



ECONOMIC DEVELOPMENT AUTHORITY
City Hall—Shared Vision Room, 3989 Central Ave NE
Tuesday, January 02, 2024
5:00 PM

MINUTES

The meeting was called to order at 5:00 pm by President Szurek.

CALL TO ORDER/ROLL CALL

Members present: Connie Buesgens; Kt Jacobs; Rachel James (virtual); Amada Márquez-Simula; Justice Spriggs; Marlaine Szurek; Lamin Dibba

Staff Present: Andrew Boucher, City Planner; Aaron Chirpich, Community Development Director; Mitchell Forney, Community Development Coordinator; Kevin Hansen, Interim City Manager; and Sara Ion, City Clerk

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of October 23, 2023.
2. Approve financial reports and payment of bills for October and November 2023 – Resolution No. 2024-01.

Márquez-Simula noted on page 9 of the minutes that the City is updating the gender pronouns and that there is a “he/she” instead of using “they”.

Motion by Jacobs, seconded by Buesgens, to approve the Consent Agenda as presented. A roll call vote was taken. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-01

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTHS OF OCTOBER AND NOVEMBER 2023 AND THE PAYMENT OF THE BILLS FOR THE MONTHS OF OCTOBER AND NOVEMBER 2023.

WHEREAS, the Columbia Heights Economic Development Authority (the “EDA”) is required by Minnesota Statutes Section 469.096, Subd. 9, to prepare a detailed financial statement which shows all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the EDA's credits and assets and its outstanding liabilities; and

WHEREAS, said Statute also requires the EDA to examine the statement and treasurer's vouchers or bills and if correct, to approve them by resolution and enter the resolution in its records; and **WHEREAS**, the financial statements for the months of October and November 2023 have been reviewed by the EDA Commission; and

WHEREAS, the EDA has examined the financial statements and finds them to be acceptable as to both form and accuracy; and

WHEREAS, the EDA Commission has other means to verify the intent of Section 469.096, Subd. 9, including but not limited to Comprehensive Annual Financial Reports, Annual City approved Budgets, Audits and similar documentation; and **WHEREAS**, financial statements are held by the City's Finance Department in a method outlined by the State of Minnesota's Records Retention Schedule, **NOW**,

THEREFORE BE IT RESOLVED by the Board of Commissioners of the Columbia Heights Economic Development Authority that it has examined the referenced financial statements including the check history, and they are found to be correct, as to form and content; and

BE IT FURTHER RESOLVED the financial statements are acknowledged and received and the check history as presented in writing is approved for payment out of proper funds; and

BE IT FURTHER RESOLVED this resolution is made as part of the permanent records of the Columbia Heights Economic Development Authority.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 2nd day of January 2024

Offered by: Kt Jacobs
Seconded by: Connie Buesgens
Roll Call: All ayes of present. MOTION PASSED.

Vice President

Attest:

Secretary

BUSINESS ITEMS

3. Election of Economic Development Authority Officers

Chirpich welcomed Szurek back to the EDA and welcomed Dibba to the EDA.

Márquez-Simula asked if President Szurek and Dibba could introduce themselves. President Szurek stated that she has served on the EDA for 30 years and previously was on the City Council and Planning Commission. Dibba mentioned that he has lived in Columbia Heights for 15 years and is originally from The Gambia West Africa. He added that he would like to contribute to the community because he loves the City. He owns a beauty shop business and a grocery store.

Chirpich noted that in 2023 the president was Szurek, vice president was James, and the

treasurer was Jacobs. He explained that they will take nominations for each position.

Jacobs nominated Szurek for EDA President.

Chirpich called for nominations for Vice President of the EDA. James nominated herself. Márquez-Simula nominated James.

Chirpich called for nominations for treasurer of the EDA. Spriggs nominated himself.

Chirpich noted that a motion is not required for the nominations and that there would simply be a vote.

Forney called for a vote to nominate Szurek as President of the Economic Development Authority. A roll call vote was taken. *A roll call vote was taken. All ayes of present.*

Forney called for a vote to nominate James as Vice President of the Economic Development Authority. A roll call vote was taken. *A roll call vote was taken. All ayes of present.*

Forney called for a vote to nominate Spriggs as Treasurer of the Economic Development Authority for 2024. A roll call vote was taken. A roll call vote was taken. All ayes of present.

