

2P. Consideration of Authorizing expenditure of City funds in an amount up to \$7,500 for grant writing services through HR Green in connection with the MN-DEED Community Energy Transition (CET) Grant Program

<p>Prepared by: Economic Development Manager</p>	<p>Meeting Date: 08/14/23</p>	<p><input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item</p>
<p>Reviewed by: Community Development Director, Community Economic Development Coordinator, Park & Recreation Director, Finance Director, City Engineer/Public Works Works</p>	<p>Approved by: City Administrator</p>	

ACTION REQUESTED

Motion to authorize expenditures in an amount up to \$7,500 for grant writing services, a professional service through HR Green, in connection with the MN-DEED Community Energy Transition (CET) Grant Program.

REFERENCE AND BACKGROUND

The MN-DEED CET Grant Program is a relatively new funding assistance program to assist eligible Minnesota communities with plans and infrastructure improvements to address the economic and social impacts associated with the closure or pending shut down of a major power generating facility. Per authorizing legislation, the grant dollars can be used for a variety of purposes to help communities transition away from reliance on the major energy generating facilities in terms of jobs, tax base and as a general economic engine.

The City previously contracted with HR Green to write the first CET Grant application submittal in late 2021. That CET funding request by the City resulted in a \$500,000 grant award in February 2022. City staff have a comfort level with HR Green consultants performing the grant writing assistance tasks as they have extensive experience and success in preparing applications for a variety of MN-DEED grant funding programs. More specifically, staff’s recent experience with HR Green in completing a successful CET Grant Program application bolsters confidence that a high-scoring application can be accomplished in this process.

Since Xcel Energy’s Monticello Nuclear Generating Plant (MNGP) currently pays just under 50 percent of the City’s property taxes, is a major employment hub (approximately 630 workers located at the site) and is facing license expiration in 2030, staff believe it is beneficial to apply

for the next round of CET grant funding to better prepare the City for a successful transition from reliance on an energy-based economy.

The City's first CET Grant award was used for extensive planning and research efforts supporting the development of plans and studies geared toward attracting new employers and pursuing activities to increase the City's tax base and employment levels. In this new grant cycle, per the authorizing legislation, CET grant dollars can be used for studies as well as capital investments in critical public infrastructure that will help attract new business and grow the tax base. The amount of grant awards can be as high as \$1,000,000 versus the 2022 cap of \$500,000.

As of the date of completing this staff report, the application materials and guidelines have not been posted on MN-DEED's website. Staff considers this grant writing authorization request to be a prudent initial proactive step in getting ready for what will be a competitive round of funding between approximately 14 communities throughout Minnesota.

If the City Council approves the grant writing application tasks herein, then ultimately, at a future meeting, the actual CET Grant application proposal will be presented to the City Council for final approval prior to submission to MN-DEED. Staff believe it will score well if it addresses the industrial and commercial development objectives identified in the Monticello 2040 + Comprehensive Plan and the opportunities noted in the follow-up study plans completed through the first round of CET Grant funding.

- I. **Budget Impact:** The budgetary impact relating to authorizing the CET grant writing services is \$7,500. It is believed that a professional grant writer is best positioned to help complete the grant document(s) submittal packet. Funding would come from the Water and Sewer Fund budget due to the desired end deliverables (studies and infrastructure) being tied to both of those municipal utilities.
- II. **Staff Workload Impact:** Community & Economic Development and City Administration staff have a small amount of time committed to the grant submittal effort to date. The second round of the CET Grant program was approved by the legislature in the session ending in late May 2023. As soon as the Grant program materials are made available on the MN-DEED website, in-house staff will commit additional time reviewing the guidelines and grant documents to help format the proposed scope of work.
- III. **Comprehensive Plan Impact:** The Vision adopted as part of the Monticello 2040 + Plan emphasizes the responsible growth and expansion of the tax base and efforts to create a vibrant economy offering good jobs. More specifically, the Monticello 2040 plan calls out a specific goal of "a stable and expanding tax base that diversifies the city's economy and creates a sustainable employment to offset the eventual closure of the Xcel Monticello

Nuclear Generating Plant.” The CET Grant is specifically aimed at assisting the community in meeting this goal.

STAFF RECOMMENDATION

Staff recommends authorizing the funds for grant writing services. The CET Grant program is intended to help Minnesota communities like Monticello prepare for the eventual closure of major power generating facilities that play an outsized role in the economic and social fabric of the host locations. It is a competitive program with a funding level of \$10,000,000. If the City Council approves the grant writing expenditures, staff will prepare the grant application materials and present them to the City Council at a future meeting for discussion and submittal approval to MN-DEED.

SUPPORTING DATA

- HR Green Grant Writing Contract



Simple Scope Short Form Agreement

Project: CET Grant Writing Services

Project No: 201620
Phase No(s): 0001
Date: 8/10/2023

Client: City of Monticello
Contact: Mr. James Thares
Title: Economic Development Manager
Address: 505 Walnut Street
City/State/Zip: Monticello, MN 55362
Phone No. 763-271-3254

The CLIENT agrees to employ HR Green, Inc. (COMPANY) to perform the following services:

COMPANY proposes to assist CLIENT with grant writing services in attempts to acquire CET grant dollars to help fund your proposed projects.

