



**ECONOMIC DEVELOPMENT AUTHORITY**  
**Public Safety Building—Training Room, 825 41st Ave**  
**NE**  
**Monday, March 06, 2023**  
**5:00 PM**

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## **MINUTES**

### **CALL TO ORDER/ROLL CALL**

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

Members present: Connie Buesgens; Gerry Herringer; Kt Jacobs; Rachel James; Amada Márquez-Simula (5:06 pm); Justice Spriggs; Marlaine Szurek

Staff Present: Kelli Bourgeois, City Manager; Aaron Chirpich, Community Development Director; Sara Ion, City Clerk; Mitchell Forney, Community Development Coordinator; Alicia Howe, Administrative Assistant; William Roberts, Rail Werks Brewing Depot Owner

### **PLEDGE OF ALLEGIANCE**

### **CONSENT AGENDA**

- 1. Accept February 6, 2023 EDA Meeting Minutes**
- 2. Approve the Financial Reports and Payment of the Bills for January 2023**

### Questions/Comments from Members:

Herringer asked what was replaced for the Van Buren Lighting Replacement. Chirpich stated the municipal parking ramp had a full upgrade on the lighting system and new LED lights in the ramp. He added it was paid through the Capital Improvement Fund.

Jacobs asked if shields would be included on the lights on the street side of the ramp. Chirpich stated they are shielded and downcast and code compliant.

Herringer asked if the developer payments were for the new office. Chirpich explained the second half of the 2022 developer payments is for the bi-annual payments for the TIF districts of Crestview and the 2 Dominion Projects (The Legends and Grand Central Flats).

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

**RESOLUTION NO. 2023-06**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENT FOR THE MONTH OF JANUARY 2023 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF JANUARY 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 January 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 6<sup>th</sup> day of March, 2023

Offered by: Jacobs

Seconded by: James

Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

## BUSINESS ITEMS

### 3. **Approve Purchase of 4243 5th Street and Approval of Inter-fund Loan**

Forney reported in early in 2023, community development staff were approached by John Rockwell with REMAX Synergy with a seller that was interested in selling their home to the City of Columbia Heights. John has worked extensively with the City in the past. Previously, he was in charge of finding and negotiating on behalf of the EDA for houses that were purchased under the Commercial Revitalization Program. The seller has aged out of the home and now resides in an elderly care facility. The house and garage have slowly fallen into disrepair. The owner's family sought to sell the property to the City rather than to someone that would attempt to flip the house. The home was originally built in 1916 and contains 600 sq/ft of livable space. The house is very small and when combined with the detached garage only takes up about 1/3 of the lot. Community development staff thought that this property was perfect for redevelopment. When staff toured the residence there were holes in the ceiling with garbage bags used to plug areas that had been leaking. Rather than letting the house fall into the hands of a flipper, staff thought it a perfect candidate for affordable home ownership and redevelopment. Staff are purposing a partnership with the non-profit Habitat for Humanity to redevelop an affordable single-family home on the site. Staff have been in contact with Habitat for Humanity, and they will be able to address the project in the spring of 2024. He added that demolition would begin in 2023 with the rebuild happening at a later date.

Forney stated when looking into financing the project, community development staff along with help from the finance director, found pooled TIF funds in an old redevelopment TIF district, C8. Staff also identified the scattered site TIF district w3/w4. The C8 district and w3/w4 district have historically had a symbiotic relationship. When C8 was decertified, it loaned its pooled funds to w3/w4 to be used in the redevelopment of affordable single family housing. Specifically housing that was purchased from housing foreclosures during the recession. W3/w4 utilizes TIF acquired from scattered single-family lots, previously redeveloped, to pay back the money loaned from the C8 district. Since the C8 district was established prior to the TIF rules being changed in 1990, the pooled funds have different rules than modern districts, allowing them to remain almost indefinitely or until the district no longer has obligations, i.e. loans. The w3/w4 district was established in 2015 and will be decertified in 2040.

