

ORDINANCE

By Goodman

Amending Title 16 of the Minneapolis Code of Ordinances relating to Planning and Development.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Chapter 414, In General, be and is hereby repealed.

CHAPTER 414. IN GENERAL

~~414.10. Reserved.~~

~~414.20. Charges for planning commission maps.~~

~~(a) Established. Private individuals or organizations who desire copies of the black line prints made from the following described maps in office of the planning commission shall pay the following fees:~~

{1}	Minneapolis 1" = 500'	Paper print	Charge, \$17.00 each
	(4 sections, 42" x 95")	Cloth print	Charge, \$43.00 each
{2}	Minneapolis with Lot Lines	Paper print	Charge, \$25.00 each
	(1" = 500', 4 sections, 42" x 95")	Cloth print	Charge, \$51.00 each
{3}	Minneapolis with Lot Lines	Paper print	Charge, \$6.50 each
	(1" = 1000', 42" x 84")	Cloth print	Charge, \$13.00 each
{4}	Central Business District	Paper print	Charge, \$4.00 each
	(1" = 200', 46" x 65")	Cloth print	Charge, \$9.00 each
{5}	Central Business District with Lot Lines	Paper print	Charge, \$6.00 each
	(1" = 200', 46" x 65")	Cloth print	Charge, \$11.00 each

(6)	Central Business District with Buildings	Paper print	Charge, \$6.00 each
	{1" = 200', 46" x 65"}	Cloth print	Charge, \$11.00 each
(7)	Minneapolis	Paper print	Charge, \$3.00 each
	{1" = 1600', 32" x 60"}	Cloth print	Charge, \$6.00 each
(8)	Minneapolis	Paper print	Charge, \$1.00 each
	{1" = 3,200', 17" x 22"}	Cloth print	Charge, \$2.00 each
(9)	Minneapolis	Paper print	Charge, \$4.50 each
	{1" = 1,000', 42" x 84"}	Cloth print	Charge, \$11.00 each
(10)	Minneapolis and Environs	Paper print	Charge, \$4.50 each
	{1" = 1,200', 42" x 80"}	Cloth print	Charge, \$11.00 each

~~(b) Portions of maps. Whenever such individuals or organizations desire a print of a portion of a map, and in the opinion of the office of the planning commission it is feasible to provide a print thereof, the fee for such portion shall be measured on the ratio that the square foot area of the print of the portion of the map provided bears to the whole square foot area of the map.~~

~~(c) Maps to government agencies. Whenever any governmental body, agency or department shall desire to obtain any such copies of any map or plat, such copies may be obtained through the city planning engineer upon payment of the total costs thereof by such governmental body, agency or department.~~

~~414.30. Administrator designated under forcible entry and unlawful detainer. The housing and redevelopment authority in and for the city is hereby authorized to provide persons to act as administrators under and pursuant to Minnesota Statutes, Section 566.29.~~

~~414.40, 414.50. Reserved.~~

Section 2. That Chapter 416, Industrial Development Commission, be and is hereby repealed.

CHAPTER 416. INDUSTRIAL DEVELOPMENT COMMISSION

~~**416.10. Established.** There is hereby created and established an industrial development commission as a commission of the government of the City of Minneapolis to be designated and known as the Minneapolis Industrial Development Commission.~~

~~**416.20. Membership.** The commission shall consist of nine (9) members serving without pay, all of whom shall be persons representative of the business community of the City of Minneapolis and who possess particular experience and knowledge useful for the fulfillment of the commission's functions and duties. The members of the commission shall be appointed by the mayor with the approval of the city council. The term of one-third of the members shall expire each year. All members shall be appointed for three-year terms which shall commence on February first of the year of their appointment and which shall expire on January thirty-first of the third year following the year of their appointment; provided that members shall continue to serve until their successors have been appointed and qualified. Any vacancy occasioned by resignation, death or removal shall be filled for the balance of the unexpired term by the mayor.~~

~~The nine (9) members of the presently existing industrial development commission shall continue to serve as members of the Minneapolis Industrial Development Commission until January thirty-first of the year following the expiration of the term for which they were appointed; i.e., the terms of three (3) of such members shall expire on January 31, 1979, January 31, 1980 and January 31, 1981.~~

~~**416.30. Responsibilities.** The commission shall provide information to and cooperate with industries and civil agencies interested in new or expanded plant locations in the city; consult and cooperate with other affected city departments and present recommendations to the city council for appropriate action; and actively promote the increased use of all of the city's industrial areas.~~

~~The commission shall have no power to levy taxes, borrow money or condemn property. The members of the commission shall not be deemed public officers and the commission shall have no power to contract on behalf of the city and its actions and recommendations shall be advisory only.~~

~~**416.40. Secretary and staff.** The commission may select, appoint and employ a full-time secretary and fix the compensation of said secretary within the limitations of appropriations made by the city council. The secretary shall serve for a term of three (3) years commencing on the first day of February in the year of such appointment or reappointment. The secretary shall continue in office until a successor is appointed and has qualified. The secretary shall be removed only for cause after notice and hearing.~~

~~The secretary of the presently existing industrial development commission shall continue to serve as secretary of the Minneapolis Industrial Development Commission until January 31, 1980, or until a successor is appointed or has qualified.~~

~~The commission may employ such staff employees as may from time to time be authorized by the city council and as may be within the limitation of appropriations made by the city council for such purposes. The employees and staff of the presently existing industrial development commission shall continue as employees of the commission.~~

~~416.50. Review by mayor.~~ Plans and recommendations of the industrial development commission shall be transmitted to the mayor for review and forwarded by the mayor to the city council with the mayor's comments and recommendations within forty-five (45) days of the receipt thereof.

Section 3. That Chapter 418, Commercial Buildings Rehabilitation Loan Program, be and is hereby repealed.

CHAPTER 418. COMMERCIAL BUILDINGS REHABILITATION LOAN PROGRAM

ARTICLE I. IN GENERAL

Subdivision 1. Generally.

~~418.10. Authority.~~ Pursuant to Minnesota Statutes, Sections 459.31 to 459.34 and Laws of Minnesota 1977, Chapter 138, the City of Minneapolis has been authorized to establish a program to provide rehabilitation loans to owners of small and medium-sized commercial buildings. In establishing a commercial building rehabilitation program, the city council is acting in all respects for the benefit of the citizens of the City of Minneapolis to serve a public purpose in improving and otherwise promoting their health, welfare and prosperity.

~~418.20. Findings.~~ The city council of the City of Minneapolis finds that many commercial buildings in the city are physically deteriorating, underused, economically inefficient or functionally obsolete, and in need of rehabilitation to meet applicable building codes; that there is a need for a comprehensive program for the rehabilitation of the commercial buildings to prevent economic and physical blight and deterioration, to increase the tax base of the city, and to assist in the implementation of the comprehensive plan for the city; that some owners of small and medium-sized commercial buildings in the city are unable to afford rehabilitation loans on terms available in the private mortgage market or to obtain rehabilitation loans on any terms because the private mortgage market is severely restricted; and that the health, safety and general welfare and the preservation of the quality of life of the residents of the City of Minneapolis are dependent upon the preservation and rehabilitation of the small and medium-sized commercial buildings.

~~418.30. Definitions.~~ The following terms when used in this chapter shall have the following respective meanings:

~~(1) Act~~ shall mean Minnesota Statutes Sections 459.31 to 459.34 and Laws of Minnesota 1977, Chapter 138, as now in effect and as from time to time amended.

~~(2) Program~~ shall mean the commercial rehabilitation loan program authorized by the act and set forth in Subdivision 2 of this article.

~~(3) Agency~~ shall mean the Minneapolis Community Development Agency (MCDA) known previously as the housing and redevelopment authority in and for the City of Minneapolis.

