HEDA WORKING SESSION

Monday November 18, 2024

Following regular HEDA meeting

ATTENDANCE:			
	President Shari Majkich Brock		*Greg Pruszinske, City Administrator*
	Member John Schweiberger		*Andy Borland, City Attorney*
	Member Jennifer Hoffman Saccoman		*Sheena Mulner, Finance Director Treasurer*
	Member Steve Jurenes		*Candie Seppala, City Clerk/Deputy Admin*
	Member Roger Kivela		*Betsy Olivanti, Community Dev. Director*
	Member Mayor Pete Hyduke		
	Member Mike Egan		

AGENDA:

Reports and Updates:

1. Jefferson School Next Steps
2. Downtown Loan Discussion
3. Downtown Traffic and Parking Study
4. Miscellaneous – Round Table

NEXT REGULAR MEETING: December 16, 2024

ADJOURNMENT:

NEW HISTORY

November 14, 2024

City of Hibbing Economic Development Authority
401 East 21st Street
Hibbing, MN 55746
Delivered To: Betsy Olivanti, Community Development Director
BetsyOlivanti@hibbingmn.gov

Project: Agreement Letter for Historic Building Consulting Services
Jefferson School
2810 Diane Lane
Hibbing, MN 55746

Dear Betsy:

We appreciate the opportunity to continue working with you and your colleagues, continuing to study the feasibility for building reuse at Jefferson Elementary. The purposes of this letter are to confirm our Scope of Services and propose our consulting fees for the next phase of the project. Our scope and understanding of the project are based on our recent conversations and emails. Our contract, upon your acceptance, consists of this letter and the incorporated attachments: New History "Hourly Billing Rates" and "General Terms and Conditions." We look forward to working with you on this project.

Project Understanding

New History has spent the last few months getting to know the Jefferson Elementary building at 2810 Diane Lane, in Hibbing. Our assessment phase included both physical observation, research, and developing options and implications. As we move forward, New History will continue to provide reuse consulting to the Hibbing Economic Development Authority, and provide developer outreach, in order to inform the viability, challenges and opportunities of the site. The goal of this effort is to procure multiple proposals for redevelopment in response to a city-issued Request for Proposals (RFP).

Scope of Services

The purpose of our Scope of Services is to inform reuse options for the Jefferson School. Our proposed Scope of Services includes:

1. **Advisory Services –**

   - Define the critical path and develop a timeline for redevelopment. Stakeholder Engagement, Consultant coordination (Site Masterplan, Schematic building design)

- Conduct focused interviews with potential developers to determine private market barriers and opportunities, and potential interest in privately led development.
- Identify and evaluate funding sources for publicly- and privately-led redevelopment of the site, including those specific to program, building systems, and neighborhood context, including gap analysis (amount and gap sources)
- Assist city staff conducting community outreach, facilitating surveys and questionnaires as needed, and participation at public meetings.
- The city will procure a property appraisal, site survey, hazardous materials survey, geotechnical report. New History will be available to review the information provided and summarize takeaways for key stakeholders.

2. Developer RFP –

- Development of a preferred delivery model
- Definition of the program narrative, design requirements, and design scope.
- Drafting selection process (public RFP, invited solicitation, etc.)
- Support during selection process (review and comment on proposals, participation in interviews or review of contract).

Consulting Fees

Our work will be provided on an hourly basis per the estimates below. We have also included our estimated hourly fees for alternate scope item (1.a) and optional scope item (4). Invoices will be sent monthly, unless requested otherwise. Please see the attached Hourly Rates for additional information.

Scope Item	Estimated Effort and Fees
1. Building Reuse Advisory Services	$8,000 (approx. 40hrs)
2. Developer RFP	$6,500 (approx. 32hrs)
Reimbursable Expenses	Estimated less than $1,500
Total for scope items #1-#2	**Not-to-Exceed $14,500 including reimbursable expenses.**

Our proposal does not include:

- General city approvals for redevelopment
- Construction drawings or specifications
- Material testing
- Hazardous materials survey
- Permitting
- Legal counsel, accounting, and tax advice

Project Billing

Invoices are typically sent monthly, unless stated otherwise. Billing rates may be increased annually.

Project Role	Hourly Billing Rate
Principal, Meghan Elliott	$285
Managing Partner, Kirk Davis	$225
Project Director	$195
Project Team Member	$180
Associate Team Member	$160
Administrative Support	$90

Reimbursable Expenses

We will not charge any of our minor and incidental project-related expenses such as mileage, parking, or photograph printing. Extraordinary expenses are billed at 1.1 times the cost. Extraordinary expenses typically include, but are not limited to:

- Mileage, airfare, and/or per diem outside of the seven-county Twin Cities metropolitan area
- Large-format scanning of historic drawings
- Sub-consultant fees, if applicable
- Application fees
- Archival fees
- Mailing and shipping charges for applications

As with any project of this nature, our scope, and your requirements, can change quickly and substantially as new information becomes available and the project evolves. We will provide regular progress reports so that we can adjust, augment, or curtail our scope of services to be compatible with your process. If our Scope of Services must be adjusted, we will work with you to revise our Agreement.

