



ECONOMIC DEVELOPMENT AUTHORITY
City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, August 07, 2023
5:00 PM

MINUTES

The meeting was called to order at 5:06 pm by Acting Chair James.

CALL TO ORDER/ROLL CALL

Members present: Connie Buesgens; Kt Jacobs; Rachel James; Amada Márquez-Simula; Justice Spriggs

Not Present: Marlaine Szurek

Staff Present: Kevin Hansen, Interim City Manager; Sara Ion, City Clerk; Mitchell Forney, Community Development Coordinator; Alicia Howe, Administrative Assistant

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. **Approve June 5, 2023, Regular EDA Meeting Minutes (pg. 3).**
2. **Approve Financial Reports and Payment of Bills of May and June 2023 (pg. 13).**

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

RESOLUTION NO. 2023-18

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTHS OF MAY AND JUNE 2023 AND THE PAYMENT OF THE BILLS FOR THE MONTHS OF MAY AND JUNE 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 statements for the months of May and June 2023 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 August, 2023

Offered by: Jacobs

Seconded by: Buesgens

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

Vice President

Attest:

Secretary

BUSINESS ITEMS

3. Purchase of 941 44th Avenue NE, Purchase Agreement and Budget Amendment Approval (pg. 44).

Forney reported that Staff are bringing forth, for consideration, the purchase of the property located at 941 44th Ave NE. Earlier this year Councilmember Buesgens reached out to community development staff regarding the passing of the home's previous owner. As the property is zoned general business, the acquisition of the property falls within the confines of the EDA's Commercial Revitalization redevelopment program. Community Development Staff sent a letter to the premise and were able to set up a viewing with the estate of the previous owner. After negotiating with the estate, Staff settled on an offer of \$200,000 dollars. The Commercial Revitalization redevelopment 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 600 sq/ft of living space. The lot itself holds most of the 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 by purchasing 941 44th the City will have more influence over future redevelopment efforts in this area. Community development staff believe this property is a prime candidate for redevelopment due to its substandard condition and parcel location.

Forney added that each year the EDA budgets \$200,000 for the Commercial Revitalization redevelopment program. Since the purchase of 941 44th 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 2023-19 approves the purchase of the property while amending the 2023 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 \$2.4 million available after accounting for the projected 2023 budget. This is more than sufficient to fund the project. As stated in the resolution, \$57,700 will go to the related costs described above. Excess money will be returned to fund 408 after the demolition and grading has been complete. This resolution allocates money for and allows staff to purchase 941 44th. The EDA will be involved in approving all future aspects of the project.

Questions/Comments from Members:

James asked if the City has any plans for the property after demolition. Forney replied that Staff does not have any ideas and it would be up to the EDA to determine what they would like to see on the property.

Márquez-Simula asked if Midas owned the property to the west. Forney stated that Midas owns the property.

Spriggs asked what the timeline was for the demolition. Forney explained the goal is to complete it in the fall.

Jacobs asked what will be done with the property. Forney replied that it would be empty green fields with grass and the demolition contractor would apply seed and blanket and Public Works would mow the lawn.

Motion by Márquez-Simula, seconded by Buesgens, to waive the reading of Resolution No. 2023-19, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by Spriggs, to approve Resolution No. 2023-19, a Resolution of the Columbia Heights Economic Development Authority, approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and the estate of Pauline Shold, and amending the fund 408's budget for the fiscal year 2023. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-19

A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, AND THE ESTATE OF PAULINE SHOLD

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 Estate of Pauline Shold ("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 941 44th 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 \$200,000 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 941 44th 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 2023 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, 2022, when the Authority adopted this budget. The available balance of the Economic Development Authority Redevelopment Fund 408, beyond that committed for the existing 2023 budget, is approximately \$2.4 million, 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 2023 budget for Economic Development Authority Redevelopment Fund 408 to appropriate \$57,700 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 7th day of August, 2023

Offered by: Márquez-Simula

Seconded by: Spriggs

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

Vice President

Attest:

Secretary

4. Façade Improvement Grant Report EZ Exchange, 4931 Central Avenue (pg. 60).

Forney reported that the report pertains to EZ Exchange’s 2023 Façade Improvement Grant application for their new location at 4931 Central Ave NE. The check cashing business seeks to add a sign to their storefront and has obtained two bids, with the lowest being \$6,311.53. As this cost, EZ Exchange is eligible for reimbursement of \$3,115.77, Community Development Staff recommends funding the project in full. The addition of EZ Exchange will bring increased foot traffic to the area and benefit other nearby businesses. Renderings of the proposed sign and bids are included in the attached application.

Forney explained regarding site cameras, Staff will confirm EZ Exchange’s commitment to installing cameras. Thus far in 2023 the city has approved \$8,089 over 2 Façade improvement applications. Leaving \$41,911 available for future applications and cameras. Additional applications are expected to come in.

Questions/Comments from Members:

Márquez-Simula commented on how distracting the security lights on Big Marina and \$5 Tasty Chicken that are nearby can be while driving. Forney explained he would pass on the comments to the planner.

Spriggs expressed his opinion that the City should not be giving out funds with check cashing to buy the sign since it can perpetuate systemic issues. He added he has done research on the perpetuation of poverty and systemic racism.

Buesgens commented that she understands Spriggs’ opinion as she has witnessed it firsthand through a friend.

Jacobs expressed her concerns regarding the legality of it. She added Buesgens idea of going to the State level would be more productive and less risky.

