



ECONOMIC DEVELOPMENT AUTHORITY

City Hall—Council Chambers, 3989 Central Ave NE

Monday, October 07 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: Mitchell Forney, Community Development Director; Aaron Chirpich, City Manager; Sarah LaVoie, Administrative Assistant; Emilie Voight, Community Development Coordinator

PLEDGE OF ALLEGIANCE

Forney introduced Emilie Voight who is the new Community Development Coordinator. Voight explained that she grew up in the south suburbs of the Twin Cities. She has experience in non-profit academic sectors, and local government. Szurek asked Voight what she would be doing in her position. Voight replied that she would be taking over some projects from Forney. Forney added that Voight would be taking over his old position and handling most everything with the EDA.

CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of September 3, 2024.
2. Approve financial reports and payment of bills for August 2024 – Resolution No. 2024-24

Motion by Jacobs, seconded by Márquez-Simula, to approve the Consent Agenda as presented. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-24

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF AUGUST 2024 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF AUGUST 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 August 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 7th day of October, 2024	
Offered by:	Connie Buesgens
Seconded by:	Amada Marquez-Simula
Roll Call:	All ayes of present. MOTION PASSED.

	President
Attest:	

Secretary	

BUSINESS ITEMS

- 3. Façade Improvement Grant Report for Klash Drums located at 3988 Central Ave**
Forney reported the property/business owner is applying for the façade improvement grant to refurbish its wall sign and replace two vinyl awnings, one on 40th Ave and one on Central. A rendering of the proposed panel sign replacement has been included in the packet. The owner was able to receive one bid. In an attempt to reuse the current signage structures, the property owner sought a bid from the original installer. The bid came in at \$7,141, which sets them up for a grant amount of \$3,571. Community Development Staff recommend funding the project in full as it is a great re-use of existing signage and improves on the current conditions to reflect the new business

at this location. Klash has been in operation since approximately June but has yet to update its signage to reflect the new business. The EDA has approved 7 façade improvement grant applications, approving \$34,244 this year with \$3,571 being asked for during the meeting. This leaves \$12,185 in Façade Improvement Grant funds for the remainder of the year.

Questions/Comments from Members:

Szurek asked what the awnings looked like. Forney replied that the awnings would look similar to what is there now. The business is still working on figuring out what the logo will look like. Szurek asked if the long awning on the west would be replaced as well. Forney replied that he did not believe it was going to be replaced.

Motion by Buesgens, seconded by Márquez-Simula, to waive the reading of Resolution No. 2024-25, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by Márquez-Simula, to approve Resolution No. 2024-25, 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 owner of Klash Drums. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2024-25

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 KTJ PROPERTY LLC

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 KTJ Property 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 they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 7th day of October, 2024

Offered by: Rachel James
Seconded by: Justice Spriggs
Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

4. Approval of Demolition Contract for 4416 Central Ave

Forney reported earlier this year, the EDA purchased the property located at 4416 Central Ave to hold the site for redevelopment. In July the EDA partnered with the nonprofit Better Futures to deconstruct the garage and various finishes within the home. At first, the Fire Department had expressed its interest in utilizing the property for a training burn. After further review, the fire department decided that the home was too close to the neighboring property to conduct a burn without possible damaging the other home. The fire department will still utilize the home for training as the EDA prepares it for demolition.

Forney mentioned that Staff prepared bid sheets and submitted bid requests to several contractors and received six bids. To make the project easier to bid on, the EDA had taken on the environmental testing and removal of all personal items and hazardous materials from the building. As part of the demolition bid, the contractor is responsible for the removal of all outbuildings and site improvements on the property. This also includes the removal and capping of the water and sewer lines at the property line to prepare the site for redevelopment. Staff recommend awarding the project to the low bidder Nitti Rolloff Services for \$21,296.50.

Questions/Comments from Members:

Márquez-Simula expressed her appreciation that there was not a burn at the building since it is not

as good for the environment. She explained she sees the use for the Fire Department and would still like to do a burn once a year for their training.

Szurek asked if the house was in bad condition. Forney replied that the property owner passed away and the family was looking to get rid of the house. The house had not been updated so it was old on the inside. Buesgens asked how old the house was. Forney replied he believed it was in the 1960s. Chirpich added that it is consistent with the commercial revitalization goals of removing a home from the Central Avenue corridor.

Forney mentioned that the Communications Department did an amazing job on a video with Better Futures and recommended that the EDA check it out.

Szurek asked if they were able to recycle any items from the home. Forney replied that all the items in the garage were recycled, including the doors, and wood.