Forney noted that staff purpose utilizing this symbiotic relationship to loan funds from C8 to w3/w4 in order to purchase 4243 5th Street. W3/w4 will then utilize the TIF it is currently collecting to repay the C8 loan with 5% interest. In order to utilize w3/w4, the property has to meet HUD low-income requirements. Which is why staff believe Habitat for Humanity is the perfect partner. C8 currently has approximately \$385,000 dollars. Staff are requesting an interfund loan for this project in the amount of \$170,000, to cover the \$120,000 purchase price along with demolition costs. Leaving \$215,000 in C8 available for similar projects in the future. The EDA can continue to utilize this relationship to purchase

houses until the decertification of w3/w4. If the EDA identifies more properties to purchase, staff recommends modifying w3/w4 to include the homes which would increase the amount of TIF that w3/w4 captures to pay back its loans. Forney stated with the additional funds in the C8, they can target older homes that could be redeveloped and meet affordable home ownerships.

Questions/Comments from Members:

Márquez-Simula noted there was an article that related to the topic. Buesgens agreed and stated there was an article in the *Star Tribune* that mentioned older homes built in back lots. She added that people used to do this because they hoped to build a larger home in front of it as a more permanent home. Chirpich stated they would look into it and mentioned they have found a similar home simply by researching homes in the City. Buesgens noted it would be a good future article to look into.

Jacobs asked how the proposed legislation on lowering the TIF tax rate would effect the current TIF. Chirpich stated it was a future discussion.

Jacobs asked if it was possible to partner with a local construction company to build a home in order to support a local business. Forney explained in the past they typically hire a local business. He stated the issue they have run into is managing a low income home while also making sure low income families remain in the homes. He mentioned Habitat for Humanity is able to manage this. Chirpich added that it takes compliance for income eligibility out of the hands of the City and can be a burden on the Staff to manage. Jacobs asked if there could be a contractual agreement with the developer. Chirpich stated they could. Forney added it can be difficult to find a developer who would agree. Chirpich noted they have not explored developers who would have the bandwidth to handle scattered site projects. He added they have not worked with Habitat for Humanity in a number of years and they do good work. Jacobs explained she is not against using Habitat for Humanity but thought it could be a good opportunity to promote a local business.

Buesgens reviewed past projects where they hired local businesses. Szurek asked if John Rockwell was involved in those past projects. Chirpich confirmed he was. Szurek noted how beautiful those homes were. Chirpich stated the City has a long history of scattered site redevelopment.

James stated she is in favor of the project and wished there was more money in the funds in order to buy all the homes that would qualify. She appreciated Habitat for Humanity and the sweat equity that is a part of it. She added in general she likes the idea of scattered site development and more affordable housing.

Herringer noted an issue in the past with Habitat for Humanity where they did not agree to give the home to a Columbia Heights resident and stated that cannot happen again. He asked if they still operated in that manner since it was a reason they did not use them the last few years. Chirpich stated he did not know and mentioned the new owner would become a Columbia Heights residents. Szurek explained that there are many renters in Columbia Heights who would like to have a home but cannot afford it and that it was an important question to ask Habitat for

Humanity. Chirpich mentioned Habitat for Humanity has federal obligations to adhere to and would need to look into it more. He added that Habitat for Humanity comes to the City each year asking if there was any land they could build on and the City has turned them away for the past 4 years. Herringer explained the benefit of having Habitat for Humanity do the project while offering the home to a current Columbia Heights resident.

Márquez-Simula agreed with the comments made by Herringer and Szurek and stated she is in favor with the current topic and they could ask Habitat for Humanity at a future time. Chirpich noted the EDA would make the decision on who would do the project in the future and does not have to be set on Habitat for Humanity.

Spriggs asked who was paying the 5% interest in the interfund loan. Forney stated the City was through the W3 paying the C8.

