



# SPECIAL ECONOMIC DEVELOPMENT AUTHORITY MEETING

City Hall—Council Chambers, 590 40th Ave NE  
Monday, September 26, 2022  
5:00 PM

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## MINUTES

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

### CALL TO ORDER/ROLL CALL

Members Present: Gerry Herringer, Kt Jacobs, Amáda Márquez Simula (arrived at 5:06 pm), John Murzyn Jr., Nick Novitsky, Marlaine Szurek

Members Absent: Connie Buesgens

Staff Present: Kelli Bourgeois, City Manager; Aaron Chirpich, Community Development Director; Joseph Kloiber, Finance Director; Sara Ion, City Clerk; Mitchell Forney, Community Development Coordinator; Alicia Howe, Administrative Assistant

### PLEDGE OF ALLEGIANCE

### CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of September 6, 2022
2. Approve financial reports and payment of bills of August 2022 – Resolution No. 2022-17

Herringer questioned the bills regarding the three developer payments. Chirpich stated the payments are biannual payments to various developers throughout the City that have TIF contracts.

Herringer asked about the fourth developer payment. Chirpich stated that it was a similar payment and then gave the name of each development related to each payment.

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

### RESOLUTION NO. 2022-17

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF AUGUST 2022 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF AUGUST 2022.**

**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 2022 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**, financials 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 a part of the permanent records of the Columbia Heights Economic Development Authority.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 26th day of September, 2022

Offered by:  
Seconded by:  
Roll Call:

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**BUSINESS ITEMS**

### 3. Adoption of the 2023 Budget and Authorization of the EDA and HRA Levies

Chirpich reported that in late August, the proposed budget for the 2023 fiscal year was distributed to the Council. Before the Council completes their final review of the proposed budget, the Columbia Heights Economic Development Authority (the “EDA”) and the Housing and Redevelopment Authority in and for the City of Columbia Heights (the “HRA”) are required to adopt fund budgets for Fund 204: EDA Administration and Fund 408: EDA Redevelopment Projects; and to authorize their respective 2022 tax levies, payable in 2023.

The EDA effectively has two separate tax levies after the Council granted the EDA certain HRA powers in 1996. One tax levy is administered by the City under Minnesota Statutes, Section 469.107 on behalf of the EDA (the “EDA Levy”) and the other is a special benefit tax levy administered by the EDA under Minnesota Statutes, Section 469.033 on behalf of the HRA (the “HRA Levy”). The proposed fund budgets reflect total levy amounts that are within the statutory limits. For 2023, the EDA Levy would capture \$297,100 from the City’s estimated market land value; whereas the HRA Levy would net \$310,000. When combined, both levies result in total net revenue of \$607,100.

The proposed 2023 fund budgets are dedicated to maintaining existing projects and initiatives, as well as allocating funds for programs that reflect the priorities of the EDA, such as the Commercial Revitalization Project, the Façade Improvement Grant Program, and the Fire Suppression Grand Program. It is worth noting that the proposed 2023 budget for Fund 204 includes a 19% levy increase, which represents an increase of \$47,200 from 2022. This increase is primarily driven by regular COLA increases and salary adjustments for the Community Development Director, and Community Development Coordinator that resulted from the compensation study that was completed this year. More detail regarding revenue and expenses was provided in the summary budgets in the packet.

The following overview was provided:

Fund: 204 – EDA Administration -- Revenue \$297,100, Expense \$297,100  
Fund: 408 – Redevelopment Projects -- Revenue \$310,000, Expense \$310,000  
Total Revenue \$607,100 and Total Expenses \$607,100

Herringer asked about the levy for \$310,000 in 2022. Chirpich stated that the levy was higher than the budget so there was a surplus in 2022.

