



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

AGENDA

ATTENDANCE INFORMATION FOR THE PUBLIC

*Members of the public who wish to attend may do so in-person, by calling **1-312-626-6799** and entering meeting ID **830 2526 7731** or by Zoom at <https://us02web.zoom.us/j/83025267731>. For questions please call the Community Development Department at 763-706-3670.*

CALL TO ORDER/ROLL CALL

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**
MOTION: Move to approve the Consent Agenda as presented.

BUSINESS ITEMS

- 3. Approve Purchase of 4243 5th Street and Approval of Inter-fund Loan**
MOTION: Move to waive the reading of resolution 2023-07 and 2023-08, there being ample copies available to the public.

MOTION: Move 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

MOTION: Move to approve Resolution 2023-08, a resolution approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and Lauren M. Bell

- 4. 40th and University Avenue Right-of-Way Purchase from MnDOT**
MOTION: Move to waive the reading of Resolution 2023-09, there being ample copies available to the public.

MOTION: Move 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

5. Rail Werks Brewing Fire Suppression Grant Application

MOTION: Move to waive the reading of Resolution 2023-10, there being ample copies available to the public.

MOTION: Move 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.

6. Rail Werks Brewing Façade Improvement Grant Application

MOTION: Move to waive the reading of Resolution 2023-11 there being ample copies available to the public.

MOTION: Move 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

PUBLIC HEARINGS

OTHER BUSINESS

ADJOURNMENT

Auxiliary aids or other accommodations for individuals with disabilities are available upon request when the request is made at least 72 hours in advance. Please contact Administration at 763-706-3610 to make arrangements.



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

MINUTES

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

CALL TO ORDER/ROLL CALL

Commissioners Present: Connie Buesgens, KT Jacobs, Rachel James, Amáda Márquez Simula, Justice Spriggs, Marlaine Szurek

Commissioners Not Present: Gerry Herringer

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

PLEDGE OF ALLEGIANCE

OATH OF OFFICE

Chirpich stated Ion administered the oath of office at an earlier time and would not need to administer the Oath of Office during the meeting.

ELECTION OF OFFICERS

1. Election of Economic Development Authority Officers

Chirpich stated pursuant to the bylaws of the Columbia Heights Economic Development Authority (the “EDA”), officers are required to be elected annually. He added that in order for an EDA Commissioner to be considered for an officer position, an EDA Commissioner must be nominated by another commissioner, or by him or herself.

Chirpich noted that the EDA bylaws require the City Manager (Kelli Bourgeois) to serve as the “Executive Director”, the Community Development Director (Aaron Chirpich) to serve as “Deputy Director” and the Finance Director (Joseph Kloiber) to serve as the “Assistant Treasurer”. The bylaws also specify that the position of “Secretary” be appointed by the EDA. Thus, it is recommended that the community development department’s Administrative Assistant, Alicia Howe serve as the Secretary.

Chirpich called for nominations for the President of the EDA. Szurek nominated herself.

Motion by Jacobs, seconded by Márquez Simula to elect Marlaine Szurek as President of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Chirpich called for nominations for the Vice President of the EDA. Jacobs nominated herself.

James asked what the role of the Vice President was. Chirpich stated it is to serve the role of the President, and have signing authority when the President is absent.

Márquez Simula nominated James.

Motion to elect Jacobs as Vice President of the Economic Development Authority. A roll call vote was taken. 2 ayes, 4 nays. MOTION FAILED 2-4. Nays: Jacobs, Szurek. Ayes: Márquez Simula, Buesgens, Spriggs, James.

Motion to elect James as Vice President of the Economic Development Authority. A roll call vote was taken. 4 ayes, no nays. MOTION PASSED. Ayes: Márquez Simula, Buesgens, Spriggs, James. Nays: Jacobs, Szurek

Chirpich stated they would be required to pass a motion to officially elect James as Vice President of the EDA. Szurek asked if that was required in the bylaws. Ion confirmed they would need to pass a motion.

Motion by Márquez Simula, seconded by Spriggs to elect James as Vice President of the Economic Development Authority. A roll call vote was taken. 4 ayes, 2 nays. MOTION PASSED. Ayes: Márquez Simula, Buesgens, Spriggs, James. Nays: Jacobs, Szurek

Chirpich called for nominations for the Treasurer of the EDA. Szurek nominated Jacobs. Szurek stated Herringer was the previous Treasurer. Jacobs asked if she could step into the role if Herringer did not desire the position and added she did not want to take the role from him. Chirpich stated there needed to be an election during the meeting. Szurek stated she did not think Herringer would be concerned about being the treasurer again. Chirpich noted the primary role of the Treasurer was to ask detailed questions regarding financials.

Motion by Szurek, seconded by Buesgens to elect Jacobs as Treasurer of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Motion by James, seconded by Márquez Simula to appoint Alicia Howe as the Secretary of the Economic Development Authority. A roll call vote was taken. All ayes of present. MOTION PASSED.

Following ratification of the above motions, the newly elected President of the EDA will now preside over the remainder of the meeting.

CONSENT AGENDA

2. **Accept December 12, 2022 EDA Meeting Minutes.**
3. **Approve the Financial Reports and Payment of the Bills for November and December 2022**

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

RESOLUTION NO. 2023-01

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTHS OF NOVEMBER, AND DECEMBER 2022, AND THE PAYMENT OF THE BILLS FOR THE MONTHS OF NOVEMBER AND DECEMBER 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 November and December 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, 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 a part of the permanent records of the Columbia Heights Economic Development Authority.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 6th day of February, 2023

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

President

Attest:

Secretary

BUSINESS ITEMS

4. Designating the Official Depositories of the Economic Development Authority

Forney stated the EDA is required to designate by resolution the depositories used for its funds and investments. He added the resolution follows the general format of resolutions passed in previous years by the EDA and City. Most general banking transactions of the EDA and City are conducted through Northeast Bank. Accounts are also maintained at Wells Fargo Bank of Minnesota, N.A. and U.S. Bank for certain specialized services such as payroll and debt service payments.

Forney noted the only material difference between this proposed resolution and the resolution adopted annually by the City Council is that the EDA resolution allows for the EDA's funds to be held in accounts under the name of the City. This has always been the EDA's practice. He reviewed the history of the EDA, stating, since the creation of the EDA in 1996, it has never had a separate checking account under its own name. All EDA expenditures since its inception have been made using checks drawn in the City's name on behalf of the EDA. Staff recommends maintaining these three banking relationships, as they meet the EDA's current needs, and provide capacity for addressing the EDA's evolving needs for electronic banking services.

Forney stated there are two differences between this year's depositories and those of 2022. First, is the addition of US bank, which has a history of being utilized on and off by the EDA. Second, is the restriction of investment custodians from the previously "any with a MN office" to only Pershing and the banks authorized as depositories. This was required after a change to the municipal advisor rule. All investments must still comply with authorized investments as set forth in Minnesota statutes.

Questions/Comments from Members:

Szurek asked why they use multiple banks. Bourgeois stated it had to do with limits of money in each bank.

Motion by James, seconded by Szurek to waive the reading of Resolution 2023-02, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by James, seconded by Buesgens to adopt Resolution 2023-02, a resolution designating official depositories, for the Columbia Heights Economic Development Authority. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-02

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY DESIGNATING OFFICIAL DEPOSITORIES

Now, therefore, in accordance with the bylaws and regulations of the Columbia Heights Economic Development Authority (the Authority), the Board of Commissioners of the Authority makes the following:

ORDER OF BOARD

IT IS HEREBY RESOLVED, that Northeast Bank, U.S. Bank, and Wells Fargo Bank of Minnesota, N.A., are hereby designated as depositories for the Authority's funds.

IT IS FURTHER RESOLVED, that the funds of the Authority can be held in accounts at these depositories under the name and federal identification number of the City of Columbia Heights, Minnesota (the City), together with the funds of the City, provided that separate fund accounting records are maintained for the respective Authority and City shares of such accounts in a manner consistent with generally accepted accounting and auditing standards.

IT IS FURTHER RESOLVED, that the responsibility for countersigning orders and checks drawn against funds of the Authority, assigned in the Authority's bylaws to the Authority President, is hereby delegated to the City Mayor.

IT IS FURTHER RESOLVED, that checks, drafts, or other withdrawal orders issued against the funds of the Authority on deposit with these depositories under the City's name shall be signed by the following:

City Mayor
City Manager
City Finance Director

and that said banks are hereby fully authorized to pay and charge said accounts for any such checks, drafts, or other withdrawal orders issued by the City on behalf of the Authority.

IT IS FURTHER RESOLVED, that Northeast Bank, U.S. Bank, and Wells Fargo Bank of Minnesota, N.A., are hereby requested, authorized and directed to honor checks, drafts or other orders for the payment of money drawn in the City’s name on behalf of the Authority, including those drawn to the individual order of any person or persons whose name or names appear thereon as signer or signers thereof, when bearing or purporting to bear the facsimile signatures of the following:

- City Mayor
- City Manager
- City Finance Director

and that Northeast Bank and Wells Fargo Bank of Minnesota, N.A., shall be entitled to honor and to charge the Authority, or the City on behalf of the Authority, for all such checks, drafts or other orders, regardless of by whom or by what means the facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens duly certified to or filed with the Banks by the City Finance Director or other officer of the Authority or City.

IT IS FURTHER RESOLVED, that the City Finance Director or their designee shall be authorized to make electronic funds transfers in lieu of issuing paper checks, subject to the controls required by Minnesota Statutes and by the City of Columbia Heights’ financial policies.

IT IS FURTHER RESOLVED, that all transactions, if any, relating to deposits, withdrawals, re-discounts and borrowings by or on behalf of the Authority with said depositories, made directly by the Authority or by the City on the behalf of the Authority, prior to the adoption of this resolution be, and the same hereby are, in all things ratified, approved and confirmed.

IT IS FURTHER RESOLVED, that any bank designated above as a depository, may be used as a custodian (a.k.a. depository) for investment purposes, so long as the investments comply with authorized investments as set forth in Minnesota Statutes.

IT IS FURTHER RESOLVED, that Bank of New York Mellon DBA Pershing Advisor Solutions LLC may be used as a custodian (a.k.a. depository) for investment purposes so long as the investments comply with the authorized investments as set forth in Minnesota Statutes.

IT IS FURTHER RESOLVED, that the funds of the Authority can be held in accounts at such investment custodians under the name and federal identification number of the City, together with the funds of the City, provided that separate fund accounting records are maintained for the respective Authority and City shares of such accounts in a manner consistent with generally accepted accounting and auditing standards. BE IT FURTHER RESOLVED, that any and all resolutions heretofore adopted by the Board of Commissioners of the Authority with regard to depositories or brokerage firms are superseded by this resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 6th day of February, 2023

Offered by: James

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

President

Attest:

Secretary

5. Amendment of EDA Bylaws to Adjust Meeting Start Time

Forney stated after reviewing the Columbia Heights Economic Development Authority (the "EDA") bylaws, staff has identified outdated language regarding the regular meeting start time for the authority. He mentioned currently, the bylaws set a specific time of 6:30 p.m. for monthly EDA meetings. Due to the recent change of the City Council meeting start time, staff thought it best to remove the specific time from the bylaws. He noted many times, the EDA meeting is shifted between 5:00 P.M. and 5:30 P.M. depending on the content of the EDA agenda. By giving the EDA the ability to shift between meeting times without having to follow special meeting procedures, the EDA will have the flexibility necessary to limit wasted time between the EDA and City Council meetings. The EDA meeting time is still broadcasted on all public outlets and advertised three days prior to any meeting, regular or special. He stated in the agenda there is the amended and restated bylaws of the EDA. All proposed language changes in the EDA bylaws is marked with an underline for an addition or a strikeout to indicate a deletion.

Motion by Spriggs, seconded by Buesgens to waive the reading of Resolution 2023-03, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Spriggs, seconded by Buesgens to adopt Resolution 2023-03, a resolution approving an amendment to the Economic Development Authority's bylaws. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-03

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT AUTHORITY'S BYLAWS

WHEREAS, the Columbia Heights Economic Development Authority (the "Authority") has considered proposed certain amendments to its Bylaws; and **WHEREAS**, Article IV, Section 6 of the Bylaws provides for amendments to the Bylaws by majority vote of the Board at any regular or special meeting of the Authority; and

WHEREAS, The Board has determined that it is reasonable, expedient and in the best interest of the public to amend Article III, Section 1 of the Bylaws to change the regular meeting time of the Authority Board; and

WHEREAS, the Authority has thoroughly reviewed the proposed amendment to the bylaws.

NOW, THEREFORE BE IT RESOLVED that, after appropriate examination and due consideration, the Authority hereby approves the amendment to its Bylaws in the form attached to this Resolution as Exhibit A.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 6th day of February, 2023

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

President

Attest:

Secretary

6. Ruff Love Doggy Daycare Fire Suppression Grant Application

Forney stated 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. The cost of adding these systems, when required, is very prohibitive for small businesses. Certain businesses and certain changes in use require the addition of fire suppression systems. He added, since the creation of the program, there has been several interested business owners, but zero applicants. He noted staff believed Miller’s Bar would have been a prime target for the program, but when asked, the owner said that even with the grant it would be too expensive. Staff encouraged the owner to still apply but have not received any word since. There are currently two applications in the pipeline. The first is before you this evening. The second is for Rail Werks brewery which is planned to go into the strip mall at 4001 Central Ave NE.

Forney noted the first applicant is Jessen Como the owner of Ruff Love Dogs. Ruff Love Dogs currently operates in NE Minneapolis but is being forced out of their building due to a pending redevelopment project. Ruff Love Dogs is now under contract to purchase the building located at 3801 3rd ST NE in Columbia Heights and has plans to retrofit the building for its new use as a dog kennel/daycare. The applicant has received two competitive quotes for the required fire suppression system, proving that the upgrade adds approximately \$80,000 to the build out.

Forney stated 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. As stated above, it has been difficult for staff to find business that are able to apply to the Program. Many businesses don’t have the capital to pay for the addition of a fire suppression system in their building. He noted from the bids that Ruff Love Dogs received, it costs about \$40,000 to run a new water service line

from the street to the building. This doesn't include the installation of any fire suppression equipment within the building. Due to the cost of installing a fire suppression system that includes the installation of a new water service, staff are recommending an increase to the total amount provided through the program.

Forney stated the current maximum grant allowed is 50% of the project cost up to \$15,000. Staff believe by increasing the grant from \$15,000 to \$30,000 the EDA would make the Program more marketable and practical. Increasing the maximum grant to \$30,000 would still allow smaller projects to occur but would also incentivize businesses and property owners seeking larger projects with limited capital to reinvest into their buildings. Unlike some Façade Improvements, the fire suppression systems will be installed and available for the next business that chooses to call the building home. Staff conducted a comparison of other cities with similar programs. Of the eight cities reviewed, five cities had a maximum allotment of \$20,000 - \$30,000. While one of the cities had a maximum grant of \$10,000 covering up to 100% of the expenses. Staff believe setting the EDA's program at \$30,000 is a good middle ground that affords the EDA at least two grants per year if the \$60,000 annual budget allotment remains intact.

Forney stated, in addition to the increasing of the grant amounts, community development staff are recommending a few edits to the program guidelines. The first edit is to update the guidelines to include industrial properties. By limiting the program to commercial properties, the EDA eliminates improvements to the City's small industrial sector. By including industrial properties, the City may be able to attract businesses like Ruff Love. The second proposed edit is to expand the Program along Central Ave to 53rd Avenue. This would bring the program into alignment with the Façade Grant Program's boundaries. This would have been the original intent, but the Façade Grant's boundaries were extended after the development of the Fire Suppression grant program.

Questions/Comments from Members:

Szurek stated she was surprised Miller's Bar did not have a grant and asked if there were stipulations which would lower the insurance premium if there's a suppression system in the business. Forney agreed and stated Miller's Bar is considering adding a liquor license which would require them by State law to have a fire suppression but ultimately decided the program was too expensive. Chirpich added that Miller's Bar has received informal quotes from contractors within the \$80,000 range. He noted the street work increases costs due to putting in separate water lines. He stated with the building in its current form, it could be a good fit for the program but there is a need for significant water line upgrades.

Jacobs highlighted the agenda on page 80, second paragraph and noted it states "businesses or commercial property owners" but stated they are allowing tenants. She asked if the language needed clarification to include tenants. Forney agreed that it there should be clarity.

Jacobs asked to clarify the statement "qualifying improvements must exceed \$1,000" in the "Eligible Applicants" section on page 80 of the agenda. She added the amount seemed low and stated it should be a higher amount or eliminated. Chirpich and Forney agreed. Forney stated Staff are opened to edits and changes.

Spriggs asked how many current businesses would need the fire suppression upgrade. Forney stated almost every business has the issue and would need it. Chirpich added that there are standards in place for Columbia Heights that other cities do not have. The City of Columbia Heights has made a commitment to ensure the safety of the community and improve the insurance rating for the entire City. He stated they do not have an exact amount of businesses in need of the fire suppression upgrade but stated any building over 20 years old is typically going to need it.

Jacobs asked who governs the requirement for a fire suppression upgrade and mentioned when she owned a restaurant it was a requirement. Szurek shared her experience of owning a restaurant and noted the importance of restaurants with grills and deep fryers to have fire suppressions. She asked how many businesses have suppression systems. Chirpich stated most have them and added that Miller's Bar does have a kitchen appliance fire suppression. He stated the fire department has oversight of the systems.

Szurek stated it did not seem necessary for Ruff Love Doggy Daycare to have a fire suppression system. Chirpich also noted that Ruff Love Dogs will go through the Planning Commission process and the decision during the EDA meeting would be contingent upon a zoning change that would take place for the site. He added that Staff support the zoning appeal.

James stated it would be worth raising the grant to \$30,000 since there have not been any applicants and since it is a goal to get businesses involved in the program. She expressed the importance to get buildings up to standard. She added she would support expanding all the way down Central Avenue.

Buesgens asked due to interest, how likely it would be to increase the grant to \$90,000 in a few years. Chirpich stated they could investigate increasing the levy or re-allocate. He stated they currently have a \$310,000 pool with \$60,000 going to fire suppression, \$50,000 going to façade grants, and \$200,000 to commercial revitalization.

Spriggs asked if the water service lines running from the street to businesses should be considered during reconstruction of roads since the City would cover those costs during that time. Chirpich stated Public Works could consider analyzing that. Bourgeois explained areas that are privately owned.

Buesgens mentioned MNDot has made tentative plans to do construction on Central Avenue and 28th Avenue and added they use the opportunity to incentivize business owners to use the program. Chirpich stated Public Works would need to provide their input.

Motion by Buesgens, seconded by James to waive the reading of Resolution 2023-04, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by James to approve Resolution 2023-04, 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 Jessen Como. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by James to edit the Fire Suppression Grant Guidelines as presented with additional changes purposed by KT Jacobs. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-04

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 JESSEN COMO.

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 and industrial property owners and/or tenants for the purpose of installing fire suppression systems thereby increasing business variety, 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 Jessen Como.
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 6th day of February, 2023

Offered by: Buesgens
Seconded by: James
Roll Call: All ayes of present

President

Attest:

Secretary

7. Purchase of 841 49th Ave NE, Purchase Agreement and Budget Amendment Approval

Forney stated staff are bringing forth for consideration the purchase of the property located at 841 49th Ave NE. The property has been designated as uninhabitable by the City and is in very poor condition. Community development staff believe this property is a prime candidate for redevelopment due to its substandard condition and parcel location.

Forney reviewed the history, stating, on June 21st, 2021, Columbia Heights Police were called by a concerned neighbor to investigate a complaint and to conduct a welfare check at the subject property. Columbia Heights Police with the help of the Fire Department, found the property to be unsecured and uninhabitable with no one living at the property. Trash and debris were scattered around the property and filled the inside of the house and garage. Upon initial inspection, the Fire Department also noted that the basement had been completely flooded to within a few feet of the basement ceiling. Police and fire declared the house unfit for occupancy and boarded up the property. Concerned that the electricity, water, and gas utilities were compromised Chief O’Brian initiated an emergency disconnect of all utilities from the property. The fire department continued to check in on the property and abate all property maintenance issues. From the initial welfare check, until December 2022 the fire department attempted to get into contact with the property owner to no avail. Staff have attached images from the initial abatement of the property. As you can see, the house is full of trash, and due to the flooding of the basement, the interior of the house has been infested by black mold.

Forney added, in December 2022, the brother of the owner of the property showed up at the Community Development Department trying to gain access to the property. He proceeded to inform staff that the owner had been moved to a nursing home in 2021 and is currently in hospice care. He mentioned the family had not heard from the owner for 9 years. The owner’s brother (“Seller”) has gained Power of Attorney to get the owners finances in order. After viewing the condition of the property, the owner, and his representative approached the city asking if we would be interested in purchasing the property.

Forney noted that community development staff conducted a financial analysis of the property and determined that it would be in the interest of the City to consider the purchase of the property. In conducting the pro-forma of the property, staff put together a base offer for \$90,000, contingent on approval by the EDA. Staff negotiated the number to \$91,976 after agreeing to assist in paying some of the additional costs levied to the owner. According to the county, the land has an estimated market value of \$69,500. Community development staff believe that the negotiated \$91,976 purchase price is reasonable because it gives the City site control and the ability to drive redevelopment of the site. After the seller agreed to the purchase price and its contingencies, staff worked with

Kennedy and Graven, the EDA's Legal Counsel, to draft the purchase agreement that is attached to this report.

Forney stated the purchase and redevelopment of 841 49th is consistent with the goals of the EDA's redevelopment fund 408. Even though it meets the intent of the fund, the property is not zoned commercial which means that it does not fall within the purview of the Commercial Revitalization Program. Due to this, the purchase of the property requires an amendment to the 2023 budget to allocate funds for this specific project. Resolution 2023-05 approves the purchase of the property while amending the 2023 budget to reflect the purchase price and related costs. 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 \$2.5 million available after accounting for the projected 2023 budget. This is more than sufficient to fund the project. As stated in the resolution, \$91,976 will go to the purchase of the property while \$50,000 will go to the related costs described above. Excess money will be returned to fund 408 after the demolition and grading has been complete.

Forney mentioned the location of 841 49th Ave NE gives the City many options with regard to redeveloping the lot. The lot itself is approximately 15,00 sq/ft and is zoned R-2A, Single and Two-Family. Without rezoning, this would allow the City to redevelop a single family home or twin home on the lot. 841 49th is also near Central Avenue, directly behind the Taco Bell. This opens the possibility for the lot to be rezoned and used commercially in the future.