~~(4) Small or medium-sized commercial building~~ shall mean a structure having a total floor area not exceeding thirty thousand (30,000) square feet, the primary ground floor function of which is commercial in nature, i.e., retail, service or office. Noncommercial usage on other floors of such a structure shall not affect the structure qualifying as a small or medium-sized commercial building.

~~(5) Program director shall mean the executive director of the Minneapolis Community Development Agency or his/her designee.~~

~~(6) Regulations means regulations promulgated by ordinance by the city council for the program.~~

~~**418.40. Administration.** The program director is hereby authorized to administer the program in accordance with the act and the regulations and resolutions adopted by the city for the issuance of bonds or other obligations for the program.~~

~~**418.50. Existing loans.** The provisions of this chapter and the regulations heretofore adopted and in effect at the time any loan was made pursuant thereto shall continue to apply to any such loan and any amendment to the provisions of this chapter and the regulations subsequent to any existing loan shall not be deemed to apply to such loan.~~

~~**418.60—418.80. Reserved.**~~

Subdivision 2. Regulations.

~~**418.90. Forms and procedures.** The program director shall prepare guidelines setting forth uniform procedures by which applications for loans shall be submitted and processed, and for determining eligibility of borrowers, and other procedures necessary or desirable in carrying out the program. The program director may, in the program director's discretion and from time to time, prescribe and amend forms to be used by an applicant in applying for financing under the program.~~

~~**418.100. Eligible applicants.** Any individual, partnership, corporation or other business entity shall be eligible to make application for loans under the program defined herein in accordance with these regulations. No building which has been identified for public acquisition or which is not in conformance with the requirements of the city zoning code shall be eligible for a loan under the program.~~

~~**418.110. Authorization of loans.** Under the program, no loan shall be made or purchased until the board of commissioners of the agency has reviewed the application relating to the loan and has approved such loan. Any applicant whose loan is not approved may appeal the denial to the city council through the standing committee on community development of the city council. In approving applications for loans under the program, the board of commissioners of the agency, in addition to other requirements of the regulations, shall consider the following factors:~~

~~(1) The availability and affordability of private mortgage credit;~~

~~(2) The availability and affordability of other government programs;~~

~~(3) Whether the building is required, pursuant to any court order, statute or ordinance, to be repaired, improved or rehabilitated;~~

~~(4) Whether the proposed improvements will result in conformance with the building and zoning codes and improvement of the aesthetic quality of existing commercial areas.~~

~~**418.120. Loan priority criteria.** The board of commissioners of the agency shall give priority to the following applications for rehabilitation loans:~~

- ~~(1) An application by an applicant who has been unable to obtain financing through other means;~~
- ~~(2) An application to finance repairs or rehabilitation which are required pursuant to court order, statute or ordinance;~~
- ~~(3) An application to finance rehabilitation of a building that will result in the improvement of the aesthetic quality of an existing commercial area;~~
- ~~(4) An application to finance the rehabilitation of a building which is one or two (2) or more buildings being rehabilitated within proximity of each other;~~
- ~~(5) An application involving a building located in a neighborhood strategy area or redevelopment project area;~~
- ~~(6) An application sponsored or endorsed by a neighborhood or commercial organization;~~
- ~~(7) An application to finance the rehabilitation of a building which is essential to maintaining the commercial nature of an area;~~
- ~~(8) An application involving a mixed-use building where the applicant is providing for the rehabilitation of the residential portion of the building through the use of other funds;~~
- ~~(9) An application by an applicant who has not yet participated in the program.~~

~~**418.130. General limitations.** The following requirements and limitations shall apply to all loans under the program:~~

- ~~(1) A fee to provide for the city's administrative costs of the program in an amount of one and one-half (1 1/2) per cent of the principal amount of the loan shall be paid by each loan recipient to the city at the time of loan closing.~~
- ~~(2) The loan recipient at or prior to the time of closing shall pay all costs and expenses of appraisals, credit reports, inspections, abstracting and filing fees, mortgage registration taxes, title insurance premiums, bond counsel fees, and other expenses and fees in connection with the loan.~~
- ~~(3) No loan shall be made for a period exceeding twenty (20) years.~~
- ~~(4) Each loan shall be secured by:
 - ~~(a) A first or second mortgage of the real property to be rehabilitated, or~~
 - ~~(b) If the program is financed through the issuance of revenue bonds to be privately placed with a financial institution, by a mortgage of the real property to be rehabilitated, subject to the encumbrances (including any prior mortgage) acceptable to the financial institution, or by a first mortgage on the interest in the property of a vendee in possession under a contract for deed.~~~~

~~(5) No loan shall exceed eighty (80) per cent of the estimated market value of the property to be rehabilitated upon completion of the rehabilitation, less the principal balance of any prior mortgage or contract for deed existing on the property at the time the loan is made, or two hundred thousand dollars (\$200,000.00), whichever is less.~~

~~(6) The building shall be insured under a policy of insurance against risk of fire and extended coverage risks in an amount of the full replacement value.~~

~~(7) Rehabilitation loans shall not be approved unless the structure is being brought into full compliance with the provisions of this Code in accordance with the procedures set out in Article II, Chapter 87 of this Code.~~

~~(8) All work performed shall comply with applicable city and state codes.~~

~~(9) Any contractor who is found not to be a responsible contractor shall be precluded from performing work financed through the program.~~

~~(10) Lien waivers for work completed shall be obtained prior to payment for said work from loan proceeds.~~

~~(11) All signs on the building shall conform to the standards of the committee on urban environment (CUE) and applicable provisions of this Code.~~

418.140. Eligible improvements and expenditures. ~~Improvements and expenditures financed under the program shall be limited as follows:~~

~~(1) Rehabilitation loans shall not include expenditures for the acquisition, installation or repair of furnishings, personalty or trade fixtures.~~

~~(2) In the case of mixed usage structures, eligible improvements shall include only those relating to the commercial operation of the building or those affecting the building as a whole, i.e., building facade and mechanical systems.~~

~~(3) Building additions will not be allowed unless required by code.~~

~~(4) Refinancing of existing debt shall not be allowed under the program.~~

~~(5) Rehabilitation work performed by the owner may be permitted where there is compliance with the following:~~

~~(a) Detailed cost estimates must be submitted prior to work being performed.~~

~~(b) Expenditures will be permitted for cost of materials only.~~

~~(c) All work performed must be inspected prior to loan funds disbursement for that work.~~

~~(6) Loan funds shall not be applied to the payment for any repair or improvement which was begun before the date of adoption of a resolution approving bonds to fund the loan.~~

~~**418.150. Civil rights compliance.** All loan recipients under the program shall comply with the provisions and policy of Minneapolis Code of Ordinances, Chapter 139.~~

~~**418.160—418.190. Reserved.**~~

~~ARTICLE II. REHABILITATION LOAN FOR PEOPLE'S CENTER~~

~~Subdivision 1. Generally~~

~~**418.200. Authority.** Pursuant to the Laws of Minnesota 1977, Chapter 138, the City of Minneapolis has been authorized to establish a rehabilitation loan program for the rehabilitation of small and medium-sized commercial buildings. In establishing and carrying out a commercial building rehabilitation program, the city council is acting in all respects for the benefit of the citizens of the city, to serve a public purpose in improving and otherwise promoting their health, welfare and prosperity.~~

~~**418.210. Findings.** The Housing and Redevelopment Authority in and for the City of Minneapolis finds and represents to the city that the building located at 2000 South Fifth Street in the City of Minneapolis known as the "People's Center" is a physically deteriorating commercial building within the meaning of Laws 1977, Chapter 138, and that it is underused and in need of rehabilitation; that rehabilitation of this commercial building is necessary to prevent economic and physical blight and deterioration, and to assist in the carrying out of the comprehensive plan for the city; that the People's Center is unable to afford rehabilitation loans on terms available in the private mortgage market or to obtain rehabilitation loans on any terms because the private mortgage market is severely restricted; and that the health, safety and general welfare and the preservation of the quality of life of the residents of the city will be enhanced by the preservation and rehabilitation of the commercial building known as the People's Center.~~

