



ECONOMIC DEVELOPMENT AUTHORITY
Public Safety Building—Training Room, 825 41st Ave NE
Monday, June 05, 2023
5:00 PM

MINUTES

CALL TO ORDER/ROLL CALL

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

Members present: Connie Buesgens (5:01 pm); Kt Jacobs; Rachel James; Amada Márquez-Simula (5:06 pm); Justice Spriggs; Marlaine Szurek.

Not present: Gerry Herringer.

Staff Present: Kevin Hansen, City Manager (Interim); Aaron Chirpich, Assistant City Manager/Community Development Director; Andrew Boucher, City Planner; Sara Ion, City Clerk; Mitchell Forney, Community Development Coordinator; Alicia Howe, Administrative Assistant; Noah Keller, Twin Cities Habitat for Humanity; Mark Rice, Twin Cities Habitat for Humanity; Paul Keller, City Resident.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Chair Szurek requested a motion to accept the consent agenda as presented. Before voting President Szurek requested clarification on items 3 and 4.

- 1. Approve May 1, 2023 EDA Meeting Minutes.**
- 2. Approve Financial Reports and Payment of Bills of April 2023 (pg. 14).**
- 3. Approving Amendments to the Form and Substance of the Fire Suppression Grant Agreement with Ruff Love Dogs (pg. 31).**
MOTION: Move to Waive the reading of Resolution 2023-16, there being ample copies available to the public.

MOTION: Move to approve the Resolution 2023-16, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the form and substance of the alterations to the original fire suppression grant agreement, and approving authority staff and officials to take all actions necessary to enter the authority into the fire suppression grant agreement with Northern Heritage Properties LLC.
- 4. Decertification of TIF District No. 9, Transition Block Redevelopment Project – Crest View/Real Estate Equities Project (pg. 39).**
MOTION: Move to waive the reading of Resolution 2023-17, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2023-17, a resolution approving decertification of tax increment financing (redevelopment) district no. 9 (transition block redevelopment project – crest view/real estate equities project)

Questions/Comments from Members:

Consent Agenda Items 3 and 4 were clarified by staff.

3. Approving Amendments to the Form and Substance of the Fire Suppression Grant Agreement with Ruff Love Dogs (pg. 31).

Chirpich explained there is a fire suppression change with Ruff Love Dogs. Ruff Love Dogs is a tenant in the building and requested to have the building owner be a recipient of the Fire Suppression Grant so they do not end up paying income tax on the grant.

Chair Szurek asked if there were any issues in doing so. Chirpich replied that there were not from the grant perspective. The building owner is willing to sign off on the grant.

Questions/Comments from Members:

Jacobs asked if there was an update from the legislative process with the TIF. Buesgens stated it had passed.

Chair Szurek asked why the excess revenue goes back to the County. Chirpich explained the TIF payments are a set amount per year which creates a surplus. Chair Szurek asked if they are looking to use the money to fix the alley. Chirpich replied it was an option Staff have discussed.

MOTION: Move to Waive the reading of Resolution 2023-16, there being ample copies available to the public.

MOTION: Move to approve the Resolution 2023-16, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the form and substance of the alterations to the original fire suppression grant agreement, and approving authority staff and officials to take all actions necessary to enter the authority into the fire suppression grant agreement with Northern Heritage Properties LLC.

4. Decertification of TIF District No. 9, Transition Block Redevelopment Project – Crest View/Real Estate Equities Project (pg. 39).

Chirpich noted the Columbia Court townhomes and Crest View senior housing has reached the end of its obligations to the TIF because it has been paid to the developers. When TIF districts no longer have an obligation, they cease to exist and are required to decertify with a reconciliation of excess TIF revenue the City receives to be sent back to the County.

