



ECONOMIC DEVELOPMENT AUTHORITY

Public Safety Building—Training Room

825 41st Ave NE

Monday, May 02, 2022

5:30 PM

MINUTES

The meeting was called to order at 5:30 pm by Chair Szurek.

CALL TO ORDER/ROLL CALL

Members present: Connie Buesgens; Kt Jacobs; John Murzyn, Jr; Nick Novitsky; Amada Márquez-Simula; Marlaine Szurek

Members absent: Gerry Herringer

Staff present: Kelly Bourgeois, City Manager; Aaron Chirpich, Community Development Director; Mitch Forney, Community Development Coordinator; Sara Ion, City Clerk

CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of March 7, 2022
2. Approve financial reports and payment of bills of February 2022 and March 2022 – Resolution No. 2022-08

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

RESOLUTION NO. 2022-08

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTHS OF FEBRUARY 2022 AND MARCH 2022, AND THE PAYMENT OF THE BILLS FOR THE MONTHS OF FEBRUARY 2022 AND MARCH 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 months of February 2022, and March 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 2nd day of May, 2022

Offered by: Jacobs
Seconded by: Novitsky
Roll Call: All ayes

President

Attest:

Assistant Secretary

BUSINESS ITEMS

3. Façade Improvement Grant Report for Various Recipients 2022

Forney reported that for the fourth year in a row the Façade Improvement Grant program is being offered on a first come first serve basis. Now that spring is upon us, Community Development Staff have started to receive the first round of applications. Advertisement for the program has been spread on social media, by email, and by word of mouth from commissioners and Staff alike. Below are three grant applicants for review.

Northeast Electric Inc. is located at 4219 Central Ave NE. Northeast Electric occupies a small brick building with white trimmed windows on three sides of the building, all of them visible from Central Ave. Northeast Electric's project includes the replacement of four windows, two on the front and one on each side. The window frames had become cracked and rotten not sealing the building from the

elements. The overall project cost is \$6,040.10 warranting a Façade Improvement Grant reimbursement of \$3,020.05.

Northeast Electric submitted their initial application in June 2021 but had only been able to obtain one bid at the time. As they worked to find the second bid, they began and finished the work proposed in their application. As the EDA has spoken of before, the current market makes it very difficult for businesses to find a contractor willing to bid on very small commercial projects. Northeast Electric was able to find a second bid but had completed the work prior to the receipt of the EDA's approval. Staff are bringing this application forward due to the fact, that the project has meet the intent of the program but ran into issues with finding contractors to bid on their project. Staff recommend the EDA approve Northeast Electric under the exception that there has been a proven hardship.

Schiele Auto repair LLC is located at 4457 University Ave and does business as Lowell's Auto Repair. As seen in the attached photo's, 4457 University currently has baby blue siding that is beginning to chip away. Schiele's Auto is requesting the Façade Improvement Grant to install grey metal siding on the areas above and around the brick Façade. The replacement of the siding is just one piece of the businesses intended improvements. Schiele's Auto also intends to install new windows on the second story, paint the remainder of the building, install a new awning, and install new lot lights.

Schiele's Auto is requesting the full \$5,000 grant amount to assist with their project. The bids submitted with the application estimate the total cost of siding to be \$16,923.21. The new siding would cover the front of the building above the brick façade, along with both sides of the building, and the rear of the building. Both sides are visible to University Ave but the cost of installing siding on the rear of the building is not covered by the program. Removing the back from the estimate does not affect the full funding designation. The replacement of the siding is an immediate upgrade to the building, as the current painted siding is chipping away.

Fridley Heights Cyclery is located at 4755 University Avenue NE, on the corner of the University Avenue service road and 48th Ave NE. The Cyclery is looking to add a 5'x2' aluminum sign to the northern side of the building. Being located on the southern corner, the northern side of the building is the first thing motorists see as they travel south on University Avenue. The sign meets all design guidelines and sign code requirements. Currently, the northern side of the building consists of a tan stucco wall with a large white metal parapet. The aluminum sign would be placed on the metal parapet and has a black outline to distinguish it from the building.