Chirpich stated that the next step is to make a motions to elect each individual position with President Szurek leading the EDA through the process since she is the newly elected President. It should be noted that the EDA bylaws require the City Manager (Kevin Hansen) to serve as the "Executive Director", the Community Development Director (Aaron Chirpich) to serve as "Deputy Director" and the Finance Director (Joseph Kloiber) to serve as the "Assistant Treasurer". The bylaws also specify that the position of "Secretary" be appointed by the EDA. Thus, it is recommended that the Community Development Coordinator, Mitchell Forney, serve as the Secretary until the department's secretary position is filled.

Motion by Márquez-Simula, seconded by Spriggs to elect Marlaine Szurek as President of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by Spriggs to elect Rachel James as Vice President of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by Jacobs to elect Justice Spriggs as Treasurer of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Buesgens to appoint Mitchell Forney as the Secretary of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Following ratification of the above motions, the newly elected President of the EDA will now preside over the remainder of the meeting.

4. Designating the Official Depositories of the Economic Development Authority

Chirpich reported that the EDA is required to designate by resolution the depositories used for its funds and investments. The Resolution 2024-02 follows the general format of resolutions passed in previous years by the EDA and City. Most general banking transactions of the EDA and City are conducted through Northeast Bank. Accounts are also maintained at U.S. Bank for certain specialized services such as payroll and debt service payments.

Chirpich stated the only material difference between this proposed resolution and the resolution adopted annually by the City Council is that the EDA resolution allows for the EDA's funds to be held in accounts under the name of the City. This has always been the EDA's practice. Since the creation of the EDA in 1996, it has never had a separate checking account under its own name. All EDA expenditures since its inception have been made using checks drawn in the City's name on behalf of the EDA. Staff recommends maintaining these two banking relationships, as they meet the EDA's current needs, and provide capacity for addressing the EDA's evolving needs for electronic banking services. There is one difference between this year's depositories and those of 2023. Wells Fargo is no longer used by the EDA for its payroll processing or any other transactions and has been removed from the depository's resolution.

Motion by Jacobs, seconded by Buesgens, to waive the reading of Resolution No. 2024-02, there being ample copies available to the public. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Buesgens, to adopt Resolution No. 2024-02, a Resolution of the Columbia Heights Economic Development Authority, designating official depositories. A roll call vote was taken. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-02

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY DESIGNATING OFFICIAL DEPOSITORIES

Now, therefore, in accordance with the bylaws and regulations of the Columbia Heights Economic Development Authority (the Authority), the Board of Commissioners of the Authority makes the following:

ORDER OF BOARD

IT IS HEREBY RESOLVED, that Northeast Bank, and U.S. Bank, are hereby designated as depositories for the Authority's funds.

IT IS FURTHER RESOLVED, that the funds of the Authority can be held in accounts at these depositories under the name and federal identification number of the City of Columbia Heights, Minnesota (the City), together with the funds of the City, provided that separate fund accounting records are

maintained for the respective Authority and City shares of such accounts in a manner consistent with generally accepted accounting and auditing standards.

IT IS FURTHER RESOLVED, that the responsibility for countersigning orders and checks drawn against funds of the Authority, assigned in the Authority's bylaws to the Authority President, is hereby delegated to the City Mayor.

IT IS FURTHER RESOLVED, that checks, drafts, or other withdrawal orders issued against the funds of the Authority on deposit with these depositories under the City's name shall be signed by the following:

City Mayor
City Manager
City Finance Director

and that said banks are hereby fully authorized to pay and charge said accounts for any such checks, drafts, or other withdrawal orders issued by the City on behalf of the Authority.

IT IS FURTHER RESOLVED, that Northeast Bank, and U.S. Bank, are hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in the City's name on behalf of the Authority, including those drawn to the individual order of any person or persons whose name or names appear thereon as signer or signers thereof, when bearing or purporting to bear the facsimile signatures of the following:

City Mayor
City Manager
City Finance Director

and that Northeast Bank, and U.S. Bank, shall be entitled to honor and to charge the Authority, or the City on behalf of the Authority, for all such checks, drafts or other orders, regardless of by whom or by what means the facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens duly certified to or filed with the Banks by the City Finance Director or other officer of the Authority or City.

IT IS FURTHER RESOLVED, that the City Finance Director or their designee shall be authorized to make electronic funds transfers in lieu of issuing paper checks, subject to the controls required by Minnesota Statutes and by the City of Columbia Heights' financial policies.

IT IS FURTHER RESOLVED, that all transactions, if any, relating to deposits, withdrawals, re-discounts and borrowings by or on behalf of the Authority with said depositories, made directly by the Authority or by the City on the behalf of the Authority, prior to the adoption of this resolution be, and the same hereby are, in all things ratified, approved and confirmed.