*Motion by Buesgens, seconded by Márquez-Simula, to waive the reading of Resolution No. 2023-07 and 2023-08, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Buesgens, seconded by Jacobs to approve Resolution 2023-07, a resolution authorizing an interfund loan for advance of funds from tax increment financing University Avenue Redevelopment District (no. C8) for costs in connection with the city-wide scattered site housing tax increment financing district. All ayes of present. MOTION PASSED.*

*Motion by Buesgens, seconded by James to approve Resolution 2023-08, a resolution approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and Lauren M. Bell. All ayes of present. MOTION PASSED.*

#### **RESOLUTION NO. 2023-07**

### **A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY, AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF FUNDS FROM TAX INCREMENT FINANCING UNIVERSITY AVENUE REDEVELOPMENT DISTRICT (NO. C8) FOR COSTS IN CONNECTION WITH THE CITY-WIDE SCATTERED SITE HOUSING TAX INCREMENT FINANCING DISTRICT**

**BE IT RESOLVED** By the Board of Commissioners of the Columbia Heights Economic Development Authority (the "Authority" or "EDA") as follows:

#### **Section 1. Background.**

**1.01.** Pursuant to Minnesota Statutes, Sections 469.174 through 469.1799, as amended, and predecessor statutes (the "TIF Act"), the City of Columbia Heights, Minnesota (the "City") and the Housing and Redevelopment Authority in and for the City (the "HRA") previously established Tax Increment Financing University Avenue Redevelopment District (No. C8) ("TIF District C8") within a project area variously called the Downtown CBD Revitalization Project, the Central Business District Redevelopment Project, and the CBD Redevelopment Project (the "Project").

**1.02.** By resolution approved January 8, 1996, the City transferred to the EDA the control, authority and operation of all projects then administered by the HRA.

**1.03.** Pursuant to the TIF Act, the City and the Authority also previously established the City Wide Scattered Site Housing Tax Increment Financing District (“Scattered Site TIF District”) within the Project.

**1.04.** The Authority expects to incur certain costs related to the Scattered Site TIF District, which costs may be financed on a temporary basis from available Authority funds.

**1.03.** Under Section 469.178, Subdivision 7 of the TIF Act, the Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

**1.04.** The Authority intends to acquire and demolish certain property within the Project, including but not limited to property located at 4243 5th Street NE, Columbia Heights MN 55421, in the City (collectively, the “Property”), and intends to pay all or a portion of the costs of acquiring and demolishing the Property using tax increments from TIF District C8, up to the total balance of tax increments (approximately \$385,000) available in the fund or account for TIF District C8 (the “Balance”).

**1.05.** The Authority has designated the advance of funds for the acquisition and demolition of the Property as an interfund loan (the “Interfund Loan” or “Loan”).

**Section 2. Authorization of Use of Funds; Further Actions.**

**2.01.** The Authority hereby authorizes use of the Balance from TIF District C8 as one of the legally available funding sources for the Interfund Loan.

**2.02.** The Authority authorizes the Loan in the amount of \$170,000, to be drawn from the account for TIF District C8. Such amount will be made available to the Authority at or before the closing on the acquisition of each Property by the Authority. The outstanding principal balance of the Loan bears interest at the rate of 5.0 percent per annum (which is the greater of the rates specified under Sections 270C.40 or 549.09 in accordance with Minnesota Statutes, Section 469.178, subdivision 7); provided, however, the Executive Director of the EDA is authorized to specify a lower rate. Interest accrues from the respective dates of each disbursement from the identified account in order to acquire the Property.

**2.03.** The Loan is payable from tax increments generated from the Scattered Site TIF District (if any), from any other tax increments legally available for such purposes, from proceeds of the sale of the Property (if any), and from any other revenues available to the Authority. Principal and interest (“Payments”) shall be made at the times any revenue sources are available to make installment payments. The outstanding balance of principal and interest is due on the date of last receipt of tax increment from the Scattered Site TIF District or from any other tax increment district from which repayment of the Loan is made. Payments will be credited to the account from which the Loan was drawn. All payments shall be applied first to accrued interest, and then to unpaid principal of the Loan.

**2.04.** The Authority reserves the right to permanently allocate all or any portion of the Balance to the acquisition of the Property and to amend the terms of the Interfund Loan at any time by resolution of the Authority’s Board of Commissioners, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

**Section 3. Effective Date.** This resolution is effective upon approval.

Approved by the Board of Commissioners of the Columbia Heights Economic Development Authority this 6 TH day of March, 2023.