Forney noted ultimately, 841 49th Ave NE has been a problem property for the City and the neighborhood. The condition of the interior and exterior make it uninhabitable. But for EDA involvement, this property could remain vacant and unsalvageable for even longer than it already has. The prime location of the parcel affords the EDA the opportunity to consider many redevelopment options.

Questions/Comments from Members:

Buesgens stated it is a big deal and is excited about the possibilities for the property. She asked what the 408 fund was. Forney stated it was the redevelopment project fund for the EDA. Chirpich added it is pooled from various areas and projects are designated within the fund.

Buesgens asked for other examples for how the fund could be used. Chirpich stated the goal is to put back what is taken out. He added the HRA levy contributes annually into the fund and strategic sales of redevelopment properties are held in the fund. He stated whatever is made from land sale proceeds would go into the fund.

Szurek asked if the \$50,000 would include demolition. Chirpich stated they expect \$30,000 for demolition. Szurek asked if they set the budget for \$50,000 for any contingencies. Chirpich agreed.

Márquez Simula asked when neighborhood feedback would occur. Forney stated it is going to the Planning Commission first and they are confirming that the acquisition conforms with the Comprehensive Plan. Chirpich added that it would go to the neighborhood when a specific project is proposed. Márquez Simula asked if the goal was to commercialize the property instead of build a single family home. Forney added the initial step is to remove the home and then the EDA can decide what they think is best for the parcel. Jacobs stated she would like it to be a single family home or a duplex since it is near the school.

Szurek asked if there was an ally way behind the Taco Bell. Chirpich stated there was.

Spriggs asked what the timeline was for the demolition. Forney stated the proposal is for spring 2023, but demolition contracts will be approved by the EDA at a subsequent meeting.

James noted the parcel is on a heavily wooded lot and stated her desire to maintain older trees in good health. Márquez Simula agreed. Chirpich stated they analyze the trees as a part of the process.

Buesgens stated she would like to see the parcel go commercial since there are only 9% of commercial properties in the City and would like to see an opportunity to bring more money in.

Motion by Márquez Simula, seconded by Jacobs to waive the reading of Resolution 2023-05, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Jacobs, seconded by Márquez Simula to approve Resolution 2023-05, a Resolution approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and Matthew Plemel POA for Michael James Plemel and Amending the 2023 Fund 408 Budget. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2023-05

A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, AND MATTHEW PLEMEL POA FOR MICHAEL JAMES PLEMEL AND AMENDING THE 2023 FUND 408 BUDGET

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 Matthew Plemel POA for Michael James Plemel ("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 841 49th 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 \$91,976 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 841 49th 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 \$2.5 million, which is more than sufficient to fund the redevelopment project.

SECTION 2. PURCHASE AGREEMENT AND BUDGET 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 hereby amends the 2023 budget for the Economic Development Authority Redevelopment Fund 408 to appropriate \$91,976 for the purchase of 841 49th Avenue NE, and \$50,000 for other related 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 6th day of February, 2023

Offered by: Jacobs
Seconded by: Márquez Simula
Roll Call: All ayes of present

President

Attest:

Secretary

OTHER BUSINESS

Forney stated there are upcoming properties such as another single family home acquisition that staff will seek authorization to purchase.

Forney stated staff are working with MNDot to acquire a section of excess MNDot right-of-way that adjoins the Root property.

Forney added Rail Works Brewery is looking into going into the strip mall located at 40th and Central Avenue and have submitted building plans and will submit and façade and fire suppression grant. He encouraged the Councilmembers to keep the EDA in mind as they do their goal setting.

ADJOURNMENT

Motion by Jacobs, seconded by Márquez Simula, to adjourn the meeting at 6:01 pm. All ayes. MOTION PASSED.

Respectfully submitted,



Alicia Howe, Administrative Assistant

Auxiliary aids or other accommodations for individuals with disabilities are available upon request when the request is made at least 72 hours in advance. Please contact Administration at 763-706-3610 to make arrangements.

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 6th day of March, 2023

Offered by:

Seconded by:

Roll Call:

President

Attest:

Secretary

INVOICE GL DISTRIBUTION REPORT FOR CITY OF COLUMBIA HEIGHTS
 EXP CHECK RUN DATES 01/01/2023 - 01/31/2023
 BOTH JOURNALIZED AND UNJOURNALIZED
 PAID

Item 2.

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 193585 372.7000.46200	PAYING AGENT FEE EDA BOND 2016	BOND TRUST SERVICES CORP	12/14/22	76597	475.00
			Total For Check 193585		475.00
Check 193655 420.6317.44000.1915	VAN BUREN LIGHTING REPLACEMNT & AID ELECTRIC SERVICE INC		12/14/22	72411	12,000.00
			Total For Check 193655		12,000.00
Check 193729 204.6314.43210	113022 -10010429 COM DEV ADMINI POPP.COM INC		11/30/22	992761130	12.61
204.6314.43210	123122 -10010429 COM DEV ADMINI POPP.COM INC		12/31/22	992765487	12.61
204.6314.43210	122622 10013121 PHONE COMMDEV AD POPP.COM INC		12/26/22	992764261	29.50
			Total For Check 193729		54.72
Check 193740 204.6314.43050	EDA MINUTES 121222	TIMESAVER OFF SITE SECRETF	12/30/22	M27865	154.00
			Total For Check 193740		154.00
Check 193777 372.7000.44600	2ND HALF 2022 DEVELOPER PAYMENT	COLUMBIA HEIGHTS LEASED	01/17/23	011723	220,442.81
			Total For Check 193777		220,442.81
Check 193778 375.7000.44600	2ND HALF 2022 DEVELOPER PAYMENT	COLUMBIA HEIGHTS LEASED	01/17/23	011723	122,522.03
			Total For Check 193778		122,522.03
Check 193780 389.7000.44600	2ND HALF 2022 DEVELOPER PAYMENT	CREST VIEW ON 42ND	01/17/23	011723	18,578.00
			Total For Check 193780		18,578.00
Check 286 204.6314.42000	PILOT PENS	AMAZON.COM	11/30/22	2545842	25.02
			Total For Check 286		25.02
Check 328 392.7000.46110	INTEREST	U.S. BANK	12/20/22	2187931	13,353.75
			Total For Check 328		13,353.75

INVOICE GL DISTRIBUTION REPORT FOR CITY OF COLUMBIA HEIGHTS
 EXP CHECK RUN DATES 01/01/2023 - 01/31/2023
 BOTH JOURNALIZED AND UNJOURNALIZED
 PAID

Item 2.

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund Totals:					
				Fund 204 EDA ADMINISTRATION	233.74
				Fund 372 Huset Park Area TIF (T6)	220,917.81
				Fund 375 TIF Z6: 47TH & GRAND	122,522.03
				Fund 389 TIF R8 CRESTV/TRANSITIO	18,578.00
				Fund 392 TIF BB2 ALATUS 40TH AV	13,353.75
				Fund 420 CAP IMPROVEMENT-DEVELOP	12,000.00
Total For All Funds:					<u>387,605.33</u>
--- TOTALS BY GL DISTRIBUTION ---					
		204.6314.42000		PILOT PENS	25.02
		204.6314.43050		EDA MINUTES 121222	154.00
		204.6314.43210		113022 -10010429 COM DEV ADMINI:	54.72
		372.7000.44600		2ND HALF 2022 DEVELOPER PAYMENT	220,442.81
		372.7000.46200		PAYING AGENT FEE EDA BOND 2016	475.00
		375.7000.44600		2ND HALF 2022 DEVELOPER PAYMENT	122,522.03
		389.7000.44600		2ND HALF 2022 DEVELOPER PAYMENT	18,578.00
		392.7000.46110		INTEREST	13,353.75
		420.6317.44000.1915		VAN BUREN LIGHTING REPLACEMNT &	12,000.00

Item 2.

PERIOD ENDING 01/31/2023

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 204 - EDA ADMINISTRATION							
Revenues							
Dept 0000 - NON-DEPARTMENTAL							
TAXES							
204.0000.31011	EDA CURRENT AD VALOREM	208,100.00	0.00	0.00	0.00	208,100.00	0.00
204.0000.31014	AREA WIDE TAX	89,000.00	0.00	0.00	0.00	89,000.00	0.00
TAXES		297,100.00	0.00	0.00	0.00	297,100.00	0.00
Total Dept 0000 - NON-DEPARTMENTAL		297,100.00	0.00	0.00	0.00	297,100.00	0.00
TOTAL REVENUES		297,100.00	0.00	0.00	0.00	297,100.00	0.00
Expenditures							
Dept 6314 - ECONOMIC DEVELOPMENT AUTH							
PERSONNEL SERVICES							
204.6314.41010	REGULAR EMPLOYEES	196,700.00	0.00	15,181.17	15,181.17	181,518.83	7.72
204.6314.41210	P.E.R.A. CONTRIBUTION	14,700.00	0.00	1,103.16	1,103.16	13,596.84	7.50
204.6314.41220	F.I.C.A. CONTRIBUTION	15,100.00	0.00	1,280.69	1,280.69	13,819.31	8.48
204.6314.41300	INSURANCE	23,200.00	0.00	1,903.78	1,903.78	21,296.22	8.21
204.6314.41510	WORKERS COMP INSURANCE PREM	1,500.00	0.00	128.55	128.55	1,371.45	8.57
PERSONNEL SERVICES		251,200.00	0.00	19,597.35	19,597.35	231,602.65	7.80
SUPPLIES							
204.6314.42000	OFFICE SUPPLIES	200.00	0.00	0.00	0.00	200.00	0.00
204.6314.42010	MINOR EQUIPMENT	500.00	0.00	0.00	0.00	500.00	0.00
204.6314.42011	END USER DEVICES	1,900.00	0.00	0.00	0.00	1,900.00	0.00
204.6314.42171	GENERAL SUPPLIES	200.00	0.00	0.00	0.00	200.00	0.00
204.6314.42175	FOOD SUPPLIES	200.00	0.00	0.00	0.00	200.00	0.00
SUPPLIES		3,000.00	0.00	0.00	0.00	3,000.00	0.00
OTHER SERVICES & CHARGES							
204.6314.43050	EXPERT & PROFESSIONAL SERV.	2,200.00	2,300.00	0.00	0.00	(100.00)	104.55
204.6314.43105	TRAINING & EDUCATION ACTIVITIES	1,500.00	0.00	590.00	590.00	910.00	39.33
204.6314.43210	TELEPHONE	700.00	0.00	42.11	42.11	657.89	6.02
204.6314.43220	POSTAGE	600.00	0.00	0.00	0.00	600.00	0.00
204.6314.43250	OTHER TELECOMMUNICATIONS	300.00	0.00	25.42	25.42	274.58	8.47
204.6314.43320	OUT OF TOWN TRAVEL EXPENSE	1,500.00	0.00	0.00	0.00	1,500.00	0.00
204.6314.43500	LEGAL NOTICE PUBLISHING	200.00	0.00	72.60	72.60	127.40	36.30
204.6314.43600	PROP & LIAB INSURANCE	2,700.00	0.00	225.00	225.00	2,475.00	8.33
204.6314.44000	REPAIR & MAINT. SERVICES	500.00	0.00	0.00	0.00	500.00	0.00
204.6314.44030	SOFTWARE & SOFTWARE SUBSCRIPTIONS	800.00	0.00	0.00	0.00	800.00	0.00
204.6314.44040	INFORMATION SYS:INTERNAL SVC	8,700.00	0.00	725.00	725.00	7,975.00	8.33
204.6314.44330	SUBSCRIPTION, MEMBERSHIP	200.00	0.00	0.00	0.00	200.00	0.00
204.6314.44380	COMMISSION & BOARDS	900.00	0.00	0.00	0.00	900.00	0.00
OTHER SERVICES & CHARGES		20,800.00	2,300.00	1,680.13	1,680.13	16,819.87	19.14
CONTINGENCIES & TRANSFERS							
204.6314.47100	OPER. TRANSFER OUT - LABOR	22,100.00	0.00	1,841.67	1,841.67	20,258.33	8.33
CONTINGENCIES & TRANSFERS		22,100.00	0.00	1,841.67	1,841.67	20,258.33	8.33

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 204 - EDA ADMINISTRATION							
Expenditures							
	Total Dept 6314 - ECONOMIC DEVELOPMENT AUTH	297,100.00	2,300.00	23,119.15	23,119.15	271,680.85	8.56
TOTAL EXPENDITURES		<u>297,100.00</u>	<u>2,300.00</u>	<u>23,119.15</u>	<u>23,119.15</u>	<u>271,680.85</u>	<u>8.56</u>
Fund 204 - EDA ADMINISTRATION:							
	TOTAL REVENUES	297,100.00	0.00	0.00	0.00	297,100.00	0.00
	TOTAL EXPENDITURES	<u>297,100.00</u>	<u>2,300.00</u>	<u>23,119.15</u>	<u>23,119.15</u>	<u>271,680.85</u>	<u>8.56</u>
	NET OF REVENUES & EXPENDITURES	0.00	(2,300.00)	(23,119.15)	(23,119.15)	25,419.15	100.00

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 228 - DOWNTOWN PARKING							
Revenues							
Dept 0000 - NON-DEPARTMENTAL							
TRANSFERS & NON-REV RECEIPTS							
228.0000.39247	TRANSFER IN-SPECIAL PROJ REV	56,700.00	0.00	0.00	0.00	56,700.00	0.00
TRANSFERS & NON-REV RECEIPTS		56,700.00	0.00	0.00	0.00	56,700.00	0.00
Total Dept 0000 - NON-DEPARTMENTAL		56,700.00	0.00	0.00	0.00	56,700.00	0.00
TOTAL REVENUES		56,700.00	0.00	0.00	0.00	56,700.00	0.00
Expenditures							
Dept 6317 - DOWNTOWN PARKING							
PERSONNEL SERVICES							
228.6317.41070	INTERDEPARTMENTAL LABOR SERV	1,500.00	0.00	0.00	0.00	1,500.00	0.00
PERSONNEL SERVICES		1,500.00	0.00	0.00	0.00	1,500.00	0.00
OTHER SERVICES & CHARGES							
228.6317.43600	PROP & LIAB INSURANCE	3,200.00	0.00	266.67	266.67	2,933.33	8.33
228.6317.43800	UTILITY SERVICES	2,000.00	0.00	226.57	226.57	1,773.43	11.33
228.6317.43810	ELECTRIC	13,000.00	0.00	0.00	0.00	13,000.00	0.00
228.6317.44000	REPAIR & MAINT. SERVICES	35,000.00	614.30	0.00	0.00	34,385.70	1.76
228.6317.44020	BLDG MAINT CONTRACTUAL SERVICES	2,000.00	0.00	0.00	0.00	2,000.00	0.00
OTHER SERVICES & CHARGES		55,200.00	614.30	493.24	493.24	54,092.46	2.01
Total Dept 6317 - DOWNTOWN PARKING		56,700.00	614.30	493.24	493.24	55,592.46	1.95
TOTAL EXPENDITURES		56,700.00	614.30	493.24	493.24	55,592.46	1.95
Fund 228 - DOWNTOWN PARKING:							
TOTAL REVENUES		56,700.00	0.00	0.00	0.00	56,700.00	0.00
TOTAL EXPENDITURES		56,700.00	614.30	493.24	493.24	55,592.46	1.95
NET OF REVENUES & EXPENDITURES		0.00	(614.30)	(493.24)	(493.24)	1,107.54	100.00

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 372 - HUSET PARK AREA TIF (T6)							
Revenues							
Dept 0000 - NON-DEPARTMENTAL							
TAXES							
372.0000.31010	CURRENT AD VALOREM	194,000.00	0.00	0.00	0.00	194,000.00	0.00
TAXES		194,000.00	0.00	0.00	0.00	194,000.00	0.00
MISCELLANEOUS							
372.0000.36210	INTEREST ON INVESTMENTS	3,000.00	0.00	0.00	0.00	3,000.00	0.00
MISCELLANEOUS		3,000.00	0.00	0.00	0.00	3,000.00	0.00
Total Dept 0000 - NON-DEPARTMENTAL		197,000.00	0.00	0.00	0.00	197,000.00	0.00
TOTAL REVENUES		197,000.00	0.00	0.00	0.00	197,000.00	0.00
Expenditures							
Dept 7000 - BONDS							
CAPITAL OUTLAY							
372.7000.46010	PRINCIPAL	135,000.00	0.00	0.00	0.00	135,000.00	0.00
372.7000.46110	INTEREST	54,200.00	0.00	0.00	0.00	54,200.00	0.00
372.7000.46200	FISCAL AGENT CHARGES	1,000.00	0.00	475.00	475.00	525.00	47.50
CAPITAL OUTLAY		190,200.00	0.00	475.00	475.00	189,725.00	0.25
Total Dept 7000 - BONDS		190,200.00	0.00	475.00	475.00	189,725.00	0.25
TOTAL EXPENDITURES		190,200.00	0.00	475.00	475.00	189,725.00	0.25
Fund 372 - HUSET PARK AREA TIF (T6):							
TOTAL REVENUES		197,000.00	0.00	0.00	0.00	197,000.00	0.00
TOTAL EXPENDITURES		190,200.00	0.00	475.00	475.00	189,725.00	0.25
NET OF REVENUES & EXPENDITURES		6,800.00	0.00	(475.00)	(475.00)	7,275.00	6.99

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 392 - TIF BB2 ALATUS 40TH AV							
Expenditures							
Dept 7000 - BONDS							
CAPITAL OUTLAY							
392.7000.46110	INTEREST	0.00	0.00	13,353.75	13,353.75	(13,353.75)	100.00
CAPITAL OUTLAY		0.00	0.00	13,353.75	13,353.75	(13,353.75)	100.00
Total Dept 7000 - BONDS		0.00	0.00	13,353.75	13,353.75	(13,353.75)	100.00
TOTAL EXPENDITURES		0.00	0.00	13,353.75	13,353.75	(13,353.75)	100.00
Fund 392 - TIF BB2 ALATUS 40TH AV:							
TOTAL REVENUES		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES		0.00	0.00	13,353.75	13,353.75	(13,353.75)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	(13,353.75)	(13,353.75)	13,353.75	100.00

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 393 - BB6 IF ALATUS 4300 CENTRAL							
Expenditures							
Dept 7000 - BONDS							
CAPITAL OUTLAY							
393.7000.46110	INTEREST	26,700.00	0.00	0.00	0.00	26,700.00	0.00
393.7000.46200	FISCAL AGENT CHARGES	1,000.00	0.00	0.00	0.00	1,000.00	0.00
CAPITAL OUTLAY		27,700.00	0.00	0.00	0.00	27,700.00	0.00
Total Dept 7000 - BONDS		27,700.00	0.00	0.00	0.00	27,700.00	0.00
TOTAL EXPENDITURES		27,700.00	0.00	0.00	0.00	27,700.00	0.00
Fund 393 - BB6 IF ALATUS 4300 CENTRAL:							
TOTAL REVENUES		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES		27,700.00	0.00	0.00	0.00	27,700.00	0.00
NET OF REVENUES & EXPENDITURES		(27,700.00)	0.00	0.00	0.00	(27,700.00)	0.00

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BGD USED
Fund 408 - EDA REDEVELOPMENT PROJECT FD							
Revenues							
Dept 0000 - NON-DEPARTMENTAL							
TAXES							
408.0000.31012	HRA CURRENT AD VALOREM	235,000.00	0.00	0.00	0.00	235,000.00	0.00
408.0000.31014	AREA WIDE TAX	75,000.00	0.00	0.00	0.00	75,000.00	0.00
TAXES		310,000.00	0.00	0.00	0.00	310,000.00	0.00
Total Dept 0000 - NON-DEPARTMENTAL		310,000.00	0.00	0.00	0.00	310,000.00	0.00
TOTAL REVENUES		310,000.00	0.00	0.00	0.00	310,000.00	0.00
Expenditures							
Dept 6411 - FACADE IMPROVEMENT GRANT							
OTHER SERVICES & CHARGES							
408.6411.44600	LOANS & GRANTS	50,000.00	0.00	0.00	0.00	50,000.00	0.00
OTHER SERVICES & CHARGES		50,000.00	0.00	0.00	0.00	50,000.00	0.00
Total Dept 6411 - FACADE IMPROVEMENT GRANT		50,000.00	0.00	0.00	0.00	50,000.00	0.00
Dept 6414 - COMMERCIAL REVITALIZATION							
CAPITAL OUTLAY							
408.6414.45110	LAND	200,000.00	0.00	0.00	0.00	200,000.00	0.00
CAPITAL OUTLAY		200,000.00	0.00	0.00	0.00	200,000.00	0.00
Total Dept 6414 - COMMERCIAL REVITALIZATION		200,000.00	0.00	0.00	0.00	200,000.00	0.00
Dept 6418 - FIRE SUPPRESSION GRANT							
OTHER SERVICES & CHARGES							
408.6418.44600	LOANS & GRANTS	60,000.00	0.00	0.00	0.00	60,000.00	0.00
OTHER SERVICES & CHARGES		60,000.00	0.00	0.00	0.00	60,000.00	0.00
Total Dept 6418 - FIRE SUPPRESSION GRANT		60,000.00	0.00	0.00	0.00	60,000.00	0.00
TOTAL EXPENDITURES		310,000.00	0.00	0.00	0.00	310,000.00	0.00
Fund 408 - EDA REDEVELOPMENT PROJECT FD:							
TOTAL REVENUES		310,000.00	0.00	0.00	0.00	310,000.00	0.00
TOTAL EXPENDITURES		310,000.00	0.00	0.00	0.00	310,000.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	0.00	0.00	0.00	

REVENUE AND EXPENDITURE REPORT FOR CITY OF COLUMBIA HEIGHTS
 PERIOD ENDING 01/31/2023

Item 2.

GL NUMBER	DESCRIPTION	2023 AMENDED BUDGET	ENCUMBERED YEAR-TO-DATE	ACTIVITY FOR MONTH 01/31/23	YTD BALANCE 01/31/2023	UNENCUMBERED BALANCE	% BDGT USED
Fund 420 - CAP IMPROVEMENT-DEVELOPMENT							
Expenditures							
Dept 6317 - DOWNTOWN PARKING							
OTHER SERVICES & CHARGES							
420.6317.44000.1915	REPAIR & MAINT. SERVICES	0.00	78,765.50	0.00	0.00	(78,765.50)	0.00
OTHER SERVICES & CHARGES		0.00	78,765.50	0.00	0.00	(78,765.50)	0.00
Total Dept 6317 - DOWNTOWN PARKING		0.00	78,765.50	0.00	0.00	(78,765.50)	0.00
TOTAL EXPENDITURES		0.00	78,765.50	0.00	0.00	(78,765.50)	0.00
Fund 420 - CAP IMPROVEMENT-DEVELOPMENT:							
TOTAL REVENUES		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES		0.00	78,765.50	0.00	0.00	(78,765.50)	100.00
NET OF REVENUES & EXPENDITURES		0.00	(78,765.50)	0.00	0.00	78,765.50	100.00
TOTAL REVENUES - ALL FUNDS		860,800.00	0.00	0.00	0.00	860,800.00	0.00
TOTAL EXPENDITURES - ALL FUNDS		881,700.00	81,679.80	37,441.14	37,441.14	762,579.06	13.51
NET OF REVENUES & EXPENDITURES		(20,900.00)	(81,679.80)	(37,441.14)	(37,441.14)	98,220.94	569.96



AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	3/6/2023

ITEM:	Approve Purchase of 4243 5 th Street and Approval of Inter-fund Loan	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney, 3/1/2023

BACKGROUND:

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.