MOTION: Move to waive the reading of Resolution 2023-17, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2023-17, a resolution approving decertification of tax increment financing (redevelopment) district no. 9 (transition block redevelopment project – crest view/real estate equities project)

*Motion by James, seconded by Jacobs to approve the Consent Agenda. All ayes of present.
MOTION PASSED.*

RESOLUTION NO. 2023-15

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENT FOR THE MONTH OF APRIL 2023 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF APRIL 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 statement for the month of April 2023 has been reviewed by the EDA Commission; and

WHEREAS, the EDA has examined the financial statement and finds it 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 statement including the check history, and they are found to be correct, as to form and content; and

BE IT FURTHER RESOLVED the financial statement is 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 a part of the permanent records of the Columbia Heights Economic Development Authority.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 5th day of June, 2023

Offered by: James
Seconded by: Jacobs
Roll Call: All ayes of present. *MOTION PASSED.*

President

Attest:

Secretary

RESOLUTION NO. 2023-16

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE ALTERATIONS TO THE ORIGINAL FIRE SUPPRESSION GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO THE FIRE SUPPRESSION GRANT AGREEMENT WITH NORTHERN HERITAGE PROPERTIES LLC.

WHEREAS, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain fire Suppression Grant Program (the “Program”); and

WHEREAS, pursuant to guidelines established for the Program, the Authority is to award and administer a series of grants to eligible commercial property owners and/or tenants for the purposes of revitalizing, rehabilitating, and restoring commercial buildings increasing business vitality, economic performance, and public safety; and

WHEREAS, the initial applicant wishes to transfer the agreement to the building owner; and

WHEREAS, the Authority has thoroughly reviewed copies of the proposed form of the Grant Agreement.

NOW, THEREFORE BE IT RESOLVED that, after appropriate examination and due consideration, the Authority

1. approves the form and substance of the grant agreement and approves the Authority entering into the agreement with Northern Heritage Properties LLC.
2. that the City Manager, as the Executive Director of the Authority, is hereby authorized, empowered and directed for and on behalf of the Authority to enter into the grant agreement.
3. that the City Manager, as the Executive Director of the Authority, is hereby authorized and directed to execute and take such action as he/she deems necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 5th day of June, 2023

Offered by: James
Seconded by: Jacobs
Roll Call: All ayes of present. *MOTION PASSED.*

President

Attest:

Secretary

**RESOLUTION NO. 2023-17
COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
COUNTY OF ANOKA
STATE OF MINNESOTA**

**A RESOLUTION APPROVING DECERTIFICATION OF TAX INCREMENT FINANCING
(REDEVELOPMENT) DISTRICT NO. 9 (TRANSITION BLOCK REDEVELOPMENT PROJECT – CREST
VIEW/REAL ESTATE EQUITIES PROJECT)**

WHEREAS, on September 25, 2000, the City Council of the City of Columbia Heights, Minnesota (the “City”) and the Board of Commissioners of the Columbia Heights Economic Development Authority (the “Authority” or “EDA”) approved the creation of Tax Increment Financing (Redevelopment) District No. 9 (Transition Block Redevelopment Project – Crest View/Real Estate Equities Project) (the “District”) within its Central Business District Redevelopment Project (the “Project”); and

WHEREAS, Minnesota Statutes, Section 469.174 to 469.1799 authorizes the Authority to decertify a tax increment financing district on any date after all bonds and other obligations have been satisfied; and

WHEREAS, the development documents pertaining to the District have expired by their terms and all obligations, including all bonds to which tax increment from the District have been pledged, have been satisfied and are paid in full (the “Development Documents”); and

WHEREAS, the Authority desires by this resolution to decertify the District effective June 5, 2023, by which all taxing jurisdictions will benefit from an increased tax base effective for taxes payable in 2023.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Columbia Heights Economic Development Authority as follows:

1. District Decertified. With all Development Documents satisfied, the District shall be deemed decertified as of June 5, 2023. Any remaining increments not eligible for spending, as determined by the Executive Director of the EDA, will be returned to Anoka County and redistributed to the appropriate taxing jurisdictions.

2. Direction to EDA Staff. EDA staff is authorized and directed to determine the amount of tax increments to be returned to Anoka County for redistribution, if any, and to transmit a copy of this resolution to Anoka County with a request to decertify the District, it being the intent of the EDA that no further collection of tax increment from the District will be distributed to the EDA after June 5, 2023.