There are two bids for the sign itself with the lower more comprehensive bid coming in at \$121.14. The cost for installation also has two bids with the lowest coming in at \$590.00. The total cost of this project comes out to \$712.14. Making the total Façade Improvement Grant reimbursement \$356.07. While this is a very small improvement in consideration to other projects. The addition of a sign to the large white parapet will break up the excessiveness of this feature. This sign also improves the visibility of the business as it is on the side of the building most seen from drivers traveling south.

Forney added that part of the grant program is the installation of cameras, they will be speaking with the Police Department on deciding where the cameras can go, and then working with the interested businesses, past and present, to create one camera agreement.

Questions/Comments from Members:

Jacobs asked about Lowell's Auto Repair and if they are going to replace all their siding. Forney replied that he believed so.

Motion by Buesgens, seconded by Murzyn Jr., to waive the reading of Resolutions 2022-09, 2022-10, 2022-11, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by (name), to adopt Resolution 2022-09, a resolution 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 agreements with Nordeast Electric Inc. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by Murzyn Jr., to adopt Resolution 2022-10, a resolution 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 agreements with Schiele Auto Repair LLC. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by Murzyn Jr., to adopt Resolution 2022-11, a resolution 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 agreements with Fridley Heights Cyclery Inc. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2022-09

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENTS, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENTS WITH NORDEAST ELECTRIC INC.

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

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, thus requiring a license agreement in addition to the grant agreements (the “Grant Agreements”); and

WHEREAS, the Authority has thoroughly reviewed copies of the proposed forms of the Grant Agreements.

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

1. approves the form and substance of the Grant Agreements, and approves the Authority entering into the Grant Agreements with Nordeast Electric 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 various Grant Agreements.
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

Adopted this 2nd day of May, 2022

Offered by: Buesgens

Seconded by: Novitsky

Roll Call: All ayes

Marlaine Szurek, President

Attest:

Alicia Howe, Secretary

RESOLUTION NO. 2022-10

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENTS, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENTS WITH SCHIELE AUTO REPAIR LLC.

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

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, thus requiring a license agreement in addition to the grant agreements (the “Grant Agreements”); and

WHEREAS, the Authority has thoroughly reviewed copies of the proposed forms of the Grant Agreements.

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

1. approves the form and substance of the Grant Agreements, and approves the Authority entering into the Grant Agreements with Schiele Auto Repair 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 various Grant Agreements.
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

Adopted this 2nd day of May, 2022

Offered by: Buesgens

Seconded by: Murzyn

Roll Call: All ayes

Marlaine Szurek, President

Attest:

Alicia Howe, Secretary

RESOLUTION NO. 2022-11

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FAÇADE IMPROVEMENT GRANT AGREEMENTS, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO FAÇADE IMPROVEMENT GRANT AGREEMENTS WITH FRIDLEY HEIGHTS CYLCERY INC.

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

WHEREAS, the City of Columbia Heights (the “City”) and 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, thus requiring a license agreement in addition to the grant agreements (the “Grant Agreements”); and

WHEREAS, the Authority has thoroughly reviewed copies of the proposed forms of the Grant Agreements.

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

1. approves the form and substance of the Grant Agreements, and approves the Authority entering into the Grant Agreements with Fridley Heights Cyclery 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 various Grant Agreements.
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

Adopted this 2nd day of May, 2022

Offered by: Buesgens
Seconded by: Murzyn
Roll Call: All ayes

Marlaine Szurek, President

Attest:

Alicia Howe, Secretary

4. Creation of the Fire Suppression Grant Pilot Program

Forney reported that at the May 3, 2021, EDA Meeting, Community Development Staff brought forth for discussion the possibility of a Fire Suppression Grant Program. At that meeting, Staff discussed how the Minnesota Administrative Rules (Building Code) requires any change in use, expansion, remodel, or new construction of a commercial development to meet current fire suppression code requirements. On several occasions, Staff has interacted with constituents that are looking to bring new businesses into the City, but their projects have difficulties coming to fruition due to the high cost of installing fire suppression systems.

