



ECONOMIC DEVELOPMENT AUTHORITY

City Hall—Council Chambers, 3989 Central Ave NE

Monday, April 01, 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; Amada Márquez-Simula; Justice Spriggs; Marlaine Szurek; Lamin Dibba

Staff Present: Andrew Boucher, City Planner; Aaron Chirpich, Community Development Director; Kevin Hansen, Interim City Manager; Sarah LaVoie, Administrative Assistant;

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of March 4, 2024.
2. Approve financial reports and payment of bills for February 2024 – Resolution No. 2024-07.

Motion by Buesgens, seconded by James, to approve the Consent Agenda as presented. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-07

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF FEBRUARY 2024 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF FEBRUARY 2024.

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 month of February 2024 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 1st of April 2024

Offered by: Connie Buesgens
Seconded by: Rachel James
Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

BUSINESS ITEMS

3. Façade Improvement Grant Report The Golden Nuts, 4801 Central Ave NE

Forney reported that the item pertains to The Golden Nuts 2024 Façade Improvement Grant application for their new location at 4801 Central Ave NE. The nuts, candy and international market seeks to add a sign to their storefront and has obtained three bids, with the lowest being \$10,551.81. At this cost, they are eligible for the full \$5,000 grant. Community Development Staff recommend funding the project in full. The addition of The Golden Nuts will bring increased foot traffic to the area and fill one of the City’s recently vacated store fronts. Renderings of the proposed sign and bids are included in the attached application. The EDA has received a couple of Façade applications for 2023 and 2024. Staff will look into Installing cameras later this year on priority businesses. The EDA has already approved \$4,750 this year with \$15,000 being asked for at this meeting. This leaves \$30,250 in Façade Grant funds for the remainder of the year.

Questions/Comments from Members:

Buesgens asked if security cameras would be installed. Forney replied that he believed the

applicant marked that they would be open for a police camera. Since there are a large number of applicants, Staff will work with the Police Department to determine how to prioritize those cameras.

Buesgens asked how much the cameras were. Forney replied last time cameras were installed, five businesses received cameras and it cost \$32,000 for all five. It is roughly \$6,000 per business.

Szurek asked if the cameras would need to be put off since there are so many applicants for the façade improvement grant and there is not enough funding. Forney replied that it was a possibility but noted that there are still funds available. Szurek noted that there is only \$30,000 in the grant funds for the remainder of the year. Forney explained that the \$30,000 is what is left of the \$50,000 that was budgeted for the year. There are still funds in the 408 fund that were not used in previous years.

Motion by Buesgens, seconded by Jacobs, to waive the reading of Resolution No. 2024-08, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by Jacobs, to approve Resolution No. 2024-08, a Resolution of the Columbia Heights Economic Development Authority, approving the form and substance of the façade improvement grant agreement, and approving authority staff and officials to take all actions necessary to enter the authority into a façade improvement grant agreement with The Golden Nuts. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-08

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENT WITH THE GOLDEN NUTS

WHEREAS, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain Façade Improvement 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 existing store fronts, increasing business vitality and economic performance, and decreasing criminal activity along Central Avenue Northeast, in the City’s Business districts, pursuant to a Façade Improvement Grant Agreement with various property owners and/or tenants; and

WHEREAS, pursuant to the Program, the City is to coordinate a surveillance camera monitoring program by placing surveillance cameras on some of the storefronts that are part of the Program for the purposes of improving public safety in and around the Central Business District; 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 The Golden Nuts
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 they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 1st of April 2024

Offered by: Connie Buesgens

Seconded by: Rachel James

Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

4. Façade Improvement Grant Report 852 40th Ave NE

Forney reported that this item pertains to the 2024 Façade Improvement Grant application for 852 40th Ave NE. The new owners are applying for the façade grant to restore the buildings openings in preparation for a coffee shop. The previous owner had boarded up the windows and doors of the building, which now need to be replaced. The bid to replace the windows and doors came in at \$24,142.94 which is well above the amount needed for a full \$5,000 grant. Community Development Staff recommend funding the project in full. Getting a business in to 852 40th, which has been vacant for a long time, is a great addition to the corridor. Improving the windows and doors will have an immediate effect on the look of that corner. The EDA has received a couple of Façade applications for 2023 and 2024. Staff will look into installing cameras later this year on priority businesses. The EDA has already approved \$4,750 this year with \$15,000 being asked for at this meeting. This leaves \$30,250 in Façade Grant funds for the remainder of the year.