*Motion by Márquez Simula, seconded by Jacobs, to waive the reading of Resolution 2022-18, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Márquez Simula, seconded by Novitsky, to adopt Resolution 2022-18, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2023 and setting the 2022 tax levy, payable in 2023. All ayes of present. MOTION PASSED.*

### RESOLUTION NO. 2022-18

**A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, ADOPTING A BUDGET FOR THE FISCAL YEAR OF 2023 AND SETTING THE 2022 TAX LEVY, PAYABLE IN 2023.**

**BE IT RESOLVED**, by the Columbia Heights Economic Development Authority (the “EDA”) as follows:

**WHEREAS**, the City of Columbia Heights (the “City”) established the EDA by an enabling resolution adopted on January 8, 1996, pursuant to Minnesota Statutes 469.090 to 469.1081 (the “EDA Act”); and

**WHEREAS**, the City Council of the City has given to the EDA the responsibility for all development and redevelopment projects and programs; and

**WHEREAS**, under Section 469.107 of the EDA Act, the City is authorized to levy a tax for the benefit of the EDA on its area of operation for the purposes authorized under the EDA Act, subject to the approval of the City Council;

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Commissioners of the Columbia Heights Economic Development Authority, that the EDA adopts and requests the City Council’s approval of its budget in the amount of \$297,100 for 2023; and

**BE IT FURTHER RESOLVED**, that the EDA adopts and requests the City Council’s approval of an EDA tax levy under Section 469.107 of the EDA Act, in the amount of \$297,100 for taxes payable in 2023; and

**BE IT FURTHER RESOLVED**, that the Executive Director is instructed to transmit a copy of this resolution to the City Manager, Finance Director, and City Clerk of the City of Columbia Heights, Minnesota.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 26th day of September, 2022

Offered by:  
Seconded by:  
Roll Call:

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

*Motion by Márquez Simula, seconded by Murzyn Jr., to waive the reading of Resolution 2022-19, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Novitsky, seconded by Jacobs, to adopt Resolution 2022-19, a resolution of the Columbia Heights Economic Development Authority, adopting a budget for the fiscal year of 2023 and authorizing a special benefit tax levy, payable in 2023. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2022-19**

**A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, ADOPTING A BUDGET FOR THE FISCAL YEAR OF 2023 AND AUTHORIZING A SPECIAL BENEFIT TAX LEVY, PAYABLE IN 2023.**

**BE IT RESOLVED**, by the Columbia Heights Economic Development Authority (the “EDA”) as follows:

**WHEREAS**, the City of Columbia Heights (the “City”) established the EDA by an enabling resolution adopted on January 8, 1996, pursuant to Minnesota Statutes 469.090 to 469.1081 (the “EDA Act”); and

**WHEREAS**, the City Council granted the EDA all powers and duties of a housing and redevelopment authority by an enabling resolution and ordinance adopted on October 22, 2001, pursuant to Minnesota Statutes 469.001 to 469.047 (the "HRA Act"), except certain powers that are allocated to the Housing and Redevelopment Authority in and for the City of Columbia Heights (the “HRA”); and

**WHEREAS**, under Section 469.033 of the HRA Act, the EDA is authorized to levy a special benefit tax, in an amount not to exceed .0185 percent of the City’s estimated market value (the “HRA Levy”); and

**WHEREAS**, by separate resolution, the EDA has before it for consideration a copy of the EDA budget for the fiscal year of 2023, and the proposed amount of the HRA Levy, payable in 2023, is based on said budget;

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Commissioners of the Columbia Heights Economic Development Authority, that the EDA hereby adopts an HRA Levy payable in 2023 of \$310,000 under Section 469.033 of the HRA Act; and

**BE IT FURTHER RESOLVED**, that the Board of Commissioners of the Columbia Heights Economic Development Authority hereby directs staff to take such actions necessary to file with the City and certify with the County of Anoka County, the HRA Levy in the amount of \$310,000 for taxes payable in 2023 under Section 469.033 of the HRA Act.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 26th day of September, 2022

Offered by:  
Seconded by:  
Roll Call:

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President

Attest:

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Secretary

**4. Adopt Resolution 2022-20, Authorizing Certain 2022 Inter-Fund Transfers**

Director Chirpich stated that at the September 12, 2022, meeting, the Council approved certain interfund transfers. Two of those transfers involve Funds of the Economic Development Authority, and those transfers therefore also require approval by the Authority.