He added that recently the City relaxed it's liquor licensing, which requires a fire suppression system in order to have a license, and Miller's has been unable to get a liquor license because of this current requirement.

Therefore, Staff has proposed the Fire Suppression Grant Pilot Program. This is a program seeking to assist businesses and property owners in partially alleviating the costs of installing fire suppression systems. After receiving positive feedback from the EDA, Staff has moved forward and established the principal documents for the Fire Suppression Grant Pilot Program.

In summary, the Fire Suppression Grant Pilot Program is a reimbursement program like the EDA's Façade Improvement Grant Program. The Fire Suppression Grant Pilot Program reimburses qualifying applicants up to 50% of the project costs with a maximum of \$15,000 per grant. The geographic boundaries for program eligibility are the same as the current Façade Improvement Grant Program and are limited to commercial or mixed-use buildings. Improvements that are eligible include the following: design and engineering costs, construction and installation of a fire line from the main water line to the building, fire sprinkler system equipment/installation, and associated fire alarm systems/installation.

Staff recommends establishing the Pilot Program by using existing funds from the EDA's Redevelopment Fund 408. This fund currently serves as the revenue source for the Commercial Revitalization activities of the EDA, which includes the Façade Improvement Grant Program and the scattered site acquisition of single-family homes that are zoned commercially. Fund 408 has historically been replenished with approximately \$250,000 each year by the City's special HRA levy. However, in 2022, the City increased the levy amount to \$310,000 to provide additional funding for the various

programs that are supported by Fund 408. To fund the Pilot Program, Staff recommends setting aside \$45,000 to get through the rest of 2022 and all of 2023. This number represents the unused portion of the Façade Improvement Grant funds from the 2020 budget. In subsequent years, Staff and the EDA can determine funding levels based upon the success of the program.

He added that this is a pilot program which will be evaluated after year one and brought back to the EDA for future approval.

Questions/Comments from Members:

Murzyn Jr. asked if it is mandated for them to have a sprinkler system monitoring system, which can help stop water damage. Forney said it wasn't in the current guidelines, but it is something they can consider.

Jacobs asked if Murzyn Jr. if he is suggesting this should be part of the pilot program. Murzyn Jr. said it is a suggestion for them to consider. Forney said they can use the pilot program to see what people are installing and if they are also doing the monitoring system and put into the actual program if it continues. Chirpich added that they could discuss this with the Fire Chief and the Building Official to see what City Code requires, as it may require it already.

Márquez-Simula asked if they have heard from Miller's. Forney stated he couldn't get ahold of Miller's. He added that attaching a water line can cost \$40,000 or more, and the sprinkler permit fees are between \$5,000-\$15,000.

Márquez-Simula stated that for a place like Miller's it still would not cover half of the cost. She added that she believes this is a great way to help older and new businesses going into older businesses and be safe and welcomed.

Motion by Jacobs, seconded by Buesgens, to waive the reading of Resolution 2022-12, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Novitsky, to adopt Resolution 2022-12, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the creation and implementation of the Fire Suppression Grant Pilot program. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2022-12

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE CREATION AND IMPLEMENTATION OF THE FIRE SUPPRESSION GRANT, PILOT PROGRAM

BE IT RESOLVED, by the Economic Development Authority in and for the City of Columbia Heights as follows:

WHEREAS, current building code requires business and property owners that propose a change in use, expansion, and/or remodel, to meet modern day sprinkler requirements similar to those for new construction; and

WHEREAS, the EDA in conjunction with Community Development staff, has identified the cost of installing fire suppression systems in commercial buildings as a barrier for many new or expanding small businesses; and

WHEREAS, in response to these findings the EDA has created the Fire Suppression Grant, Pilot Program, partially alleviating the costs of installing a fire suppression system, and promoting the revitalization, restoration, and safety of commercial spaces within the City; and