Passed this 6<sup>th</sup> day of March, 2023

Offered by: Buesgens  
Seconded by: Jacobs  
Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2023-08**

**A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, AND LAUREN M. BELL**

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

**SECTION 1. RECITALS.**

**1.01.** The Authority and Lauren M. Bell (“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 4243 5th Street NE (the “Property”) from the Seller for housing 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 \$120,000 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 4243 5th Street. Such acquisition of this Property, for subsequent resale, best meets the community’s needs and will facilitate the housing 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 Scattered Site Housing TIF District w3/w4.

**SECTION 2. PURCHASE AGREEMENT AND BUDGETT AMENDMENT APPROVED.**

**2.01.** The Authority hereby ratifies and approves the actions of Authority staff and of REMAX Synergy (“Broker”) 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 approves the use of funds from TIF District w3/w4 for the purchase agreement and \$50,000 for other project costs that comply with the standards laid out in the w3/w4 TIF Plan adopted by the City of Columbia Heights.

**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 6<sup>th</sup> day of March, 2023

Offered by: Buesgens

Seconded by: James

Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**4. 40th and University Avenue Right-of-Way Purchase from MnDOT**

Forney reported in 2019, the City began in earnest to enact its plan to redevelop the southwestern quadrant of the 40th Avenue and University Avenue intersection, as redevelopment of this corner is a priority that is articulated in the City’s comprehensive plan. As part of this redevelopment initiative, the City and EDA have purchased three separate parcels to prepare a shovel ready site for future development. Community development Staff are bringing forward for the EDA’s consideration the purchase of MnDot right-of-way that adjoins the City’s current land holdings in this location. The acquisition of this land from MnDot will make the City’s parcels more accessible, developable, and improve the overall layout of the redevelopment site.

**LAND ASSEMBLY HISTORY TO DATE:**



Forney stated in 2009, the City purchased the parcel located at 3853 3rd Street as part of its program to purchase and rehabilitate foreclosed homes during the housing crises. In 2010, the City demolished the single-family home on the property, and it has sat vacant since. In 2019, the City purchased the former Root Electronics parcel (393 University Ave NE) out of tax forfeiture for \$81,600.

Forney noted after the purchase, community development staff worked to secure federal Community Development Block Grant (CDBG) funding for the demolition of buildings and environmental remediation of the site. The City's environmental contractor, Carlson McCain conducted environmental testing of the site and in December of 2021, Carlson McCain and the City's demolition contractor, Veit initiated the environmental cleanup. Over a period of four weeks, Veit removed two storage buildings, their slab foundations, the basement foundation of the main Root building, 665 tons of contaminated soil, and clear-cut most of the trees and scrub brush on the site. During the remediation of the site, Veit and Carlson McCain uncovered an old dumpsite on the southern end of the property, two large fuel storage tanks, and an additional foundation underneath one of the storage building foundations. The dumpsite and additional foundation were immediately remediated. With the assistance of Carlson McCain, the City applied for the State of Minnesota's Abandoned Underground Petroleum Storage Tank Removal Program. As part of the program, the Minnesota Department of Commerce paid for the entire project cost of removing the fuel storage tanks and conducting post removal environmental testing. At the same time, Community Development staff and the EDA were in negotiations with the owner of 230 40th Ave NE. In late 2019, the EDA purchased the house for \$275,000 and prepared the property to be used by the Fire Department in a training exercise burn. After the house was burned down the site was cleared of all improvements and now sits vacant.

**MNDOT RIGHT-OF-WAY ACQUISITION:**

Forney noted there is a service road that used to serve as the entrance to the Root property and the former house at 230 40th Ave. This service road is owned by the Minnesota Department of Transportation (MnDot), even though it acts as the only entrance point to the two City owned properties. As part of the redevelopment of the southwest corner, Staff thought it imperative to acquire part of this right-of-way.