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.

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.

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of resolution 2023-07 and 2023-08, there being ample copies available to the public.

MOTION: Move 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

MOTION: Move to approve Resolution 2023-08, a resolution approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and Lauren M. Bell

ATTACHMENT(S):

- EDA Resolution 2023-07
- EDA Resolution 2023-08
- Location Map
- 4243 5th Street Purchase Agreement

**COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
CITY OF COLUMBIA HEIGHTS
ANOKA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2023-07

**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 6TH day of March, 2023.

President

ATTEST:

Secretary

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

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 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 hereby 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

Adopted this 6th day of March, 2023

Offered by:
Seconded by:
Roll Call:

President

Attest:

Secretary

EXHIBIT A

Legal Description of the Property

LOT 26 BLOCK 28 COLUMBIA HEIGHTS ANNEX

5...
X Q

43RD AVE NE

4243 5th Street NE

5TH ST NE



1. Page 1

2. **MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with
3. consumers what type of agency representation or relationship they desire.⁽¹⁾ The available options are listed below. This
4. is **not** a contract. **This is an agency disclosure form only. If you desire representation you must enter into a**
5. **written contract, according to state law** (a listing contract or a buyer/tenant representation contract). Until such time
6. as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive
7. any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see
8. paragraph IV on page two (2)), unless the broker or salesperson is representing another party, as described below.

9. **ACKNOWLEDGMENT: I/We acknowledge that I/we have been presented with the below-described options.**
10. **I/We understand that until I/we have signed a representation contract, I/we am/are not represented by the**
11. **broker/salesperson. I/We understand that written consent is required for a dual agency relationship.**

12. **THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.**

13. _____
(Signature) (Date) (Signature) (Date)

14. I. **Seller's/Landlord's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker,
15. represents the Seller/Landlord and acts on behalf of the Seller/Landlord. A Seller's/Landlord's broker owes to
16. the Seller/Landlord the fiduciary duties described on page two (2).⁽²⁾ The broker must also disclose to the Buyer
17. material facts as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and
18. significantly affect the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to
19. rental/lease transactions.) If a broker or salesperson working with a Buyer/Tenant as a customer is representing the
20. Seller/Landlord, he or she must act in the Seller's/Landlord's best interest and must tell the Seller/Landlord any
21. information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph
22. IV on page two (2)). In that case, the Buyer/Tenant will not be represented and will not receive advice and counsel
23. from the broker or salesperson.

24. II. **Buyer's/Tenant's Broker:** A Buyer/Tenant may enter into an agreement for the broker or salesperson to represent
25. and act on behalf of the Buyer/Tenant. The broker may represent the Buyer/Tenant only, and not the Seller/Landlord,
26. even if he or she is being paid in whole or in part by the Seller/Landlord. A Buyer's/Tenant's broker owes to the
27. Buyer/Tenant the fiduciary duties described on page two (2).⁽²⁾ The broker must disclose to the Buyer material facts
28. as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and significantly affect
29. the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)
30. If a broker or salesperson working with a Seller/Landlord as a customer is representing the Buyer/Tenant, he or
31. she must act in the Buyer's/Tenant's best interest and must tell the Buyer/Tenant any information disclosed to him
32. or her, except confidential information acquired in a facilitator relationship (see paragraph IV on page two (2)). In
33. that case, the Seller/Landlord will not be represented and will not receive advice and counsel from the broker or
34. salesperson.

35. III. **Dual Agency - Broker Representing both Seller/Landlord and Buyer/Tenant:** Dual agency occurs when one
36. broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same
37. broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and
38. means that the broker and salesperson owe the same duties to the Seller/Landlord and the Buyer/Tenant. This
39. role limits the level of representation the broker and salesperson can provide, and prohibits them from acting
40. exclusively for either party. In a dual agency, confidential information about price, terms and motivation for pursuing
41. a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose
42. specific information about him or her. Other information will be shared. Dual agents may not advocate for one party
43. to the detriment of the other.⁽³⁾

44. Within the limitations described above, dual agents owe to both Seller/Landlord and Buyer/Tenant the fiduciary
45. duties described below.⁽²⁾ Dual agents must disclose to Buyers material facts as defined in MN Statute 82.68, Subd.
46. 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the
47. property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)

MN:AGCYDICS-1 (8/19)

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

48. Page 2

49. IV. **Facilitator:** A broker or salesperson who performs services for a Buyer/Tenant, a Seller/Landlord or both but
 50. does not represent either in a fiduciary capacity as a Buyer's/Tenant's Broker, Seller's/Landlord's Broker or Dual
 51. Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY**
 52. **DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A**
 53. **WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of
 54. confidentiality to the party but owes no other duty to the party except those duties required by law or contained in
 55. a written facilitator services agreement, if any. In the event a facilitator broker or salesperson working with a Buyer/
 56. Tenant shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson
 57. must act as a Seller's/Landlord's Broker (see paragraph I on page one (1)). In the event a facilitator broker or
 58. salesperson, working with a Seller/Landlord, accepts a showing of the property by a Buyer/Tenant being represented
 59. by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's/Tenant's
 60. Broker (see paragraph II on page one (1)).

-
61. (1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by
 62. one to four families as their residence.
63. (2) The fiduciary duties mentioned above are listed below and have the following meanings:
 64. Loyalty - broker/salesperson will act only in client(s)' best interest.
 65. Obedience - broker/salesperson will carry out all client(s)' lawful instructions.
 66. Disclosure - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge
 67. which might reasonably affect the client(s)' use and enjoyment of the property.
 68. Confidentiality - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific
 69. information (such as disclosure of material facts to Buyers).
 70. Reasonable Care - broker/salesperson will use reasonable care in performing duties as an agent.
 71. Accounting - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.
72. (3) If Seller(s)/Landlord(s) elect(s) not to agree to a dual agency relationship, Seller(s)/Landlord(s) may give up the
 73. opportunity to sell/lease the property to Buyer(s)/Tenant(s) represented by the broker/salesperson. If Buyer(s)/
 74. Tenant(s) elect(s) not to agree to a dual agency relationship, Buyer(s)/Tenant(s) may give up the opportunity to
 75. purchase/lease properties listed by the broker.

76. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
 77. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be
 78. obtained by contacting the local law enforcement offices in the community where the property is located,
 79. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at
 80. www.corr.state.mn.us.

MN:AGCYDISC-2 (8/19)



BUYER REPRESENTATION CONTRACT: EXCLUSIVE

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1. Date February 02 2023

2. Page 1 of 4 pages

3. **DEFINITIONS:** Buyer is Columbia Heights Economic Development Authority (“Buyer”).
(e.g., individual(s), estate, trust, corporation, etc.)

4. Broker is RE/MAX Synergy (“Broker”).
(Real Estate Company Name)

5. Buyer gives Broker the exclusive right to locate and/or to assist in negotiations for the purchase, exchange of or option
6. to purchase (“Purchase”) property located in Minnesota at a price and with terms acceptable to Buyer. This Contract starts on
7. February 02 2023, and ends at 11:59 P.M. on March 31 2023.

8. This Contract terminates upon successful closing of a property or expiration or cancellation of this Contract, whichever
9. occurs first.

10. This Contract may only be canceled by written mutual agreement of the parties.

11. **BROKER’S OBLIGATION:** Broker shall make a reasonable effort to locate property acceptable to Buyer. Broker
12. shall use professional knowledge and skills to assist in negotiations for the Purchase of property. Broker shall assist
13. Buyer throughout the transaction. Broker shall act in Buyer’s best interest at all times, subject to any limitations
14. imposed by law or dual agency. Broker shall comply with all applicable fair housing and nondiscrimination regulations.

15. **BUYER’S OBLIGATION:** Buyer shall work exclusively with Broker for the Purchase of property. Buyer shall promptly
16. furnish to Broker accurate and relevant personal financial information to ascertain Buyer’s ability to Purchase property,
17. if requested. Buyer shall cooperate with Broker in finding a property to Purchase. After a purchase agreement has
18. been accepted by seller, Buyer is legally obligated to Purchase the property. If Buyer refuses to close the Purchase for
19. any reason other than the failure of seller to perform, subject to relevant contingencies, Buyer shall pay Broker all
20. compensation due under this Contract.

21. **NOTICE: THE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL OR MANAGEMENT OF REAL**
22. **PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER’S**
23. **CLIENT.**

24. **BROKER’S COMPENSATION:** (Fill in all blanks.)

25. If Buyer, or any other person acting on Buyer’s behalf, agrees to Purchase any property during the term of this Contract,
26. the following compensation will apply.

27. 1. Buyer agrees to pay Broker a retainer fee of \$ 0.00 at the commencement of this Contract,
28. which fee shall be kept by Broker whether or not Buyer Purchases property. The retainer fee shall apply toward
29. satisfaction of any obligation to compensate Broker.

30. 2. Buyer shall pay Broker, as Broker’s compensation, 3.0 percent (%) of the selling price or
31. \$ 0.00, whichever is greater, when Buyer closes the Purchase, if:

32. A: Buyer Purchases or agrees to Purchase a property before the expiration of this Contract, even if Buyer does
33. not use Broker’s services; or

34. B: within 180 days (not to exceed six (6) months) after the expiration of this Contract, Buyer Purchases
35. property which either Broker or licensee representing Buyer has shown or exhibited to Buyer, or specifically
36. brought to the attention of Buyer, before the expiration of this Contract, as long as Broker has identified this
37. property on a written list Broker gives to Buyer within 72 hours after the expiration of this Contract.

38. Broker is authorized to negotiate and receive compensation paid by seller, or broker representing or assisting seller.
39. Any compensation accepted by Broker from seller, or broker representing or assisting seller, **SHALL** **SHALL NOT**
------(Check one.)-----

40. reduce any obligation of Buyer to pay the compensation by the amount received by seller or broker. Broker must inform
41. Buyer in writing before Buyer signs an offer to Purchase the property (utilizing *Disclosure Statement: Compensation*
42. *Disclosure to Buyer/Tenant* or other written disclosure) the amount of compensation or the basis for computing the
43. compensation.

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

44. Page 2

45. Buyer understands that Buyer does not have to pay Broker's compensation if Buyer signs another valid buyer
46. representation contract or facilitator services agreement after the expiration or cancellation of this Contract, under
47. which Buyer is obligated to compensate another licensed real estate broker.

48. **CAUTION: BUYER'S ACTIONS IN LOCATING A PROPERTY MAY AFFECT PAYMENT OF COMPENSATION BY**
49. **SELLER(S) AND MAY THEREFORE OBLIGATE BUYER TO PAY ALL OR PART OF THE COMPENSATION**
50. **IN CASH AT CLOSING. FOR EXAMPLE: THE ACT OF GOING THROUGH AN OPEN HOUSE**
51. **UNACCOMPANIED BY BUYER'S BROKER OR LICENSEE REPRESENTING BUYER; OR SIGNING**
52. **A PURCHASE AGREEMENT THROUGH ANOTHER BROKER OR WITH OWNER (FOR SALE BY**
53. **OWNER) MAY REQUIRE BUYER'S PAYMENT OF THE FULL COMPENSATION TO BUYER'S BROKER.**

54. **GENERAL NATURE OF PROPERTY:** (Including the following property types: existing, new construction or to-be-
55. built.)
56. *(Check all that apply.)*

57. **COMMERCIAL/INDUSTRIAL** **FARM** **RECREATION**
58. **RESIDENTIAL/INVESTMENT** **RESIDENTIAL/PERSONAL** **VACANT LAND**

59. **CLOSING SERVICES:**

60. **NOTICE:** THE REAL ESTATE BROKER, LICENSEE REPRESENTING BUYER, OR REAL ESTATE CLOSING AGENT
61. HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS
62. REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

63. After a purchase agreement for the property is signed, arrangements must be made to close the transaction. Buyer
64. understands that no one can require Buyer to use a particular person in connection with a real estate closing and
65. that Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

66. Buyer's choice for closing services: *(Check one.)*

67. Buyer directs Broker to arrange for a qualified closing agent to conduct the closing.
68. Buyer shall arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

69. _____ _____
(Buyer's Initials) (Buyer's Initials)

70. **ADDITIONAL COSTS:** Buyer acknowledges that Buyer may be required to pay certain closing costs, which may
71. effectively increase the cash outlay at closing.

72. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
73. provides that a transferee ("Buyer") of a United States real property interest must withhold tax from the transferor
74. ("Seller") if the Seller is a foreign person and no exceptions from FIRPTA withholding apply. A Buyer is personally
75. liable for the full amount of FIRPTA withholding tax required to be withheld unless the Seller furnishes Buyer with
76. specific documentation ensuring Buyer is exempt from the withholding requirements as prescribed under 26 USC
77. §1445. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility
78. for withholding the applicable tax, Buyer should **seek appropriate legal and tax advice regarding FIRPTA compliance,**
79. **as Broker will be unable to assure Buyer that the transaction is exempt from the withholding requirements.**

80. **PRIVATE INSPECTION/WARRANTY:** Broker recommends that Buyer obtain a private home inspection to satisfy
81. himself/herself with the physical condition of the property. Furthermore, there are warranty programs available for
82. some properties which warrant the performance of certain components of a property, which warranty programs Buyer
83. may wish to investigate prior to the Purchase of any specific property.

MN:BRC:E-2 (8/22)

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

84. Page 3

85. **AGENCY REPRESENTATION:** If the Buyer chooses to Purchase a property listed by Broker, a dual agency will be
 86. created. This means that Broker will represent both the Buyer and the seller, and owe the same duties to the seller that
 87. Broker owes to the Buyer. This conflict of interest will prohibit Broker from advocating exclusively on the Buyer's behalf.
 88. Dual agency will limit the level of representation Broker can provide. If a dual agency should arise, the Buyer will need
 89. to agree that confidential information about price, terms and motivation will still be kept confidential unless the Buyer
 90. instructs Broker in writing to disclose specific information about the Buyer. All other information will be shared. Broker
 91. cannot act as a dual agent unless both the Buyer and the seller agree to it. By agreeing to a possible dual agency,
 92. the Buyer will be giving up the right to exclusive representation in an in-house transaction. However, if the Buyer
 93. should decide not to agree to a possible dual agency, and the Buyer wants Broker to represent the Buyer, the Buyer
 94. may give up the opportunity to Purchase the properties listed by Broker.

95. Buyer's Instructions to Broker:

96. Having read and understood this information about dual agency, Buyer now instructs Broker as follows:

97. Buyer will agree to a dual agency representation and will consider properties listed by Broker.

98. Buyer will not agree to a dual agency representation and will not consider properties listed by Broker.

99. Real Estate Company Name: RE/MAX Synergy

100. Buyer: _____

101. By: _____ Buyer: _____
(Licensee)

102. Date: _____

103. **OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may consider and/or make offers to
 104. purchase through Broker the same or similar properties as Buyer is seeking to Purchase. Buyer consents to Broker
 105. representing such other potential buyers before, during and after the expiration of this Contract.

106. **PREVIOUS AGENCY RELATIONSHIPS:** Broker, or licensee representing Buyer, may have had a previous agency
 107. relationship with a seller of a property Buyer is interested in Purchasing. Buyer acknowledges that Buyer's Broker, or
 108. licensee representing Buyer, is legally required to keep information regarding the ultimate price and terms the seller
 109. would accept and the motivation for selling confidential, if known.

110. **TERMINATION OF FIDUCIARY DUTIES:** Broker's fiduciary duties, except the duty of confidentiality, terminate upon
 111. Buyer's successful closing of a property or expiration or cancellation of this Contract, whichever occurs first.

112. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory
 113. offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may
 114. be obtained by contacting the local law enforcement offices in the community where the property is located
 115. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at
 116. www.corr.state.mn.us.

117. **ENTIRE AGREEMENT:** This Contract and all addenda and amendments signed by the parties shall constitute the
 118. entire agreement between Buyer and Broker. Any other written or oral communication between Buyer and Broker,
 119. including, but not limited to, e-mails, text messages, or other electronic communications are not part of this Contract.
 120. This Contract can be modified or canceled only in writing signed by Buyer and Broker or by operation of law. All
 121. monetary sums are deemed to be United States currency for purposes of this Contract.

122. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to
 123. this transaction constitute valid, binding signatures.

124. **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its representatives to contact Buyer by mail, phone,
 125. fax, e-mail, text message or other means of communication during the term of this Contract and any time thereafter.

**BUYER REPRESENTATION
CONTRACT: EXCLUSIVE**

126. Page 4

127. **OTHER:**

128. This Buyer Representation Contract: Exclusive, is for the purchase of the property at 4243 5th Street NE Columbia Heights, MN 55421 only.

129.

130.

131.

132. **BROKER**

BUYER

133. **ACCEPTED BY:** RE/MAX Synergy
(Real Estate Company Name)

ACCEPTED BY: _____
(Buyer's Signature)

134. **By:** _____
(Licensee's Signature)

(Buyer's Printed Name)

135. John M Rockwell
(Licensee's Printed Name)

(Date)

136. _____
(Date)

(Address)

137. _____
(Address)

(City/State/Zip)

138. _____
(City/State/Zip)

(Phone)

139. 612-965-8544
(Phone)

(E-Mail Address)

140. john.rockwell@remax.net
(E-Mail Address)

BUYER

141.

ACCEPTED BY: _____
(Buyer's Signature)

142.

(Buyer's Printed Name)

143.

(Date)

144.

(Address)

145.

(City/State/Zip)

146.

(Phone)

147.

(E-Mail Address)

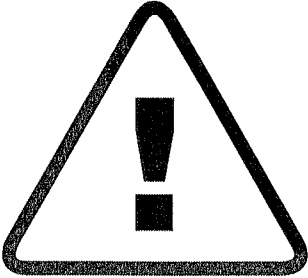
148.

149.

150.

**THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND BROKER.
IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

(Signature)

(Date)

(Signature)

(Date)

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PURCHASE AGREEMENT

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1. Date February 02 2023
2. Page 1

3. BUYER (S): Columbia Heights Economic Development Authority

4. _____

5. Buyer's earnest money in the amount of _____

6. Five Thousand Dollars (\$ 5,000.00)

7. shall be delivered to listing broker, or, if checked, to _____ no later than two (2) Business Days after Final Acceptance Date. Buyer and Seller agree that earnest money shall be deposited in the trust account of Earnest Money Holder as specified above within three (3) Business Days of receipt of the earnest money or Final Acceptance Date, whichever is later.

8. Said earnest money is part payment for the purchase of the property located at

9. Street Address: 4243 5th Street NE

10. City of Columbia Heights, County of Anoka

11. State of Minnesota, Zip Code 55421, legally described as Lot 26 Block 28

12. Columbia Heights Annex

13. Said purchase shall include all improvements, fixtures, and appurtenances on the property, if any, including but not limited to, the following (collectively the "Property"): garden bulbs, plants, shrubs, trees, lawn watering systems, in-ground pet containment systems (excluding collars); sheds; playsets; storm sashes, storm doors, screens, and awnings; window shades and blinds; traverses, curtain and drapery rods, valances, draperies, curtains, and window coverings and treatments; towel rods; attached lighting and bulbs; fan fixtures; plumbing fixtures; garbage disposals; water softeners; water treatment systems; water heating systems; heating systems; air exchange systems; environmental remediation systems (e.g., radon, vapor intrusion); sump pumps; TV antennas, cable TV jacks and wiring, and TV wall mounts; wall and ceiling speaker mounts; carpeting; attached mirrors; garage door openers and all controls; smoke detectors; doorbells; thermostats; all integrated phone and home automation systems, including necessary components such as intranet and Internet connected hardware or devices, control units (other than non-dedicated mobile devices, electronics, and computers) and applicable software, permissions, passwords, codes, and access information; fireplace screens, doors, and heatilators; **ANY OF THE FOLLOWING, IF BUILT-IN:** dishwashers, refrigerators, wine and beverage refrigerators, trash compactors, ovens, cook-top stoves, warming drawers, microwave ovens, hood fans, shelving, work benches, intercoms, speakers, air conditioning equipment, electronic air filters, humidifiers and dehumidifiers, liquid fuel tanks and all controls, pool and spa equipment, propane tanks and all controls, security system equipment, TV satellite dishes; the above-mentioned inclusions **AND** the following personal property shall be transferred with no additional monetary value, and free and clear of all liens and encumbrances:

14. _____

15. Notwithstanding the foregoing, leased fixtures are not included.

16. Notwithstanding the foregoing, the following item(s) are excluded from the purchase:

17. _____

PURCHASE PRICE:

18. Seller has agreed to sell the Property to Buyer for the sum of (\$ 120,000.00)

19. One Hundred Twenty Thousand Dollars,

20. which Buyer agrees to pay in the following manner:

21. 1. 100 percent (%) of the sale price in **CASH**, or more in Buyer's sole discretion, including earnest money;

22. 2. _____ percent (%) of the sale price in **MORTGAGE FINANCING**. (See following Mortgage Financing section.)

23. 3. _____ percent (%) of the sale price by **ASSUMING** Seller's current mortgage. (See attached *Addendum to Purchase Agreement: Assumption Financing*.)

24. 4. _____ percent (%) of the sale price by **CONTRACT FOR DEED**. (See attached *Addendum to Purchase Agreement: Contract for Deed Financing*.)

CLOSING DATE:

25. The date of closing shall be On or B/F March 31 2023

26. _____

27. _____

28. _____

29. _____

30. _____

31. _____

32. _____

33. _____

34. _____

35. _____

36. _____

37. _____

38. _____

39. _____

40. _____

41. _____

42. _____

43. _____

44. _____

45. _____

46. _____

47. _____

48. _____

PURCHASE AGREEMENT

49. Page 2 Date February 02 2023

50. Property located at 4243 5th Street NE Columbia Heights 55421

MORTGAGE FINANCING:

51. This Purchase Agreement IS IS NOT subject to the mortgage financing provisions below. If IS, complete the
-----*(Check one.)*-----

52. **MORTGAGE FINANCING** section below. If IS NOT, proceed to the **SELLER'S CONTRIBUTIONS TO BUYER'S COSTS** section.