~~**418.220. Definitions.** The following terms when used in this article shall have the following respective meanings:~~

~~(1) *Act* shall mean Laws of Minnesota 1977, Chapter 138, as now in effect and as from time to time amended.~~

~~(2) *Project* shall mean the commercial rehabilitation loan program authorized by the act and set forth in this article. To the extent that article I of this chapter is inconsistent with this article, this article shall not apply.~~

~~(3) *Agency* shall mean the Housing and Redevelopment Authority in and for the City of Minneapolis, a public body corporate and politic, created pursuant to the Municipal Housing and Redevelopment Act, Laws 1947, Chapter 487, as amended, and appearing as Minnesota Statutes, Section 462.411 et seq.~~

~~(4) *The People's Center* shall mean the building owned by the Cedar Riverside People's Center, a Minnesota nonprofit corporation, and located at 2000 South Fifth Street, City of Minneapolis, which is commercial in nature, providing service and office functions.~~

~~(5) Small or medium sized commercial building, for the purposes of this article, shall mean the People's Center building, the primary function of which is commercial in nature.~~

~~**418.230. Administration.** The agency is hereby authorized to administer the project in accordance with the act and this article and with any regulations promulgated by the city council for this project. If the agency determines it necessary in the administration of the project, the agency, in making the loan authorized by this article, may exercise any and all powers that the Minnesota Housing Finance Agency is authorized to exercise under the provisions of Minnesota Statutes, Chapter 462A.~~

~~**418.240. Agency powers.** The agency is hereby authorized to make a single rehabilitation loan to the People's Center in accordance with the regulations set forth in Subdivision 2 of this article.~~

~~**Subdivision 2. Regulations**~~

~~**418.250. Eligibility.** The agency finds and represents to the City of Minneapolis that the People's Center is an eligible applicant for a rehabilitation loan under this project.~~

~~**418.260. Loan priority criteria.** In determining eligibility, the following loan priority criteria have been considered:~~

- ~~(1) The availability and affordability of rehabilitation loans in the private mortgage market;~~
- ~~(2) The availability and affordability of other government programs;~~
- ~~(3) Whether the building is required, pursuant to any court order, statute or ordinance, to be repaired, improved or rehabilitated;~~
- ~~(4) Whether the proposed rehabilitation of the People's Center will result in conformance with building and zoning codes and improvement of the aesthetic quality of the surrounding commercial area;~~
- ~~(5) Whether rehabilitation of the People's Center will stimulate the rehabilitation of surrounding properties; and~~
- ~~(6) Whether rehabilitation of the People's Center will be in accordance with the city's comprehensive land use plan.~~

~~**418.270. General limitations and conditions.** The agency shall make the loan authorized by this article under the following terms and conditions:~~

- ~~(1) The terms and conditions of the loan shall be fixed so that the sum of all repayments of principal and interest thereon, not then delinquent, and all fees and charges collected are at all times estimated to be equal to or greater than the sum of all estimated costs of the project, including administrative costs and mortgage foreclosure costs, as determined by the agency.~~
- ~~(2) The maximum term of the loan is twenty (20) years.~~
- ~~(3) The loan shall be secured by a first mortgage on any interest held by the Cedar Riverside People's Center, a Minnesota nonprofit corporation, in the People's Center.~~

~~(4) The maximum amount of the loan shall be four hundred eight thousand one hundred thirty-six dollars (\$408,136.00), which amount does not exceed eighty (80) per cent of the estimated market value of the property to be rehabilitated upon completion of the rehabilitation.~~

~~(5) The loan shall be made without interest and shall continue as a noninterest-bearing loan for that period in which the People's Center occupies the premises.~~

~~(6) The funds for such loan shall not be derived from funds of the City of Minneapolis.~~

~~(7) The property shall be insured through an established public or private insurance program.~~

~~(8) Loan funds provided to the People's Center shall be used solely for eligible property repairs or improvements and shall not be applied to the payment of repairs or improvements which have been contracted for, begun or completed before the date of the loan closing and note execution.~~

~~**418.280. Eligible improvements and expenditures.** The agency shall determine the eligible improvements and expenditures subject to the following limitations:~~

~~(1) Refinancing of existing debt shall not be allowed under the project.~~

~~(2) Building additions shall not be allowed unless required by code.~~

~~**418.290. Contractor requirements and performance.** All contractors performing work financed by this project shall comply with the following requirements:~~

~~(1) Carry all insurance required by the agency.~~

~~(2) Possess all city and state licenses to perform the required contract work.~~

~~(3) Post performance and payment bonds on any contract as required by the loan recipient or the agency.~~

~~(4) Provide the People's Center with a warranty on all workmanship and materials for a period of one year commencing with the date of the last payment for completion of all work. This warranty may be provided through a one hundred (100) per cent performance and payment bond in the full amount of the contract or through completed operations insurance as may be required by provision (1) above, or the contractor may deposit cash or an irrevocable letter of credit equal to twenty (20) per cent of the contract. Information regarding standard factory warranties on all materials must also be provided to the People's Center.~~

~~(5) Contractors must provide lien waivers for work completed prior to payment for said work.~~

~~(6) Contractors performing work financed through this project shall not be on the unacceptable risk determination list of the Federal Housing Administration.~~

~~(7) All work performed shall comply with applicable city and state codes.~~

~~**418.300. Arbitration of disputes.** Any dispute concerning contract performance shall be resolved as follows:~~

~~(1) The agency shall work with all parties to a dispute to come to a settlement.~~

~~(2) In the event that the agency is not able to resolve the dispute, any controversy or claim arising out of, or relating to, the rehabilitation contract, or breach thereof, shall be settled by arbitration in accordance with procedures of the American Arbitration Association, with fees payable in accordance with the association's Commercial Arbitration Rules, and judgment upon award rendered by the arbitrator may be entered in any court having jurisdiction thereof.~~

~~(3) Prior to entering into a contract for rehabilitation work financed through the project, both parties shall agree in writing to submit any dispute to binding arbitration.~~

~~(4) Disputes between the agency and any contractor or the People's Center shall not be subject to arbitration.~~

418.310. Civil rights compliance.

~~(a) All transactions in connection with the project shall be concluded in compliance with the provisions and policy of Minneapolis Code of Ordinances, Chapter 139.~~

~~(b) All rehabilitation contracts shall include, either specifically or by reference, provisions contained in Minneapolis Code of Ordinances, section 139.50.~~

Section 4. That Section 422.40 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.40. Commissioners. The powers of the agency as described and limited herein shall be vested in the commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. The thirteen (13) members of the Minneapolis City Council shall be the board of commissioners. The board of commissioners shall elect appropriate officers and secretary from its membership. The board of commissioners shall adopt such rules and bylaws as they deem necessary and appropriate to conduct the business of the agency, provided that all actions adopted by the board of commissioners shall be by at least seven (7) affirmative votes, and may appoint such committees as they deem appropriate. All actions of the board of commissioners except those referred to the city council shall be subject to veto by the mayor as provided in Chapter 3, Section 1 of the Minneapolis City Charter. Those actions referred to the city council shall be subject to veto as provided above after action by the city council.

Section 5. That Section 422.50 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

~~**422.50. Interest in project forbidden. Code of ethics.** A commissioner who has a potential conflict of interest shall not take part in the action or decision in question. A commissioner of the agency who is authorized to take part in any manner in making any sale, lease or contract in his official capacity shall not voluntarily have a personal financial interest in that sale, lease or contract or personally benefit financially there from. A commissioner of the agency who violates this subdivision is guilty of a~~

~~misdemeanor. For a period of one year after termination of his or her position as a commissioner of the agency, no former commissioner of the agency shall appear personally before any court or governmental department or agency as agent or attorney for anyone other than the agency in connection with any proceeding, application, request for ruling or other determination, contract, claim, controversy, charge, accusation, arrest or other particular matter in which the agency is substantially interested, and with respect to which he or she took any action or made by decision as a commissioner of the agency at any time within a period of one year prior to the termination of such position. This section shall apply in regard to conflict of interest notwithstanding any other provision of law. The commissioners and any city employees engaged in activities of the agency are subject to the Ethics Code in Chapter 15.~~

Section 6. That Sections 422.51 through 422.60 contained in Chapter 422, Minneapolis Community Development Agency, be and are hereby repealed.