ADOPTED: June 5, 2023

Passed this 5th day of June, 2023

Offered by: James
Seconded by: Jacobs
Roll Call: All ayes of present. *MOTION PASSED.*

President

Attest:

Secretary

BUSINESS ITEMS

5. Asbestos and Personal Item Abatement for Single-family Homes Located at 841 49th Ave and 4243 5th Street (pg. 42).

Forney stated the item is regarding approving bids for the removal of hazardous material and household items from 841 49th Ave and 4243 5th St NE. In February and March, the EDA purchased the properties intending to demolish the blighted single-family residential houses and prepare the sites for redevelopment. Due to the intent of the Fire Department to utilize the structures for training, 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 household items. In response to the request for bids, the EDA received two quotes. The quote submitted by Dennis Environmental Operations was determined to be the low-qualified bid for the abatement work at \$19,300.00. 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.

Forney explained there was a low amount of asbestos in the homes but the largest job would be trash removal. The fire department would like to utilize the homes for training. 4243 5th St. NE will be used as structural training and 841 49th Ave will be used as a training burn. Once the home has been burned down, the EDA will determine the demolition process.

Questions/Comments from Members:

Chair Szurek asked if the bid included removing debris from the two properties. Forney stated Dennis Environmental Operations will remove all interior debris but will need a separate bid for removal of external debris.

James asked how burning the home would impact the environment and the lot. Forney replied the State and EPA implemented additional burn down requirements so the site would not be toxic after the burn. There are requirements in the application in order to burn down a site. Removing asbestos and hazardous materials before the burn are a part of the requirements to make sure no toxic fumes are being released. Chirpich added there is post burn testing included as a requirement.

Motion by Jacobs, seconded by Márquez-Simula to accept the low bid of \$19,300.00 by Dennis Environmental Operations, for the removal of all hazardous materials and household items located at 841 49th Ave and 4243 5th St NE; and furthermore, to authorize the President and Executive Director to enter into an agreement for the same. All ayes of present. MOTION PASSED.

6. Habitat for Humanity Presentation on 4243 5th Street (pg. 51).

Forney noted Habitat for Humanity representatives were present at the meeting. The property 4243 5th Street contains a small-single family home with 600 square feet of living space that was built in 1916. After the demolition, Habitat for Humanity will look to redevelop a single family home on the site with a detached garage. The purchase of the property accomplished two goals. First, the use of TIF from the C8 “zombie District” obligated the district to keep it alive and allowed the EDA to continue to utilize its pooled funds. Second, the project offered a unique opportunity for the EDA to work towards its goal of providing affordable home ownership in the community.

Forney introduced the Habitat for Humanity representatives and added that Staff sent out a notice to the surrounding neighborhood to encourage residents to voice their opinions.

Twin Cities Habitat for Humanity Noah Keller stated the Twin Cities Habitat for Humanity mission is to bring people together to create, preserve, and promote affordable homeownership and advance racial equity in housing. The vision is an equitable Twin Cities region where all families have access to the transformational power of homeownership.

The values include rooted in faith and community, inspired by hope, committed to anti-racism, and driven to innovate.

N. Keller reviewed the Twin Cities Habitat for Humanity history and noted it began in 1985 and since then, roughly 1,600 families have purchased homes in 65 cities across the metro area.

N. Keller noted about 50% of the homes are new construction, 30% are rehab homes, while the rest are rehab homes with contractors. The racial and ethnic demographics include 62% as East or West African, 12% White (non-Hispanic), 12% Asian, 5% African American or Black, 3% Multi-Racial, 3% chose not to respond, 3% White (Hispanic), .18% Indigenous American.

N. Keller noted the average household income is \$58,000 with an average household size of 4-5 family members. They serve families with mortgages making between 30-80% of area median income. 50% of homes are in suburbs and 50% are in Minneapolis or St. Paul.

Jacobs asked if it is common for habitat homes to remain with Habitat for Humanity families. N. Keller stated Habitat for Humanity has an option to purchase the home back when a family leaves but is based on the life of the mortgage.

N. Keller reviewed the 4243 5th Street NE summary and stated it is a city-owned lot slated for fire department training in the fall with subsequent demolition and re-development. Construction on a new single-family house with a two stall detached garage will begin as soon as spring 2024. Neighboring homes are a variety of ramblers, split-entries, and 1.5 story single-family houses. The lot is about 40 feet wide and R-1 side setbacks are 7 feet from adjacent property lines. There is alley access for the new garage.