53. Such mortgage financing shall be: *(Check one.)*

54. **FIRST MORTGAGE only** **FIRST MORTGAGE AND SUBORDINATE FINANCING.**

55. Buyer shall apply for and secure, at Buyer's expense, a: *(Check all that apply.)*

56. **CONVENTIONAL OR PRIVATELY INSURED CONVENTIONAL**

57. **DEPARTMENT OF VETERANS' AFFAIRS ("DVA") GUARANTEED**

58. **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

59. **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

60. **OTHER** _____

61. mortgage in the amount stated in this Purchase Agreement, amortized over a period of not more than
62. _____ years, with an initial interest rate at no more than _____ percent (%) per annum. The mortgage
63. application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date. Buyer agrees to
64. use best efforts to secure a commitment for such financing and to execute all documents required to consummate
65. said financing.

66. **MORTGAGE FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies
67. to the first mortgage and any subordinate financing. *(Check one.)*

68. If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not
69. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately
70. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be

71. **REFUNDED TO BUYER** **FORFEITED TO SELLER.**
72. -----*(Check one.)*-----

73. **NOTE:** If this Purchase Agreement is subject to DVA or FHA financing, **FORFEITED TO SELLER** may be prohibited.
74. See the following DVA and FHA Escape Clauses.

75. Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on
76. or before _____ .

77. For purposes of this Contingency, "**Written Statement**" means a Written Statement prepared by Buyer's mortgage
78. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this
79. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an
80. appraisal, satisfactory to the lender(s), has been completed and stating conditions required by lender(s) to close
81. the loan.

82. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for
83. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,
84. are deemed accepted by Buyer:

- 85. (a) work orders agreed to be completed by Seller;
- 86. (b) any other financing terms agreed to be completed by Seller here; and
- 87. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

PURCHASE AGREEMENT

89. Page 3 Date February 02 2023

90. Property located at 4243 5th Street NE Columbia Heights 55421.
91. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for
 92. ANY REASON relating to financing, including, but not limited to interest rate and discount points, if any, then Seller
 93. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is
 94. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
 95. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to
 96. be forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.
97. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement
 98. canceled if the reason this Purchase Agreement does not close was due to:
 99. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;
 100. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or
 101. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except
 102. as specified in the contingency for sale and closing of Buyer's property.
103. If the Written Statement is not provided by the date specified on line 77, Seller may, at Seller's option, declare this
 104. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,
 105. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement canceled,
 106. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and
 107. directing all earnest money paid here to be **RETAINED BY SELLER** **REFUNDED TO BUYER.**
 -----(Check one.)-----
108. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this
 109. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller
 110. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest
 111. money paid here to be **RETAINED BY SELLER** **REFUNDED TO BUYER.**
 -----(Check one.)-----
112. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:
 113. (Check one.)
114. **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE; OR**
115. **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**
116. **LENDER COMMITMENT WORK ORDERS:** Seller agrees to pay up to \$ _____ to make
 117. repairs as required by the lender commitment. If the lender commitment is subject to any work orders for which the
 118. cost of making said repairs shall exceed this amount, Seller shall have the following options:
 119. (a) making the necessary repairs; or
 120. (b) negotiating the cost of making said repairs with Buyer; or
 121. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller
 122. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest
 123. money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs or escrow
 124. amounts related thereto above the amount specified on line 116 of this Purchase Agreement.
125. **SELLER** **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).
 -----(Check one.)-----
126. **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that, notwithstanding any other provisions
 127. of this contract, the purchaser shall not be obligated to complete the purchase of the Property described here or to incur
 128. any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given in accordance
 129. with the Department of Housing and Urban Development ("HUD")/FHA or DVA requirements a written statement by the
 130. Federal Housing Commissioner, Department of Veterans' Affairs, or a Direct Endorsement lender setting forth the
 131. appraised value of the Property as not less than \$ _____ .
 (sale price)
132. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard
 133. to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage
 134. HUD will insure; HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy himself/
 135. herself that the price and condition of the Property are acceptable."

PURCHASE AGREEMENT

136. Page 4 Date February 02 2023

137. Property located at 4243 5th Street NE Columbia Heights 55421

138. LENDER PROCESSING FEES (FHA, DVA Financing Only): Seller agrees to pay Buyer's closing fees and

139. miscellaneous processing fees which cannot be charged to Buyer, not to exceed \$

140. This amount is in addition to Seller's Contributions to Buyer's Costs, if applicable.

141. DVA FUNDING FEE (DVA Financing only): Pursuant to federal regulations, a one-time Funding Fee based on loan

142. amount must be paid at the closing of this transaction as follows:

143. paid by Buyer AT CLOSING ADDED TO MORTGAGE AMOUNT

(Check one.)

144. paid by Seller

145. NOTE: DVA regulations limit the fees and charges Buyer can pay to obtain a DVA loan.

146. DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only): "It is expressly agreed that,

147. notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest

148. money or otherwise be obligated to complete the purchase of the Property described here, if the contract purchase

149. price or cost exceeds the reasonable value of this Property established by the Department of Veterans' Affairs. The

150. purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without

151. regard to the amount of reasonable value established by the Department of Veterans' Affairs."

152. NOTE: Verify DVA requirements relating to payment of all special assessments levied and pending, and

153. annual installments of special assessments certified to yearly taxes.

154. OTHER MORTGAGE FINANCING ITEMS:

155.

SELLER'S CONTRIBUTIONS TO BUYER'S COSTS:

157. Seller IS IS NOT contributing to Buyer's costs. If answer is IS, Seller agrees to pay at closing, up to: (Check one.)

(Check one.)

158. \$

159. percent (%) of the sale price

160. towards Buyer's closing fees, title service fees, title searches, title examinations, abstracting, lender's title insurance,

161. owner's title insurance, prepaid items, other Buyer's costs allowable by lender, if any, and/or mortgage discount points. Any

162. amount of Seller's contribution that exceeds Buyer's allowable costs, or which cannot be used because Seller's

163. contribution exceeds the maximum Seller contribution allowed by law or by mortgage requirements, shall be retained

164. by Seller.

165. NOTE: The amount paid by Seller cannot exceed the maximum Seller contribution allowed by FHA, DVA, or

166. lender. All funds paid by Seller on behalf of Buyer must be stated on the Closing Disclosure at closing.

INSPECTIONS:

168. Buyer has been made aware of the availability of Property inspections. Buyer ELECTS DECLINES to have a

(Check one.)

169. Property inspection performed at Buyer's expense.

170. This Purchase Agreement IS IS NOT contingent upon any inspection(s) of the Property obtained by Buyer to

(Check one.)

171. determine its condition, including any non-intrusive testing or any intrusive testing as allowed pursuant to this Purchase

172. Agreement.

173. Any inspection(s) or test(s) shall be done by an inspector(s) or tester(s) of Buyer's choice. Buyer shall satisfy Buyer

174. as to the qualifications of the inspector(s) or tester(s). For purposes of this Purchase Agreement, "intrusive testing"

175. shall mean any testing, inspection(s), or investigation(s) that changes the Property from its original condition or

176. otherwise damages the Property.

177. Seller DOES DOES NOT agree to allow Buyer to perform intrusive testing or inspection(s).

(Check one.)

178. If answer is DOES, Buyer agrees that the Property shall be returned to the same condition it was in prior to Buyer's

179. intrusive testing at Buyer's sole expense.

PURCHASE AGREEMENT

180. Page 5 Date February 02 2023

181. Property located at 4243 5th Street NE Columbia Heights 55421

182. Seller will provide access to attic(s) and crawlspace(s).
183. Within Calendar Days of Final Acceptance Date, all inspection(s), test(s), and resulting negotiations, if any,
184. shall be done ("Inspection Period").

185. If this Purchase Agreement is contingent upon inspection, Buyer may cancel this Purchase Agreement based on the
186. inspection(s) or test result(s) by providing written notice to Seller, or licensee representing or assisting Seller, of Buyer's
187. intent to cancel no later than the end of the Inspection Period. If Buyer cancels this Purchase Agreement, Buyer and
188. Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all
189. earnest money paid here to be refunded to Buyer. If Buyer does not cancel this Purchase Agreement before the end
190. of the Inspection Period, then this Inspection Contingency shall be deemed removed and this Purchase Agreement
191. shall be in full force and effect.

192. OTHER INSPECTION ITEMS:

193.
194.
195.

SALE OF BUYER'S PROPERTY:

196.
197. (Check one.)

198. 1. This Purchase Agreement is subject to an Addendum to Purchase Agreement: Sale of Buyer's Property
199. Contingency for the sale of Buyer's property. (If checked, see attached Addendum.)

200. OR

201. 2. This Purchase Agreement is contingent upon the successful closing on the Buyer's property located at
202. , which is scheduled to close on

203. pursuant to a fully executed purchase agreement. If Buyer's
204. property does not close by the closing date specified in this Purchase Agreement, this Purchase Agreement
205. is canceled. Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said
206. cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph
207. supersedes any other provision to the contrary in any financing contingency made a part of this Purchase
208. Agreement, if applicable.

209. OR

210. 3. Buyer represents that Buyer has the financial ability to perform on this Purchase Agreement without the sale
211. and closing on any other property.

REAL ESTATE TAXES/SPECIAL ASSESSMENTS:

213. REAL ESTATE TAXES: Seller shall pay on the date of closing all real estate taxes due and payable in all prior years
214. including all penalties and interest.

215. Buyer shall pay PRORATED FROM DAY OF CLOSING ALL NONE /12ths OF real estate taxes
216. due and payable in the year of closing.

217. Seller shall pay PRORATED TO DAY OF CLOSING ALL NONE /12ths OF real estate taxes due and
218. payable in the year of closing.

219. If the Property tax status is a part- or non-homestead classification in the year of closing, Seller SHALL SHALL NOT
220. pay the difference between the homestead and non-homestead.

221. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which
222. is not otherwise here provided. No representations are made concerning the amount of subsequent real estate taxes.

PURCHASE AGREEMENT

223. Page 6 Date February 02 2023

224. Property located at 4243 5th Street NE Columbia Heights 55421

225 DEFERRED TAXES/SPECIAL ASSESSMENTS:

226. [] BUYER SHALL PAY [X] SELLER SHALL PAY on date of closing any deferred real estate taxes (e.g., Green Acres) or special assessments, payment of which is required as a result of the closing of this sale.

228. [] BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING [X] SELLER SHALL PAY ON DATE OF CLOSING all installments of special assessments certified for payment, with the real estate taxes due and payable in the year of closing.

231. [] BUYER SHALL ASSUME [X] SELLER SHALL PAY on date of closing all other special assessments levied as of the Date of this Purchase Agreement.

233. [] BUYER SHALL ASSUME [X] SELLER SHALL PROVIDE FOR PAYMENT OF special assessments pending as of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's provision for payment shall be by payment into escrow of two (2) times the estimated amount of the assessments or less, as required by Buyer's lender.)

237. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of which is not otherwise here provided.

239. As of the Date of this Purchase Agreement, Seller represents that Seller [] HAS [X] HAS NOT received a notice regarding any new improvement project from any assessing authorities, the costs of which project may be assessed against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before closing shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement and on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide for the payment of, or assume the special assessments. In the absence of such agreement, either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.

249. ADDITIONAL PROVISIONS:

250. PREVIOUSLY EXECUTED PURCHASE AGREEMENT: This Purchase Agreement [] IS [X] IS NOT subject to cancellation of a previously executed purchase agreement dated (If answer is IS, said cancellation shall be obtained no later than If said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.)

256. DEED/MARKETABLE TITLE: Upon performance by Buyer, Seller shall deliver a: (Check one.)

257. [X] WARRANTY DEED [] PERSONAL REPRESENTATIVE'S DEED [] CONTRACT FOR DEED [] TRUSTEE'S DEED

258. [] OTHER: DEED joined in by spouse, if any, conveying marketable title, subject to (a) building and zoning laws, ordinances, and state and federal regulations; (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions; (c) reservation of any mineral rights by the State of Minnesota; (d) utility and drainage easements which do not interfere with existing improvements; (e) rights of tenants as follows (unless specified, not subject to tenancies); (f) others (must be specified in writing);

PURCHASE AGREEMENT

267. Page 7 Date February 02 2023

268. Property located at 4243 5th Street NE Columbia Heights 55421.
269. **POSSESSION:** Seller shall deliver possession of the Property: (Check one.)
270. **IMMEDIATELY AFTER CLOSING;** or
271. **OTHER:** _____.
272. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property
273. by possession date.
274. **LINKED DEVICES:** Seller warrants that Seller shall permanently disconnect or discontinue Seller's access or service
275. to any device or system on or serving the property that is connected or controlled wirelessly, via internet protocol ("IP")
276. to a router or gateway or directly to the cloud no later than delivery of possession as specified in this Purchase
277. Agreement.
278. **PRORATIONS:** All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity, and
279. natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining gallons of
280. fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.
281. **TITLE AND EXAMINATION:** As quickly as reasonably possible after Final Acceptance Date:
282. (a) Seller shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property, if
283. in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or
284. owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or
285. assisting Seller, upon cancellation of this Purchase Agreement; and
286. (b) Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including
287. but not limited to title searches, title examinations, abstracting, a title insurance commitment, or an attorney's
288. title opinion at Buyer's selection and cost and provide a copy to Seller.
289. Seller shall use Seller's best efforts to provide marketable title by the date of closing. Seller agrees to pay all costs
290. and fees necessary to convey marketable title including obtaining and recording all required documents, subject to
291. the following:
292. In the event Seller has not provided marketable title by the date of closing, Seller shall have an additional thirty
293. (30) days to make title marketable, or in the alternative, Buyer may waive title defects by written notice to Seller. In
294. addition to the thirty (30)-day extension, Buyer and Seller may, by mutual agreement, further extend the closing
295. date. Lacking such extension, either party may declare this Purchase Agreement canceled by written notice to
296. the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is
297. canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
298. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to
299. be refunded to Buyer.
300. **SUBDIVISION OF LAND, BOUNDARIES, AND ACCESS:** If this sale constitutes or requires a subdivision of land
301. owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. Seller
302. warrants that the legal description of the real property to be conveyed has been or shall be approved for recording
303. as of the date of closing. Seller warrants that the buildings are or shall be constructed entirely within the boundary
304. lines of the Property. Seller warrants that there is a right of access to the Property from a public right-of-way.
305. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor, materials,
306. machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing in connection with
307. construction, alteration, or repair of any structure on, or improvement to, the Property.
308. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation
309. proceedings, or violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller
310. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any
311. such notices received by Seller shall be provided to Buyer immediately. Discriminatory restrictive covenants (e.g.
312. provisions against conveyance of property to any person of a specified religious faith, creed, national origin, race, or
313. color) are illegal and unenforceable. An owner of real property may permanently remove such restrictive covenants
314. from the title by recording a statutory form in the office of the county recorder of any county where the property is located.
315. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided
316. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of
317. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
318. **ACCESS AGREEMENT:** Seller agrees to allow reasonable access to the Property for performance of any surveys or
319. inspections agreed to here.

PURCHASE AGREEMENT320. Page 8 Date February 02 2023

321. Property located at 4243 5th Street NE Columbia Heights 55421.
322. **RISK OF LOSS:** If there is any loss or damage to the Property between the Date of this Purchase Agreement and
 323. the date of closing for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be
 324. on Seller. If the Property is destroyed or substantially damaged before the closing date, this Purchase Agreement
 325. is canceled, at Buyer's option, by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels
 326. this Purchase Agreement, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming
 327. said cancellation and directing all earnest money paid here to be refunded to Buyer.
328. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
329. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (Calendar or Business Days as specified)
 330. following the occurrence of the event specified and includes subsequent days (Calendar or Business Days as specified)
 331. ending at 11:59 P.M. on the last day.
332. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless
 333. stated elsewhere by the parties in writing.
334. **CALENDAR DAYS:** "Calendar Days" include Saturdays, Sundays, and state and federal holidays. For purposes of
 335. this Agreement, any reference to "days" means "Calendar Days" unless otherwise required by law.
336. **RELEASE OF EARNEST MONEY:** Buyer and Seller agree that the Earnest Money Holder shall release earnest money
 337. from the Earnest Money Holder's trust account:
 338. (a) at or upon the successful closing of the Property;
 339. (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*
 340. *Agreement* executed by both Buyer and Seller;
 341. (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or
 342. (d) upon receipt of a court order.
343. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
 344. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and
 345. Seller shall affirm the same by a written cancellation agreement.
346. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the provisions
 347. of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller defaults in any
 348. of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment, either party may
 349. cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here that this Purchase
 350. Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory Cancellation under MN
 351. Statute 559.217, Subd. 4.
352. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
 353. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
 354. performance, such action must be commenced within six (6) months after such right of action arises.
355. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
 356. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained
 357. by contacting the local law enforcement offices in the community where the Property is located or the Minnesota
 358. Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at
 359. www.corr.state.mn.us.

360. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
 361. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF**
 362. **THIS PURCHASE AGREEMENT.**
363. BUYER HAS RECEIVED A: (Check any that apply.) **DISCLOSURE STATEMENT: SELLER'S PROPERTY**
 364. **DISCLOSURE STATEMENT** OR A **DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES FORM.**
365. **DESCRIPTION OF PROPERTY CONDITION:** See *Disclosure Statement: Seller's Property Disclosure Statement* or
 366. *Disclosure Statement: Seller's Disclosure Alternatives* for description of disclosure responsibilities and limitations, if
 367. any.
368. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**
369. **BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY**
 370. **AND ITS CONTENTS.**

PURCHASE AGREEMENT

371. Page 9 Date February 02 2023

372. Property located at 4243 5th Street NE Columbia Heights 55421

373. (Check appropriate boxes.)

374. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

375. CITY SEWER YES NO / CITY WATER YES NO

376. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

377. SELLER DOES DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR
 -----(Check one.)-----

378. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*

379. *Statement: Subsurface Sewage Treatment System.*)

380. **PRIVATE WELL**

381. SELLER DOES DOES NOT KNOW OF A WELL ON OR SERVING THE PROPERTY.
 -----(Check one.)-----

382. (If answer is **DOES** and well is located on the Property, see *Disclosure Statement: Well.*)

383. THIS PURCHASE AGREEMENT IS IS NOT SUBJECT TO AN *ADDENDUM TO PURCHASE AGREEMENT*:
 -----(Check one.)-----

384. *SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.*

385. (If answer is **IS**, see attached *Addendum.*)

386. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**

387. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE**

388. **TREATMENT SYSTEM.**

389. **HOME PROTECTION/WARRANTY PLAN:** Buyer and Seller are advised to investigate the various home protection/
 390. warranty plans available for purchase. Different home protection/warranty plans have different coverage options,
 391. exclusions, limitations, and service fees. Most plans exclude pre-existing conditions. (Check one.)

392. A Home Protection/Warranty Plan will be obtained by BUYER SELLER and paid for by
 -----(Check one.)-----

393. BUYER SELLER to be issued by _____
 -----(Check one.)-----

394. at a cost not to exceed \$ _____ .

395. No Home Protection/Warranty Plan is negotiated as part of this Purchase Agreement. However, Buyer may elect
 396. to purchase a Home Protection/Warranty Plan.

397. **AGENCY NOTICE**

398. Peter T Heryla/John M Rockwell is Seller's Agent Buyer's Agent Dual Agent Facilitator.
 (Licensee) -----(Check one.)-----

399. RE/MAX Synergy
 (Real Estate Company Name)

400. Peter T Heryla/John M Rockwell is Seller's Agent Buyer's Agent Dual Agent Facilitator.
 (Licensee) -----(Check one.)-----

401. RE/MAX Synergy
 (Real Estate Company Name)

402. **THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.**

PURCHASE AGREEMENT

403. Page 10 Date February 02 2023

404. Property located at 4243 5th Street NE Columbia Heights 55421

405. DUAL AGENCY REPRESENTATION

406. PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:

407. [] Dual Agency representation DOES NOT apply in this transaction. Do not complete lines 408-424.

408. [X] Dual Agency representation DOES apply in this transaction. Complete the disclosure in lines 409-424.

409. Broker represents both the Seller(s) and the Buyer(s) of the Property involved in this transaction, which creates a
410. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because
411. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for
412. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).
413. Seller(s) and Buyer(s) acknowledge that

414. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
415. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
416. information will be shared;

417. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and

418. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of
419. the sale.

420. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker
421. and its salesperson to act as dual agents in this transaction.

422. Seller _____ Buyer _____

423. Seller _____ Buyer _____

424. Date _____ Date _____

425. CLOSING COSTS: Buyer or Seller may be required to pay certain closing costs, which may effectively increase the
426. cash outlay at closing or reduce the proceeds from the sale.

427. SETTLEMENT STATEMENT: Buyer and Seller authorize the title company, escrow agent, and/or their representatives
428. to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved
429. in the transaction at the time these documents are provided to Buyer and Seller.

430. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"): Section 1445 of the Internal Revenue Code
431. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold
432. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller
433. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

434. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
435. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
436. the closing and delivery of the deed.

437. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
438. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
439. identification numbers or Social Security numbers.

440. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
441. withholding the applicable tax, Buyer and Seller should seek appropriate legal and tax advice regarding FIRPTA
442. compliance, as the respective licensee's representing or assisting either party will be unable to assure either
443. party whether the transaction is exempt from FIRPTA withholding requirements.

MN:PA-10 (8/22)

PURCHASE AGREEMENT

444. Page 11 Date February 02 2023

445. Property located at 4243 5th Street NE Columbia Heights 55421

446. FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE: To be binding, this Purchase Agreement and all addenda must be fully executed by both parties and a copy must be delivered.

448. ELECTRONIC SIGNATURES: The parties agree the electronic signature of any party on any document related to this transaction constitute valid, binding signatures.

450. ENTIRE AGREEMENT: This Purchase Agreement and all addenda and amendments signed by the parties shall constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer and Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Seller and Buyer or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase Agreement.

456. SURVIVAL: All warranties specified in this Purchase Agreement shall survive the delivery of the deed or contract for deed.

458. DATE OF THIS PURCHASE AGREEMENT: Date of this Purchase Agreement to be defined as the date on line one (1) of this Purchase Agreement.