Forney reviewed that in June of 2022, Staff reached out to the MnDot requesting the conveyance of the land. After meeting to discuss possible contingencies, MnDot responded with the purchase approval letter. Acquiring this right-of-way makes the City owned parcels whole and makes the combination of parcels more attractive to developers. As part of the property conveyance, MnDot wanted to ensure that the City meets three requirements. First, that the entrance to any future development on the site will have to meet current setback standards from the 40th and University intersection. The current service road is too close to the intersection and will have to be pushed to the west to meet current MnDot standards. This will occur upon redevelopment of the site and does not

have to be done until then. Second, that the City be responsible for repairing and making the sidewalk along 40th Avenue ADA compliant. In 2025, Anoka County plans to rebuild part of 40th Ave along the north side of the site. Staff were able to negotiate the resolution timeline for the ADA compliance upgrades to coincide with the work to be done on 40th Avenue. Last, that the City shall be responsible for moving the fence that currently lines the border between the parcel and the University Ave right-of-way. This is to ensure the fence delineates the new boundary and will be completed when the redevelopment of the site is conducted.

Forney stated as part of the purchase process, the Minnesota Pollution Control Agency (MPCA), has conducted a Phase 1 environmental review of the property. No major issues were found but there is a possibility the site may need additional environmental remediation. Staff have also worked with the EDA's legal counsel to complete a title commitment review of the parcel. The title has comeback clean, and staff have title insurance prepared. The purchase of the property will be paid out of fund 408, specifically the Commercial Redevelopment Program. With a purchase price of \$7,700.00 for 14,161 sq/ft of commercial land, Staff believe that the purchase of the land is a great opportunity for the City. The parcel is completely useless to anyone other than the City and if it remained in MNDOT's hands it would stay vacant. The addition of this parcel adds another puzzle piece to the eventual redevelopment of the corner and sets up the City to drive the eventual project.

Questions/Comments from Members:

Buesgens expressed her excitement for the City to purchase the land. She referenced a nearby home they could have purchased when she joined the Council but previous EDA members ruled they would not fund relocation costs. She stated there should be some exceptions in the future so they do not run into the same problem and miss an opportunity. She asked if it could be added as a discussion item in the future since she had asked for that in the past. Chirpich agreed that it was a missed opportunity and stated they have engaged the owner but they are currently building more. He noted not all hope is lost since they could pursue a potential lot area variance and make the argument that it is under unique circumstances that would warrant a smaller lot area threshold for that second duplex. He added they would need to look into it in the future.

Chirpich explained the lot will be jagged but Staff still agree it is worth pursuing the project. Forney referenced Buesgens comment on the previous EDA member's decision and stated it is not a set in stone policy. Buesgens expressed her frustration with the past EDA decision. Chirpich explained that Staff agree there if there was a tenant relocation of a single family home in the future they would bring it to the EDA.

Jacobs asked if they were watching the triangle property. Chirpich stated they were. Szurek asked if it was an older single family home. Chirpich confirmed it was. Forney added that it was sold in 2013 and mentioned that the individuals living in the home are older. Chirpich stated they were going to reach

out and begin a dialogue. Szurek noted it makes it difficult to make a development. Chirpich stated the northern triangle was still a viable option.

Szurek asked how many square feet the MnDot 230 and 3930 portion was. Chirpich stated it is over 2 acres.

Buesgens asked if it was safe to walk in the area. Forney stated it is and they have worked with Public Safety in order to avoid dumping in the area. He added in the 3853 parcel, people were dumping in the area but Public Works is planning on building concrete barriers after the snow melts. He noted there is not a homeless population in the parcel, like in previous years. Buesgens stated she thought contamination was the reason to not walk in the area. Chirpich noted that contamination is no longer an issue.

Jacobs asked if there was an idea on what kind of development is desired in the future and added that she could see it being a light industrial development. Chirpich noted the Comprehensive Plan has 3 to 4 plans with all of them being mixed use plans of commercial and residential. Buesgens explained a previous idea was to use boxcars from the City to create homes.

James stated with all of the redevelopment happening on a major intersection, it cannot stay an empty lot. She added there will be more bus stops accessible to residents in the area.