~~**422.51. Legislative purpose.** There is hereby established a code of ethics for all agency officials and employees, whether elected or appointed, paid or unpaid. The purpose of this Code is to establish ethical standards of conduct for all such officials and employees by setting forth those acts or actions that are incompatible with the best interests of the agency and directing disclosure by certain designated officials and employees of private financial or other interests in matters affecting the agency.~~

~~**422.52. Definitions.**~~

~~(a) *Administrative action* means an action of a nonministerial nature.~~

~~(b) *Legislative action* means introduction, sponsorship, debate, voting and any other official action on any ordinance, resolution, amendment, nomination, appointment, report or other matter pending or proposed with the agency board or a committee.~~

~~(c) *Local official*, as defined in Minnesota Statutes, Section 10A.01, means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money and shall include:~~

~~(1) The commissioners.~~

~~(2) The following appointed officials: The executive director, deputy executive director.~~

~~(d) *Associated business* means any association in connection with which the individual is compensated in excess of fifty dollars (\$50.00) in any month, except for actual and reasonable expenses, as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth two thousand five hundred dollars (\$2,500.00) or more at fair market value.~~

~~(e) *Election* means a general, special, primary or special primary election.~~

~~(f) *Employee* means a person who holds a classified or unclassified title or position in the agency service. The term "employee" shall not include any independent contractor.~~

~~422.53. Conflicts of interest.~~

~~(a) Any local official or employee of the agency, who in the discharge of such person's official duties would be required to take an administrative or legislative action or make a decision which would substantially affect such person's financial interests or those of an associated business unless the effect on such person is no greater than on other members of such person's business classification, profession or occupation, shall take the following actions:~~

~~(1) Prepare on such a form as prescribed by the state ethical practices board, a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;~~

~~(2) Deliver copies of the statement to the immediate superior, if any;~~

~~(3) If such person is an elected local official or an employee appointed by the mayor or city council, such person shall deliver a copy of the statement to the presiding officer of the commission;~~

~~(4) If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of clauses (1) to (3), the official or employee shall verbally inform a superior or the presiding official of the commission or committee thereof, in which he or she serves, of the potential conflict. The official or employee shall file a written statement as provided above within one week after the potential conflict presents itself.~~

~~(b) If the local official or employee has a superior, the superior shall assign the matter, if possible, to another person who does not have a potential conflict of interest. If there is no immediate superior, the local official or employee shall consider removing himself or herself, if possible, from influence over the action or decision in question and assign the matter to a subordinate. If the official is a commissioner, the body may upon request excuse that official from taking part in the action or decision in question.~~

~~(c) A local official having a potential conflict of interest who is not permitted or is otherwise unable to abstain from action in connection with the matter must file with the agency a statement describing the potential conflict of interest and the action taken. The local official must file the statement within one week of the action taken.~~

~~422.54. Statements of economic interest.~~

~~(a) The following persons shall file a statement of economic interest with the agency in the form prescribed by the state ethical practices board:~~

~~(1) A commissioner within sixty (60) days after commencing his or her term of office; or~~

~~(2) An appointed local official within sixty (60) days of accepting employment as a local official.~~

~~(b) Each individual who is required to file a statement of economic interest shall file a supplementary statement on April 15th of each year that he or she remains a local official.~~

~~(c) Each individual required to file a statement of economic interest shall do so in compliance with Minnesota Statutes, Section 10A.09. All statements filed shall be public data.~~

~~**422.55. Confidential information.** No local official or employee shall use or disclose confidential information gained in the course of or by reason of one's official position or activities including, but not limited to, any data classified pursuant to Minnesota Statutes, Chapter 13 as private, confidential, nonpublic or protected nonpublic, in the way that could result in financial gain for the local official, members of his or her family, or any associated business.~~

~~**422.56. Employee participation in agency programs.** Notwithstanding the provisions of this ordinance an employee of the agency may participate in agency programs which provide financial assistance or financing of real property (other than the rental assistance programs) provided that the participation is limited to one time per program, any required ethical disclosures are made, any reassignment of responsibility required by the law can reasonably be accommodated by the agency at its discretion, and the participation does not otherwise give an unreasonable appearance of a conflict of interest.~~

~~**422.57. Gifts to local officials and employees.**~~

~~(1) No person or association (as defined in Minnesota Statutes, Section 383B.042) shall offer or give to a local official, an employee, a local official's or employee's spouse or any children in their custody and control, and no local official or employee shall solicit or receive, anything of value, including a gift, favor or service or a promise of future employment, based on any understanding that such local official's vote, or the official actions or judgment of the local official or employee would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the local official or employee in the discharge of his or her official duties, or as a reward. Any violation of this paragraph 1 shall be punishable as provided in Section 1.30 of this code.~~

~~(2) A local official shall disclose the receipt of any gift, favor, service or promise of future employment. Such disclosure shall be made on a form prescribed by the city clerk which shall be filed with the city clerk. The form shall include: a description of the nature, value and date of the gift, favor, service or promise of employment and the name and address of the donor. A disclosure shall not be required:~~

~~a. Under circumstances in which such gifts, favors or services would ordinarily be recognized as warranted by social custom or familial relationship;~~

~~b. For gifts, favors or services furnished by a public governmental body or agency in connection with governmental functions; or~~

~~c. For gifts, favors or services having a value of fifty dollars (\$50.00) or less.~~

~~**422.60. Quorum for meeting.** The powers of the agency as described and limited herein shall be vested in the commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. The commissioners shall adopt such bylaws and other rules for the conduct of affairs as they deem appropriate. The regular meetings of the agency shall be held in a fixed place and all meetings shall be open to the public.~~

Section 7. That Section 422.70 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.70. Personnel.

~~(1) The executive director shall be appointed by the executive committee of the city and confirmed by the city council. The executive director shall be in charge of the staff of the agency. The final authority for personnel decisions shall be vested in the executive director. The salary of the executive director shall be set by the board of commissioners. The director and deputy director of the city's department of community planning and economic development shall hold the titles of executive director and deputy executive director, respectively, of the agency.~~

~~(2) Each employee whose position is transferred from the Minneapolis classified service shall have the option to remain within the classified service of the city and may exercise rights as provided by the Minneapolis Civil Service Commission for an employee whose position is eliminated. The functions of the agency may be performed by city employees under the direction of the executive director.~~

~~(3) Any employee who is transferred from employment with the City of Minneapolis to employment of the agency shall:~~

~~(a) Retain rights and benefits accumulated including seniority, accumulated vacation and sick leave, and length of service for the purposes of calculating benefits, layoffs, seniority rating for promotions and merit increases, emoluments or rewards;~~

~~(b) Be deemed to be on leave of absence during the tenure in the employment of the agency and, upon termination of service, shall be returned to the employee's permanent civil service classification; further, if no vacancy is available in the employee's permanent civil service classification position, seniority shall prevail, and the person most recently certified to the position shall be returned to the permanent civil service classification held prior to certification; and~~

~~(c) During employment by the agency remain a member of the retirement fund to which the employee belonged prior to the transfer.~~

~~(4) Employees of the authority transferred to employment of the agency shall have all of the protections provided in Minnesota Laws 1980, Chapter 595 including the following:~~

~~(a) The employee's salary shall not be diminished as a result of the transfer;~~

~~(b) The employee's job responsibilities shall not be substantially diminished as a result of the transfer;~~

~~(c) The employee shall not be required to change residence as a result of the transfer;~~

~~(d) The employee shall have the right to apply and be considered for positions with the agency on an equal basis with the other employees of the agency. Length of service with the authority shall count on the same basis as length of service is counted for employees of the agency.~~

~~The director and deputy director shall be considered employees for the purposes of clauses (c) and (d).~~

~~(5) An employee of the authority who is transferred to employment of the agency shall elect one of the following options with respect to retirement programs within six (6) months after the date of transfer:~~

~~(a) The employee may continue as a member of the retirement program established by the authority on the date of transfer, and the agency shall make the contributions to the program instead of becoming a member of the public employees' retirement association.~~

~~(b) The employee may become a member of the public employees' retirement association.~~

~~(6) In hiring personnel the agency shall be subject to and shall comply with all affirmative action ordinances, resolutions, rules, regulations and guidelines of the city.~~

Section 8. That Section 422.80 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.80. Administrative services and functions.