460. OTHER:

461. _____
462. _____
463. _____
464. _____
465. _____
466. _____
467. _____
468. _____
469. _____

470. ADDENDA: The following addenda are attached and made a part of this Purchase Agreement.

471. NOTE: Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement.

- 472. [] Addendum to Purchase Agreement
473. [] Addendum to Purchase Agreement: Additional Signatures
474. [] Addendum to Purchase Agreement: Assumption Financing
475. [] Addendum to Purchase Agreement: Buyer Move-In Agreement
476. [] Addendum to Purchase Agreement: Buyer Purchasing "As Is" and Limitation of Seller Liability
477. [] Addendum to Purchase Agreement: Condominium/Townhouse/Cooperative Common Interest Community ("CIC")
478. [] Addendum to Purchase Agreement: Contract for Deed Financing
480. [X] Addendum to Purchase Agreement: Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
482. [] Addendum to Purchase Agreement: Sale of Buyer's Property Contingency
483. [] Addendum to Purchase Agreement: Seller's Rent Back Agreement
484. [] Addendum to Purchase Agreement: Seller's Purchase/Lease Contingency
485. [] Addendum to Purchase Agreement: Short Sale Contingency
486. [] Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Water Inspection Contingency
487. [] Other: _____

PURCHASE AGREEMENT

488. Page 12 Date February 02 2023

489. Property located at 4243 5th Street NE Columbia Heights 55421

490. I agree to sell the Property for the price and on the
491. terms and conditions set forth above.
492. **I have reviewed all pages of this Purchase**
493. **Agreement.**

I agree to purchase the Property for the price and on
the terms and conditions set forth above.
I have reviewed all pages of this Purchase
Agreement.

494. If checked, this Purchase Agreement is subject to
495. attached *Addendum to Purchase Agreement:*
496. *Counteroffer* and the Final Acceptance Date shall be
497. noted on the *Addendum.*

498. **FIRPTA:** Seller represents and warrants, under penalty
499. of perjury, that Seller IS IS NOT a foreign person (i.e., a
-----*(Check one.)*-----

500. non-resident alien individual, foreign corporation, foreign
501. partnership, foreign trust, or foreign estate for purposes of
502. income taxation. (See lines 430-443.) This representation
503. and warranty shall survive the closing of the transaction
504. and the delivery of the deed.

505. X _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

506. X _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

507. X _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

508. X _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

509. **FINAL ACCEPTANCE DATE:** _____ The Final Acceptance Date
510. is the date on which the fully executed Purchase Agreement is delivered.

511. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
512. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

513. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE DISCLOSURE**
514. **STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT,**
515. **WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT SEPARATE FROM THIS PURCHASE AGREEMENT.**

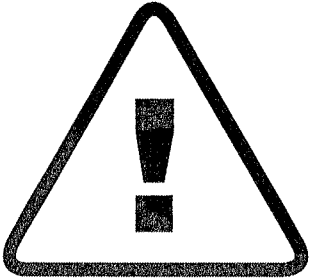
516. **SELLER(S)** _____

BUYER(S) _____

517. **SELLER(S)** _____

BUYER(S) _____

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

(Signature)

(Date)

(Signature)

(Date)

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ADDENDUM TO PURCHASE AGREEMENT:
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS

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- 1. Date February 2nd, 2023
2. Page 1

- 3. Addendum to Purchase Agreement between parties, dated February 2nd 2023
4. (Date of this Purchase Agreement), pertaining to the purchase and sale of the Property at
5. 4243 5th Street NE Columbia Heights MN 55421

6. Lead Warning Statement

7. Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified
8. that such property may present exposure to lead from lead-based paint that may place young children at risk of
9. developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including
10. learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also
11. poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide
12. the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's
13. possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible
14. lead-based paint hazards is recommended prior to purchase.

15. Seller's Disclosure (Check one.)

- 16. [] Seller has no knowledge of, or records or reports relating to, lead-based paint and/or lead-based paint hazards
17. in the housing.
18. [X] Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing and has provided Buyer
19. with all available details, records, and reports, if any, pertaining to lead-based paint and/or lead-based paint
20. hazards in the housing. (Please explain and list documents below.):
21.
22.
23.

24. Buyer's Acknowledgment

- 25. Buyer has received copies of all information listed above, if any.
26. Buyer has received the pamphlet, Protect Your Family from Lead in Your Home.
27. Buyer has: (Check one.)
28. [X] Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or
29. lead-based paint hazards; or
30. [] Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment or inspection for
31. the presence of lead-based paint and/or lead-based paint hazards.
32. If checked, this contract is contingent upon a risk assessment or an inspection of the property for the presence of lead-
33. based paint and/or lead-based paint hazards to be conducted at Buyer's expense. The assessment or inspection
34. shall be completed within [] TEN (10) [] Calendar Days after Final Acceptance of the Purchase
35. Agreement.

**ADDENDUM TO PURCHASE AGREEMENT:
DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND LEAD-BASED
PAINT HAZARDS**

36. Page 2

37. Property located at 4243 5th Street NE Columbia Heights MN 55421

38. This contingency shall be deemed removed, and the Purchase Agreement shall be in full force and effect,
39. unless Buyer or real estate licensee representing or assisting Buyer delivers to Seller or real estate licensee
40. representing or assisting Seller, within three (3) Calendar Days after the assessment or inspection is timely
41. completed, a written list of the specific deficiencies and the corrections required, together with a copy of any risk
42. assessment or inspection report. If Buyer and Seller have not agreed in writing within three (3) Calendar Days
43. after delivery of the written list of required corrections that:
44. (A) some or all of the required corrections will be made; or
45. (B) Buyer waives the deficiencies; or
46. (C) an adjustment to the purchase price will be made;
47. this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase*
48. *Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. It is
49. understood that Buyer may unilaterally waive deficiencies or defects, or remove this contingency, providing that
50. Buyer or real estate licensee representing or assisting Buyer notifies Seller or real estate licensee representing or
51. assisting Seller of the waiver or removal, in writing, within the time specified.

52. **Real Estate Licensee's Acknowledgment**

53. Real estate licensee has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and is aware of licensee's
54. responsibility to ensure compliance.

55. **Certification of Accuracy**

56. The following parties have reviewed the information above and certify, to the best of their knowledge, that the
57. information provided by the signatory is true and accurate.

58. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

59. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

60. _____ (Real Estate Licensee) _____ (Date) _____ (Real Estate Licensee) _____ (Date)

TLX:SALE-2 (8/20)



ADDENDUM TO PURCHASE AGREEMENT

Item 3.

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form. © 2020 Minnesota Association of REALTORS®, Edina, MN

- 1. Date January 24th, 2023
- 2. Page 1

3. Addendum to Purchase Agreement between parties, dated January 24th 2023
 4. (Date of this Purchase Agreement), pertaining to the purchase and sale of the Property at
 5. 4243 5th Street NE Columbia Heights MN 55421

6. In the event of a conflict between this Addendum and any other provision of the Purchase Agreement, the language
 7. in this Addendum shall govern.

8. This purchase agreement is subject to the full ratification of the Columbia Heights Economic
 9. Development Authority at their March 2023 meeting. If the purchase agreement is not ratified a
 10. cancellation of the purchase agreement will be signed and all earnest money will be returned to
 11. the buyer.

12. The Seller warrants that there are no tenants on the property with a lawful leasehold interest.
 13. In the event any tenant come forward and claims an interest in the property at the time of or
 14. following the purchase, the Seller agrees to fully indemnify the buyer for any and all costs
 15. associated with terminating such tenancy and for any and all relocation assistance and benefits
 16. that may be due to such tenant together with attorneys's fees that the Buyer would have to
 17. incur in connection with legal action required to resolve any relocation assistance or benefits
 18. dispute with such tenant. Seller acknowledges that it is not being displaced from the property
 19. as a result of the purchase agreement and that it is not eligible for relocation assistance and
 20. benefits, that the purchase price includes compensation for any and all relocation assistance
 21. and benefits for which the Seller may be eligible. The provisions of this paragraph shall survive
 22. the closing of the transaction contemplated by this purchase agreement.

23. For purposes of this Agreement, "relocation assistance and benefits" shall have the meanings
 24. ascribed to them by Minnesota Uniform Relocation Act, Minnesota Statutes, Sections 117.50 to
 25. 117.56, the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C.
 26. Sections 4601-4655 (the federal URA) and the regulations implementing the federal URA, 49 C.D.R.
 27. Part 24

- 28.
- 29.
- 30.
- 31.
- 32.
- 33.
- 34.

 (Seller) (Date) (Buyer) (Date)

 (Seller) (Date) (Buyer) (Date)

**THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).
 IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**



DISCLOSURE STATEMENT:
COMPENSATION DISCLOSURE
TO BUYER/TENANT

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which disclaims any liability arising out of use or misuse of this form.
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1. Date February 2nd, 2023

2. If Broker is receiving any compensation from a party other than Buyer/Tenant, relating to the property at
3. 4243 5th Street NE Columbia Heights MN 55421

4.
5. the Broker hereby notifies Buyer/Tenant that the amount of compensation to be paid to Broker, excluding listing portion,
6. is: (Check all that apply.)

7. From Seller/Owner or their Broker [X] 3 % of sale price.

8. [] \$.

9. [] .

10. From Buyer/Tenant [] % of sale price.

11. [] \$.

12. [] .

13. I/We hereby acknowledge that I/we have received a copy of this Compensation Disclosure prior to signing a lease or
14. an offer to purchase the property.

15. (Real Estate Company Name) (Date) (Buyer/Tenant) (Date)

16. BY: (Licensee Representing or Assisting Buyer/Tenant) (Date) (Address)

17. (Address) (City/State/Zip)

18. (City/State/Zip) (E-mail Address)

19. john.rockwell1@remax.net (E-mail Address) (Buyer/Tenant) (Date)

20. (Address)

21. (City/State/Zip)

22. (E-mail Address)



AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	3/6/2023

ITEM:	40th and University Avenue Right-of-Way Purchase from MnDOT	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney, 02/27/2023

BACKGROUND:

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:

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. 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:

As you can see from attachment three (Parcel Map), 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. 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 before

you today. 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.

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.

RECOMMENDED MOTION(S):
MOTION: Move to waive the reading of Resolution 2023-09, there being ample copies available to the public.
MOTION: Move 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

ATTACHMENT(S):

- Resolution 2023-09
- MN DOT Offer Letter
- Parcel Map
- MN DOT Exhibit A
- MN DOT Exhibit B
- MN DOT Internal Phase 1

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 Board of Commissioners ("Board") of the Columbia Heights Economic Development Authority (the "Authority") 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 6th day of March 2023

Offered by:
Seconded by:
Roll Call:

President

Attest:

Secretary

EXHIBIT A

Property

DESCRIPTION FOR CONVEYANCE
Parcel 216 C.S. 0205 (47=156-23)

That part of Tract A described below:

Tract A. That part of Lot 18, and the North Half, front and rear of Lot 2, Rearrangement of Block "E", Columbia Heights Annex to Minneapolis, lying westerly of the highway, according to the plat thereof on file and of record in the office of the County Recorder in and for Anoka County, Minnesota;

which lies westerly of a line run parallel with and distant 63 feet westerly of Line 1 described below;

Line 1. Beginning at a point on the south line of Block 91, said Columbia Heights Annex to Minneapolis, distant 25 feet West of the southeast corner thereof; thence northwesterly to a point on the north line of Lot 18, Rearrangement of Block E, said Columbia Heights Annex, distant 107 feet east of the northwest corner thereof and there terminating;

containing 14161 square feet, more or less;

Subject to the following restriction:

No access shall be permitted to Trunk Highway No. 47 and 40th Avenue Northeast from the lands herein conveyed.

January 31, 2023

Certified Mail Return Receipt Requested

Mitchell Forney
City of Columbia Heights
590 40th Avenue
Columbia Heights, MN 55421

In reply refer to: C.S. 0205 (47=156) 623 Parcel 216
Anoka County
Conveyance No. 2022-0017

Dear Mr. Forney,

We are pleased to inform you that conditional approval has been obtained for the conveyance of the above-referenced real property as described in Exhibit "A" and shown in Exhibit "B" (the "Property").

The State of Minnesota, Department of Transportation ("Seller") offers to convey the Property to City of Columbia Heights ("Buyer") for a consideration of \$7,700.00 in accordance with the following terms and conditions:

1. All current real estate taxes, existing or pending assessments, delinquent taxes, fees and penalties will be paid by Buyer.
2. Seller makes no representations about the status of the title to the Property and is not obligated to correct any title defects.
3. This conveyance is subject to the following, which will be included in the deed issued to Buyer (the Grantee described below is one and the same as the Buyer described in this offer letter):
 - a. Access control described in Exhibit "A" and shown in Exhibit "B".
 - b. The Property is subject to the rights of existing utilities, if any, as provided in Minnesota Statutes §161.45 subd. 3.
 - c. Existing Right of Way fence shall be relocated by the city to the proper position along the New Right of Way line as shown in Exhibit "B".
4. The Property and all improvements, if any, are being conveyed as-is and where-is.
5. Payment must be made in the form of a cashier's check, certified check or

money order made payable to “Commissioner of Transportation – Trunk Highway Fund” in the amount of \$7700.00

6. This offer is subject to and specifically conditioned upon receipt of the above-mentioned consideration on or before **July 31, 2023**. If such consideration is not received on or before that date, this offer is null and void and of no further force and effect; and Seller is released from any further obligation to Buyer and may negotiate with other parties for sale or other disposition of the Property.
7. Upon receipt of payment for the conveyance, Seller will issue to Buyer a quitclaim deed, using the legal description in Exhibit “A”. Buyer agrees that upon issuance of the quitclaim deed, the Seller may record the deed in the Office of the County Recorder or Registrar of Titles as appropriate. Seller will provide Buyer with the recorded deed within 15 days of the return of the deed from the County.
8. ***The Seller may revoke this offer and cancel this conveyance in its discretion at any time before payment is received. The Seller shall notify Buyer in writing of such revocation and cancellation. Upon cancellation, this offer is null and void and shall be of no further force and effect; and the Seller is released from any further obligation to Buyer.***

Please submit payment to:

Minnesota Department of Transportation
395 John Ireland Blvd., St. Paul, MN 55155-1800.
Attn: Jason Alman, MS 632

Jason can be reached at 651.366.3487

Sincerely,

Joseph D. Pignato, Director
Office of Land Management

Enclosures: Exhibits A and B

Parcel Map

Item 4.



Parcel Information:

35-30-24-32-0104
230 40TH AVE NE
COLUMBIA HEIGHTS
MN 55421

Approx. Acres: 0.72

Commissioner: MANDY MEISNER

Plat: REARRANGEMENT OF BLOCK E OF COLUMBIA HEIGHTS ANNEX

Owner Information:

COLUMBIA HEIGHTS EDA
590 40TH AVENUE NE
COLUMBIA HEIGHTS
MN
55421



October 18, 2022
2022-0017-0205

DESCRIPTION FOR CONVEYANCE

Parcel 216 C.S. 0205 (47=156-23)

That part of Tract A described below:

Tract A. That part of Lot 18, and the North Half, front and rear of Lot 2, Rearrangement of Block "E", Columbia Heights Annex to Minneapolis, lying westerly of the highway, according to the plat thereof on file and of record in the office of the County Recorder in and for Anoka County, Minnesota;

which lies westerly of a line run parallel with and distant 63 feet westerly of Line 1 described below;

Line 1. Beginning at a point on the south line of Block 91, said Columbia Heights Annex to Minneapolis, distant 25 feet West of the southeast corner thereof; thence northwesterly to a point on the north line of Lot 18, Rearrangement of Block E, said Columbia Heights Annex, distant 107 feet east of the northwest corner thereof and there terminating;

containing 14161 square feet, more or less;

Subject to the following restriction:

No access shall be permitted to Trunk Highway No. 47 and 40th Avenue Northeast from the lands herein conveyed.

CONVEYANCE 2022-0017
CS 0205 (47=156) 623
PARCEL 216
AREA: 14161 SQ FT
MAP: 6-90
SCALE: 1" = 100'

DM

Item 4.

- N -

40th AVE

CONVEY
PARCEL
216

TH47



Internal Memo

Date: December 21, 2022

To: Michelle Waters
Office of Environmental Stewardship, Environmental Investigation Unit

From: Jill Keefe
Office of Environmental Stewardship, Environmental Investigation Unit

From: 612-257-1987

RE: Conveyance 2022-0017 – OES review

C.S. 0205 (47=156) 623 Parcel 216

NW quadrant of TH 47 and 40th Avenue NE, Columbia Heights, Anoka County (the Conveyance Parcel)

Introduction

It is important to know if a property is contaminated prior to selling or leasing a property, so that the condition of the property at the time of sale or lease is documented, and this information can be disclosed to a purchaser/lessee. In November 2022, MnDOT's consultant reviewed the following information to determine if there are any contamination concerns for the Conveyance Parcel:

- Minnesota Pollution Control Agency (MPCA) database regarding known contaminated sites.
- Minnesota Department of Agriculture (MDA) database regarding known contaminated sites.
- Minnesota Department of Health (MDH) Minnesota Well Index (MWI) database regarding known water wells.
- MnDOT Conveyance Parcel File Information
- MnDOT Environmental Files
- Aerial Photographs
- Topographic maps
- MnDOT Right of Way (ROW) maps

Location

The Conveyance Parcel consists of one undeveloped parcel measuring approximately 14,161 square feet and located at the southwest quadrant of Trunk Highway (TH) 47 (also known as University Avenue NE) and 40th Avenue NE in Columbia Heights, Anoka County. The Conveyance Parcel is bounded to the north by 40th Avenue NE with residential development beyond, to the east by TH 47 ROW with TH 47 and commercial and residential development beyond, to the south by an undeveloped parcel with residential development beyond, and to the west by residential development. The surrounding area is a mixture of residential and commercial development.

MnDOT Conveyance Parcel File

A review of the MnDOT Conveyance Parcel File was completed. The Conveyance Parcel was acquired in 1964-65 through condemnation proceedings for TH 47 improvements. At the time of acquisition, Parcel 216 was undeveloped and measured 27,400 square feet. No evidence of wells associated with the Conveyance Parcel were included in the file. No information included in the MnDOT Conveyance Parcel File indicates soil or groundwater impacts to the Conveyance Parcel.

Historical Maps and Photographs

A review of topographic maps covering the Conveyance Parcel and surrounding area was completed for the years 1902, 1921, 1954, 1959, 1969, 1973, 1981, 1986, 1993, 2013, 2016 and 2019. No structures are depicted at the Conveyance Parcel through 1993. A road or driveway is depicted along the west side of the Conveyance Parcel from 1973 through 1993. The 2013 through 2019 maps only show topography, roads and waterways; therefore, no specific features are depicted on or in the vicinity of the Conveyance Parcel. Roads border the Conveyance Parcel to the north and east on all of the maps. Scattered structures typical of dwellings are depicted in the surrounding area through 1921. The surrounding area is shaded as to depict urban development from 1954 through 1993.

A review of aerial photographs of the Conveyance Parcel and surrounding area was completed for the years 1938, 1945, 1947, 1957, 1960, 1965, 1972, 1977, 1985, 1991, 1997, 2005, 2008, 2011, 2017, 2020, and 2022. The Conveyance Parcel was undeveloped and covered with vegetation through 1965 with some ground disturbance present in 1938 and 1945. A dirt trail or road is apparent extending from the intersection of 40th Avenue NE and TH 47 towards the Conveyance Parcel in 1945. Since 1972, a road or driveway is apparent extending south from 40th Avenue NE and bisecting the Conveyance Parcel; the remainder of the Conveyance Parcel is covered with vegetation. Roads border the Conveyance Parcel to the north and east on all of the photographs. 40th Avenue NE adjacent to the north has expanded by 1945. TH 47 adjacent to the east has expanded by 1972. The surrounding area is progressively developed for residential and commercial uses with a gasoline station visible in the northeast quadrant of TH 47 and 40th Avenue NE from 1991 through 2011.

A review of MnDOT ROW maps for the Conveyance Parcel and surrounding area was completed. The ROW maps are typically undated. ROW Map 6-90, updated as recently as 2018, depicted a dump in the southwest quadrant of TH 47 and 40th Avenue NE. The boundary of the dump was not depicted and the labeling of the dump appeared to be east of the Conveyance Parcel. A small ice house was also depicted but was not located on the Conveyance Parcel. Dwellings are depicted in the surrounding area as well as two gasoline stations further to the south of the Conveyance Parcel.

MnDOT Environmental Files

A search of MnDOT Office of Environmental Stewardship files was completed. The following environmental documents were reviewed:

- *Limited Phase I Environmental Site Assessment, Trunk Highway 47, Minneapolis and Columbia Heights, Minnesota, State Project Number: 2726-74*, prepared by Braun Intertec, dated July 20, 2015 (2015 Phase I ESA)

- *Phase II Environmental Site Assessment, Trunk Highway 47, Minneapolis and Columbia Heights, Minnesota, State Project Number 2726-74*, prepared by Braun Intertec, dated December 5, 2016 (2016 Phase II ESA)
- *Construction Monitoring Summary Letter, Trunk Highway 47 (University Avenue), Minneapolis and Columbia Heights, Minnesota, State Project No.: 2726-74*, prepared by Braun Intertec, dated January 10, 2019 (2019 ConMon)

2015 Phase I ESA

The 2015 Phase I ESA was prepared for MnDOT in preparation for the reconstruction of TH 47. The assessment was prepared using MnDOT's modified version of the Phase I ESA standard practice for environmental site assessments. Based on the results, the Conveyance Parcel was not listed as a Site of Environmental Concern. A former filling station (Site 3 – Commercial Building at 4001 University Avenue NE) located in the northeast quadrant of TH 47 and 40th Avenue NE was identified as a Medium Potential for Contamination due to its past use and reported petroleum tank releases; a former filling station (Site 5 – Sarna's Classic Grill at 3939 University Avenue NE) located in the southeast quadrant of TH 47 and 40th Avenue NE was identified as a Medium Potential for Contamination due to its past use and reported petroleum tank releases; and a former commercial property (Site 8 – Former Root Equipment at 3930 University Avenue NE) located adjacent south of the Conveyance Parcel was identified as a High Potential for Contamination due to the site being identified as a Potential Voluntary Investigation & Cleanup Program site.

2016 Phase II ESA

The 2016 Phase II ESA was prepared in preparation for the TH 47 reconstruction project to investigate areas along TH 47 for the potential presence of subsurface contamination as identified in the 2015 Phase I ESA. Groundwater was not encountered at a terminus depth of 10 feet below ground surface (bgs) in any of the soil borings completed during the 2016 Phase II ESA. The closest soil boring to the Conveyance Parcel (Boring B-1) was completed approximately 150 feet to the southeast on the west side of TH 47 adjacent to Site 8 (adjacent south of the Conveyance Parcel). Evidence of debris including glass, bituminous and concrete was encountered at depths between 5 and 10 feet. No volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), or metals were detected at concentrations exceeding their soil reference values (SRVs) or soil leaching values (SLVs). Diesel range organics (DRO) and gasoline range organics (GRO) were not detected at concentrations exceeding laboratory reporting limits.

