



ECONOMIC DEVELOPMENT AUTHORITY
Public Safety Building—Training Room, 825 41st Ave
NE
Monday, May 01, 2023
4:30 PM

MINUTES

CALL TO ORDER/ROLL CALL

The meeting was called to order at 4:30 pm by Chair Szurek

Members present: Connie Buesgens; Gerry Herringer; Kt Jacobs; Rachel James; Amada Márquez-Simula (4:34 pm); Justice Spriggs; Marlaine Szurek

Also Present: Kevin Hansen, Interim City Manager; 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; Gregory Frahm-Gilles, Director of Economic Development – Anoka County Regional Economic Development; Barrett Corwin, Alatus, Inc.; Mike Kyrch, BKV; Robert Lux, Alatus, Inc. CEO and President; Christian Osmundson, Chief Operating Officer of Alatus, Inc.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

- 1. Approve April 3, 2023 EDA Meeting Minutes**
- 2. Approve Financial Reports and Payment of Bills of March 2023**
Motion by Jacobs, seconded by James to approve the Consent Agenda as presented. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-14

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENT FOR THE MONTH OF MARCH 2023 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF MARCH 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 March 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 1st day of May, 2023

Offered by: Jacobs

Seconded by: James

Roll Call: All ayes of present. *MOTION PASSED.*

President

Attest:

Secretary

BUSINESS ITEMS

3. ACRED Presentation from the Anoka County Economic Development Director

Chirpich explained that he wanted to take the opportunity to introduce the Anoka County Regional Economic Development Director to the EDA. He noted the director is newer to his position and will be able to provide an update from the County including funding, events, and the website.

Director of Economic Development – Anoka County Regional Economic Development
Gregory Frahm-Gilles stated his role with the County is to help each city fulfill their own

Economic Development plan and vision. He has a background in municipal urban planning, commercial real estate development, and is a business owner.

Frahm-Gilles gave a brief presentation about the Anoka County Regional Economic Development (ACRED) initiative. The purpose of the presentation is to introduce the EDA to the Economic Development Director while also highlighting the achievements and goals of the initiative. He encouraged the EDA to be mindful of the conditions as they continue their work. He explained the partnerships and committees. The main target industries are light and heavy manufacturing; distribution and trucking; data centers and technology companies; and back office and support staff. He reviewed facts and figures for industrial and office spaces. He noted the major industrial projects in Anoka County include Blaine 35, Bunker Lake Business Park, and Clearwater Creek. Minnesota had a record low of 2.3% unemployment rate with Anoka County being at 3.3%.

Frahm-Gilles explained that a survey of CEOs showed the top issues when making location decisions include availability of talent and cost of talent. Anoka County found in 2010-2022 the population increased 77,000 people. From birth to 45 years old, the increase was 2,200 and from 45-85 people it was 75,000.

Buesgens asked if there was additional information behind the numbers. Frahm-Gilles explained that low birth rate is a large factor, as well as the baby boomers aging.

Buesgens explained she is trying to understand why there is a work force shortage and a housing shortage at the same time and mentioned it could be catch up from the recession. Frahm-Gilles added more people lived in individual homes than they do now.

Buesgens noted an article she read that stated 70% of teens in the 1970s had a job, whereas only 20% of teens have a job now. She asked if Anoka County has similar statistics. Frahm-Gilles stated they do but they are not specific to ages and is a bit broader.

Frahm-Gilles explained the next 6 months would focus on the Predevelopment Grant Program and Shovel Ready Certification. He stated there are a number of business advisory services including Anoka County and Open to Business, CareerForce, Site Selection and Navigating government. He added there are a number of financial services as well.

Buesgens noted many business owners are working 60 hours a week and asked if it was possible to go to each business to ask what their needs are. Frahm-Gilles stated they are meeting with municipal businesses and asking those questions and in order to walk along side of them.

Frahm-Gilles noted Anoka County Business Summit would be on June 7, 2023, from 9-11:30 am at Bunker Hills Event Center.

Questions/Comments from Members:

James asked how Columbia Heights compares to other cities in Anoka County when it comes to redevelopment. She asked if the Anoka County ACRED Program was partnering with similar programs in Ramsey County.

Frahm-Gilles stated Columbia Heights is a fully built out urban community and is blessed with main transportation corridors and greater access to transportation. He stated all of the counties communicate on a regular basis. He stated from his perspective the redevelopment aspect is core to urban planning philosophy and approach and is financially efficient for municipalities to develop in higher density areas. He explained he is passionate about cities like Columbia Heights and will work hard with the Staff to identify redevelopment opportunities.