IT IS FURTHER RESOLVED, that any bank designated above as a depository, may be used as a custodian (a.k.a. depository) for investment purposes, so long as the investments comply with authorized

investments as set forth in Minnesota Statutes.

IT IS FURTHER RESOLVED, that Bank of New York Mellon DBA Pershing Advisor Solutions LLC may be used as a custodian (a.k.a. depository) for investment purposes so long as the investments comply with the authorized investments as set forth in Minnesota Statutes.

IT IS FURTHER RESOLVED, that the funds of the Authority can be held in accounts at such investment custodians under the name and federal identification number of the City, together with the funds of the City, provided that separate fund accounting records are maintained for the respective Authority and City shares of such accounts in a manner consistent with generally accepted accounting and auditing standards.

BE IT FURTHER RESOLVED, that any and all resolutions heretofore adopted by the Board of Commissioners of the Authority with regard to depositories or brokerage firms are superseded by this resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 2nd day of January 2024

Offered by: Kt Jacobs
Seconded by: Connie Buesgens
Roll Call: All ayes of present. MOTION PASSED.

Vice President

Attest:

Secretary

5. Asbestos and Personal Item Abatement for EDA Owned Properties Located at 941 44th Ave, 3853 Central Ave NE, and 3851 Central Ave NE.

Forney reported stated that the item is regarding approving bids for the removal of hazardous material and household items from 941 44th Ave, 3853 Central Ave NE, and 3851 Central Ave NE. Earlier this year, the EDA purchased the properties intending to demolish them and prepare the sites for redevelopment. It is the intent of the fire department to utilize 3853 Central in a training burn scenario. Due to this the abatement of household items and hazardous materials are being bid separate from the demolition. The scope of work submitted in the bid request included the removal of asbestos-containing materials, appliances, and accessories containing hazardous materials, alongside the removal of the limited remaining household items. In response to the request for bids, the EDA received one quote. The quote was submitted by Dennis Environmental Operations who also recently completed the abatement of 243 5th St and 841 49th St. The Dennis Environmental bid came in at \$16,150, which pencils out to \$5,383 per property. Looking at previous projects, this is well within the expected range per property. Dennis Environmental Operations shall furnish the services and necessary equipment to complete all work specified in the scope of work. All work will be performed in accordance with OSHA regulations, Minnesota

Department of Health Asbestos Abatement Rules, and other applicable Federal and State regulations. Dennis Environmental Operations shall insure proper clean up, transport, and disposal of hazardous and asbestos-containing materials and household items.

Questions/Comments from Members:

Buesgens asked when the fire department would like to utilize the property. Forney replied in the spring.

Márquez-Simula asked if any of the items such as windows, or cabinets in the property were brought to ReStore instead of a landfill. Forney replied that appliances were taken by the fire department and that they work with ReStore if there are eligible items. He added that a lot of the items would not have qualified for ReStore since they were outdated. Chirpich added that a company reached out and requested to have access to properties like this to take any items that may be of value instead of it going to a landfill. Staff will follow up with the company.

Motion by Buesgens, seconded by Jacobs, to accept the bid of \$16,150 by Dennis Environmental Operations, for the removal of all hazardous materials and household items located at 941 44th Ave, 3853 Central Ave NE, and 3851 Central Ave NE; and furthermore, to authorize the President and Executive Director to enter into an agreement for the same. A roll call vote was taken. All ayes of present. MOTION PASSED.

6. Sale of 4243 5th Street to Habitat for Humanity

Forney reported in early 2023, representatives of the owner of 4243 5th Street approached the community development Staff, expressing the desire to sell the blighted 1916 single-family home on the site. To facilitate the acquisition and demolition, the EDA utilized income restricted pooled TIF funds from its scattered site district. The overarching project aimed at selling the vacant lot to Habitat for Humanity, allowing them to construct a single-family home for eventual sale to an income-qualified owner-occupant. With the property now cleared through demolition, the next step is its development, scheduled for the upcoming spring.

Forney added that the proposed purchase agreement, which staff presents for approval, formalizes the key components previously discussed by the EDA. Notable points include the sale of the property to Habitat for \$1.00, the construction of a new 3-bedroom, 2-story single-family home by Habitat for Humanity (with a floor plan endorsed by the EDA), and the requirement that the home be sold to an income-qualifying family meeting the criteria of Habitat's affordable homeownership program. The agreement accommodates Habitat's construction timeline (planned for this spring), but sets the completion deadline for no later than December 31, 2025. Staff strongly recommends approving the purchase agreement, marking a crucial step in what the City anticipates will be a lasting partnership for fostering affordable homeownership within the City.