Motion by Jacobs, seconded by Spriggs, to waive the reading of Resolution No. 2024-09, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Spriggs, to adopt Resolution No. 2024-09, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the form and substance of the façade improvement grant agreement, and approving authority staff and officials to take all actions

necessary to enter the authority into a façade improvement grant agreement with Holly and Nicole Tuhake. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-09

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENT WITH HOLLY AND NICOLE TUHAKE

WHEREAS, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain Façade Improvement 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 existing store fronts, increasing business vitality and economic performance, and decreasing criminal activity along Central Avenue Northeast, in the City’s Business districts, pursuant to a Façade Improvement Grant Agreement with various property owners and/or tenants; and

WHEREAS, pursuant to the Program, the City is to coordinate a surveillance camera monitoring program by placing surveillance cameras on some of the storefronts that are part of the Program for the purposes of improving public safety in and around the Central Business District; 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 Holly and Nicole Tuhake
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 they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 1st of April 2024

Offered by: KT Jacobs

Seconded by: Justice Spriggs

Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

Buesgens noted that it would be nice to have the grand opening posted on the City's website or social media pages. Forney agreed.

5. Façade Improvement Grant Report Sarna's Classic Grill, 3939 University Ave

Forney reported that this item pertains to Sarna's Classic Grill 2024 Façade Improvement Grant application for 3939 University Ave NE. The Restaurant is looking to replace their current awning with a mor sophisticated one. The proposed awning is electric and has boards that can rotate to block the sun or on cooler days be moved to allow for much needed sunlight. Due to the technical specification the Awning is offered by one company which has made it difficult for them to obtain additional bids. The bid comes in at \$54,260, which is well above the amount needed for the full \$5,000 grant. Community Development Staff recommend funding the project in full as it is a major upgrade to one of the City's cornerstone businesses. Renderings of the proposed awning and its bid are included in the attached application. The EDA has received a couple of Façade applications for 2023 and 2024. Staff will look into Installing cameras later this year on priority businesses. The EDA has already approved \$4,750 this year with \$15,000 being asked for at this meeting. This leaves \$30,250 in Façade Grant funds for the remainder of the year.

Motion by Spriggs, seconded by James, to waive the reading of Resolution No. 2024-10, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Spriggs, seconded by James, to adopt Resolution No. 2024-10, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the form and substance of the façade improvement grant agreement, and approving authority staff and officials to take all actions necessary to enter the authority into a façade improvement grant agreement with Sarna's Classic Grill, Inc. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-10

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE

AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENT WITH SARNA’S CLASSIC GRILL, INC

WHEREAS, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain Façade Improvement 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 existing store fronts, increasing business vitality and economic performance, and decreasing criminal activity along Central Avenue Northeast, in the City’s Business districts, pursuant to a Façade Improvement Grant Agreement with various property owners and/or tenants; and

WHEREAS, pursuant to the Program, the City is to coordinate a surveillance camera monitoring program by placing surveillance cameras on some of the storefronts that are part of the Program for the purposes of improving public safety in and around the Central Business District; 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 Sarna’s Classic Grill, Inc
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 they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 1st of April 2024

Offered by: Justice Spriggs

Seconded by: Rachel James

Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

6. 2024 Outstanding Business of the Year Award

Forney clarified that this item is the 2024 award and not the 2023 and that it was a forward looking

program.

Forney reported that in November of 2022, the EDA approved the establishment of the Business of the Year Award. This award set out to recognize local businesses for noteworthy accomplishments, long-standing contributions to the community, and significant community service efforts. The criteria for nomination are based on a variety of notable accomplishments, such as being a long-standing business within the City of Columbia Heights reaching a milestone year, a major business expansion, remodel, exterior renovation, landscaping improvements, or relocation to a new facility within the City, environmentally friendly or sustainability-related initiatives or improvements, a major contribution to the community, or other major accomplishments or contributions worthy of recognition. However, it is important to note that the EDA reserves the right to make no selection if nominations do not meet the standard of recognition.

Forney noted this year, the EDA received three nominations all of them for Heights Pizza Man. All three nominations were submitted by various community members. The reasoning behind the submissions includes the owner's dedication to the community and the businesses partnerships with nonprofit organizations. Heights Pizza Man is known for their philanthropic work, be it supplying food and water to those who cannot afford a meal, fundraising for the local food shelf, or working to give its employees good benefits. In addition to all their philanthropic work, Heights Pizza Man was recently highlighted in the news when the business offered rides home to those who were out late on New Year's Eve.