Spriggs asked what the purpose of the EDA was in the process. Forney replied the application states that the applicant recognizes and agrees that the EDA retains absolute authority and

discretion to decide whether or not to accept or deny any particular grant application. Many façade grants have been denied in the past. He added it is brought to the EDA in order to have discussion since the EDA makes the final decision.

James noted if a business is not increasing economic vitality to the City, it would be a means to deny the application. Forney noted that language around systemic racism could be included to the grant.

James mentioned that a money transfer was included in the application and noticed their sign included the colors of the Mexican flag. She spoke with many residents who commented that many residents who have family in Mexico will use the business for wire transfers to relatives. She added that the grant application states the business must be in good standing as well as bring economic vitality and believes the sign will revitalize, rehabilitate and restore store fronts.

Spriggs asked what legal standing the EDA has if they deny an application due to the signage.

Jacobs asked if there should be a redefinition on the parameters for the application process.

Márquez-Simula agreed with Spriggs' comments regarding the role of the EDA in the application process and the potential to get sued if it is denied. She agreed with Buesgens' comment on requiring a nice sign to go in.

Márquez-Simula expressed feeling uncomfortable with saying that a business is doing something wrong since it is not her role and does not know much about check cashing businesses.

Spriggs agreed with Buesgens comments of the business opening regardless if the grant is approved or denied. He expressed his opinion that the City should ask what they are condoning and supporting and what message is it sending as a City as a whole.

Jacobs asked the Commissioners if they have the right to tell somebody how to run their business.

Motion by Márquez-Simula, seconded by Jacobs, to waive the reading of Resolution No. 2023-20, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by Buesgens, to adopt Resolution No. 2023-20, 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 EZ Exchange. All ayes of present. 4 Ayes, 1 Nay. MOTION PASSED. Ayes: Márquez-Simula, Buesgens, James, Jacobs. Nay: Spriggs.

RESOLUTION NO. 2023-20

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 EZ EXCHANGE

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 Central Business district, 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 EZ Exchange
2. that the City Manager, as the Executive Director of the Authority, is hereby authorized, empowered, and directed for and on behalf of the Authority to enter into the grant agreement.
3. that the City Manager, as the Executive Director of the Authority, is hereby authorized and directed to execute and take such action as he/she deems necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 7th day of August, 2023

Offered by: Márquez-Simula

Seconded by: Buesgens

Roll Call: 4 ayes, 1 nay. *MOTION PASSED, 4-1.*

Ayes: Jacobs, James, Buesgens, Márquez-Simula; Nay: Spriggs.

Vice President

Attest:

Secretary

5. Economic Development Authority Commission Member Recognition and Appointment (pg. 78).

Forney stated unfortunately the EDA has recently lost a long standing Commissioner, Gerry Herringer. He served on the EDA since 2008. He noted he would like to get the EDA's ideas on how to recognize Gerry Herringer. The Planning Commission typically recognizes members on their years of service with items such as a plaque. He mentioned some ideas from Staff such as requesting a proclamation from the Mayor or a plaque with the proclamation. An additional idea is to have a moment of recognition during the grand opening of the new City Hall since Mr. Herringer was on the EDA during the purchase of the building or to have a press release thanking him for his years of service. He asked the EDA what their thoughts and ideas were.

Jacobs suggested doing something at the grand opening of the City Hall and the article in the paper should give history of his contribution to the City. She added a plaque could be presented to the family at the grand opening of the City Hall building.

Márquez-Simula stated she would be willing to do a proclamation.

James explained she was in favor of all of the presented ideas and asked if there would be a Staff member who would be able to spend time researching Mr. Herringer's history and role in the City. Forney replied that the press release would not be ready in time of the grand opening but would have enough information for the proclamation.

James stated she would like to direct Staff to make a plaque. The Commissioners agreed.

Márquez-Simula requested a Staff member to put together the proclamation since she does not know Mr. Herringer's history.

Hansen stated it would be difficult to have a plaque ready by the grand opening since many companies are estimating 2-8 weeks. He suggested having the plaque ready for a Council meeting.

Márquez-Simula added that something could be said at the grand opening about Mr. Herringer and then do a plaque later. The Commissioners agreed.

Forney noted both Mr. Herringer and Chair Szurek's terms expire at the end of the year. Chair Szurek's position will go through the normal process to fill the seat with interviews beginning in September. The EDA does not have a limit on how many terms can be served and it is a possibility to have Szurek return. In regards to Mr. Herringer's position, the City Code and Charter mentions that the EDA would need to elect someone to fill his position for the remainder of his term or the EDA can decide to wait and be down a member until the term has expired. Staff and the City Attorney recommend to wait.

James stated there would be the most applicants if the EDA decides to wait go undergo the normal process.

Márquez-Simula mentioned she would like to discuss the term limits since there are term limits for the other Commissions.

Buesgens asked about altering term limits. Forney replied that the term limits would be verified since the EDA operates under different rules than traditional commissions.

Spriggs asked if it would be beneficial to have two six term members on staggered years so the terms do not expire at the same time. Forney stated Staff would explore that and come back to the Council.

Márquez-Simula asked if the discussion would be added to the work session or an EDA meeting. Forney stated it would be Council work session since it is a code amendment.

OTHER BUSINESS

Forney stated the abatement was completed on 841 and 4243. The Fire Department is getting the paper work ready for the burning down of 841 and are allowed to do training. He stated he went to 4243 with the building official to ensure everything was removed and added that the building was in poor condition.

ADJOURNMENT

Motion by Jacobs, seconded by Márquez-Simula, to adjourn the meeting at 5:39 pm. All ayes. MOTION PASSED.

Respectfully submitted,



Alicia Howe, Recording Secretary