~~(1) The agency may request from the city, and the appropriate city department may provide, the following services to the agency:~~

~~(a) Management information services;~~

~~(b) Financial management information system services;~~

~~(c) Purchasing;~~

~~(d) Printing, duplicating and graphics;~~

~~(e) Mailing;~~

~~(f) Word processing services;~~

~~(g) Office space and equipment;~~

~~(h) Labor negotiations;~~

~~(i) Affirmative action, minority and women's business enterprise program, and contract compliance;~~

~~(j) Payroll preparation; and~~

~~(k) Motor vehicles and other equipment.~~

~~(2) The agency shall request, and the finance officer shall provide, the usual financial services which the finance officer provides other city departments.~~

~~(3) The agency shall use the accounting system established by the city council for all new activities, programs and projects, and for all existing activities, programs and projects where feasible.~~

Administrative services to support the agency shall be provided by the appropriate departments of the city.

Section 9. That Section 422.90 contained in Chapter 422, Minneapolis Community Development Agency, be and is hereby repealed.

~~422.90. Development finance committee and common project management committee.~~

~~(1) A development finance committee consisting of no more than thirteen (13) members and no less than eleven (11) members shall be appointed by the executive director to evaluate the financial aspects of proposed projects and programs and to advise the board of commissioners, city council, mayor and executive director.~~

~~(2) The development finance committee membership shall consist of no more than three (3) representatives from agency staff, a representative of the city finance department and at least seven (7) members from the private sector who have substantial development and/or finance experience. The chair of the development finance committee shall be a member of the committee elected by the committee.~~

~~(3) The development finance committee shall review and comment on specific project or program expenditures of certain public funds. the board of commissioners shall by resolution establish financial policies and procedures governing activities of the development finance committee.~~

~~(4) The common project management committee shall consist of the executive director, the deputy executive director, the directors of the housing and economic development divisions of the agency, the city planning director, the city finance director, the executive secretary of the board of estimate and taxation, the city assessor and the executive director of the neighborhood revitalization program. The executive director of the agency shall act as chair. The purpose of the common project management committee will be to recommend to the board of commissioners, the city council and the mayor overall strategies for the common project system, including, but not limited to, investment strategies, general programmatic recommendations and recommendations on managing the cash flow.~~

~~(5) The development finance committee and the common project management committee will be staffed by persons designated by the executive director.~~

Section 10. That Section 422.100 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.100. Establishment and review of programs and projects.

(1) All agency programs or projects established before the date of adoption of this amendment shall operate under their existing guidelines, criteria, rules, regulations, project plans or finance plans. Pursuant to a reorganization of the city's development function in 2003, most agency programs and projects were transferred to the city's department of community planning and economic development. All agency programs or projects retained by the agency shall operate under their existing guidelines, criteria, rules, regulations, project plans or finance plans, as may be amended from time to time.

(2) The agency and the city shall work in cooperation with one another to establish any new agency programs and projects as follows:

~~(a) The city council and the board of commissioners must approve the project plan and finance plan for each any new agency project before it is implemented by the agency. The administrative procedure for preparation and approval of a project plan or finance plan must be approved by joint resolution of the city council and the board of commissioners. The administrative procedure must be in accordance with relevant state statutes pertaining to the adoption of project plans and finance plans, and must include (i) agency staff preparation of a draft project or finance plan, (ii) transmittal of the draft plans to interested parties for a thirty (30) day review and comment period, (iii) a public hearing conducted by the city council, (iv) final approval by the city council and the board of commissioners, and (v) implementation of the project by the agency.~~

~~(b) The board of commissioners must establish approve guidelines for each any new agency program before it is implemented by the agency. The administrative procedure to establish the program guidelines must be approved by resolution of the board of commissioners. The administrative procedure must include (i) preparation of draft program guidelines by agency staff, with planning, finance and other city staff participation as needed, (ii) transmittal of the draft program guidelines to interested parties for a forty-five (45) day review and comment period, (iii) planning commission review for consistency with the city's comprehensive plan, (iv) final approval by the board of commissioners, and (v) implementation of the program by the agency.~~

~~(c) The city council may adopt development objectives for project areas and other geographic areas identified by the city planning department and agency as having significant development issues or opportunities. The administrative procedure to establish the development objectives must be approved by resolution of the city council. The administrative procedure must include (i) preparation of draft development objectives jointly by agency and city planning department staff, with finance and other city staff participation as needed, (ii) transmittal of the draft development objectives to interested parties for a forty five (45) day review and comment period, (iii) planning commission review, and (iv) final approval by the city council.~~

~~(d) The executive director, with the concurrence of the city planning director, may form an interdisciplinary team consisting of representatives of the agency and representatives of the planning, finance and other city departments, as appropriate, to review specific development proposals for consistency with the approved development objectives, project plans and finance plans. The administrative procedure for creation and operation of such interdisciplinary teams must be approved by resolution of the city council. The administrative procedure may include (i) criteria for determining which proposals are subject to review, (ii) composition of the interdisciplinary team, and (iii) transmittal of the interdisciplinary team's recommendations to the development finance committee, the board of commissioners, the planning commission and the city council, as appropriate, before any final actions are taken with respect to the development proposal.~~

~~(3) The city council and the board of commissioners, as appropriate, may at any time review and amend any development objectives, project or finance plans, program guidelines or administrative procedures.~~

~~(a) Modifications to project plans or finance plans must be adopted in accordance with administrative procedures approved by joint resolution of the city council and the board of commissioners and only after the discussion, public hearing and findings required by state statute.~~

~~(b) Amendments to program guidelines must be adopted in accordance with administrative procedures approved by resolution of the board of commissioners.~~

~~(c) Amendments to development objectives must be adopted in accordance with administrative procedures approved by resolution of the city council.~~

~~(4) The following matters of agency business need not be referred to the city council, including but not limited to informational reports; all land acquisitions, condemnations, valuation and disposition; mortgage administration; policies; neighborhood group contracts; authorization of litigation; and allocation of program funds.~~

~~(5) Agency and city planning department staff shall jointly prepare and deliver an annual report to the city council and the board of commissioners evaluating the effectiveness of agency projects and programs. The annual report shall be prepared within the context of an annual sequence of planning and policy-making activities to include the state of the city report, the mayor's state of the city address, revisions to the comprehensive plan, revisions to the agency's strategic plan, and preparation and approval of the annual city budget.~~

Section 11. That Section 422.110 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.110. Powers and duties.

(1) The agency may exercise any and all of the powers provided in Minnesota Laws 1980, Chapter 595, as amended, Minnesota Statutes, Sections 469.001 to 469.068, 469.109 to 469.134, 469.152 to 469.165 and 469.174 to 469.179, except Sections 469.033, subdivision 6, and 469.060; Minnesota Laws 1974, Chapter 285, except Section 4; Minnesota Laws 1985, Chapter 188, except Section 2, subdivision 3; and Minnesota Laws 1977, Chapter 138, except the provisions of Section 3 which authorizes the issuance of general obligation bonds; and as the above statutes and laws may be amended.