Spriggs asked what kind of programs or initiatives the County had to encourage vocational training. Frahm-Gilles noted the County has a team of people who are focused on skill training and equip entry level positions to develop into senior level positions. There are strong collaborations with Anoka Ramsey Community College and Anoka Technical College with financial support. There are additional programs being developed to allow people to come into workplaces. The focus is on underrepresented communities.

Spriggs asked if there was a presence in the schools. Frahm-Gilles stated the Job Training Center and CareerForce are integrated into the schools.

Márquez-Simula asked if there would be any more County manufacturing meetings. Frahm-Gilles stated they are figuring out the role and received feedback and wanted to continue to do and are figuring out how to grow and expand.

Buesgens stated one of her dreams is to bring a satellite school in the Saver's building.

Chirpich explained the importance of the work Frahm-Gilles is doing and thanked him for all he does.

Chirpich noted an amendment to the agenda and moved item 5 "Review Updated Plans and Discuss Timeline for the Redevelopment of 4300 Central Avenue NE" to be considered next.

5. Review Updated Plans and Discuss Timeline for the Redevelopment of 4300 Central Avenue NE

Chirpich introduced Alatus to the meeting and mentioned they would review the master plan for 4300 Central Avenue NE. He expressed his excitement for the project. He mentioned they are hoping to begin the entitlement process in the spring and summer of 2023 and to break ground in the summer of 2024.

The CEO of Alatus, Robert Lux and his team introduced themselves. Mr. Lux stated they view the work with the City as a partnership. He mentioned at Ratio Apartments there were 12 units leased last week and are at 60% capacity. Based on reviews, residents seem

to be happy. He reviewed several challenges they have met along the way including having a tenant who had 8-9 years left on their lease when the City was looking to buy the property, a multi-billion-dollar company wanting to acquire Frattallone's, and not being able to have a large grocery chain commit.

Mr. Lux stated there are currently 3 quality tenants, which include a fitness group, a hardware group, and a food related store. He asked the Commissioners to give feedback. The goal is to tear the current building down in July 2024.

BKV representative Mike Kyrch explained he grew up in the area and is excited about the project.

Barrett Corwin reviewed the outline of the site development. The first iteration of the project is to have big commercial areas and dial down in density when it moves west to the single-family homes. A large struggle is putting commercial tenants below ground with their parking and finding ways to provide enough stalls in a parking lot below ground. There still needs access to above ground parking. He noted the outline he provided currently has access to enough parking.

Mr. Corwin noted Building one would break ground first and is 285 unit building with 2 15,000 square feet commercial spaces and would have a lobby on the ground level and amenities on the ground and first level. Egress and ingress to the site will be on 43rd Avenue and 44th Avenue. The pricing on concrete makes PT concrete not feasible at the moment and therefore has shorten the height of the building. He stated there would be 108 units and a restaurant.

Mr. Corwin explained that in total, the site has 730 units.

Chirpich asked what kind of units they were.

Mr. Corwin explained they are phasing the project to build up Central Avenue and to be mindful of how they are capitalizing on the project. Phase one is such because they believe it is a lift in the private and public capital markets that could be done in a relatively short manner.

Mr. Kyrch explained they are going to make a strong urban presence on the corner of 44th Avenue as a gateway to the center of Columbia Heights. He showed the Commissioners a sign of the vision. By bringing the buildings closer, it will slow traffic down and will have a nicer pedestrian experience overall. Parking will be provided in the middle of the development. Commercial will be at the base of the building while residential will be on the top. There will be a corner plaza with the potential to display local art. The design allows townhomes to be placed further back and would front 44th Avenue and would match the scale of the surrounding neighborhood.

Spriggs asked what the elevation of the tall building would be. Mr. Kyrch stated it would be under 85 feet.

Mr. Kyrch stated the apartments are 3 stories tall with the short sides facing the residential homes with yards to match the scale. They envision street parking on all four sides of the development.

Mr. Kyrch pointed out an area that would allow open space to have a roundabout or a water feature.

Mr. Kyrch stated they are planning on building a structured storm water holding pond and would like to take advantage of the area under the middle parking for storm water. Mr. Lux stated the parking structure is not really seen since on the west side where units go down to the ground. He explained the surface parking would primarily be for the smaller facilities and the restaurant while the workout facility would park below the building.

Mr. Lux stated they looked into doing apartment buildings with retail below them for both sides but decided it was too intense. He noted they also designed the development to have sunlight to be seen in the apartments.

Questions/Comments from Members:

Jacobs asked what the timeline was for each phase. Mr. Lux stated the supply demand is ready and Alatus can build and deliver 250 units per year in the City. He noted the east side could be capitalized in 2023. After that they would deliver 250 units per year which would take about 5 years.