2019 ConMon

The 2019 ConMon was prepared for MnDOT to summarize environmental construction monitoring activities along TH 47. The activities were limited to the northeast quadrant of TH 47 and 27th Avenue NE, which was located more than a mile south of the Conveyance Parcel.

MPCA and MDA Regulatory Database Review

A review of the MPCA and MDA databases of known contaminated sites was completed. No MPCA or MDA sites were mapped on the Conveyance Parcel. No MDA release sites were mapped on or within 500 feet of the Conveyance Parcel. The following MPCA sites were mapped or measured within 500 feet of the Conveyance Parcel:

- Root Equipment, located at 3930 University Avenue NE, formerly located adjacent south-southwest of the Conveyance Parcel, is a brownfields site (BF0001551) and Voluntary Investigation & Cleanup Program (VIC) site (VP29280).

Based on a review of the MPCA files for BF0001551 and VP29280, the site had been developed since at least 1918, when the former main site building was constructed. One additional building was constructed in 1954, and two additional buildings were constructed in the 1970s. The site was historically occupied by a trucking company. From 1977 to 2006, the site was occupied by Root Equipment Supply Company, which sold electrical supplies and did electrical repair and electrical salvaging work. Surficial mercury and polychlorinated biphenyls (PCBs) in the main building were cleaned-up in 2007, after the site sold to a redeveloper, but no redevelopment occurred. Unpermitted dumping followed in 2009 and 2010, and the main site building burned down in 2010. Approximately nine tons of mercury and PCB contaminated ash and debris was disposed off-site in 2010. Four used oil drums were removed from the site and properly disposed of in 2010.

A Phase II ESA was completed at the site in 2012 in association with VP29280 consisting of the advancement of 20 soil probes and 11 trenches. Probes GP-12 and GP-20 were completed within 15 feet of the south and southwest borders of the Conveyance Parcel, respectively, to depths of 8 feet. Test Trench TR-7 was completed to a depth of 6 feet approximately 15 feet south of the Conveyance Parcel. Groundwater was not encountered in GP-12, GP-20 or TR-7 or in any of the other borings that were completed to a depth of 40 feet bgs. Shallow soil samples were collected and analyzed for VOCs, PCBs, DRO, asbestos and RCRA metals. The results of the Phase II indicated the presence of metals, PCBs, and petroleum constituents in near-surface soils at the site. Arsenic, barium, lead and PCBs exceeded residential SRVs in several locations (the highest arsenic concentration was detected along the east side of the site) and lead and PCBs exceeded industrial SRVs in one location each. Specifically for GP-12, GP-20 and TR-7, various metals were detected in soil at concentrations less than their SRVs and DRO was detected in GP-20 (0-2') at a concentration of 113 milligrams/kilograms (mg/kg).

A subsurface investigation was conducted in 2019 in association with BF0001551. Soil samples were collected and analyzed for arsenic, barium and/or lead, PCBs and DRO. Four soil vapor samples were collected and analyzed for VOCs. Groundwater was not encountered in any soil borings that were completed to depths up to 40 feet bgs. Soil samples (C-2C, C-2A and C-5A) were collected within 15 feet of the south and southwest borders of the Conveyance Parcel. Hotspot 3 was identified in the area of GP-20 from the 2012 Phase II ESA. DRO was detected in C-2A and C-2C with the concentration in C-2C at 126 mg/kg. Residual DRO was detected in the base and sidewalls samples from the excavation of C-2C and in the north and south sidewalls of the excavation of Hotspot 3. Lead was detected in C-5A at a concentration less than its SRVs; a composite soil sample from grid 5 (south of the Conveyance Parcel) had a lead concentration greater than its residential SRV. DRO was detected in the north and south sidewalls of Hotspot 3 at concentrations up to 39 mg/kg. Petroleum-related VOCs were detected in soil vapor. The closest soil vapor sampling location (VP-2 approximately 45 feet south of the Conveyance Parcel) had benzene at a concentration that exceeded its residential intrusion screening value (ISV) and 1,3-butadiene at a concentration that exceeded its industrial ISV.

A Response Action Plan (RAP) dated November 22, 2019 was approved by the MPCA in a letter dated July

16, 2020. Response actions were completed at the site and were described in a RAP Implementation Report dated September 16, 2022. Approximately 744 cubic yards of contaminated soil intermixed with debris were excavated from the site and disposed of at permitted landfills. The extent of excavation around C-2C and Hotspot 3 was to the southwest border of the Conveyance Parcel. Soil confirmation samples were collected from the sidewalls of the remedial excavation at Hotspot 11 (approximately 300 feet south of the Conveyance Parcel) and analyzed for arsenic, the contaminant of concern at that location. Soil confirmation samples were collected from the base of each of the four former buildings and analyzed for arsenic, lead, PCBs, and DRO. Confirmation samples indicate that residual contamination does not pose a risk to human health or the environment. The MPCA subsequently approved the RAP Implementation report. The MPCA issued a No Further Action Determination for Soil letter on December 5, 2022 for BF0001551.

- Meilke Petroleum/Conoco, 3955 University Avenue NE, formerly located approximately 275 feet east of the Conveyance Parcel across TH 47, is a tank site (four removed petroleum USTs) and a closed petroleum tank release site (Leak #1534 and #14828).

Leak #1534

Based on a review of the MPCA file for Leak #1534, a petroleum tank release was reported on August 31, 1989 following the advancement of two soil borings. Six soil borings (boring B4 was located closest to the Conveyance Parcel, approximately 225 feet to the east, and was located southwest of the tank basin and pump islands) were advanced in January 1990 to depths ranging from 21 to 41.5 feet and were screened for organic vapors with a photoionization detector (PID). PID readings ranging from 0 to 170 parts per million (ppm) were recorded. Soil contamination appeared to be limited to the glacial till. Two soil samples were collected from the soil borings and submitted for laboratory analysis for benzene, ethylbenzene, toluene and xylene (BETX), methyl tert-butyl ether (MTBE), and total hydrocarbons (TPH) as gasoline. The shallower samples showed moderately low to high levels of contamination while the deeper samples showed zero to low levels of contamination (BETX, MTBE and TPH as gasoline were detected in the soil sample collected from B4 (19.5-20.5') with the highest concentration being TPH as gasoline at 1,500 micrograms/kilogram). The horizontal extent of soil contamination appeared to be limited to the area around the tank basins and near the building (which may be related to a former waste oil tank that was removed in 1986). The subsurface data indicated that contamination was restricted by clayey soils between 14.5 and 26.5 feet bgs. Water bearing sand lenses exist in the glacial till at depths of 20 to 35 feet (the water table was estimated to be at a depth of approximately 75 feet). Water samples were collected from three of the soil borings. BETX, MTBE and TPH were detected in the groundwater samples (BETX, MTBE and TPH as gasoline were detected in the groundwater sample collected from B4 with the highest concentration being TPH as gasoline at 1,100 micrograms/liter (ug/l)). Tanks tightness tests were conducted on the four tanks at the site (one 3,000-gallon diesel UST, two 3,000-gallon gasoline USTs and one 6,000-gallon gasoline UST) on September 5, 1991; all systems passed the tightness testing. The file was closed by the MPCA on November 14, 1991.

Leak #14828

Based on a review of the MPCA file for Leak #14828, a petroleum tank release was reported on June 27, 2002 following a Phase II ESA of the site. Five soil borings were advanced on June 27, 2002 (borings GP-1 and GP-3 were advanced along the west side of the site approximately 225 feet east of the Conveyance

Parcel). Soil and groundwater samples collected from the borings revealed elevated levels of contaminants (DRO, GRO, and BETX); none of these parameters were detected in the soil samples collected from GP-1 and GP-3 and DRO and BETX were detected in the groundwater sample collected from GP-1 with the highest concentration being DRO at 120 parts per billion (ppb). Four USTs were removed on August 15, 2002 from the north portion of the site. The tank excavation was completed to a depth of 10 feet. Water was encountered at depths ranging from approximately 10 feet to 24 feet (was likely a perched water table). Associated piping ran in a westerly direction from the tank basin towards the pump islands and was also removed. Petroleum impacted soils were encountered during removal of the tanks. Additional investigation was conducted in October 2002 to define the extent of the soil and groundwater impacts. Two soil borings (GP-6 and GP-7) were advanced to depths of 25 feet in order to define the vertical and horizontal extent of the release to the northeast (these two borings were advanced along the east side of Lookout Place, which appears to be within or adjacent to the northeast corner of the site). Groundwater was encountered in one of the soil borings at a depth of 17 feet. Soil samples were collected from both borings and analyzed for DRO, GRO and BETX with detectable concentrations of petroleum constituents with slightly elevated DRO and GRO concentrations in the sample from Soil Boring GP-6 (22-24'). A groundwater sample was collected from GP-7 for analysis of DRO, GRO and VOCs. GRO was detected at a concentration of 51 ug/l and benzene at a concentration of 1.5 ug/l. The leak site was closed by the MPCA on December 12, 2002.

Another subsurface investigation was conducted in May 2006 in preparation of redevelopment of the site into a restaurant. Seven borings were advanced (boring GP-6 was advanced along the west side of the site approximately 225 feet east of the Conveyance Parcel) and soil and groundwater samples were collected for analysis of DRO, GRO, BETX, MTBE, polynuclear aromatic hydrocarbons (PAHs) and/or VOCs. No parameters were detected in soil sample GP-6 (0-1'); a groundwater sample was not collected from GP-6. Soil and groundwater contamination appeared to be limited to the area surrounding the former gasoline station (the northern portion of the site with groundwater impacts extending below 40th Avenue NE). Three soil vapor samples were collected approximately 250 east of the Conveyance Parcel; various petroleum and non-petroleum VOCs were detected in all of the soil vapor samples with benzene exceeding is chronic health risk value in one sample. Response actions were completed. Impacted soil resulting from utility trenching, grading, or installation of the new building foundations was not encountered. DRO was detected in a soil sample collected from beneath a hydraulic lift but at a concentration below action levels. The MPCA issued a Completion of Voluntary Response Actions for Petroleum Contamination letter on March 8, 2007 for Leak #14828.

- University Food & Fuel, 4001 University Avenue NE, formerly located approximately 300 feet northeast of the Conveyance Parcel across TH 47 and 40th Avenue NE, is a tank site (two removed gasoline USTs) and a closed petroleum tank release site (Leak #11531 and #17042).

Leak #11531

Based on a review of the MPCA file for Leak #11531, a petroleum tank release was reported on July 11, 1998 based on field results of seven soil borings (P-1 through P-7) advanced on July 10, 1998 to depths up to 82 feet bgs. Groundwater was not encountered in any of the borings; the estimated depth to groundwater was 107 feet bgs. Boring P-7 was the closest to the Conveyance Parcel, approximately 260 feet to the northeast and to the southwest of the tank basin. Three additional borings (TB-1 through TB-3) were advanced in October 1998. Boring TB-3 was the closest to the Conveyance Parcel, approximately

280 feet to the northeast and to the south-southwest of the tank basin. The USTs (two 10,000-gallon gasoline) were located approximately 300 feet northeast of the Conveyance Parcel. Soil samples were collected from all of the borings and analyzed for BETX, GRO, DRO and/or MTBE. None of these parameters were detected in soil sample P-7 (5'). Toluene, ethylbenzene, xylene, MTBE and GRO were detected in soil sample TB-3 (23') with the highest concentration being GRO at 270 mg/kg. None of the parameters were detected in soil sample TB-3 (80-82'). Based on the laboratory analytical data, the highest concentration of petroleum hydrocarbon impacted soil appeared to extend from 15 to 23 feet bgs in the vicinity of the USTs. Based on the analytical results, the MPCA closed the file on September 24, 1999.

The file also contained a Minnesota Duty Officer Report dated November 7, 2013 that stated a release was reported following the removal of two 10,000-gallon gasoline USTs. Perched water was encountered in the tank basin. Stained soils were observed and petroleum odors were present. The highest PID vapor reading was 1,222 ppm, which was detected in a soil sample collected from the north end of the east tank. No additional information was provided.

Leak #17042

Based on a review of the MPCA file for Leak #17042, a release was reported on September 20, 2007 based on the results of a Phase II ESA. Five borings (GP-1 through GP-5) were advanced in September 2007. Three additional borings (GP-6 through GP-8) were advanced in January 2008. The borings were completed to depths up to 36 feet bgs; groundwater was not encountered. Boring GP-8 was the closest to the Conveyance Parcel, approximately 250 feet to the northeast and to the west of the tank basin. Borings GP-4 and GP-7 were completed approximately 20 to 25 feet further from the Conveyance Parcel and to the south of the tank basin. Five soil vapor sampling locations were also completed with the closest (VP-5) being just north of GP-8. Soil samples were collected from the eight soil borings and were analyzed for BETX, GRO, MTBE and/or VOCs.

No parameters were detected in soil samples GP-8 (2'), GP-8 (36'), GP-4 (30') and GP-7 (36'). GRO was detected at a concentration of 5.6 mg/kg in soil sample GP-4 (21'). Ethylbenzene, xylene, GRO and several other petroleum VOCs were detected in soil sample GP-7 (24') with 1,2,4-trimethylbenzene and 1,3,5-trimethylbenzene exceeding their Tier 1 SRVs. The soil impacts were defined vertically and horizontally at the site around the tank basin. Several VOCs were detected in the soil vapor sample collected from VP-5 with the benzene concentration within the action level range. It was recommended that additional soil vapor investigation be conducted. An additional soil vapor sample (VP-6) was collected south of the adjoining building to the north (approximately 400 feet northeast of the Conveyance Parcel) in May 2008 and several VOCs were detected. Based on the additional investigation, file closure was requested. The MPCA closed the file on July 22, 2008. The file also contained the same Minnesota Duty Officer Report dated November 7, 2013.

Based on the available information, there was no documentation that indicated the identified contamination associated with the reported releases has impacted the Conveyance Parcel; however, no investigation activities were conducted on the Conveyance Parcel.

MDH MWI Database Review

A review of the MWI did not identify any wells registered to, or plotted at, the Conveyance Parcel.

Findings

These findings are prepared for internal MnDOT decision making and are not to be relied upon by any prospective purchasers as environmental due diligence.

Based on the available information, there may be residual soil contamination on the Conveyance Parcel associated with historic land use on the adjoining property to the south-southwest (residual DRO contamination was detected in sidewalls samples collected from excavations that abutted the southwest portion of the Conveyance Parcel). The Office of Environmental Stewardship recommends that MnDOT proceed with conveyance of the Conveyance Parcel; however, the environmental information that MnDOT has regarding the Conveyance Parcel should be shared in any sales agreement. It is also recommended that any final sales language state that the Conveyance Parcel is sold "as is".

Please let me know if you have questions or would like additional information.

cc: File



AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	03/06/2023

ITEM:	Rail Werks Brewing Fire Suppression Grant Application	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney, 3/1/2023

BACKGROUND:

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. 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 Works 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.

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.

RECOMMENDED MOTION(S):
MOTION: Move to waive the reading of Resolution 2023-10, there being ample copies available to the public.
MOTION: Move 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.

ATTACHMENT(S):

- **Resolution 2023-10**
- **Rail Werks Brewing Fire Suppression Grant Application**
- **Fire Suppression Grant Agreement**
- **Fire Suppression Grant Guidelines**

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

Adopted this 6th day of March, 2023

Offered by:

Seconded by:

Roll Call:

President

Attest:

Secretary

THE CITY OF COLUMBIA HEIGHTS

FIRE SUPPRESSION GRANT, PILOT PROGRAM

FOR OFFICE USE ONLY:

COMMUNITY DEVELOPMENT

DATE RECEIVED:	AMOUNT REQUESTED:
DATE REVIEWED:	PLANNED EDA MEETING:

PROPERTY OWNER INFORMATION Check if Applicant

Name: Columbia Heights Center LLC Year Purchased: 1998
 Address: 14675 Martin Dr. Ste 200 Eden Prairie MN 55344
 Telephone: 952-944-1465 Email Address: time@grootwassink.com

BUSINESS INFORMATION Check if Applicant

Business Name: Rail Werks Brewing Depot
 Primary Contact: William Roberts
 Address: 4055 Central Ave
 Telephone: 612-710-7603 Email Address: Railwerks@outlook.com
 Type of Business/Businesses in the Building: Brew pub

If Leased, Lease Expiration Date 2/34 Renewal Term 10 yrs 6 months

Check the appropriate type of ownership:

- The business owns the property The business leases the property

PROJECT INFORMATION

Describe the proposed scope of work to be completed:

Sprinkler and Ansul system work

Estimated Cost of Improvements: \$48,871.00

APPLICANT ACKNOWLEDGEMENTS

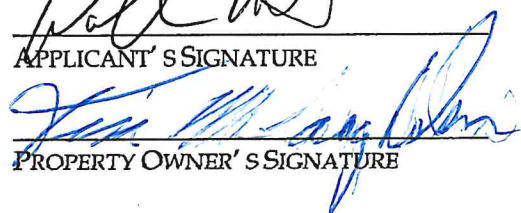
- 1. The Applicant shall hold the EDA, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Grant Program or its Application, including but not limited to, any legal or actual violations of any State or Federal laws.
- 2. The Applicant recognizes and agrees that the EDA retains absolute authority and discretion to decide whether or not to accept or deny any particular Grant Application, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Grant Application are incurred by the Applicant at its sole risk and expense.
- 3. The Applicant acknowledges that they have read the Fire Suppression Grant, Pilot Program application and guidelines, and understands that if the proposal is approved, they will make the above referenced improvements to the property within the specific time allowed.

The undersigned, a duly authorized representative of the Applicant, hereby certifies that the foregoing information is true, correct, and complete as of the date hereof and agrees that the Applicant shall be bound by the terms and provisions herein.



APPLICANT'S SIGNATURE

2/25/23
DATE



PROPERTY OWNER'S SIGNATURE

2-28-23
DATE

Mitchell Forney

From: Lisa Cornwell <lisa@grootwassink.com>
Sent: Tuesday, February 28, 2023 2:59 PM
To: Mitchell Forney
Cc: Tim McLaughlin; William Roberts
Subject: Fire Suppression Grant
Attachments: Fire Suppression Grant Application 2023.pdf

*This message originated from outside the City of Columbia Heights email system. Use caution when clicking hyperlinks, downloading pictures or opening attachments. If necessary, contact sender by phone. **WHEN IN DOUBT, THROW IT OUT!***

Mitch

Attached is the fire suppression grant application.

Columbia Heights Center, LLC understands and approves the scope of the fire suppression work to be done.

If you have any questions please contact Tim McLaughlin.

Lisa Cornwell

Grootwassink Real Estate
14675 Martin Drive
Suite 200
Eden Prairie, MN 55344
Office: 952-944-1665
Fax: 952-944-2419
lisa@grootwassink.com

QUOTE

TO: Tim McLaughlin
COMPANY: Grootwasink
DATE: 4/18/2022

FROM: Brad Zurn
COMPANY: The Fire Group Inc.
PHONE: 651-285-2238

SUBJECT:
Werks Brewing Depot

SCOPE OF WORK:

- Demo pendent sprinkler heads and install new upright sprinkler heads as needed for exposed ceilings.
- Add pendent sprinkler heads above the bar.
- Move sprinkler heads in the bathrooms.
- Add dry pendent sprinkler heads in the cooler.
- Raise mains and branchlines to the bottom of the barjoists in the back portion of the dining hall.

TAX AND PERMIT FEE'S INCLUDED.
WE PROVIDE NON-UNION LABOR.
WE RESERVE THE RIGHT TO SUBMIT MONTHLY PROGRESS BILLINGS AS NEEDED.

PRICE TO DO THIS WORK: \$ 24,916.00 VALID FOR 30 DAYS.

This proposal is based on current pricing for steel products. If notice to proceed, returned signed proposal, or contract is not received by The Fire Group, Inc by the 30 day valid date, purchaser accepts that material pricing may be increased under this proposal. The Fire Group, Inc. will provide supplier increase announcement upon request. The Fire Group, Inc. recommends that the purchaser request updated pricing prior to awarding this project if past 30 days.

HAVE YOUR JOB SUPERINTENDENT CONTACT CHAD TO SCHEDULE THIS WORK 651-402-2402

Please call me with any questions.
Thank You,

Brad Zurn
Vice President
THE FIRE GROUP INC.

ACCEPTED BY: _____

DATE: _____



PROPOSAL

PROPOSAL SUBMITTED TO Rail Werks	PHONE 612-710-7603	DATE 1/30/23
STREET	EMAIL railwerks@outlook.com	DATE OF PLANS N/A
CITY, STATE, ZIP CODE	JOB NAME: Rail Werks – Tenant Improvement	ARCHITECT N/A
ATTENTION William Roberts	JOB LOCATION 4055 Central Ave NE Columbia Heights, MN	BID NUMBER ZS23-001

Viking Automatic Sprinkler Co. is pleased to provide this proposal for fire sprinkler modifications and installation:

- Plug/remove all pendant style sprinklers in future dining area and hallways in the back
- Install approx. (60) upright sprinklers where drops were
- Raise approx. 50 feet of main in future dining area
- Add approx. (4) dry sprinklers for coolers
- Reroute sprinkler lines in kitchen area for new hood system
- All work to be performed during normal working hours 7:00AM – 3:30PM..

Due to the existing pandemic involving COVID-19 and the constantly evolving situation, we reserve the right to an extension of time arising from or related to COVID-19 shutdowns, disruptions and/or business interruptions. In the event of any associated volatility in materials, we reserve the right to adjust all prices based on the cost of materials at the time of contract. The customer may be required to pay for materials at the time of contract to guarantee price.

INCLUSIONS

- 💧 DEMO
- 💧 MATERIAL & FABRICATION
- 💧 INSTALLATION
- 💧 Lift Rental
- 💧 Permit |

EXCLUSIONS:

- 💧 PAINTING & PATCHING
- 💧 RAISING OR RELOCATING MAINS OR LINES
- 💧 OVERTIME & OFF HOURS WORK |

WE PROPOSE HEREBY TO FURNISH MATERIAL AND LABOR - COMPLETE IN ACCORDANCE WITH THE ABOVE SPECIFICATION, FOR THE SUM OF:

Twenty-Four Thousand Nine Hundred Seventeen DOLLARS **(\$24,917.00)**

PAYMENT TO BE MADE **MONTHLY** AS THE WORK PROGRESSES TO THE VALUE OF **100** (%) PERCENT OF ALL WORK COMPLETE AND MATERIAL ON JOB SITE. THE ENTIRE AMOUNT OF CONTRACT TO BE PAID WITHIN **30** DAYS AFTER COMPLETION.