1. To transfer the \$3,331,655 of assets received by EDA Redevelopment Fund 408 from the sale of 3989 Central Avenue; to the City for use within the new city hall project in Governmental Buildings Fund 411 as follows: noncash value of office condominium shell to be constructed \$2,115,600; cash deposited to city hall construction escrow account at closing \$421,748; cash deposited with EDA at closing, in excess of EDA land cost \$394,307.

2. To transfer \$150,000 of surplus operating fund balance from EDA Administration Fund 204 to the Governmental Equipment Fund 431. This combines with \$1,850,000 of surplus separately transferred from various City operating funds to the Governmental Equipment Fund 431, to provide a total \$2 million to extend the number of years for which Governmental Equipment Fund 431 is sustainable. This is a funding mechanism the City and EDA use periodically to provide funding for various capital purposes. The need to do this \$2 million transfer is described in the narrative to City Manager's 2023 proposed budget. Staff notes that balance in the Governmental Equipment Fund 431 is available to all governmental functions of the EDA and City for capital equipment purchases.

This \$150,000 transfer from EDA Fund 204 will still leave the remaining fund balance in EDA Fund 204, well above the established working capital target of 45% of next year's budget for that fund.

*Motion by Novitsky, seconded by Jacobs, to waive the reading of Resolution 2022-20, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Novitsky, seconded by Murzyn Jr., to adopt Resolution 2022-20, transferring \$3,331,655 to the Governmental Buildings Fund 411 from EDA Redevelopment Fund 408, and transferring \$150,000 from EDA Administration Fund 204 to the Governmental Equipment Fund 431. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2022-20**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE TRANSFER OF \$3,331,655 FROM EDA REDEVELOPMENT FUND 408 TO THE GOVERNMENTAL BUILDINGS FUND 411, AND APPROVING THE TRANSFER OF \$150,000 FROM EDA ADMINISTRATION FUND 204 TO GOVERNMENTAL EQUIPMENT FUND 431.**

**WHEREAS**, the Economic Development Authority of Columbia Heights, Minnesota (the Authority) carried out a redevelopment project at 3989 Central Avenue NE for multiple public purposes including securing a site for a new city hall; and

**WHEREAS**, this project resulted in the Authority receiving certain assets totaling \$3,331,655 over the Authority's cost in this project; and

**WHEREAS**, not intending to own the new city hall or any of its related assets, the Authority elects to transfer these assets to the City for construction of the new city hall; and

**WHEREAS**, the Minnesota Office of the State Auditor has established a fund balance guideline for local governments to generally apply to operating funds of the local government, because retaining more fund balance than necessary for operations is a burden on taxpayers; and

**WHEREAS**, the operating fund of the Authority currently has fund balance above this threshold; and

**WHEREAS**, best financial practices include pairing the one-time source of such available fund balance with appropriate one-time uses, such as purchases of capital equipment through the Governmental Equipment Fund 431.

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

1. Approves the transfer of \$3,331,655 from EDA Redevelopment Fund 408 to the Governmental Buildings Fund 411.
2. Approves the transfer of \$150,000 from EDA Administration Fund 204 to Governmental Equipment Fund 431.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 26th day of September, 2022

Offered by:  
Seconded by:  
Roll Call:

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**OTHER BUSINESS**

Chirpich thanked the commissioners for convening that evening for the special EDA meeting. He stated that there would be no regular EDA meeting in October 2022.

Szurek asked about the "Rainbow Site". Chirpich said there wasn't an update and that they continue to work with grocery partners for the site.

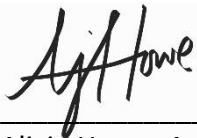
Chirpich stated that the Ratio Apartments obtained a temporary certificate of occupancy; there are still some "punch list" items that remain on the exterior of the building. He further said that the Council and commissioners will be invited for a tour of the building once it is complete.

Herringer asked about the number of potential tenants. Chirpich did not have an exact number, but stated that it was difficult to do virtual tours when the building was not finished, so now that it is finished, they should have more interest; they will update the commission on the leasing in the future.

**ADJOURNMENT**

*Motion by Jacobs, seconded by Márquez Simula, to adjourn the meeting at 5:17 pm. All ayes. MOTION PASSED.*

Respectfully submitted,



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Alicia Howe, Administrative Assistant