Jacobs stated she does not like the idea of having 700 units and was disappointed to see they were only putting in 6 homes on the neighborhood side. She added she thought they could do better in buffering between the neighborhood than having 6 homes.

Jacobs asked what the price range was for the 6 homes. Mr. Lux stated roughly \$325,000-\$450,000. Jacobs stated it would not be affordable housing then. Mr. Lux stated there are possibilities of subsidizing the project and noted step two is figuring out affordability levels.

Jacobs asked if all the parking would be underground except the middle portion. Mr. Lux stated there would be a little parking in the middle courtyard area around the fountain and garage parking for single-family homes. Jacobs stated she is against street parking since it would interfere with the existing neighborhoods.

Jacobs asked what the setback was along Central Avenue. Mr. Kyrch stated it was 15-20 feet. Jacobs asked what the setback was along Quincy Street. Mr. Kyrch stated 20 feet.

James stated she is in favor of the project. She noted the Council is working on pedestrian safety particularly along Central Avenue. She expressed her concerns and noted there are not many pedestrian exits along 44th Avenue and 43rd Avenue because they are not running across retail but with the project they will. She asked if they would think through how they could design pedestrian crossings and discourage crossing in dangerous areas. She added

when there is retail in the middle of a block, people tend to cross the street in those areas. Mr. Lux stated they would think through some options.

Kevin Hansen stated there is a safety and improvement project coming up and noted they would want to review that with the City's development team. Chirpich noted there is an emphasis on the Central Avenue corridor with bus rapid transit, calming measures and staff are having positive discussions that are complementing the project's efforts.

Buesgens asked Hansen when they would begin doing the temporary tests. Hansen explained they are doing demonstration projects along the Central Avenue corridor from 37th Avenue to 53rd Avenue. Demonstrations will be in place in the summer of 2023.

Márquez-Simula stated she liked the project and asked if the driveway on Central Avenue the only way into the parking lot. Kyrch stated there is an access point 43rd Avenue but will need more than one access point and may need one off to the north. Mr. Lux expressed his concern about having a back entrance to the parking deck on the north side because they do not want trucks to go up on the deck since it will be precast and would not want them to fall through.

Márquez-Simula stated there is no street parking in the City overnight during the winter. Mr. Lux stated they are not committed to street parking but wanted to bring it up for discussion.

Márquez-Simula stated she likes the roundabout open space but would prefer it to be a one-way instead of two-way to encourage people to use a roundabout in the correct way.

Mr. Lux asked the Commissioners if they would like to have angled parking in the roundabout area. Jacobs stated she would rather see it being a pedestrian area instead of parking. Buesgens stated she could it being parking for guests and added the angled parking could help show the direction of the roundabout.

James asked if there was consideration of a roundabout on Central Avenue. Buesgens stated there was. Márquez-Simula added there are four concepts being considered along 44th Avenue.

Jacobs noted the street parking at Ratio Apartments went "as far as the eye could see." Szurek asked if they were parking on both sides of the street on Gould Avenue. Jacobs stated she believed they were.

Hansen stated 44th Avenue is the primary route for sanitary and sewer and gets completely reconstructed due to the depth of the sewer. One of the things the City plans on doing is adding a 10 foot wide trail on the south side and will need to work though how they will fit that in. The trail would remove the availability of street parking on that side and encouraged Alatus to keep that in mind as they continue to develop the plans. Anoka County has plans to include a unique pedestrian bridge on 44th Avenue to provide connectivity to the Mississippi River Trail.

Márquez-Simula stated she could see people enjoying the space by having a desire to get coffee and go for a walk since there are not many spaces in the City to do that.

Jacobs stated Alatus has done a great job throughout the City and stated there was a lot she liked about the plans but had a couple of concerns.

Spriggs stated he likes the overall concept and added it could set the tone as they redevelop Central Avenue. He stated on 43rd Avenue there is no traffic control and imagined a lot of traffic flowing through the area since an exit could be there.

Chirpich asked if Alatus had considered a turn lane for the right in on Central Avenue. Mr. Lux stated as of now it is just a right in and right out. He added the next plans would include traffic control.

Mr. Lux stated the townhomes and single-family homes on the north end are to set the tone for the development. It does not matter how many there are and suggested including a bike path.

Hansen stated MnDot would not allow an additional traffic signal on the corridor but is looking into pedestrian control and safety.

Buesgens stated she appreciated moving the buildings up towards the sidewalk on Central Avenue. She asked if it was possible to put hedges in the green spaces near the access point on Central Avenue to hide some of the cars in the parking lot. Mr. Lux stated they would be able to do that.

Buesgens stated she would have liked to see higher buildings but understands why it is not an option due to the cost of concrete. Mr. Lux agreed and added he did not see the price of concrete coming down soon.