NOTE: THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN **30** DAYS.

Zach Szody

AUTHORIZED SIGNATURE _____

Zach Szody - SERVICE MANAGER |

ACCEPTANCE OF PROPOSAL

THE ABOVE PRICES AND SPECIFICATIONS AND THE TERMS AND CONDITIONS FOUND OF THE FINAL PAGE OF THIS PROPOSAL ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO DO THE WORK AS SPECIFIED. PAYMENT WILL BE MADE AS OUTLINED ABOVE.

PLEASE PRINT NAME _____

DATE OF ACCEPTANCE ____/____/____

TITLE _____

CUSTOMER SIGNATURE _____

TERMS AND CONDITIONS

The Proposal, together with these Terms and Conditions, constitute the entire agreement ("Agreement") of the parties.

1. This Agreement is for work performed on this Proposal only. If Customer wants Viking Automatic Sprinkler Co. ("Company") to make any additional repairs, alterations or replacements as a result of the work performed, the Company will do so for additional compensation to be agreed upon in writing by the parties.
2. The Company does not know and does not represent whether the current fire protection system on the property of Customer ("Property") was originally designed and installed in such a way that the system will perform as originally intended or is suitable and sufficient for its intended purpose given the way in which the Property has been or will be used. In other words, the Property has been or may be used in ways such that the configuration of partition walls, the location of and types of materials (including the presence of hazardous materials) and other conditions of the Property's use are such that the fire protection system is inadequate, insufficient or unsuitable for the Property. The Company is NOT responsible for any damages due to: (1) incompatibility of materials within a CPVC piping system, or, (2) corrosion or deterioration of piping due to Customer's water supply, atmospheric conditions, soil quality, or any other condition at Customer's facility that adversely affects the integrity of the fire protection system. THIS AGREEMENT IS NOT A GUARANTEE OR WARRANTY THAT THE SYSTEM WILL IN ALL CASES (A) PROVIDE THE LEVEL OF PROTECTION FOR WHICH IT WAS ORIGINALLY INTENDED, (B) IS FREE OF ALL DEFECTS AND DEFICIENCIES, (C) AND IS IN COMPLIANCE WITH ALL APPLICABLE CODES. Customer agrees that it has not retained Company to make these assessments unless otherwise specifically indicated.
3. The Company will be permitted, at all reasonable times, to enter the Property to conduct the work as outlined in this Agreement.
4. **TO THE FULLEST EXTENT PERMITTED BY LAW, CUSTOMER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, PARENT COMPANY, SUBSIDIARIES AND AFFILIATES, (HEREINAFTER REFERRED TO AS "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, EXPENSES OR LIABILITIES OF ANY KIND, INCLUDING ATTORNEY'S FEES, (HEREINAFTER REFERRED TO AS "DAMAGES"), ARISING OUT OF OR IN ANY WAY RELATING TO OR CONNECTED WITH THE WORK PERFORMED BY THE COMPANY UNDER THIS AGREEMENT (WHETHER ARISING DURING OR FOLLOWING THE PERFORMANCE OF THE WORK). THE FOREGOING OBLIGATIONS TO DEFEND, INDEMNIFY AND HOLD HARMLESS SHALL BE ENFORCEABLE REGARDLESS OF WHETHER SUCH "DAMAGES" ARE ACTUALLY OR ALLEGEDLY CAUSED BY THE NEGLIGENCE, PRODUCT LIABILITY, BREACH OF CONTRACT, BREACH OF WARRANTY, BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION, STANDARD OR RULE OR OTHER FAULT OF ANY OF THE "INDEMNIFIED PARTIES", IT BEING THE EXPRESS INTENT OF CUSTOMER TO DEFEND INDEMNIFY AND HOLD HARMLESS THE "INDEMNIFIED PARTIES" FROM THE CONSEQUENCES OF THE "INDEMNIFIED PARTIES" OWN NEGLIGENCE, PRODUCT LIABILITY, BREACH OF CONTRACT, BREACH OF WARRANTY, BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION, STANDARD OR RULE OR OTHER FAULT. SHOULD THE "DAMAGES" ASSERTED AGAINST THE "INDEMNIFIED PARTIES" ARISE OUT OF THE SOLE NEGLIGENCE OF THE "INDEMNIFIED PARTIES" CUSTOMER'S INDEMNIFICATION OBLIGATIONS HEREUNDER SHALL BE ONLY FOR THE AMOUNT OF THE "DAMAGES" THAT EXCEEDS THE LESSER OF \$5,000 OR THE CONTRACT AMOUNT. CUSTOMER FURTHER AGREES TO INDEMNIFY THE "INDEMNIFIED PARTIES" FOR THEIR LEGAL FEES, COSTS AND DISBURSEMENTS PAID OR INCURRED TO ENFORCE THE PROVISIONS OF THIS PARAGRAPH AND TO OBTAIN, MAINTAIN AND PAY FOR SUCH INSURANCE COVERAGE AND ENDORSEMENTS, INCLUDING COMPLETED OPERATIONS COVERAGE, AS WILL INSURE THE PROVISIONS OF THIS PARAGRAPH, AND UPON REQUEST, SHALL PROVIDE COMPANY WITH EVIDENCE THEREOF.**
5. **IT IS UNDERSTOOD AND AGREED BY CUSTOMER THAT COMPANY IS NOT AN INSURER, THAT CUSTOMER SHALL OBTAIN THE TYPE AND AMOUNT OF INSURANCE COVERAGE WHICH IT DETERMINES NECESSARY, AND THAT THE AMOUNTS PAYABLE TO THE COMPANY HEREUNDER ARE BASED UPON THE VALUE OF THE SERVICES RENDERED AND ARE UNRELATED TO THE VALUE OF CUSTOMER'S PROPERTY, THE PROPERTY OF OTHERS LOCATED ON CUSTOMER'S PREMISES, OR ANY POTENTIAL LIABILITY OR DAMAGE TO CUSTOMER ARISING OUT OF THE WORK PERFORMED BY COMPANY. CUSTOMER ACCORDINGLY AGREES THAT THE LIABILITY OF COMPANY, ITS OFFICERS, DIRECTORS, EMPLOYEES, PARENT COMPANIES, SUBSIDIARIES, AFFILIATES AND AGENTS ARISING OUT OF OR IN ANY WAY RELATING TO OR CONNECTED WITH THE WORK PERFORMED BY THE COMPANY SHALL BE LIMITED TO THE LESSER OF \$5,000 OR THE PRICE OF THE WORK PERFORMED BY THE COMPANY. THIS LIMITATION OF LIABILITY SHALL APPLY TO ALL CLAIMS, DEMANDS, LOSSES, EXPENSES OR LIABILITIES OF ANY KIND, INCLUDING ATTORNEY'S FEES, (HEREINAFTER REFERRED TO AS "DAMAGES"), SUSTAINED BY CUSTOMER OR ANY OTHER PARTY CLAIMING BY OR THROUGH CUSTOMER, AND SHALL APPLY REGARDLESS OF WHETHER SUCH "DAMAGES" ARE ACTUALLY OR ALLEGEDLY CAUSED BY THE NEGLIGENCE, PRODUCT LIABILITY, BREACH OF CONTRACT, BREACH OF WARRANTY, BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION STANDARD OR RULE OR OTHER FAULT OF COMPANY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, PARENT COMPANIES, SUBSIDIARIES AND AFFILIATES.**
6. **CUSTOMER AGREES TO REQUIRE ITS INSURANCE POLICIES TO BE ENDORSED SO AS TO WAIVE ALL RIGHTS OF SUBROGATION AGAINST COMPANY.**
7. While the Company will make every reasonable effort to prevent the discharge of water into or onto areas of landscaping, decorative pavement, etc., it is the Customer's responsibility to provide sufficient and readily accessible means to accept the full flow of water that may be required by tests as determined by the Proposal.
8. This Agreement may not be assigned by Customer without the written consent of the Company.
9. Neither party shall be liable to the other for indirect, incidental, consequential or punitive damages arising out of the work.
10. If payment for work provided in this Agreement is not received by the Company within 30 days from Customer's receipt of an invoice for the work, Customer shall pay interest at the rate of 3% per annum on all past due sums, together with all costs of collection, including attorney's fees.
11. This Agreement constitutes the entire agreement of the parties. If any provision hereof shall be invalid, the remaining provisions shall survive and be enforceable against the parties. The law of the state where the work is performed will govern. This Agreement supersedes all prior agreements. This Agreement may be modified only by a written instrument signed by both parties.



Northland Mechanical Contractors

9001 Science Center Drive
 New Hope, Minnesota 55428
 (763)544-5100 • Fax (763)544-5764
 www.Northland-MN.com

REVISED PROPOSAL

Submitted To:		From:	Phone:	Page:
Rail Werks Brewing Depot		Tom Berg	Cell: 612-741-9365	1 of 3
Attention:		Email:		
William Roberts		Tom.Berg@Northland-MN.com		
Email:		Job Location:		
railwerks@outlook.com		4055 NE Central Ave, Columbia Heights, MN 55421		
Date:	Miscellaneous Job Information:			
REV2 2/3/23	Provide And Install Kitchen Ventilation Systems			

Northland Mechanical Contractors, Inc. is pleased to present the following proposal to provide labor and materials to install one ventilation system for the char broiler, fryer, and range, and then another separate ventilation system for the rack smoker. We specifically include:

- Delivery and staging of equipment and materials
- Crane and rigging work
- Lift rental
- Installation of two hoods, both with perforated supply plenums
- Installation of two exhaust fans with roof curbs, one for each hood
- Installation of two direct fired make-up air units with roof curbs, one for each hood
- Installation of double walled exhaust ductwork for each hood, all with external fire barrier wrap
- Installation of new make up air ductwork to each set of perforated supply plenums
- Modification of existing ductwork feeding the kitchen to maximize airflow
- Installation of new gas piping from near kitchen to feed make-up air units and kitchen appliances
- Provide electrical controls / panels that include demand control ventilation components, VFDs, sensors, and lighting relay kits (installed by others)
- Start up and commissioning of all equipment
- Smoke / pressure testing on exhaust ductwork as required
- Mechanical drawings, permits, and inspections as required

We hereby propose to furnish material and labor, complete in accordance with the above specifications, for the sum of:

\$106,950

One Hundred Six Thousand Nine Hundred Fifty Dollars

- ADD** to provide and install fire suppression systems for both hoods including gas piping, power wiring, and control wiring.....\$29,970
- ADD** to install evaporator coil in main make-up air unit now in order to add cooling later.....\$5,720
- ADD** to install complete cooling system for main make-up air unit (includes evaporator coil).....\$20,000
- ADD** to provide backsplash and side panels for main hood (installed by others).....\$3,640
- ADD** to provide backsplash for smoker hood (installed by others).....\$1,410



If the price of material significantly increases due to market instability, or other causes that are no fault of Northland Mechanical, the price shall be equitably adjusted by an amount reasonably necessary to cover any such significant price increases.

Thank you,

Tom Berg

Senior Project Manager
Northland Mechanical Contractors, Inc.

See Page 3 of this Proposal for important inclusions, exclusions, and clarifications.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Payment Terms: A deposit of 50% will be required prior to mobilization or equipment purchase. Full payment is due upon receipt of final invoice. Interest of 1.5% monthly will apply to any unpaid balance remaining 15 days after invoicing. Northland Mechanical Contractors, Inc. reserves the right to file a lien if the invoice is not paid in full.

Date of Acceptance

Customer Signature



Northland Mechanical Contractors

9001 Science Center Drive
New Hope, Minnesota 55428
(763)544-5100 • Fax (763)544-5764
www.Northland-MN.com

REVISED PROPOSAL

Submitted To:		From:	Phone:	Page:
Rail Werks Brewing Depot		Tom Berg	Cell: 612-741-9365	3 of 3
Attention:		Email:		
William Roberts		Tom.Berg@Northland-MN.com		
Email:		Job Location:		
railwerks@outlook.com		4055 NE Central Ave, Columbia Heights, MN 55421		
Date:	Miscellaneous Job Information:			
REV2 2/3/23	Provide And Install Kitchen Ventilation Systems			

General Inclusions

- The entire installation will be performed in accordance with all state and local codes
- New installations will carry a parts and labor warranty of (1) year
- Freight and sales tax
- Permit and inspections
- Clean up and removal of NMC debris from the jobsite

General Exclusions

- Overtime labor (Standard work hours are 7:00AM and 3:30PM Monday through Friday)
- Diagnostics and additional corrections, if necessary
- Other system deficiencies and/or unforeseen conditions
- Controls, control wiring, or mounting of controls
- Roofing, roof work, or deck cutting
- Bond costs
- Fire protection, alarm & detection
- Mechanical equipment safety rails & screening
- Electrical power wiring
- Arc fault/arc flash study if required
- Smoke/fire damper control wiring
- Painting equipment, piping, or ductwork
- Asbestos testing and/or abatement
- Structural engineering & reinforcement

Clarifications

- We apply for energy efficiency utility rebates when available as an added service to our customers. Rebates are subject to verification and acceptance by the Utility. Northland Mechanical does not have authority over rebates and is not responsible for declined applications or rebate amounts.
- All work to be completed in a workmanlike manner according to standard practices
- Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate
- All agreements are contingent upon strikes, accidents, or delays beyond our control
- Owner is to carry fire, builder’s risk, tornado, and other necessary insurance
- Our workers are fully covered by Workers Compensation Insurance
- Our proposal is valid for 30 days from the proposal date



Saint Paul/Minneapolis • Brainerd
 Fargo • Bismarck • Detroit Lakes • Williston

405 County Road E, West
 Saint Paul, MN 55126

Phone: (651) 483-6631 Fax: (651) 483-6945
 www.nardinifire.com / sales@nardinifire.com

Item 5.

Date: February 14, 2023		Quote Proposal #: STP-23-019567	
Proposal Submitted To: Railwerks	Bill To #:	Worksite: Railwerks	Order #:
Columbia Hts	MN	Columbia Hts	MN
Attn: Mr. William		Contact:	
Phone: 612-710-7623	Fax:	Phone:	Fax:
E-Mail: railwerks@outlook.com		E-Mail:	

FIRE SUPPRESSION SYSTEM PROPOSAL

Pursuant to your request, we wish to offer the following for your consideration:

Qty	Equipment	Qty	Equipment
2	Ansul R-102 fire suppression systems.		
	1 system will protect 10' hood.		
	1 system will protect smaller 4' hood w/ smoker	Excludes	Fire alarm panel interfacing.
		Excludes	Electrician for power wiring, Ansul gas valve install

This proposal includes the following accessories:

Qty	Equipment	Qty	Equipment
Includes	Release mechanism, tanks, wet agent, switches	Includes	Permit and 1 trip to test w/ City inspector
Includes	Detection system	Includes	Standard labor hours for install
Includes	(1) Ansul gas valve & (1) pull station, per system		
Includes	Drops, nozzles, chrome sleeving		

- A minimum of 7 days advance notice is required prior to scheduled installation

Exclusions: Electric wiring, gas valve installation, fire alarm interface, sprinkler system work, off-hours labor, union labor, semi-annual maintenance, hydrostatic testing, work not listed. Tax additional as required.

The following items must be completed before installation of the Pre-Engineered System -- by others.

1. Hood hung and ductwork installed.
2. Appliances in place or a detailed layout completed showing dimensions and location.
3. Gas valve installed (if required).
4. Electric work substantially completed (wiring by others).

Note: If the above items are not met, additional charges may be assessed.

The Pre-Engineered system as described above will be installed in accordance with and will meet approvals of: The manufacturer, U.L. 300 listing, purchaser's insurance company, and local fire authority.

*TOTAL:	\$8,450.00
+Third Party Fees: Invoicing/Administrative/Safety/Compliance:	Additional as Required

*Required 50% down payment upon acceptance

Pricing firm for 60 days

*Includes equipment, piping and labor

Thank you for the opportunity to offer our product and services. If you have any questions, please call.

*The final page of this document includes important information regarding Nardini Fire Equipment Co., Inc. and Nardini Fire Company of North Dakota terms and conditions of service and products. This includes limitations of liability, contractual limitation in which you may bring a claim, disclaimers of warranty, and other terms that may impact Customer's rights. By signing below, Customer's authorized representative acknowledges and warrants that they have read, understood, and agreed to be bound by these conditions.

Note: This NFE proposal may be withdrawn if not accepted within 30 days.

Acceptance of Proposal – The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made within 30 days.

John Oczak

2/14/2023

John Oczak

Date

Signature of Acceptance

Date

JOczak@nardinifire.com

***Definition**

“Customer” is defined as Company, Entity, Person or End User which is executing this document. “Company” is defined as Nardini Fire Equipment Company, Inc and/or Nardini Fire Equipment Company, Inc of North Dakota.

***Limitation of liability**

Customer acknowledges that the Company is not an insurer of or against any potential or actual loss or damage to person or property, whether direct, incidental and/or consequential, that may occur in or at the premises.

Company’s total liability to customer for damages for any claims, losses or damages arising out of or in any way related to any cause whatsoever in relation to this agreement, whether based in contract, tort (including negligence), strict liability, breach of warranty or other cause, shall not exceed \$250.00. Notwithstanding the foregoing sentence, under no circumstances shall company be liable for any damages for loss of use, interruption of business, lost profits, revenue or opportunity, claims of third parties or for injury to persons or property or for any other special, exemplary, incidental, indirect, punitive, consequential or other damages of any kind or nature.

If the Company is found liable for any loss or damage due to its gross negligence, the Company’s liability shall not exceed \$7,500.00.

***Warranty disclaimer**

Except as provided in any specific warranty paragraphs, Company makes no warranty of any kind, express or implied, including but not limited to, any warranty of merchantability or warranty of fitness for a particular purpose.

***For inspections only**

This agreement is not a guarantee or warranty that the system will in all cases provide the level of protection for which it was originally intended, is free of all defects and deficiencies, and is in compliance with all applicable codes. Customer agrees that it has not retained Company to make these assessments unless otherwise specifically indicated.

***Indemnification**

Customer agrees to indemnify, hold harmless, defend, and release the Company from liability and shall reimburse the Company for any liabilities, damages, losses or expenses (including reasonable attorneys’ fees, expert fees and costs (including litigation costs), injuries, claims, suits, judgments, and causes of action incurred by the Company in connection with any claims, suits, judgments and causes of action which relate to the products or services the Company provides. This indemnity includes claims brought by any third party, including, without limitation, Customer’s insurance company, whether the claim arises under contract, warranty, tort, or any other theory of liability.

***Waiver of subrogation**

In case of any claim or loss, Customer agrees that it is responsible to maintain, and has sufficient insurance coverage to cover any potential claim or loss. Customer further agrees to look to its property and/or general liability insurance carrier for reimbursement. Customer and Company mutually agree to release one another from any and claims with respect to any loss covered by (or which should have been covered) the insurance coverages which were required and/or recommended that may be applicable to any property where Company performs services and/or provides materials for Company. For purposes of this Section, all deductibles shall be considered insured losses. They further mutually agreed that their respective insurance companies shall have no right of subrogation against the other on account thereof.

***Customer responsibilities**

Customer shall be responsible for maintaining adequate heat throughout the facility to prevent freezing or damage to the existing fire sprinkler system. The customer understands and expressly acknowledges that fire protection systems are susceptible to damage by water intrusion, ice, or other conditions inside the piping that the Company cannot detect upon inspection. In the event that water, ice, or other conditions occur which render the fire protection system inoperable or damaged, Company expressly disclaims any responsibility for such conditions, and assumes no responsibility to investigate the cause, source or extent of such condition. Customer acknowledges this warning, and acknowledges that under NFPA and other applicable codes and regulations, it is the responsibility of the customer to maintain its fire protection system, including but not limited to ensuring proper drainage. Failure to properly maintain or drain such systems may lead to breaks or other conditions that may render the fire protection system inoperable, or that damage to the system may result in injury, damage to property and loss of use.

***Intent of inspection**

This inspection/testing is not intended to be a code review, complete system or code compliance evaluation.

***Contractual limitation period**

Customer expressly agrees that any claim, lawsuit, or cause of action, whether in contract, tort or other legal theory, relating in any way and/or arising out of Company’s services and/or materials provided to Customer, its subsidiaries and/or its insurers, must be filed no more than one (1) year from the date the alleged damage(s) occurs, that is the subject of the claim, lawsuit and/or cause of action. Customer expressly waives any statutory and/or common law limitation period to the contrary.

***Law and jurisdiction**

This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Minnesota or North Dakota applicable to agreements made and to be performed entirely within such state, without regard to such state’s conflict of laws rules. Company and Customer agree that any action brought by any party shall be brought and resolved exclusively by the state and federal courts located in Ramsey County (MN) or Cass County (ND), and the courts to which an appeal therefrom may be taken, provided that any party shall have the right, to the extent permitted by applicable law, to proceed against any other party or its property in any other location to the extent necessary for the enforcing party to enforce a judgment or other court order or arbitral award. Each of the parties hereby consents to the jurisdiction of such courts and waives all questions of jurisdiction and venue. The parties agree that either or both of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained Agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Legal process in any proceeding may be served on any party anywhere in the world.

***Severability**

If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the remainder of this Agreement shall remain operative and binding on the Parties.

***Integration**

This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.