Questions/Comments from Members:

Buesgens asked how many Habitat for Humanity Homes are in the City. Forney replied that Staff do not know how many are in the City. Habitat for Humanity has two types of programs; one is a

complete rebuild of lots while the other is rehabilitation. President Szurek noted that when she was on the City Council, they did five Habitat for Humanity Homes.

Márquez-Simula asked if Staff would be able to find out how many Habitat for Humanity Homes are in the City.

Buesgens asked if residents of a Habitat for Humanity home need to stay in the home for a certain amount of time until they could sell it. Jacobs stated she thought it was seven to ten years.

Buesgens asked when the Habitat for Humanity house is sold if it would be at market rate or if it remains an affordable house. Forney replied that it depends on the house and that a land trust is put on it so that it would be sold back to Habitat for Humanity. He added that he believed it was 15 years and that it is recorded on the deed of the house. Buesgens suggested that there would be a land trust on the properties.

Motion by Jacobs, seconded by Spriggs, to waive the reading of Resolution No. 2024-03, there being ample copies available to the public. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Spriggs, to adopt Resolution No. 2024-03, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the purchase agreement between Twin Cities Habitat for Humanity, and the Economic Development Authority of Columbia Heights, Minnesota. A roll call vote was taken. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-03

A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN TWIN CITIES HABITAT FOR HUMANITY, AND THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Columbia Heights Economic Development Authority (the "Authority") as follows:

SECTION 1. RECITALS.

1.01. The Authority ("Seller") and Twin Cities Habitat for Humanity ("Buyer") desire to enter into a purchase agreement (the "Purchase Agreement") pursuant to which the Buyer will acquire certain property in the City located at 4243 5th Street (the "Property") from the Seller for redevelopment purposes. The Property is described in Exhibit A attached hereto.

1.02. Pursuant to the Purchase Agreement, the Buyer will purchase the Property from the Seller for a purchase price of \$1.00 plus related closing costs.

1.03. The Authority finds that the sale of the Property is consistent with the City's Comprehensive Plan and will result in redevelopment of the empty lot located at 4243 5th Street. Such sale of this Property best meets the community's needs and will facilitate affordable homeownership opportunities within the City.

SECTION 2. PURCHASE AGREEMENT APPROVED.

2.01. The Authority hereby ratifies and approves the actions of Authority staff and of Kennedy Graven (“Legal Counsel”) in researching the Property and preparing and presenting the Purchase Agreement. The Authority approves the Purchase Agreement in the form presented to the Authority and on file at City Hall, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Purchase Agreement by those officials shall be conclusive evidence of their approval.

2.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Purchase Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Purchase Agreement, and any deed or other documents necessary to sell the Property to the Buyer, all as described in the Purchase Agreement

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 2 nd day of January 2024	
Offered by:	Kt Jacobs
Seconded by:	Justice Spriggs
Roll Call:	All ayes of present. MOTION PASSED.
	_____ Vice President
Attest:	
_____ Secretary	

President Szurek asked if there was an update on the development of 4300 Central Ave NE. Chirpich replied that Staff have been meeting with Alatus and expect them to enter into land use approval soon. It is still a goal to have break ground in 2024. There are continued discussions regarding the grocery store with the biggest challenge being finances right now. There are no significant issues and the project is still on track.

James noted that the sign next to the property, abutting Central Avenue has a banner that lists stores that are no longer there. She asked if it was part of the remediation process to get rid of the sign. Chirpich replied that it was not a part of the demolition scope but will come down as part of the redevelopment process.

Márquez-Simula asked if there was a timeline. Chirpich replied there was no timeline established.

Chirpich explained that there would be an open house at City Hall at 6 pm on Tuesday, January 9, 2024 regarding the Medtronic site Comprehensive Plan amendment. He encouraged the EDA commissioners

to attend. Hansen added that all of the commissions have been invited to the meeting.

Márquez-Simula asked if updates from past meetings could be included in the Other Business portion of the Agenda. She provided an example of last meeting discussion where the fire suppression system was an item on the Agenda. She mentioned that it would be nice to know if there are any updates on any items that are moving forward. Forney replied that he would include that in the next meeting Agenda.

ADJOURNMENT

Motion by Dibba, seconded by Márquez-Simula, to adjourn the meeting at 5:46 pm. A roll call vote was taken. All ayes of present. MOTION PASSED.

Respectfully submitted,



Mitchell Forney, Recording Secretary