James asked which trees were identified as being saved. Forney replied that any tree that is heavily grown on the fence will have to be removed. The City works with the City Forester on any trees that could potentially be saved. The City Forester ultimately decides which ones can be saved.

Dibba asked if only the Central Avenue homes were part of the commercial revitalization goal or if the goal was to go deeper past Central Avenue. Forney replied that the program is only for commercially zoned property that single-family homes are on. At this point, it is only properties that border Central Avenue.

Márquez-Simula explained there were a couple of properties on 44th Avenue that were in the development so the City decided to purchase them. Forney mentioned that the EDA provided the guidelines for the program, so if they wanted to look outside of properties that are outside of the program, it could be changed.

Motion by James, seconded by Spriggs, to accept the proposal from Nitti Rolloff Services, in the amount of \$21,296.5 for the demolition of all buildings and site improvements, the cutting and capping of all utilities at the property line, and the regrading of the lot located at 4416 Central Ave NE; and furthermore, to authorize the President and Executive Director to enter into an agreement for the same. All ayes of present. MOTION PASSED.

BUSINESS UPDATES

Forney explained that he has an update on the two properties that the City owns on 4833 and 4827. Both properties were acquired through the commercial revitalization program about four to five years ago. The owner of Alpine Diversified Services owns the corner lot and the home next to it. He runs a fire safety business out of the property. The business is doing well and they are looking for more space. They have space for three people to office out of the property but they have five people who are employed. They are interested in purchasing the two properties from the EDA to make it into a commercial building that would house their business. They would be interested in selling their current property to the EDA to purchase the properties owned by the EDA. Staff are looking for general ideas from the commission. The two lots would need to be combined as one and they would need to start

looking at developing a building plan. After that, negotiations with the EDA would begin.

Forney noted that it would create a lot of work but it would be a retention effort to keep a small business in the City. It would give the EDA an opportunity to continue the commercial revitalization program and improve the corner.

Buesgens noted that it would save the current property owners some money by purchasing the properties from the City. She added that she is fine with it but it would cost the City some money to demolish the property. She mentioned that she would like to discuss the parking lot with cars on it.

Szurek asked what the cars were for. Buesgens replied that it looked like it was for the business next door, but there seemed to be more cars than were needed there. Forney added that many auto shops will hold onto a lot of cars. Buesgens asked if a fire truck could get into the parking lot. Forney replied that he did not think so.

Márquez-Simula mentioned that she is in favor of selling the property. James agreed. She asked if the deal would be contingent on the City purchasing their property, or if the current property owner could purchase the property owned by the City and sell their own properties. Forney replied that it was not contingent, but was an idea that Staff had.

Szurek asked if there was an idea of the value of the two vacant lots. Forney replied that there is an estimated market value from the County, but Staff would do research to see what the lots were going for. It was noted that 4833 is listed at under \$70,000 and 4827 at \$71,000.

Forney explained that Staff would engage with the property owner, lay out some next steps, and bring the ideas to the EDA

Buesgens asked if the City would consider putting pollinator turf on properties that have been purchased by the City so that the property did not have to be mowed as often. Forney replied that he did not see why the City could not do that since it would save the City resources. Szurek noted that they would need to be careful about what they decide to grow on the properties so it does not look like weeds are growing. Márquez-Simula mentioned that there could be signage that indicates that it is a pollinator garden and mow a few feet from the sidewalk so it looks clean. Forney stated he would add that as a thing the EDA does in the future.

Szurek asked if there was an update on the Rainbow site. Chirpich replied that there is no new news. The outlook for securing financing for phase one is still intact. The City is still working with two grocery store potential partners. The expectation is to break ground in the spring of 2025.

Jacobs asked if the project would continue to get delayed. Chirpich replied that everyone involved understands the financial need and that the City bonded for the demolition and to acquire the site. Chirpich added that there are discussions that are happening weekly. Interest rates are expected in the future.

Dibba asked if there was an update on the Medtronic site. Chirpich replied that there was no

significant news other than there being interest from other developers than the original interest. However, there is nothing serious. The project currently sits within a qualified census tract designated by the federal government for low income. It would be a better rate for housing tax credits for affordable housing. In 2025 it will no longer be a qualified census tract. Therefore, the City is not in a huge rush.

ADJOURNMENT

Motion by Buesgens, seconded by Dibba, to adjourn the meeting at 5:36 pm. All ayes. MOTION PASSED.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Sarah LaVoie".

Sarah LaVoie, Recording Secretary