Buesgens stated she would hate to see the woods be torn down. Chirpich noted there was not much high value vegetation in the area. He added the City Forester did a cursory review of the area and did not find much high value vegetation. Buesgens explained it was not just the trees but the animals that would be effected such as bees if cottonwood trees were torn down.

*Motion by Spriggs, seconded by Jacobs, to waive the reading of Resolution No. 2023-09, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Spriggs, seconded by Buesgens, to adopt resolution 2023-09, a resolution approving the conveyance of real property between the Minnesota Department of Transportation and the Economic Development Authority of Columbia Heights, Minnesota. All ayes of present. MOTION PASSED.*

#### **RESOLUTION NO. 2023-09**

#### **A RESOLUTION APPROVING THE CONVEYANCE OF REAL PROPERTY BETWEEN THE MINNESOTA DEPARTMENT OF TRANSPORTATION AND THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA**

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

##### **SECTION 1. RECITALS.**

**1.01.** The Authority has received a conveyance offer letter (the "Agreement") from the Minnesota Department of Transportation (MNDOT) (the "Seller") pursuant to which the Authority will acquire certain property in the City of Columbia Heights (the "City") located on the southwest corner of

40th Ave and University Ave (the “Property”) from the Seller for economic redevelopment purposes. The Property is described in Exhibit A attached hereto.

**1.02.** Pursuant to the Agreement, the Authority will purchase the Property from the Seller for a purchase price of \$7,700.

**1.03.** The Authority finds that acquisition of the Property is consistent with the City’s Comprehensive Plan and will result in the redevelopment of a substandard property, and that such acquisition will facilitate the economic development 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. Specifically, this project meets the requirements of the Commercial Revitalization Program within fund 408.

**SECTION 2. PURCHASE AGREEMENT APPROVED.**

**2.01.** The Authority hereby ratifies and approves the actions of Authority staff and Kennedy Graven in researching the Property and preparing and presenting the Agreement. The Authority approves the 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 Agreement by those officials shall be conclusive evidence of their approval.

**2.02.** Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Agreement, and any deed or other documents necessary to acquire the Property from the Seller, all as described in the Agreement.

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 6<sup>th</sup> day of March, 2023

Offered by: Spriggs  
Seconded by: Buesgens  
Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**5. Rail Werks Brewing Fire Suppression Grant Application**

Forney reported he met the business owner who was present at the meeting. In 2022, the EDA created the Fire Suppression Grant Program (“Program”). Through this program the

EDA wanted to assist local businesses with the cost burdening work of installing fire suppression systems within commercial buildings. As noted in the program guidelines, a lot of the commercial properties in Columbia Heights do not have fire suppression systems.

Forney noted the cost of adding these systems, when required, is very cost prohibitive for small businesses. Certain businesses and certain changes in use require the addition of fire suppression systems. The Applicant in question is William Roberts the owner of Rail Werks Brewing Depot. Rail Werks Brewing is currently in the process of retrofitting a space in the strip mall on the NE corner of 40th and Central. They are a new business that has been garnering funding and support in the community over the past few years. Along with brewing beer, Rail Werks plans to sell barbeque out of its kitchen. As noted, adding kitchens into any space can be very costly. The Fire Suppression Grant program can only assist with the Sprinkler and ANSUL system. While Rail Werks still needs to front the cost for hoods and the fire suppression related kitchen and HVAC equipment. Attached to the application are the applicants plans for the building. To install the required fire suppression system Rail Werks Brewing is looking at adding a cost of approximately \$48,872 to their build out.

Forney reviewed in 2022 The EDA allocated \$45,000 for the creation of the Program, and budgeted \$60,000 for 2023, leaving the program with a balance of \$105,000. After the approval of Ruff Love Dogs Application for \$30,000, the EDA currently has \$75,000 available for 2023. If approved, Rail Werks would receive a grant of \$24,436 bringing the EDA's funds available to \$50,564 for the remainder of 2023. As stated above it has been difficult for staff to find business that are able to apply to the program. Staff believe that this project meets the intent of the Fire Suppression Grant program, assisting in the bringing a desirable business to the City of Columbia Heights.

