall transfer UDAG funds to the MHRA in a manner consistent with procedures specified in this agreement in PART II: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

III. Conveyance of Site to the City

Conveyance of title to the City: In consideration of the agreement with the City herein contained, the MHRA agrees to convey to the City, by quit claim deed, the site as legally defined herein as soon as possible, or by 90 days from the date that the MHRA is authorized to begin activities, or acquisition is completed, whichever is later.

IV. Inspection of Work not a City Responsibility

The City retains the right to go upon the property and to inspect it and the work being done, but the City will not be required to make on-site inspections to check the quality or quantity of the work.

V. Drawings and Specifications at the Work Site

The MHRA shall maintain for the City one copy of all change orders and modifications in good order and marked to record all changes made. These shall be delivered to the City Department of Public Works upon completion of the work.

VI. Completion Approval

A. The City will issue a Certificate of Completion when two conditions are met:

- 1) The work is found to be acceptable after inspection. Upon written notice from the MHRA, the City will promptly make such inspection to determine if the work is acceptable, and
- 2) The MHRA has submitted to the City, a) an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the work have been paid by the MHRA or otherwise satisfied, b) consent of surety, if any, to final payment, and c) if required by the City, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of liens arising out of the agreement, and d) before final payment is made for the work on this project, the MHRA must make a satisfactory showing that it has complied with the provisions of Minnesota Statutes annotated 290.92 requiring the withholding of State Income Tax for wages paid employees on this project. Receipt of a Certificate of Compliance from the Commissioner of Taxation will satisfy this requirement. The MHRA is advised that before such certificate can be issued it must first place on file with the Commissioner of Taxation an affidavit that it has complied with the provisions of M.S.A. 290.92.

The required affidavit form will be supplied by the Commissioner of Taxation, Centennial Building, St. Paul, Minnesota, on request.

B. The issuance by the City of a Certificate of Completion, a) shall entitle the MHRA to final payment, if not already made, and b) shall constitute a waiver of all claims by the City except those arising from:

- 1) unsettled liens,
- 2) faulty or defective work appearing after completion, or
- 3) failure of the work to comply with requirements of this agreement.

C. The acceptance of the final payment, if any is due, and the receipt of the Certificate of Completion shall constitute a waiver of all claims by the MHRA, except any previously made in writing and still unsettled.

VII. Extension of Time to Perform

In the event that the MHRA is delayed in the performance and completion of the work under this agreement by any act, neglect or default of the City, or any damage or delay caused by fire, delays in transportation, acts of God, acts of war, strikes or any other casualty or calamity for which the MHRA is not responsible, or any event not under its control, the time fixed for the completion of the work under this agreement shall be extended for a period equal to the amount of time lost by reason of such causes upon written notice to the City.

VIII. Subcontractual Relations

All work performed for MHRA by a subcontractor shall be pursuant to an appropriate agreement between the MHRA and the subcontractor (and where appropriate between subcontractors and sub-subcontractors) which shall contain provisions that preserve and protect the rights of the City under this agreement.

IX. Modification of Agreement

A modification to this agreement may be made by a written amendment signed by both parties. A modification may be made only after execution of this agreement. A change in Item II. B shall not require the modification of this agreement.

X. Subcontracts

The City reserves the right to examine all contracts between the MHRA and its subcontractors.

XI. No Assignment or Succession

No transfer of grant funds by the City to the MHRA shall be or be deemed an assignment of grant funds, and the MHRA shall neither succeed to any rights, benefits or advantages of the City under its UDAG grant agreement with HUD, nor attain any rights, privileges, authorities or interests in such grant agreement.

XII. Third Party Relationships

Because the City of Minneapolis is fully responsible for compliance with the provisions of its grant agreement with HUD, which provisions have been incorporated into this agreement, the City of Minneapolis requires that the MHRA, in all agreements, contracts and subcontracts financed in whole or part with assistance under this agreement, shall obligate the parties thereto to comply with all applicable requirements of this agreement.