All powers granted to the city council by Minnesota Laws 1980, Chapter 595, as amended, are retained by the city council, and the city council may exercise any powers which the agency is authorized by this chapter to exercise. All powers granted by Minnesota Statutes Chapter 462C and Sections 469.152 to 469.1651 may be exercised by the city council. ~~Provided, however, the agency may issue bonds pursuant to supplemental resolutions to the agency's basic resolution and indenture, Resolution No. 82-512, as amended, for the general agency reserve fund system.~~

(2) The agency shall also have the following powers:

(a) To own and lease real and personal property necessary for its operation.

(b) To ~~provide administration for all~~ implement certain projects and programs in the city, and receive development proposals, develop information and make recommendations to the city council and mayor in regard thereto as may be determined from time to time.

- (c) To recommend policy changes to the city council.
- (d) To conduct public hearings as required by law.
- (e) To acquire, lease or sell land or property.
- (f) To exercise the right of eminent domain.
- (g) To conduct demolition and relocation activities as necessary.
- (h) To contract for services in regard to projects and programs following approved agency policies.
- (i) To maintain communications with all appropriate city departments and neighborhood organizations.
- ~~(j) To employ all necessary staff subject to the limitations of the budget determined by the city council.~~
- ~~(k) To provide staff to support and implement citizen participation and the neighborhood revitalization program.~~

~~(l)~~ (j) To sell bonds and pledge the full faith and credit of the agency issue revenue bonds under the terms and limitations of any special or general laws of the state of Minnesota, or the charter of the city, applicable to the agency.

~~(m)~~ (k) To apply for any available grants following normal city process.

(3) The executive director shall be responsible for the performance of all administrative duties relating to the powers herein granted, and shall perform all additional duties as may be properly delegated by action of the board of commissioners to the executive director, ~~including but not limited to the following:~~

~~(a) To implement projects consistent with project and finance plans approved by the board of commissioners and the city council.~~

~~(b) To implement programs consistent with budgets and program guidelines approved by the board of commissioners.~~

~~(c) To establish fair market values, make offers and acquire real properties consistent with approved projects and programs.~~

~~(d) To settle condemnation cases within approved project or program budgets.~~

~~(e) To restructure or write off delinquent agency loans consistent with approved agency policies.~~

~~(f) To approve citizen participation and nonprofit administrative contracts consistent with budgets approved by the city council.~~

~~(g) To establish professional services panels for appraisers, attorneys, architects and engineers, financial and market analysts, surveyors, environmental consultants and similar professional services consistent with city affirmative action and emerging small business goals.~~

~~(h) To determine the total number of full-time equivalent agency positions within personnel budgets approved by the city council.~~

~~The executive director shall prepare and submit quarterly reports to the board of commissioners concerning the status of agency projects, programs and budgets.~~

Section 12. That Section 422.130 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.130. Assumption of obligations. ~~The agency shall assume and carry out all obligations and contracts relating to matters other than public housing, including labor agreements, and neighborhood group contracts, of the former Minneapolis Housing and Redevelopment Authority and the former Minneapolis Community Development Agency. The city has assumed and is carrying out certain agency obligations and contracts pursuant to resolutions 2003R-625 and 2003R-626 of the city council. The city is bound by the transferred obligations of the agency. The pledge of the full faith and credit of the agency to any bonds, notes or other debt obligations of the agency that were transferred to the city shall not be secured by the full faith and credit or taxing power of the city, but only by the assets pledged by the agency to the payment of the bonds, notes or other debt obligations.~~

Section 13. That Section 422.140 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.140. Legal counsel. ~~The city attorney shall be legal counsel for the agency. The agency may retain its own legal counsel in accordance with administrative procedures approved by the city council and/or utilize the services of the city attorney's office.~~

Section 14. That Section 422.150 contained in Chapter 422, Minneapolis Community Development Agency, be and is hereby repealed.

~~**422.150. Capital improvements.** The capital improvements process resolution adopted January 26, 1979, and the accompanying petition, as amended March 14, 1980, and as may be amended, shall be observed as city policy by the agency in developing all proposed capital improvement policies, programs and projects. The director of the agency shall ensure that all current provisions and schedules required by resolution and petitions be met by the agency.~~

Section 15. That Section 422.180 contained in Chapter 422, Minneapolis Community Development Agency, be and is hereby repealed.

~~**422.180. Contractor's surety bonds.** Unless a contractor is required by this Code of Ordinances or any other law to furnish to the agency a payment, performance or other surety bond, the executive director may waive the bond if a bond is not reasonable or necessary for the protection of the agency or may set the principal amount of the bond at an amount less than the full contract price if such amount is sufficient for the protection of the agency. In reducing or waiving the bond the executive director shall consider the following criteria, if applicable:~~

~~(a) The financial capability of the contractor to perform the contract.~~

~~(b) The amount of damages that would likely be incurred by the agency if the contractor were unable to perform the contract.~~

~~(c) If the contract is for services, then, in addition to the other listed criteria, the frequency and amount of payments to be made to the contractor by the agency and the agency's potential liability for the wages and payment of the contractor's laborers and suppliers.~~

~~(d) The potential for liens to be placed upon the agency's property, including property supplied to the agency under the contract.~~

~~(e) The potential for product failures during the period of any warranty included in the contract.~~

~~(f) The cost of the surety bond and the estimated extent to which it could result in an increase in the cost of the contract.~~

~~For contracts awarded on the basis of competitive bidding, any reduction or waiver of the surety bond shall be determined prior to the advertisement of the request for bids and stated in the advertisement. Alternatively, bids may be requested with the bond reduced or waived as alternative bid items.~~

Section 16. That Section 422.190 contained in Chapter 422, Minneapolis Community Development Agency, be amended to read as follows:

422.190. Administrative guidelines. Proprietary interest protection agreements in hotel/restaurant projects.

~~(a) Policies intended to affect publicly financed development activities shall be adopted by resolution of the city council or board of commissioners. The respective enabling resolution shall direct appropriate city or Minneapolis Community Development Agency staff to prepare administrative guidelines to implement the respective policy. The administrative guidelines shall be effective upon approval by the city council or board of commissioners.~~

~~(b) Proprietary interest protection agreements in hotel/restaurant projects.~~

Findings and declarations:

(a) Findings and declarations:

(1) In the course of managing real property that it owns or in otherwise carrying out its functions in the public interest, the city and/or the agency may participate in real property development as a property owner, lessor, proprietor, lender, or guarantor, facing similar risks and liabilities as other business entities participating in such ventures. For example, the ~~city/agency~~ city or agency may lease its real property under a percentage lease, or otherwise invest or pledge its resources in real estate development projects as an owner, lender, or guarantor. As a result, the ~~city/agency~~ city or agency has an ongoing proprietary interest in the development, and thus, has a direct interest in its financial performance.

(2) In such situations, the ~~city/agency~~ city or agency must make prudent management decisions, similar to any private business entity, to ensure efficient management of its business concerns, and to maximize benefit and minimize risk. One of those risks is the possibility of labor/management conflict arising out of labor union organizing campaigns. Such conflict may adversely affect the ~~city's/agency's~~ city's or agency's investment in real estate development or other circumstances in which it has a proprietary business interest by causing delay in the completion of a project, and/or by reducing revenues or increasing costs of the project when they are completed.

(3) To minimize these risks in circumstances where costly labor/management conflict has arisen in the past, the city enacts this section requiring that certain employers shall agree, as a condition of the ~~city's/agency's~~ city's or agency's economic involvement in a development project, to expeditious procedures by which their workers can register their preference regarding union representation.