Questions/Comments from Members:

Herringer asked what was currently in the space. Forney stated it is currently empty. Herringer asked what it is next to. Chirpich stated it is next to Global Academy.

James asked if other businesses were ready for the program and had contacted Community Development. Forney explained the only two that are ready and have contacted them are the ones they have presented in the year; he added no one else has approached them.

*Motion by Jacobs, seconded by James, to waive the reading of Resolution No. 2023-10, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by Jacobs, seconded by Buesgens, to approve Resolution 2023-10, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the form and substance of the Fire Suppression Grant Agreement, and approving authority staff and officials to take all actions necessary to enter the authority into the Fire Suppression Grant Agreement with Rail Werks Brewing Depot. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2023-10**

**A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FORM AND SUBSTANCE OF THE FIRE SUPPRESSION GRANT AGREEMENT, AND APPROVING AUTHORITY STAFF AND OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ENTER THE AUTHORITY INTO THE FIRE SUPPRESSION GRANT AGREEMENT WITH RAILWERKS BREWING DEPOT.**

**WHEREAS**, the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “Authority”) have collaborated to create a certain fire Suppression 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, rehabilitating, and restoring commercial buildings increasing business vitality, economic performance, and public safety; 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 Rail Werks Brewing Depot.
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 6<sup>th</sup> day of March, 2023

Offered by: Jacobs  
Seconded by: Buesgens  
Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**6. Rail Werks Brewing Façade Improvement Grant Application**

Forney explained the report was regarding the 2023 Façade improvement Grant application for Rail Werks Brewing Depot. Located at 4055 Central Ave NE, Rail Werks Brewing recently leased the property and is currently working on a complete buildout of one of the open spaces. Rail Werks is installing brewing equipment, a commercial kitchen, and building out its dining area. Rail Werks is applying to the Façade Grant Program to assist in the installation of a new sign. As we are continuing to see with other businesses, Rail Werks was only able to receive one bid for the exterior work. The bid came in at \$9,200 and meets the requirements for a grant amount of \$4,600. Community development staff recommend funding the project in full. The business owner is clearly investing in both the façade and interior of the building. The updates to the building will rehabilitate the space and bring a desired business to the City.

Questions/Comments from Members:

Jacobs asked if there was an illustration of the emblem for the sign.

William Roberts, Rail Werks Brewing Depot Owner unzipped his sweater to display his t-shirt showing the emblem that will be on the sign.

Szurek thanked the owner for coming to Columbia Heights and said they were looking forward to having them there.

Chirpich asked the owner to share the grand opening timeline. Rail Werks Brewing Depot Owner William Roberts explained there is a lot of work to do but they are hoping for September 1, 2023.

*Motion by James, seconded by Jacobs, to waive the reading of Resolution No. 2023-09, there being ample copies available to the public. All ayes of present. MOTION PASSED.*

*Motion by James, seconded by Spriggs, to adopt Resolution 2023-11, 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 a façade improvement grant agreement with Rail Werks Brewing Depot. All ayes of present. MOTION PASSED.*

**RESOLUTION NO. 2023-11**

**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 RAIL WERKS BREWING DEPOT**

**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 Rail Werks Brewing Depot
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

**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 6<sup>th</sup> day of March, 2023

Offered by: James  
Seconded by: Spriggs  
Roll Call: All ayes of present.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Questions/Comments from Members:

Herringer asked what the renter rates and ratio was. Chirpich stated it is going well and is over 40% lease and over 100 units. He added there are many 20 lease months and 7-10 lease weeks.

Szurek asked if they were still planning on tearing down at 44<sup>th</sup> Street. Chirpich stated they are still planning on tearing down the building in July 2023. Márquez-Simula asked if there could be a viewing party for the community.



**ADJOURNMENT**

*Motion by Buesgens, seconded by Jacobs, to adjourn the meeting at 5:57 pm. All ayes. MOTION PASSED.*

Respectfully submitted,



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Alicia Howe, Recording Secretary