Forney added that if selected as the Business of the Year, the winning business will be honored with a plaque during a brief presentation at a City Council Meeting, marketing of the achievement at City events and on City reader board signs, and a recognition article posted on the City's website and newsletter.

Questions/Comments from Members:

Márquez-Simula mentioned that the Mayor did a recognition for Heights Pizza Man's efforts in 2022.

Motion by Márquez-Simula, seconded by Jacobs, to approve Heights Pizza Man as the 2024 Columbia Heights Business of the Year. All ayes of present. MOTION PASSED.

7. Purchase of 4416 Central Ave NE, Purchase Agreement and Budget Amendment approval

Forney reported that Staff are bringing forth, for consideration, the purchase of the property located at 4416 Central Avenue NE. In early March, one of the owners of the property reached out to the city to see if we would be interested in purchasing the property. As the property is zoned general business, the acquisition of the property falls within the confines of the EDA's Commercial Revitalization program. Community Development staff set up a time to tour the property and found the small house to be in generally poor shape. The owners have begun the process of clearing out the house so its condition will be better than the ones that have previously been

purchased. After negotiating with the owners, staff settled on an offer of \$225,000. The Commercial Revitalization program allows staff to negotiate and enter into a purchase agreement contingent on approval by the EDA. This gives staff the ability to move quickly on strategically important properties. The house itself has just over 1,300 sq/ft of living space. The lot holds most of its value since it is in an important area with the redevelopment of 4300 Central Avenue underway. The corner of 44th and Central has a small contingent of owners and densely packed single-family, multifamily, and commercial buildings. By purchasing 4416 Central Avenue the City will have more influence over future redevelopment efforts in this area and may hold the property for the redevelopment of the Northwest corner of 44th and Central. Community development Staff believe this property is a good candidate for redevelopment due to its commercial possibilities and parcel location.

Forney explained that each year the EDA budgets \$200,000 for the Commercial Revitalization program. Since the purchase of 4416 Central falls within the program, most of the purchase price is covered under this year's budget. With that being said, a budget amendment is still needed. Resolution 2024-11 approves the purchase of the property while amending the 2024 budget to reflect the additional money needed to cover the acquisition and demolition of the property. The related project costs that are covered by the budget amendment are closing costs, hazardous material abatement costs (asbestos and trash removal), and demolition costs (demolition, grading, and utility disconnects). Fund 408 has about \$518,000 available after accounting for the projected 2024 budget and recent loan. This is more than sufficient to fund the project. As stated in the resolution, \$55,000 will go to the related costs described above. Excess money will be returned to fund 408 after the demolition and grading have been completed. This resolution allocates money for and allows staff to purchase 4416 Central Ave. The EDA will be involved in approving all future aspects of the project.

Questions/Comments from Members:

Márquez-Simula asked if the City was focusing on single-family homes or if they would look into acquiring something like the apartment buildings. Forney replied that the focus is on single family homes but if something huge came along, it would be a possibility to look into it.

James noted that there are four owners listed in the purchase agreement and asked what the timeline and process looked like with going through escrow. Forney explained that the deed was transferred to all four new owners since they are siblings. All owners have signed the agreement.

Buesgens noted that there are six houses on the block. She asked if in the future if the City could look into being strategic on what blocks to look at for development. Forney stated that if the EDA would like to look at specific properties, Staff can reach out with a letter to see if the property owner is willing to sell.

Buesgens asked if the EDA should share what blocks to look at now or wait to come up with a strategy. Chirpich replied that Staff would like to have more time to come up with a strategy.

Szurek asked if the owners were looking for relocation benefits. Forney replied that they were not.

Spriggs commented that he would like to EDA to look into increasing the fund for the future. Chirpich explained that they could adjust the cap for the fund.

Motion by Jacobs, seconded by Dibba, to waive the reading of Resolution No. 2024-11, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Dibba, to adopt Resolution No. 2024-11, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and the owners of 4416 Central Ave, and amending the fund 408's budget for the fiscal year 2024. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-11

A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, AND THE OWNERS OF 4416 CENTRAL AVE, AND AMENDING FUND 408'S BUDGET FOR THE FISCAL YEAR 2024.

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 and The Collection of the Current Property owners ("Seller") desire to enter into a purchase agreement (the "Purchase Agreement") pursuant to which the Authority will acquire certain property in the City located at 4416 Central Avenue NE (the "Property") from the Seller for economic redevelopment purposes. The Property is described in Exhibit A attached hereto.

1.02. Pursuant to the Purchase Agreement, the Authority will purchase the Property from the Seller for a purchase price of \$225,000 plus related closing costs.