(4) A major potential source of labor/management conflict that threatens the ~~city's/agency's~~ city's or agency's economic interests as a participant in development projects is the possibility of economic action in those developments by labor unions against employers opposing unionization. Experience of municipal and other investors demonstrates that organizing drives pursuant to formal and adversarial union certification processes often deteriorate into protracted and acrimonious labor/management conflict. Such conflict can result in construction delays, work stoppages, picketing, strikes, consumer boycotts, and other forms of "corporate campaigns" which can generate negative publicity and reduced revenues that threaten the ~~city's/agency's~~ city's or agency's proprietary interests.

(5) These risks are heightened in the hotel and restaurant industry because they are so closely related to tourism "a mainstay of Minneapolis" economy. Labor strife in hotel/restaurant projects in which the city or agency is an investor or other economic participant can jeopardize the operation of related tourist and commercial facilities, as well as the city's national reputation as a tourist and convention destination. To minimize that risk in circumstances where costly labor/management conflict has arisen in the past, the city requires that certain specified employers in the hotel and restaurant industry shall agree, as a condition of the city's or agency's economic involvement in a hotel/restaurant project, to nonconfrontational and expeditious procedures by which their workers can register their preference regarding union representation.

(6) These risks of potential labor/management conflict are particularly acute when labor unions seek to organize workers in hotels and restaurants, as labor relations in the hospitality industry in Minneapolis have proven especially contentious, and have resulted in many protests, boycotts and other activities which have disrupted the business of the hotel/restaurant and the tourist industry.

(7) In view of these concerns, the city deems it necessary to approach with great caution any economic participation in a hotel/restaurant project if the city or agency retains a proprietary interest. The city finds that cautionary approach to be particularly appropriate given other possible factors present in such developments, such as the city's or agency's sometimes special proprietary interests or other special concerns identified herein, and/or their complex financing schemes, the possible use of scarce land resources, as well as the dependence of such projects on public "good will" and the special vulnerability of such projects to consumer boycotts, etc.

(8) One method of reducing the risk to the ~~city's/agency's~~ city's or agency's proprietary interests is to require, as a condition of the ~~city's/agency's~~ city's or agency's investment or other economic

participation, that employers operating in a development project agree to a lawful, nonconfrontational process for resolving a union organizing campaign expeditiously. That alternative process is a so-called "card-check," wherein employee preference regarding whether or not to be represented by a labor union is determined based on signed authorization cards. Private employers are authorized under existing federal law to agree voluntarily to use this procedure in lieu of election procedures supervised by the National Labor Relations Board.

(9) The city finds, based on local history, that compliance with these procedures will help reduce the possibility of labor/management conflict jeopardizing the ~~city's/agency's~~ city's or agency's proprietary interest in hotel/restaurant development projects. To ensure that card check procedures are required only to the extent necessary to ensure the goal of minimizing labor/management conflict, an employer which agrees to such procedures and performs its obligations under a proprietary interest protection agreement will be relieved of further obligation to abide by those procedures if a union engages in economic action such as striking, picketing, or boycotting the employer in the course of an organizing drive at a site covered by this section.

(10) The sole purpose of this section is to protect the ~~city's/agency's~~ city's or agency's proprietary interests in certain narrowly prescribed circumstances where the ~~city/agency~~ city or agency commits its economic resources and its proprietary interests are put at risk by certain forms of labor/management conflict. This section permits the ~~city/agency~~ city or agency to act in furtherance of the ~~city's/agency's~~ city's or agency's proprietary interests where analogous private conduct would be permitted. This section is not intended, nor should it be interpreted, to enact or express any generally applicable policy regarding labor/management relations, or to regulate those relations in any way. This section is not intended to favor any particular outcome in the determination of employee preference regarding union representation.

~~(e)~~ (b) Duty of agency or city. On any hotel/restaurant development project in which the ~~city/agency~~ city or agency participates or has a financial interest, the agency's executive director or city's director of community planning and economic development, as applicable, shall determine, pursuant to its powers established in Section 422.110, whether ~~employers on the project are required to enter into the agency or city, as applicable, has~~ a proprietary interest protection agreement (hereinafter "agreement"). All such determinations shall be made on a case-by-case basis pursuant to the standards articulated in subsection ~~(f)~~ (e), subject to the exemptions set forth in subsection ~~(1)(2)~~ (k)(2). Such determinations shall be made in all cases as a necessary precondition of the ~~city's/agency's~~ city's or agency's participation in a development project.

~~(d)~~ (c) When agreements required. ~~A proprietary interest protection agreement shall be required where~~ Where the agency's executive director or city's director of community planning and economic development, as applicable, determines that the city/agency city or agency has a proprietary interest at risk in a hotel/restaurant development project pursuant to the definition set forth in subsection (f) (e), he or she shall recommend that the board of commissioners or city council, as applicable, adopt a resolution requiring a proprietary interest protection agreement.

~~(e)~~ (d) Proprietary interest protection agreement. A proprietary interest protection agreement is a written agreement between an employer and a labor organization that provides, at a minimum, the following:

(1) Employee preference regarding whether to be represented by a labor organization for collective bargaining, and if so, by which labor organization, shall be determined based on signed authorization cards in a card check procedure conducted by a neutral third party in lieu of a formal election.

(2) The employer and the labor organization shall at all times refrain from the use of intimidation, reprisal or threats of reprisal, or other conduct designed to intimidate or coerce employees to influence the decision by employees whether to join or be represented by any labor organization.

(3) Signatory labor organizations shall forbear from taking economic action, such as striking or picketing, against the signatory employer at the worksite of an organizing drive covered by this section, so long as the employer complies with the terms of the agreement.

The employer and labor organization may incorporate additional consistent provisions to protect the ~~city's/agency's~~ city's or agency's proprietary interest if they so agree.

~~(f)~~ (e) *Proprietary interest.* The ~~city/agency~~ city or agency shall be deemed to have a proprietary interest in a hotel/restaurant development project where the agency's executive director or city's director of community planning and economic development, as applicable, determines, on a case-by-case basis, that one or more of the following conditions are met:

(1) That the ~~city/agency~~ city or agency, as property owner, receives ongoing revenue such as rent payments under a lease of real property owned by the ~~city/agency~~ city or agency for the development of a project, excluding government fees or tax or assessment revenues, or the like, except for tax revenues under the circumstances specified in parts (2) and (3) below.

(2) That the ~~city/agency~~ city or agency receives ongoing revenue from a project to repay loans provided by the ~~city/agency~~ city or agency to assist the development of said project, including incremental tax revenues generated by the project and used, directly or indirectly, to repay the loan by the ~~city/agency~~ city or agency where the proceeds are used for development of that project.

(3) That the ~~city/agency~~ city or agency receives ongoing revenue from a project to pay debt service on bonds provided by the ~~city/agency~~ city or agency to assist the development of said project, including incremental tax revenues generated by the project and used, directly or indirectly, to pay debt service on bonds by the ~~city/agency~~ city or agency where the proceeds are used for development of that project.

(4) That the ~~city/agency~~ city or agency has significant assets at risk because it has agreed to underwrite or guarantee the development of a project, or loans related thereto.

(5) That the ~~city/agency~~ city or agency has a significant ongoing economic and nonregulatory interest at risk in the financial success of a project which is likely to be adversely affected by labor/management conflict resulting from a union organizing campaign, except that no interest shall be considered "economic and nonregulatory" if it arises from the exercise of regulatory or police powers such as taxation (except as set forth in parts (2) and (3) above), zoning, or the issuance of permits or licenses.

~~(g)~~ (f) *Development project.* A development project means a hotel/restaurant project as defined in Section 422.30(e).

~~(h)~~ (g) Employer. Employer means any person, corporation, company, association, limited or general partnership, joint venture, contractor, subcontractor, or other entity who employs individuals at the site of a development project, and whose ongoing economic performance and potential for labor/management conflict can affect the ~~city's/agency's~~ city's or agency's proprietary interest, including, but not limited to, commercial, retail, hospitality, or services enterprises in a development project.