We look forward to working with you and your colleagues. If you find this proposal acceptable, please initial the scope line(s) you desire in the table above, sign and return a copy of the next page. I may be reached at the contact information below for any comments or questions.

Sincerely,

Kirk Davis, Managing Partner
New History
(612) 843-4142
davis@newhistory.com

Katie Kuisle, Director
New History
(612) 843-4145
Kuisle@newhistory.com

APPROVAL AND ACCEPTANCE OF AGREEMENT

Our contract consists of this Agreement Letter and the incorporated attachments:

- New History Hourly Billing Rates
- General Terms and Conditions of New History for Consulting Services.

Please sign and return a copy of this page.

PROJECT: Agreement Letter for Historic Building Consulting Services
Jefferson School
2810 Diane Lane
Hibbing, MN 55746

THE UNDERSIGNED, HAVING THE AUTHORITY TO ENTER INTO THIS AGREEMENT ON BEHALF OF THE ENTITY NAMED BELOW, HEREBY ACKNOWLEDGES AND AGREES TO THIS LETTER AGREEMENT, AND THE INCORPORATED ATTACHMENTS.

PRINTED NAME: ____________________________TITLE: ________________________

COMPANY/ENTITY NAME:____

ADDRESS: ____

SIGNATURE: ______________________________________DATE: ________________________

ACCEPTED BY:

Kirk Davis, Managing Partner
New History
575 SE 9th Street, Suite 215
Minneapolis, MN 55414

SIGNATURE: Kirk Davis ______________________________DATE: November 14, 2024

GENERAL TERMS AND CONDITIONS OF
NEW HISTORY FOR CONSULTING SERVICES

THE FOLLOWING TERMS AND CONDITIONS are incorporated into and made a part of the attached Agreement Letter ("Agreement") for Consulting Services between the Client and NEW HISTORY.

1. Scope of Services. The Scope of Services to be provided is described in the Agreement, and can be modified in writing.

2. Consultant Status. NEW HISTORY's Services are advisory in nature. While Services may involve the review of the work product of architectural, engineering, design, construction, legal, accounting, and other professional services providers, NEW HISTORY is not engaged to provide such professional services unless and except as specifically stated in the Scope of Services. Therefore, the Client agrees to indemnify and hold NEW HISTORY harmless against any and all claim, loss, damage, liability, demand, suit and expenses, including reasonable attorney's fees assessed or awarded that may be incurred by NEW HISTORY as a result of third-party claims brought against NEW HISTORY, excluding any claims by Client against NEW HISTORY for breach of any express provision of this Agreement. The standard of care applicable to New History's Services shall be that applicable to other providers of the same Services, and not those applicable to professional services outside of this Agreement.

3. Site Safety and Hazardous Materials. NEW HISTORY shall have neither control of nor responsibility for site safety. NEW HISTORY shall have no responsibility for the identification, abatement or removal of hazardous materials.

4. Project Costs. The parties acknowledge that any estimate of construction costs, qualified rehabilitation expenditures (QREs), or tax credits prepared by NEW HISTORY are an estimate only. As such, NEW HISTORY does not warrant that actual amounts will not vary from estimates. NEW HISTORY's estimates are not to be taken as a warranty or guarantee of the eventual cost of the project, QREs, or historic tax credits.

5. NEW HISTORY's Documents. Documents prepared by NEW HISTORY are solely for use with respect to the project referenced in the Agreement. All documents furnished by NEW HISTORY pursuant to this Agreement are NEW HISTORY's instruments of service for this project alone, and NEW HISTORY retains all common law, statutory and other reserved rights in such documents, including intellectual property and copyright. Any use of documents prepared by NEW HISTORY except for the specific purpose intended by this Agreement will be at the Client's sole risk without any liability or legal exposure to NEW HISTORY. The Client will defend, indemnify and hold New History harmless from all claims or lawsuits arising from the use these documents on other projects without the consent of New History.

6. Compensation ("Consulting Fees"). Payment is due within thirty (30) days from the date of NEW HISTORY's invoice. If there is a material change in the Scope of Services or project conditions, NEW HISTORY's compensation shall be equitably adjusted. Cumulative annual interest at a rate of six percent (6%) will be paid by client on all past due amounts. NEW HISTORY reserves the right to suspend or terminate services, at its sole discretion, upon three days written notice in the event NEW HISTORY fails to receive timely payment of any invoice.