N. Keller noted the Habitat standards:

- Energy Star and Zero Energy Ready Certified
 - Solar array ready
 - Indoor Air Plus certified
 - Low flow plumbing fixtures
 - Better than industry standard blower door test results and HERS scores
- High efficiency appliances, including Heat Recovery Ventilator
- Resilient, high-quality interior and exterior finishes
 - SmartSide
 - Luxury Vinyl Tile
 - Andersen windows
 - GAF roofing products
- Active radon mitigation systems and draitile/sump pumps

N. Keller reviewed the New House options which can be found on pages 59-61 in the Agenda Packet. Option 1 includes two bedrooms on the main floor with one bedroom in the basement. Option 2 is 1.5 stories, with a front porch, two bedrooms on the top floor, one bedroom on the main floor with the option of including an additional bedroom. Option

3 is 2 feet narrower than the other options but has three bedrooms on the upper floor and one on the main floor.

Twin Cities Habitat for Humanity Mark Rice added all of the homes are mindful of accessibility and include a bathroom on the main floor, wide door frames, and an option for a ramp.

Questions/Comments from Members:

Buesgens asked what would be used for a tornado shelter. N. Keller replied they typically do a slab on grade model with a room that is partially under the stairs or make the walls thicker in a section of the basement.

Márquez-Simula stated her favorite looking model was option 2 but noted it did not have an entry way to hang coats or have a place for shoes and she preferred option 3 since it has an entry way with a closet.

Márquez-Simula asked what direction the garage would be. N. Keller stated it would face the alley with an 8–10-foot driveway.

Jacobs asked if electrical was run to the garage. N. Keller replied it was. They do not install a garage opener but include an outlet for future installation.

Chirpich noted the current home is set back from the surrounding homes and now have an opportunity to align the setback with the other homes. He asked what the standard dimensions were for a detached garage. Mr. Rice stated it was 20'x22'.

Buesgens stated option 3 was her favorite. Jacobs agreed.

James asked to hear the neighbor comments.

City Resident Paul Keller stated his concern is it would no longer be an alley house. N. Keller stated they noticed how far set back the house was and would be moving it up. P. Keller noted he had no other issues.

Chair Szurek asked how they generate information for the community to know the home is available. N. Keller stated people are required to apply and can find it on their website and distribute flyers in the community.

Chair Szurek asked if they did sweat equity. N. Keller noted they are doing an internal review, but most Habitat affiliates still require it. Many people that have been interviewed have expressed that there are barriers when sweat equity is a requirement and believes they will stop doing that in the future. He explained that typically people do not have flexible jobs, or PTO in order to take time off to put in sweat equity. Chair Szurek explained she helped volunteer to build a home while she was on the Council and enjoyed seeing the family's face after it was completed. She expressed concerns on people expecting to get something for a low amount without having any input or helping in the process. N. Keller

noted there were other requirements in order to partner, such as future homeowner courses.

Jacobs asked if there was a consideration to do a negotiation with the recipient's employer so they can allow time to help with the home. N. Keller stated he did not believe it was something they would do but would help facilitate if the homeowner desired it.

Spriggs stated he did not believe the future homeowner would need to be involved with the home building since they will be appreciative either way.

Chirpich stated they would be donating the lot and sell it for \$1. The funding used to acquire the lot was surplus money. The transfer agreement would come at a later date at the end of the year.

Márquez-Simula stated she was fine with selling the lot for \$1 and liked option 3. Chair Szurek agreed.

Buesgens asked how taxes worked. N. Keller stated that some of the homes are put in land trusts, which offers a way to reach more 30-60% AMI thresholds.

Chirpich asked what Habitat homes typically sell for. N. Keller stated in Columbia Heights it would be around \$300,000-\$320,000.

OTHER BUSINESS

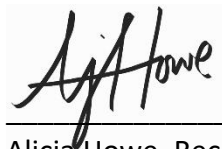
Chirpich stated there are negotiations for the purchase of 941 44th Avenue which is a single-family home. It falls in the guidelines of the Commercial Revitalization Initiative and is commercially zoned. The purchase agreement is not at a point to seek authorization but is in the works and expects to bring it to the EDA at the next meeting.

ADJOURNMENT

Motion by Buesgens, seconded by Márquez-Simula, to adjourn the meeting at 5:52 pm. All ayes.

MOTION PASSED.

Respectfully submitted,



Alicia Howe, Recording Secretary