~~(i)~~ (h) Contracts. Where the ~~agency determines~~ board of commissioners or city council, as applicable, has determined by resolution that a proprietary interest protection agreement is required on a development project, any ~~city/agency~~ city or agency contract must include a provision requiring any employer on said project to enter into said agreement as essential consideration for the ~~city/agency~~ city or agency entering into the contract. "Contract" means a lease, management agreement, service agreement, loan, bond, guarantee, or other similar agreement to which the ~~city/agency~~ city or agency is a party and in which the ~~city/agency~~ city or agency has a proprietary interest.

~~(j)~~ (i) Requests for proposal. Any request for proposal or invitation to bid or similar document regarding a ~~city/agency~~ city or agency development project must include in such document a summary description of and reference to the policy and requirements of this section. Failure to include description or reference to this section in a request for proposal or similar document shall not exempt any employer otherwise subject to the requirements of this section.

~~(k)~~ (j) Model agreement. The ~~city/agency~~ city or agency may set forth a model proprietary interest protection agreement to provide guidance for compliance with this section.

~~(l)~~ (k) Scope and exemptions.

(1) *Scope.* The requirements of this section apply only to the procedures for determining employee preference regarding whether to be represented by a labor organization for purposes of collective bargaining and/or by which labor organization to be represented. Nothing in this section requires an employer to recognize a particular labor organization. Nor does any provision of this section require that an employer enter into a collective bargaining agreement establishing the substantive terms and conditions of employment.

(2) *Exemptions.* The requirements of this section shall not apply to:

a. Employers employing fewer than the equivalent of fifteen (15) full-time or part-time employees at the site of the development project.

b. Any employer signatory to a valid and binding collective bargaining agreement covering the terms and conditions of employment for its employees at that development project, or which has entered into an agreement with a labor organization regarding such employees which agreement provides at least equal protection from the risks of labor/management conflict as provided by the minimum terms provided herein.

c. Any development project where the agency's executive director or city's director of community planning and economic development, as applicable, determines that the risk to the ~~city's/agency's~~ city's or agency's financial or other nonregulatory interest resulting from labor/management conflict is so

minimal or speculative as not to warrant concern for the ~~city's/agency's~~ city's or agency's investment or other nonregulatory interest.

d. Any development project that receives less than one hundred thousand dollars (\$100,000.00) of assistance from the ~~city/agency~~ city or agency.

e. Any residential development project.

f. Any multi-tenanted development project that is built on a speculative basis.

g. Any development project that receives only conduit bond financing from the ~~city/agency~~ city or agency.

h. Any development project involving a historically designated building.

~~(m)~~ (l) *Enforcement.* The city shall investigate complaints that this section has been violated or that a provision in a ~~city/agency~~ city or agency contract or subcontract requiring a proprietary interest protection agreement has been breached, and may take any action necessary to enforce compliance, including but not limited to, instituting a civil action for an injunction and/or specific performance.

~~(n)~~ (m) *Severability.* If any part or provision of this section, or the application thereof to any person or circumstance, is held invalid, the remainder of this section, including the application of such part or provisions to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this section are severable.

Section 17. That Chapter 425, Working Capital Loans, be and is hereby repealed.

CHAPTER 425. WORKING CAPITAL LOANS

~~**425.10. Authority.** Pursuant to 1988 Minnesota Laws, Chapter 594, Section 6, the City of Minneapolis has been authorized to establish a program to provide working capital loans to owners of small businesses. In establishing a working capital loan program, the city council is acting in all respects for the benefit of the citizens of the City of Minneapolis to serve a public purpose in improving and otherwise promoting their health, welfare and prosperity.~~

~~**425.20. Findings; purpose.** The city council of the City of Minneapolis finds that there is a need to encourage the expansion of small businesses in the city to increase the tax base, to provide new employment opportunities, to alleviate or prevent economic blight and deterioration, to stimulate economic development and to assist in the implementation of the comprehensive plan for the city. The city council further finds that some owners of small businesses are unable to obtain working capital on terms available in the private credit market, and that the health, safety and general welfare and the preservation of the quality of life of the residents of the City of Minneapolis are dependent on the preservation and expansion of small businesses in the city.~~

~~**425.30. Definitions.** The following terms when used in this chapter shall have the following respective meanings:~~

~~(1) Act shall mean Laws of Minnesota 1988, Chapter 594, Section 6, as now in effect and from time to time amended.~~

~~(2) Program shall mean the working capital loan program authorized by the act and set forth in this chapter.~~

~~(3) Guidelines means guidelines adopted by resolution by the city council for the program.~~

~~(4) Small business shall mean a small business as defined in the act.~~

~~(5) MEDC shall mean the Minneapolis 503 Economic Development Company, a Minnesota nonprofit corporation, or its successor.~~

~~(6) Participation loan shall mean an interest purchased or otherwise funded by the MEDC in a working capital loan made to a small business by one or more private lenders.~~

~~(7) Loan guarantee shall mean in whole or in part the guarantee by the MEDC of a working capital loan or portion of a working capital loan which is made by one or more private lenders to a small business.~~

~~**425.40. Administration.** The MEDC is hereby authorized to administer the program in accordance with the act and the guidelines and resolutions adopted by the city for the program.~~

~~**425.50. Forms and procedures.** The city council shall adopt guidelines setting forth uniform procedures by which applications for loans shall be submitted and processed, and for determining eligibility of borrowers, and other procedures necessary or desirable in carrying out the program. The MEDC may, in its discretion and from time to time, prescribe and amend forms to be used by an applicant in applying for financing under the program.~~

~~**425.60. Eligible applicants.** Any small business located in the city shall be eligible to make application for loans under the program defined herein in accordance with these regulations.~~

~~**425.70. Authorization of loans.** Under the program, no loan shall be made or purchased until the MEDC has reviewed the application relating to the loan and has approved such loan. In approving applications for loans under the program, the MEDC, in addition to other requirements of this chapter and the guidelines, shall consider the availability and affordability of private credit; the availability and affordability of other government programs; and the creditworthiness of the small business.~~

Applicants must demonstrate that they meet one or more of the following:

~~(1) The applicant demonstrates a potential for growth;~~

~~(2) The applicant serves new and emerging markets;~~

~~(3) The applicant's expansion provides job opportunities for city residents;~~

~~(4) The applicant's expansion strengthens the city's tax base; or~~

~~(5) The applicant's expansion revitalizes a target neighborhood.~~

~~425.80. Program terms.~~ The program may be funded by an advance of funds to the MEDC for such purpose. The program will provide funds to small businesses through participation loans or loan guarantees or a combination of both.

~~(1) The MEDC may purchase or make participation loans. Payment of the program portion of the loan may be subordinated to payment of the private lenders' portion of the loan. The MEDC may make or enter into a loan guarantee.~~

~~(2) For any small business, the maximum participation loan and loan guarantee amount is one hundred thousand dollars (\$100,000.00) in the aggregate, or such lesser amount as may be established by the guidelines.~~

~~(3) The interest rate on a participating loan may be established by the MEDC at a rate not less than zero and not greater than the participating lenders' rate. The interest rate on the participating lenders' loan and the interest rate on a loan subject to a loan guarantee may not exceed any limit established in the guidelines.~~

~~(4) The initial term of a participation loan or loan guarantee may not exceed sixty (60) months.~~

~~(5) The participation loan or loan guarantee need not be collateralized unless required by the guidelines.~~

~~(6) Proceeds of the participation loan or the loan subject to a loan guarantee shall be used to finance working capital, and may not be used to refinance existing debt.~~

~~(7) A fee to provide for the city's administrative costs of the program in an amount not to exceed one per cent of the principal amount of the participation loan or loan guaranty may be charged to each small business at the time of the loan participation or loan guarantee closing.~~

~~425.90. Coordination with other programs.~~ Loans made or guaranteed under this chapter may be made in conjunction with other loan programs of the city or other public agency.