7. Records and Data. The Client agrees to provide to NEW HISTORY any and all data, plans, specifications, surveys, and other documents reasonably requested by NEW HISTORY to allow NEW HISTORY to complete the services to be provided by NEW HISTORY. NEW HISTORY shall be entitled to rely upon the accuracy and timeliness of the information provided by the Client. NEW HISTORY is not responsible for the inaccuracy or insufficiency of such Client-supplied information. NEW HISTORY does not assume responsibility beyond its own scope of services for disclosing or accounting for that information, for the condition of the property described therein, or for latent or concealed conditions or defects in the property.

8. Dispute Resolution. In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, including any questions regarding its existence, enforceability, interpretation or validity, the parties shall meet and confer in good faith to attempt to resolve such dispute, controversy or claim without initiating an adversarial proceeding. Should such attempts at resolution prove unsuccessful within a reasonable period after the meeting of the parties, any dispute, controversy, or claim arising under this Agreement shall be: (1) first, submitted to mandatory formal mediation in Minneapolis, Minnesota. The Parties will agree upon a mediator and share equally in the mediator's cost.

(2) If mediation fails to resolve the matter, and if the claimed injury or damage arising from the matter in dispute is $25,000.00 or less, the dispute shall be submitted to arbitration conducted in Minneapolis, Minnesota, by a single arbitrator selected by the parties in accordance with the then effective arbitration rules of the American Arbitration Association for fast-track arbitration. Judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The fees and expenses of the arbitration shall be borne equally by the parties. The decision of the arbitrator shall be binding and may be confirmed and enforced in any court having proper jurisdiction. All facts and other information relating to any arbitration arising under this Agreement shall be kept confidential to the fullest extent permitted by law. (3) If the claimed injury or damage arising from the matter exceeds $25,000.00, and discussions and formal mediation have failed to resolve the dispute, it shall be adjudicated in any Minnesota State court of competent jurisdiction. The provisions of this Section shall survive the termination of this Agreement.

9. Retainer. A retainer deposit may be required prior to commencement of services by NEW HISTORY. The retainer will be deposited in NEW HISTORY's general bank account, and any retainer funds may be commingled with NEW HISTORY's general funds. The retainer will be held until the end of Services when it will be applied to final Consulting Fees and any reimbursable expenses. Any unapplied retainer funds will be refunded to the Client.

10. Termination. In the event of material default in the terms of this Agreement by the Client, this Agreement and the obligation to provide further services under this Agreement may be terminated by written notice from NEW HISTORY to the Client. Upon termination, NEW HISTORY shall be entitled to compensation for all services rendered prior to the date of termination, together with reasonable expenses incurred to the date of termination. Failure to make timely payment of any invoice shall be a material default of this Agreement.

11. Limitation of Liability. The parties acknowledge and agree that they will not hold the other liable or assert claims for lost profits or consequential damages arising from or relating to breach of this Agreement, even if a party was advised of the possibility of such damages. The parties agree that NEW HISTORY's liability and the Client's remedy under this Agreement shall be limited to claims for monetary damages, and that any liability arising out of or relating to this Agreement shall not exceed the total amount actually paid to NEW HISTORY for services provided by NEW HISTORY under this Agreement.

12. Waiver. Client waives any and all rights against NEW HISTORY for damages covered by any property insurance or other insurance during and after completion of the Scope of Services.

13. Indemnity. The Client shall indemnify, defend and hold harmless New History, its officers and employees from and against claims, lawsuits, damages, losses, costs, including reasonable attorneys' fees, and judgments resulting from claims by third parties, to the extent such claims or lawsuits arise out of or from the negligent acts or omissions of the Owner, its employees, contractors or consultants or the employees, agents or subcontractors of any of them.

14. Entire Agreement. This Agreement, which includes any incorporated attachments and these General Terms and Conditions, constitutes the entire agreement between the parties and supersedes all prior agreements or oral understandings. No modification or waiver of this Agreement or its terms shall be binding unless in writing and executed by both parties.

15. Assignment. Neither party may assign their rights under this Agreement without the written consent of the other party. This Agreement shall be binding upon the parties and their permitted successors and assigns.

16. Governing Law. This Agreement shall be governed by and interpreted pursuant to the laws of the State of Minnesota, with any dispute or claim relating to this Agreement venued or heard in the State of Minnesota, Hennepin County.

17. Acknowledgment. The parties acknowledge that these terms and conditions are incorporated by reference into the Agreement Letter for Planning Services, that the parties have had an opportunity to read and understand these terms and conditions, discuss such terms and conditions with legal counsel, and understand the significance of this Agreement.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original with all such counterparts taken together shall constitute one and the same instrument. Facsimile or email (PDF format) signatures shall be deemed and treated as originals.

Loan	IRRR Grant	Funds for Real Estate Improvement	Redevelopment Focus District	Remaining On Loan
Lees (Old Blue Moon)	No	Yes	Yes	$28,752.60
MCKB Properties	No	Yes	?	$21,830.08
Iron Range Makerspace - 204 E Howard	No	Yes	Yes	$101,893.51
Boomtown	Yes	Yes	Yes	$112,831.54