Buesgens asked if there would be a natural gas line connected to the restaurant. Corwin stated they would be able to include one.

Buesgens asked if the stormwater would be reusable. Mr. Lux stated they would be able to and mentioned they are currently working on a project in Hopkins where they are doing that.

Buesgens noted one of the plans with MnDot is to have 5 roundabouts on Central Avenue with one of them being at 44th Avenue. The intersection has had 64 accidents and encouraged them to think through options on how to slow traffic down so a truck would not run into the plaza space. She explained how traffic gets backed up when trying to turn right onto Central Avenue from 46th Avenue and 47th Avenue and suggested thinking through other options to go north or south. She noted she has mentioned to the City to use the same light change times as Minneapolis to avoid as much traffic.

Mr. Lux noted the next steps in the process would be to update the plans and obtain the LOI's.

Herringer complimented the Alatus team for their work and believed the project would be a great addition to the City.

Chirpich explained an additional next step is modification of the loan with the Alatus and the City. The loan is due in July 2023 and will need to extend the loan in order to have time to decide if the loan should be refinanced.

Spriggs asked if there were plans to have public information sessions. Chirpich stated when they enter the entitlement portion there will be a neighborhood meeting provided by Alatus and public hearing meetings scheduled. The PUD allows a phase approach which will offer flexibility throughout the project.

Mr. Corwin mentioned they would provide bike parking and would have a bike workshop to lay out the detailed plans.

Chirpich asked if they were still considering solar. Mr. Corwin stated they were and are looking into doing the same for Ratio Apartments.

4. General Business Items Update

Chirpich stated they may ask the Council to consider moving the EDA meeting to a different day, so it does not conflict with any work sessions.

Chirpich noted the church at 950 Gould Avenue is on the market. There are a few churches who are interested in purchasing the building along with an event center concept on the table. He asked the Commissioners if there was interest in having the Staff take a look at purchasing the building for \$700,000. It is in an area where there would be interest in redevelopment.

Questions/Comments from Members:

Szurek asked if they were looking for the best offer or if there was a price tag. Chirpich stated it is listed for \$700,000 and would utilize the Anoka County Economic Development fund with the extra levy which currently has \$600,000.

Spriggs stated it could be a great redevelopment opportunity. Chirpich stated it is 1 acre and a rectangle lot. Alatus offered to develop the area if the City purchased the site.

Jacobs noted there has not been much parking available at the location and has concerns about a private developer coming in and how they would use the space. Chirpich asked if Jacobs was favoring the idea of redeveloping. Jacobs stated she was but was kind of on the fence.

Szurek stated if it was developed into an event center, parking would be an issue. Boucher explained if an event center developed the area, a requirement would be to have a third party produce a transportation management plan which would include parking.

Márquez-Simula stated the church would like to sell it to a church.

James noted there are many churches that have sat vacant because they are waiting for another church to purchase the building. Many churches that are looking for spaces are looking at warehouse type spaces since it is more flexible. She stated she would love to see another church come in but would not like to see the building stand vacant for years.

Márquez-Simula stated she did not know where people would park if another church purchased the building.

Buesgens stated she is in favor of redeveloping the building.

Buesgens asked if they would be able to see how far up they could go in their offer and added it would be worth purchasing.

Boucher noted the person who put an offer on the building when above the asking price but did not know by how much.

Szurek noted the burden it would put on Ratio Apartment and the surrounding area if they put an event center in since it would bring in a lot of people and parking would be limited.

Chirpich stated they would look into offering \$750,000. Jacobs stated \$800,000 would be the max she is comfortable with. Buesgens agreed.

Márquez-Simula mentioned the church may want to know what the City would like to put in its place.

James asked if the property belonged to the United Methodist Convention or the local congregation. Chirpich stated he was unsure. James noted if it was the local congregation, they would most likely care more about who is purchasing the building and what the intentions were instead of the denomination as a whole. Jacobs stated she was told it was locally owned but was not confident about that.

Szurek asked Chirpich if he could include the items they did not cover in the next meeting's agenda.

Buesgens asked if there was an update on the Medtronic building. Chirpich stated a developer would meet with the City for a work session in June.

Szurek asked if they knew what they were thinking of doing. Chirpich stated they were thinking of doing a multi-family concept.

Buesgens noted the bill that would get rid of TIF passed the House of Representatives and added the developer wanted to do that type of housing and asked how that would affect them. Chirpich stated he would need to look into the bill more to have more information.

ADJOURNMENT

Motion by Jacobs seconded by Spriggs, to adjourn the meeting at 6:36 pm. All ayes. MOTION PASSED.
Respectfully submitted,



Alicia Howe, Administrative Assistant