WHEREAS, the EDA will fund this pilot program, \$45,000 in total, utilizing fund 408, more specifically the \$45,000 of unused 2020 Façade Improvement Grant Program funding;

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

1. Approves the creation and implementation of the EDA's Fire Suppression Grant Pilot Program.
2. Authorizes the appropriation of \$45,000 from fund 408 for the expenditures associated with the Fire Suppression Grant, Pilot Program.
3. Authorizes Community Development staff to take such action as they deem necessary and appropriate to carry out the purposes of the Fire Suppression Grant, Pilot Program.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Adopted this 2nd day of May, 2022

Offered by: Jacobs
Seconded by: Novitsky
Roll Call: All ayes

Marlaine Szurek, President

Attest:

Alicia Howe, Secretary

OTHER BUSINESS

Chirpich reported that they are still in contract negotiations for the redevelopment of the Public Safety site with Reuter Walton. There will be a special EDA meeting in May 2022 because the project needs to stay on track with closing, which is anticipated to be at the end of June 2022. He added that there are several moving parts including closing on the bond funding, issuing a loan for the project from the grant that was recently received from the Metropolitan Council, and the finalization of the TIF-related agreement. Chirpich stated there are several financial components they are sorting out, and then there is also the closing which is complicated by the easement agreements that they are still working on.

Chirpich stated that SACA is still working on their funding, which has caused a little bit of a pause, but they are working on that contract as well.

He stated that the Special EDA meeting may be held next Monday, May 9, 2022.

Szurek asked if the Council has already seen drawings of the building, the size of the apartments and the total apartment units. Chirpich stated there are 62 apartment units, with a mix of 1-3 bedroom units. He added that it's predominantly 2-3 bedrooms because it's centered on families.

Novitsky said the Council has seen the plans and they were modified to address the concerns of residents. He stated that the concerns included the traffic coming off of Jackson Street, so the parking was rotated to come off of 42nd Avenue instead of Jackson Street.

Buesgens stated That the business Aisa Chow main would be a good target for the façade improvement grant program but they are not in the territory that they sketched out, it only goes to 47th Avenue. She asked if the small businesses to the north would be considered. Chirpich said it would meet the intent because it's an older building, and the offer could be extended to Asia Chow Mein with special authorization.

Novitsky asked about what if other businesses hear that the one business was included but they were not and if Central Avenue for the City boundaries could be included, with the same rules. Chirpich stated he agreed, and they could analyze it more. Forney added that they could follow what other cities have and specify based on age or create parameters.

Márquez-Simula asked about Sarah's Tobacco and if they are in the territory, as their sign needs an update. Forney stated they are eligible, and he has talked to the owner before, but they have not received an application.

Chirpich said that they are expecting some revised plans for the Rainbow site that will be presented to the Council at a work session soon. He stated that there is a potential grocer partner for the site that is almost ready to meet in a small group before going to the Council. He added that they could potentially break ground in the spring of 2023.

Buesgens asked if a sign could be placed on the site once it is moving forward. In order to let the community, know what is going on with the site.

Chirpich stated that a sign would designate with the community. He went on to talk about the previous owner of the lot and their sale of multiple properties throughout the metro. Making the comment that the City was ahead of the curve in purchasing the property prior to the large sell off.

Murzyn asked about the current leases of Ace Hardware and the other businesses at 4300 Central.

Chirpich stated that with the sale of that portfolio, Alatus was able to pick the termination date, and that date will align with the lease expiration of Dollar Tree, which is around June 2023. He said that there were attempts to try to keep them in the City and stated the mall owner has contacted the Frattallone's.

Chirpich said that the brewery that previously submitted an application for a CUP that had expired, resubmitted an application that day. He stated that they have seen more interior plans and contractors are getting ready to pull permits; there isn't a timeline established yet.

ADJOURNMENT

Motion by Jacobs, seconded by Buesgens, to adjourn the meeting at 6:08 pm. All ayes. MOTION PASSED.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alicia Howe", is written over a horizontal line.

Alicia Howe, Recording Secretary