Our services include the following tasks –

- 1) Meet with CLIENT to develop a draft list of the key elements and CET grant concepts/strategies to be included in the grant application to successfully convince the Minnesota Department of Employment and Economic Development's (DEED) grant reviewers to award to the grant to the City of Monticello; one-two meetings for this task.
- 2) Complete a draft application for the City of Monticello to review – Minnesota DEED's Community Energy Transition (CET) grant application.
- 3) Submit the draft CET grant application to the CLIENT for their review; one-two meetings for this task.
- 4) Make suggested edits to the CET grant application per city directions.
- 5) Assist CLIENT with the final submittal of the CET grant application to DEED.

The CLIENT agrees to pay COMPANY for the above scope of services:

Time & Material, Not to Exceed in the amount of \$ 7,500.00

Reimbursable Expenses Included



Sub- Consultant Services Included

Prepayment Required for Services to Commence

Copy To:

Accounting

TERMS AND CONDITIONS

Services provided by COMPANY under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing at the same time and in the same or similar locality.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the COMPANY. COMPANY's services under this Agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against COMPANY because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and COMPANY agree to require a similar provision in all contracts with contractors, subcontractors, sub-consultants, vendors and other entities involved in this project to carry out the intent of this provision.

In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the CLIENT and COMPANY agree that all disputes between them arising out of or relating to this Agreement shall be submitted to non-binding mediation unless the parties mutually agree otherwise. The CLIENT and COMPANY further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with subcontractors, sub-consultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

If litigation arises for purposes of collecting fees or expenses due under this Agreement, the Court in such litigation shall award reasonable costs and expenses, including attorney fees, to the party justly entitled thereto. In awarding attorney fees, the Court shall not be bound by any Court fee schedule, but shall, in the interest of justice, award the full amount of costs, expenses, and attorney fees paid or incurred in good faith.

All reports, plans, specifications, field data, field notes, laboratory test data, calculations, estimates and other documents including all documents on electronic media prepared by COMPANY as instruments of service shall remain the property of COMPANY.

All project documents including, but not limited to, plans and specifications furnished by COMPANY under this project are intended for use on this project only. Any reuse, without specific written verification or adoption by COMPANY, shall be at the CLIENT's sole risk, and CLIENT shall defend, indemnify and hold harmless COMPANY from all claims, damages and expenses including attorney's fees arising out of or resulting therefrom.

Under no circumstances shall delivery of electronic files for use by the CLIENT be deemed a sale by the COMPANY, and the COMPANY makes no warranties, either expressed or implied, of merchantability and fitness for any particular purpose. In no event shall the COMPANY be liable for indirect or consequential damages as a result of the CLIENT's use or reuse of the electronic files.

Because electronic file information can be easily altered, corrupted, or modified by other parties, either intentionally or inadvertently, without notice or indication, COMPANY reserves the right to remove itself from ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by COMPANY in electronic form only for information and use by CLIENT for the specific purpose for which COMPANY was engaged. Said material shall not be used by CLIENT or transferred to any other party, for use in other projects, additions to this project, or any other purpose for which the material was not strictly intended by COMPANY without COMPANY's expressed written permission. Any unauthorized use or reuse or modifications of this material shall be at CLIENT'S sole risk. Furthermore, the CLIENT agrees to defend, indemnify, and hold COMPANY harmless from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the modification or reuse of these materials.



The CLIENT agrees that the General Contractor is solely responsible for job site safety, and warrants that this intent shall be made evident in the CLIENT's Agreement with the General Contractor. The CLIENT also agrees that the CLIENT, COMPANY and COMPANY's consultants shall be indemnified and shall be made additional insureds on the General Contractor's and all subcontractor's general liability policies on a primary and non-contributory basis.

The CLIENT shall make no claim for professional negligence, either directly or in a third party claim, against COMPANY unless the CLIENT has first provided COMPANY with a written certification executed by an independent design professional currently practicing in the same discipline as COMPANY and licensed in the State in which the claim arises.

The CLIENT agrees, to the fullest extent permitted by law, to limit the liability of COMPANY and COMPANY's officers, directors, partners, employees, shareholders, owners and sub-consultants to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of COMPANY and its officers, directors, partners, employees, shareholders, owners and sub-consultants to all those named shall not exceed \$ 10,000. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

Invoices for COMPANY's services shall be submitted, on a monthly basis. Invoices shall be due and payable upon receipt. If any invoice is not paid within 15 days, COMPANY may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT suspend or terminate the performance of services. The retainer shall be credited on the final invoice. Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the maximum legal rate) on the unpaid balance. In the event any portion of an account remains unpaid 60 days after the billing, COMPANY may institute collection action and the CLIENT shall pay all costs of collection, including reasonable attorney's fees.

The COMPANY is not a Municipal Advisor registered with the Security and Exchange Commission (SEC) as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act. When the CLIENT is a municipal entity as defined by said Act, and the CLIENT requires project financing information for the services performed under this AGREEMENT, the CLIENT will provide the COMPANY with a letter detailing who their independent registered municipal advisor is and that the CLIENT will rely on the advice of such advisor. A sample letter can be provided to the CLIENT upon request.

This agreement is approved and accepted by the CLIENT and COMPANY upon both parties signing and dating the agreement. Services will not begin until COMPANY receives a signed agreement. The effective date of the agreement shall be the last date entered below.

City of Monticello, MN

HR GREEN, INC.
2500 University Ave. W, Suite 400N
St. Paul, MN 55114
Phone

Accepted by: _____

Approved by: _____

Printed/
Typed Name: _____

Printed/
Typed Name: James R. Rasmussen, P.E.

Title: _____

Title: Vice President

Date: _____

Date: August 10, 2023