1.03. The Authority finds that acquisition of the Property is consistent with the City's Comprehensive Plan and will result in redevelopment of the substandard property located at 4416 Central Ave NE. Such acquisition of this Property, for subsequent resale, best meets the community's needs and will facilitate the economic redevelopment and revitalization of this area of the City.

1.04. The Authority also finds that this redevelopment project is consistent with the purpose of the Economic Development Authority Redevelopment Fund 408. The current 2024 budget for Economic Development Authority Redevelopment Fund 408 does not include this redevelopment project and must be amended as the property was not available on September 26, 2023, when the Authority adopted this budget. The available balance of the Economic Development Authority Redevelopment Fund 408, beyond that committed for the existing 2024 budget, is approximately \$518,000, which is more than sufficient to fund the redevelopment project.

SECTION 2. PURCHASE AGREEMENT AND BUDGETT AMENDMENT 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.

2.02. The Authority herby amends the 2024 budget for Economic Development Authority Redevelopment Fund 408 to appropriate \$55,000 for additional estimated project costs.

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 acquire the Property from the Seller, all as described in the Purchase Agreement

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 1 st of April 2024	
Offered by:	Kt Jacobs
Seconded by:	Lamin Dibba
Roll Call:	All ayes of present. MOTION PASSED.
	_____ President
Attest:	
_____ Secretary	

8. Deconstruction of 941 44th, 3851-3853 Central Ave

Forney reported when purchasing previous properties, the EDA had contemplated recycling and deconstructing some of or part of the homes in which it purchases. At a recent City Council meeting a resident gave Staff the contact information for a company that would be able to complete such a task. Staff reached out and met on site with Better Futures Minnesota, to get bids on the deconstruction and reuse of materials from 941 44th, 3851 and 3853 Central Ave.

Forney explained in brief, Better Futures Minnesota is a nonprofit organization dedicated to transforming the lives of men who have faced incarceration, homelessness, and unemployment. Through their comprehensive program, they provide a range of supportive services including

transitional housing, employment training, job placement assistance, personal development workshops, mental health counseling, and substance abuse support. They support this mission through offering deconstruction services. These deconstruction services involve the dismantling and repurposing of buildings, which provide valuable job skills training while also promoting sustainable practices.

Forney noted attached are the bids that Staff received. 941 44th qualifies for a full deconstruction with minimal materials being able to be reused. The house was built in 1951 and due to the poor condition, the useful items have been removed or are damaged. A full deconstruction means that Better Futures would remove the house stud by stud leaving nothing but the foundation remaining. After which, the EDA would partner with a demolition contractor to remove the foundation and utility lines. 3851 Central Ave, being a concrete block building, would only qualify for the removal of certain internal finishes and materials. A list of items that would be removed from the building was included in the meeting packet. The block structure would then be demolished by a separate contractor. 3853 Central is the house that the fire department will be burning down. Due to it being burned only internal materials and finishes would be able to be reused or recycled. Better Futures will also board up the windows that are removed to prep the building for training. Attached are specification and bid sheets for the properties. 941 44th does not have a specification sheet as it is a full tear down. As you can see from the bid table below, deconstruction can be expensive. The EDA has budgeted \$50,000 for the demolition of 941 44th, and \$80,000 for 3851-3853 Central, with \$17,000 across all three already having been spent on Asbestos Abatement. While the money would cover deconstruction additional funds may be needed for the actual demolition. Specifically regarding 941 44th, deconstruction adds significant costs to the demolition of the properties.

Bids:

941 44th: \$24,914

3851 Central: \$11,657

3853 Central: \$11,657

Forney stated Better Futures is a great organization which not only offers deconstruction services but utilizes them for job training. By utilizing deconstruction, the EDA can keep items and finishes that are as good as new from ending up in the land fill. With that being said, deconstruction is an added cost in the demolition of a property. Increasing the amount the EDA needs to spend on each project. Staff recommend considering the projects on a case-by-case basis as the EDA deliberates if it wants to go the deconstruction route. Upon agreement of the EDA staff can make the calculations to edit the motion based on the decision.

Questions/Comments from Members:

Szurek asked if Staff knew what the demolitions would cost. Forney replied that previous demolitions were about \$20,000 per building. Buesgens noted it would be about \$60,000 and asked how much money was set aside for demolitions. Forney replied \$80,000 was set aside for the two properties on Central Avenue and \$50,000 set aside for the 941 44th property. Chirpich added that the cost also includes asbestos abatement and environmental work.

Buesgens asked if the EDA could pick and choose what could be utilized for more value when deconstructing the homes. Forney replied that it was a possibility to change the scope of work for the bid. For example, the EDA could say they do not want to deconstruct the garage of a house but have everything taken from within the garage. Buesgens asked if that would change the bid price. Forney replied that it would. Buesgens noted that some points of value would be the windows, copper, doors and other metals.

Szurek asked what would be done with the items that are retrieved. Forney replied that Better Futures would recycle the items, reuse them in their projects or sell them for their benefit.

Chirpich explained that it is a value proposition. He added that the EDA and the City Council wanted Staff to look into suitability practices to see if it was something that was valued to put into place in the future. It will cost the City more to deconstruct versus demolish the homes. It is a better cause to extract valuable materials from a property that are reusable.

Jacobs agreed with Chirpich's comments and added that the benefit is the employment aspect of what Better Futures is doing. She added as long as the City does not get too deep in the hole of paying more to do this.

James noted that the 3853 Central Avenue property was the one that began the discussion and has the most interest in investing in it as a pilot project. She added that she would be in favor of doing one property this time around to see how it goes and then if it is valuable to look into it as a future policy.

Buesgens asked if the windows were new on the 3851 Central Avenue property. Forney replied that a couple are new and a couple are old.

Forney stated 3853 Central Avenue is a time sensitive property since the Fire Department will be burning it on May 4, 2024. It is possible to have a bidder come out and provide a more specified scope of work and bring it back to the EDA.

Buesgens explained that she would be interested in seeing if there was anything of value such as metals and windows in the 3851 Central Avenue property.

Buesgens asked if the \$11,000 would be taken from a different fund if the EDA decided to go through with the bid. Forney replied that the money was budgeted from the 408 Fund to pay for the Commercial Revitalization Program. Any money that is not used will go back into the 408 Fund. For the Central Avenue properties, the any money that is not used after the demolitions and utilities will go back into the Anoka County Economic Development levy. Chirpich added that for the two Central Avenue properties, Staff sought reimbursement from Anoka County in their Economic Development levy funds.

Buesgens stated she would like to see a large media blitz so that tax payers could see what is going on. She added that it could be a way to promote what the City is doing.

Márquez-Simula asked if the efforts could be added to the Green Step Cities plan as well as add media exposure for it.

James suggested having a bid for the 3853 Central Avenue property and then wait on the other two properties for the EDA to decide at a future time.

Motion by James, seconded by Buesgens, to accept the proposal(s) from Better Futures Minnesota, in the amount of \$11,657 for deconstruction work on the properties located at 3835 Central Avenue; and furthermore, to authorize the President and Executive Director to enter into an agreement or agreements for the same. All ayes of present. MOTION PASSED.

BUSINESS UPDATES

Forney explained that the time of sale would be coming up and has the first reading during the next City Council meeting.

Forney stated that the Affordable Housing Trust Fund is being work on by the City's attorneys. They are currently working on a document with an Ordinance that the City Council will pass to create the trust fund to hold the sales tax funds. The attorneys are also making it so that it is eligible for the Minnesota Housing grant match. Staff thinks the EDA should handle and administer the trust fund.

Szurek asked if the program was connected to a project or if it was an overall project the Council wanted to do. Forney replied that the City is receiving extra money from the State that the City has to use. The fund would allow the money to be put somewhere and then determine what to do with it at a later date.

Spriggs asked if the funds would be available this year or next year. Forney replied that they would be available this year and expect to receive the funds in June or July.

Szurek asked if there was an update on the old Rainbow site. Chirpich replied that there are no updates. Jacobs asked what was stalling the project. Chirpich replied that the primary barrier is interest rates. Jacobs asked what would happen if the interest rates do not come down. Chirpich explained that if the City can have the grocery store commit, it will help overcome some of the concerns related to interest rates for the investors. There is still a viable project in the absence of a grocery store
But it may change the strategy of housing.

Márquez-Simula asked if there was any interest in purchasing the property on the corner of 47th Avenue and Central Avenue. Forney replied that Staff could reach out to the property owner.

Dibba asked if there were other options if the grocery store fell through. Chirpich replied that it would be the same project without the grocery store.

ADJOURNMENT

Motion by Jacobs, seconded by Buesgens, to adjourn the meeting at 5:55 pm. All ayes. MOTION PASSED.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sarah LaVoie". The signature is fluid and cursive, with the first name "Sarah" and last name "LaVoie" clearly distinguishable.

Sarah LaVoie, Recording Secretary