7012 6th St. N.
 Oakdale MN 55128
 (651) 738-9354
 MRohrer@brucenelsonph.com

ESTIMATE #	1013913166
DATE	
PO #	

CUSTOMER
William Roberts 4055 Northeast Central Avenue Columbia Heights, MN 55421

SERVICE LOCATION
4055 Northeast Central Avenue Columbia Heights, MN 55421

DESCRIPTION	
	Provide necessary labor and material for gas piping installation of the following: 1 - Charbroiler 1 - Fryer 1 - Range 1 - Smoker 1 - Brew kettle Includes: Necessary roof blocks Dormont appliance quick disconnects Gas regulators Installation of customer supplied ansol valves Provide necessary permits and inspections

Estimate				
Description	Qty	Rate	Total	
Commercial Plumbing As Proposed Commercial Plumbing as Proposed	1.00	\$10,675.00	\$10,675.00	

CUSTOMER MESSAGE

Estimate Total: \$10,675.00

Payment Terms

- § 50% down payment with progress payments
- § Remainder due upon completion
- § Credit card or debit card payments will be subject to an additional 4% service fee

Due to market volatility and fluctuating material prices, quotes are subject to change after 48 hours

Exceptions/Terms & Conditions

- § All work to be performed is based on regular hour pricing, unless otherwise specified above.
- § General contractor/owner is responsible for all layout of work and must be completed prior to the start of the job.
- § General contractor/owner to provide reasonable access to work area and to minimize mobilizations and down time.
- § No soil corrections, i.e. dewatering, rock removal, frost removal, etc.
- § No floor cutting and/or patching.
- § No wall cutting and/or patching.
- § No roof patching.
- § No outside utilities or SAC & WAC fees.
- § No pipe insulation figured unless noted above.
- § Energy Codes are not figured in bid total.
- § Permit and inspection costs are not included in the bid total, unless otherwise specified above.
- § General contractor/owner is responsible for opening and patching of walls, ceilings, and floors, unless otherwise specified above.
- § Bruce Nelson Plumbing & Heating Service, Inc. is not responsible for the cutting of any lines that are located within the concrete or directly below it, i.e. power, phone, electrical, fuel, conduit, etc., and will not be held liable for repair of any such lines. All such lines should be sufficiently buried below grade.
- § No electrical work to be performed, unless otherwise specified above.
- § Any work outside the scope of work listed above will not be performed without a signed change order.
- § Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for their contributions.
- § You have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due unless we give you a lien waiver signed by persons who supplied any labor or materials for the improvement, and who gave you a timely notice.
- § Materials and fixtures provided & installed by Bruce Nelson Plumbing & Heating Service carry a 1-year parts & labor warranty.
- § Bruce Nelson Plumbing & Heating Service recommends all fixtures and materials be supplied by us. This greatly increases our ability to resolve problems that can and do come up and to reduce extra costs. If additional work is required for owner provided fixtures/equipment, it considered a continuation of work and will be charged on a time and material basis. The purchaser or manufacturer furnishes warranty.

Thank You for allowing Bruce Nelson Plumbing and Heating Service, Inc. to submit this proposal and we look forward to working with you.



Railwerks
Attn: William
Re: Quote For Ansol System

1/11/2023	14054

SCOPE OF WORK

William,

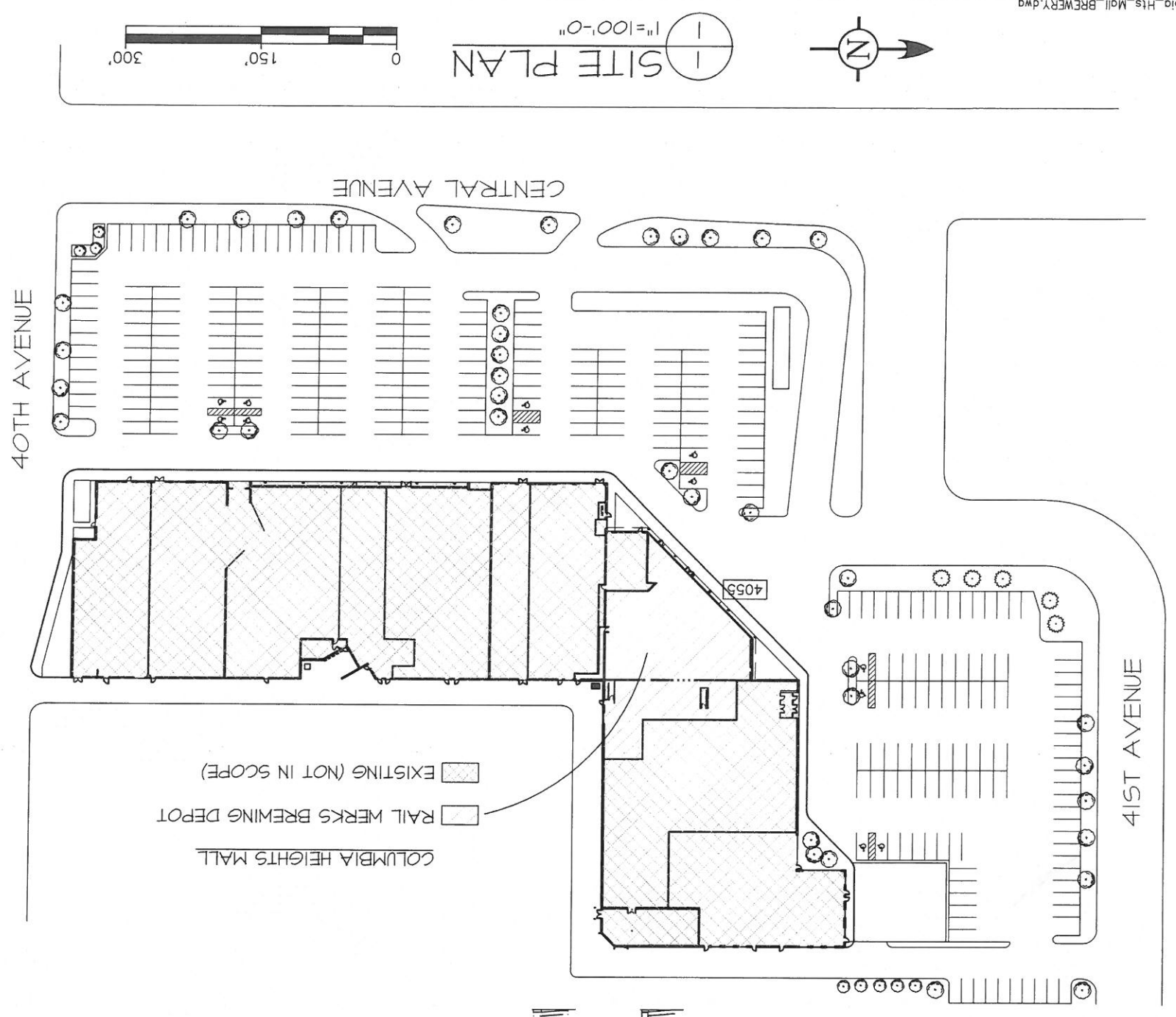
Please find the following requested Ansol system pricing for your project.

- * Furnish and install (1) supervised Ansol loop for the two Ansol hood systems.
- * Commission existing Silent Knight fire alarm panel with new zone. Monitoring for the FACP not included.
- * Permit and all needed plans to the city.

Total Proposal Amount \$4830.00

Jeff Bergmann
Bergmann Electric Corp

RAIL WERKS BREWING DEPOT 4055 CENTRAL AVENUE NORTH COLUMBIA HEIGHTS MALL COLUMBIA HEIGHTS, MINNESOTA 55421



SHEET INDEX

1	TITLE SHEET
2	CODE REVIEW
3	NOTES
4	PLAN - DEMOLITION
5	PLAN - TENANT IMPROVEMENTS
6	PLAN - KITCHEN
7	PLAN & DETAILS - RESTROOMS
8	DETAILS - BAR
9	DETAILS - RAMP & STAIRS
10	PLAN - BREWERY
11	SCHEDULES

APPROVED
THIS DAY OF 2-1-23
[Signature]
REGISTERED BUILDING INSPECTOR
FOR REVIEW & APPROVAL WITHOUT
FURTHER APPROVAL

5/8/22	1	TITLE SHEET RAIL WERKS BREWING DEPOT 4055 CENTRAL AVENUE NORTH COLUMBIA HEIGHTS, MN, 55421
4448 CREEK RIDGE LANE, SAVAGE, MN, 55378 (612) 965-3999 Bob@RandCDrafting.com	R & C DRAFTING	COLUMBIA HEIGHTS CENTER, LLC 14675 MARTIN DRIVE, # 200, EDEN PRAIRIE, MN 55344 (952) 944-1665
3	2	1
REV	DATE	DESCRIPTION

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of MINNESOTA

[Signature]
JOHN D. ANDERSON
Date 5/8/22 License No. 23628

BUILDING CODE REVIEW

2020 MINNESOTA BUILDING CODE

TYPE OF CONSTRUCTION

TYPE 2B, FULLY SPRINKLERED

OCCUPANCY (CHAPTER 3, TABLE 302.2, SEC 305.2 & 308.5.1.3)

GROUP A-2, RESTAURANT

ADJACENT TENANTS: GROUP B AND GROUP M

AREA SEPARATION (SEC. 508.4)

ONE HOUR SEPERATION REQUIRED BETWEEN A AND B OR M OCCUPANCIES - EXISTING

OCCUPANT LOAD (SEC 1004)

DINING HALL: 6,508 SF / 15 SF = 434 OCCUPANTS

PARTY ROOM: 384 SF / 15 SF = 26 OCCUPANTS

BREWHOUSE STAFF = 2 OCCUPANTS

KITCHEN STAFF = 2 OCCUPANTS

TOTAL OCCUPANTS: 464 OCCUPANTS

EGRESS REQUIREMENTS

(2) EXITS REQUIRED FOR ENTIRE TENANT SPACE

(5) EXITS PROVIDED WITH EXIT SIGNS AND EMERGENCY LIGHTING.

ALLOWABLE COMMON PATH OF EGRESS TRAVEL DISTANCE = 75'-0" (TABLE 1006.2.1)

ALLOWABLE EXIT ACCESS TRAVEL DISTANCE = 250'-0" (SEC 1017)

ACTUAL MAXIMUM EXIT ACCESS TRAVEL DISTANCE = 125'-0"

PLUMBING (SEC 2902.1

PLUMBING REQUIRED (TABLE 2902.1 A-2 RESTAURANT):

(464) OCCUPANTS / (75) = (7) WATER CLOSETS

(464) OCCUPANTS / (200) = (3) LAVATORIES

(1) SERVICE SINK

(0) DRINKING FOUNTAIN (WHERE WATER IS SERVED IN RESTAURANTS, DRINKING FOUNTAINS SHALL NOT BE REQUIRED)

PLUMBING PROVIDED:

(1) EXISTING RESTROOM UNISEX WITH (1) WC & (1) LAV

(1) NEW RESTROOM UNISEX WITH (1) WC & (1) LAV

WOMENS RESTROOM WITH (3) WC

MENS RESTROOM WITH (2) WC & (2) URINALS

(3) LAV UNISEX SHARED BETWEEN RESTROOMS

(2) MOP SINK

(1) HAND SINK, (1) PREP SINK & (1) TRIPLE WASH SINK IN KITCHEN

(1) HAND SINK, (1) MOPP SINK & (1) TRIPLE WASH SINK IN BREWHOUSE

ADDITIONAL SINKS AND GLASS WASHERS IN BAR

RESTROOMS ARE ACCESSIBLE AND ON ACCESSIBLE ROUTES WITH ACCESSIBLE FLOOR SPACE AND FIXTURES PROVIDED. REST ROOMS SHALL HAVE SIGNAGE IN ACCORDANCE WITH MINNESOTA RULES CHAPTER 1341, MINNESOTA ACCESSIBILITY CODE SECTION 110.7.1.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of MINNESOTA

JOHN D. ANDERSON

Date 5/8/22 License No. 23628

COLUMBIA HEIGHTS CENTER, LLC
14675 MARTIN DRIVE, # 200, EDEN PRAIRIE, MN 55344
(952) 944-1665
R & C DRAFTING
9448 CREEK RIDGE LANE, SAVAGE, MN 55378
(612) 965-3999 Bob@RandCDrafting.com

2
5/8/22
CODE REVIEW
RAIL MERKS BREWING DEPOT
4055 CENTRAL AVENUE NORTH
COLUMBIA HEIGHTS, MN, 55421

GENERAL NOTES:

1. CIVIL, MECHANICAL, PLUMBING, ELECTRICAL AND HVAC ARE DESIGN BUILD BY OWNER.
2. THE OWNER WILL BE RESPONSIBLE FOR DRAWINGS AND SUBMITTALS AS NEEDED FOR THE FOLLOWING WHICH ARE NOT INCLUDED IN THE ARCHITECT'S SCOPE OF WORK:
 - STRUCTURAL ENGINEERING DRAWINGS AND SPECIFICATIONS
 - MECHANICAL (PLUMBING & HVAC), ELECTRICAL
 - KITCHEN EQUIPMENT LAYOUT
 - INTERIOR DESIGN AND MATERIAL SELECTIONS
 - SIGNAGE AND LAYOUT
3. GENERAL CONTRACTOR TO COORDINATE DEMOLITION AND ALL NEW CONSTRUCTION. ALL CONSTRUCTION SHALL COMPLY WITH APPLICABLE BUILDING CODES.
4. SITE PRE-BID INVESTIGATION. NO ALLOWANCE SHALL BE MADE FOR FIELD SITUATIONS WHICH COULD HAVE BEEN DETERMINED BY FIELD INSPECTION PRIOR TO BEGINNING WORK.
5. GENERAL CONTRACTOR MUST FIELD VERIFY ALL DIMENSIONS BEFORE COMMENCING WORK. REPORT IMMEDIATELY ANY DISCREPANCIES FOUND. IN ADDITION ALL OPENING DIMENSIONS SHALL BE FIELD VERIFIED.
6. GENERAL CONTRACTOR SHALL COMPLY WITH ALL APPLICABLE BUILDING CODES AND SUBMIT AND PAY FOR ALL BUILDING PERMITS.
7. INSTALLATION SHALL COMPLY WITH MANUFACTURERS STANDARDS AND REQUIREMENTS. ALL WORK PERFORMANCE OF THIS PROJECT SHALL BE DONE BY SKILLED WORKERS OR MECHANICS.
8. ALL WINDOWS GREATER THAN 9 SQ FT WITH SILLS LESS THAN 18" ABOVE FLOOR SHALL REQUIRE SAFETY GLAZING. OWNER SHALL VERIFY SAFETY GLAZING REQUIREMENTS. TEMPERED WINDOWS ARE REQUIRED IN GLAZING WITHIN 24 INCHES OF EACH VERTICAL DOOR EDGE. CONTRACTOR TO VERIFY TEMPERED GLASS AT EXISTING WINDOWS AND REPLACE AS NEEDED.
9. COORDINATE FIRE EXTINGUISHER LOCATIONS WITH FIRE MARSHAL AS REQUIRED.
10. FOR ALL QUESTIONS REGARDING GRAPHIC REPRESENTATION OR REQUEST FOR ADDITIONAL COPIES OF DRAWINGS, CONTACT R & C DRAFTING, 612-965-3999.
11. ALL TRASH SHALL BE PROPERLY STORED AND NOT A NUISANCE.
12. GENERAL CONTRACTOR SHALL BE RESPONSIBLE FOR SUBMISSION OF PLANS FOR PERMITTING.
13. OWNER SHALL BE RESPONSIBLE FOR SUBMISSION FOR APPROVAL AND LICENSING TO MINNESOTA HEALTH DEPARTMENT AND DEPARTMENT OF HUMAN SERVICES.
14. SIGNAGE SHALL COMPLY WITH CITY REQUIREMENTS.
15. VERIFY PLUMBING WALL THICKNESS NECESSARY WITH MECHANICAL CONTRACTOR.

CONSTRUCTION NOTES

1. NEW CONSTRUCTION
- A) ALL NEW CONSTRUCTION TO BE OF TYPE 2B MATERIALS.
- B) ALL NEW WALLS SHALL BE METAL STUDS AND 5/8" GYPSUM BOARD.
- C) ALL NEW WALLS TO UNDERSIDE OF CEILING UNLESS NOTED OTHERWISE.
- D) ROOM FLOOR AND WALL FINISHES TO BE VERIFIED WITH TENANT.
- E) ALL DOORS ARE NEW, UNLESS NOTED OTHERWISE.
2. ALL DOORS SHALL HAVE LEVER HANDLES AND MEET ACCESSIBILITY REQUIREMENTS. ALL NEW DOORS ARE NON RATED. ALL EXIT DOORS SHALL BE PROVIDED WITH PANIC HARDWARE OR FIRE EXIT HARDWARE. BATH ROOMS 113 & 115 SHALL HAVE PRIVACY SET HANDLES.
3. RESTROOMS WILL HAVE CERAMIC TILE FLOOR FINISH, CERAMIC TILE BASE AND CERAMIC TILE MAINSCOT. RESTROOMS ARE ACCESSIBLE AND ON ACCESSIBLE ROUTES WITH ACCORDANCE WITH MINNESOTA RULES CHAPTER 1341, MINNESOTA ACCESSIBILITY CODE SECTION 1107.11.
4. PLUMBING CONTRACTOR SHALL TAKE ADEQUATE CARE TO PROTECT THE SANITARY INTEGRITY OF THE BUILDING PLUMBING SYSTEM DURING THE PROCESS OF CONSTRUCTION OF PLUMBING COMPONENTS AND DURING ALL WORK TO BE PERFORMED.
5. GENERAL CONTRACTOR TO COORDINATE ALL FLOOR DRAIN LOCATIONS WITH MECHANICAL.
6. EMERGENCY LIGHTS AND EXIT SIGNS REFER TO ELECTRICAL SUBMITTALS BY OTHERS FOR ADDITIONAL INFORMATION.
7. LIGHTING AND VENTILATION DESIGNS BY OTHERS.
8. ALL DEBRIS IS TO BE REMOVED FROM THE WORK AREA AND PLACED IN APPROPRIATE WASTE CONTAINERS UNTIL REMOVED FROM THE SITE. WASTE CONTAINERS TO BE MAINTAINED IN A CLEAN AND ORDERLY FASHION.
9. COORDINATE FIRE EXTINGUISHER LOCATIONS WITH FIRE MARSHAL AS REQUIRED.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of MINNESOTA

JOHN D. ANDERSON
 Date 5/8/22 License No. 23628

COLUMBIA HEIGHTS CENTER, LLC
 14675 MARTIN DRIVE # 200, EDEN PRAIRIE, MN 55344
 (952) 944-1665

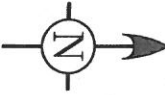
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NOTES
 RAIL MERKS BREWING DEPOT
 4055 CENTRAL AVENUE NORTH
 COLUMBIA HEIGHTS, MN, 55421

REV	DATE	DESCRIPTION
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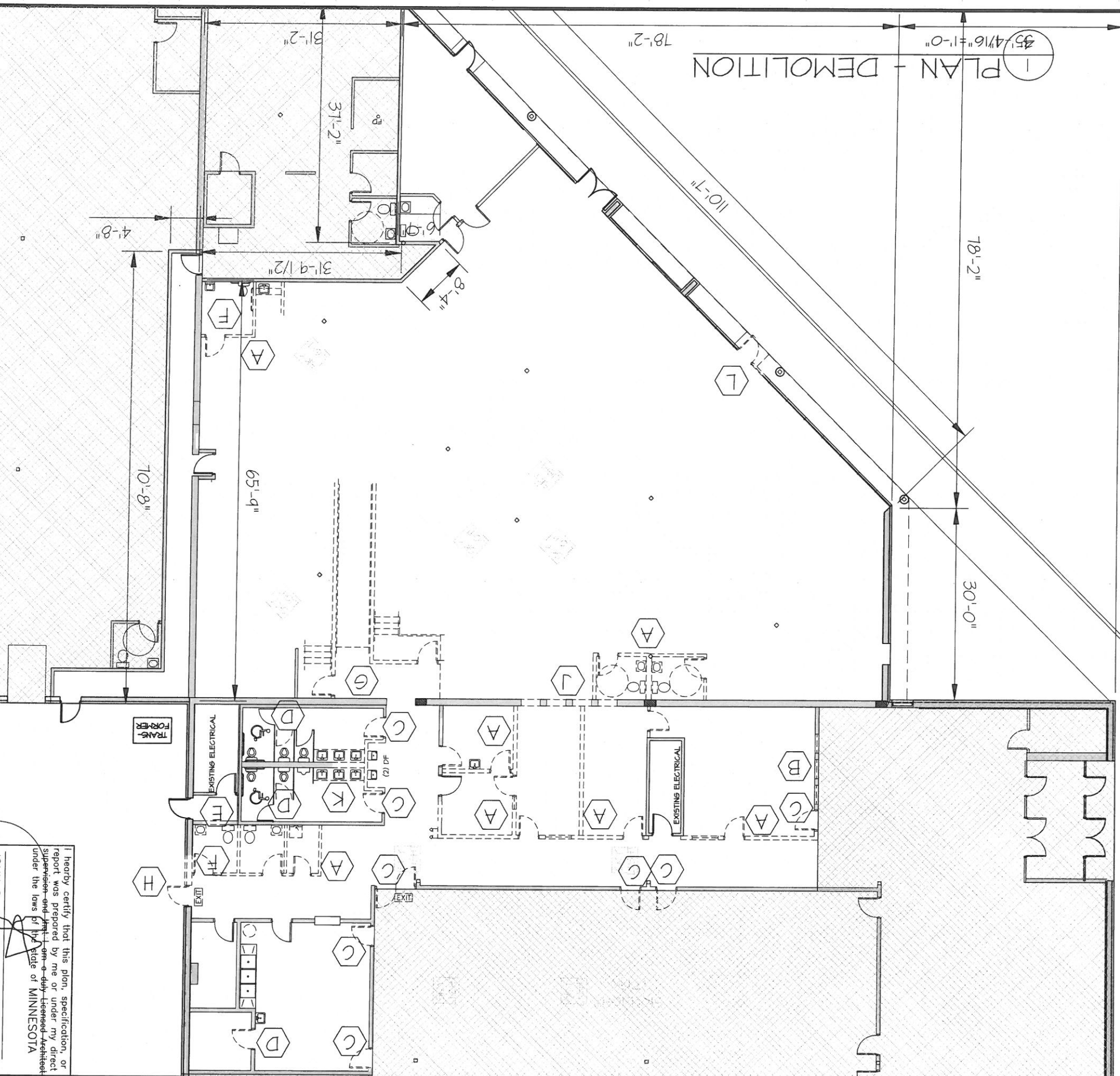
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 5/8/22

WALL TYPES:
 EXISTING (NOT IN SCOPE)
 DEMO
 NEW



EXISTING (NOT IN SCOPE)

1 PLAN - DEMOLITION



- KEYNOTES:**
- A REMOVE WALLS
 - B REMOVE WINDOWS
 - C REMOVE DOOR / INFILL WALL
 - D SWAP DOOR SWING
 - E NEW DOOR OPENING
 - F CAP PLUMBING
 - G REMOVE RAMP / MODIFY LANDING
 - H OVERHEAD DOOR OPENING 8' X 8'
 - J NEW WINDOW OPENING
 - K REMOVE SINKS AND DRINKING FOUNTAINS
 - L REPLACE SINGLE DOOR WITH DOUBLE DOOR
- SEE SHEET 9 RESTROOMS FOR ADDITIONAL INFORMATION

4
 5/8/22
 1/6"=1'-0"

PLAN - DEMOLITION
 RAIL MERKS BREWING DEPOT
 4055 CENTRAL AVENUE NORTH
 COLUMBIA HEIGHTS, MN, 55421

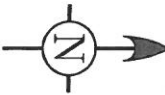
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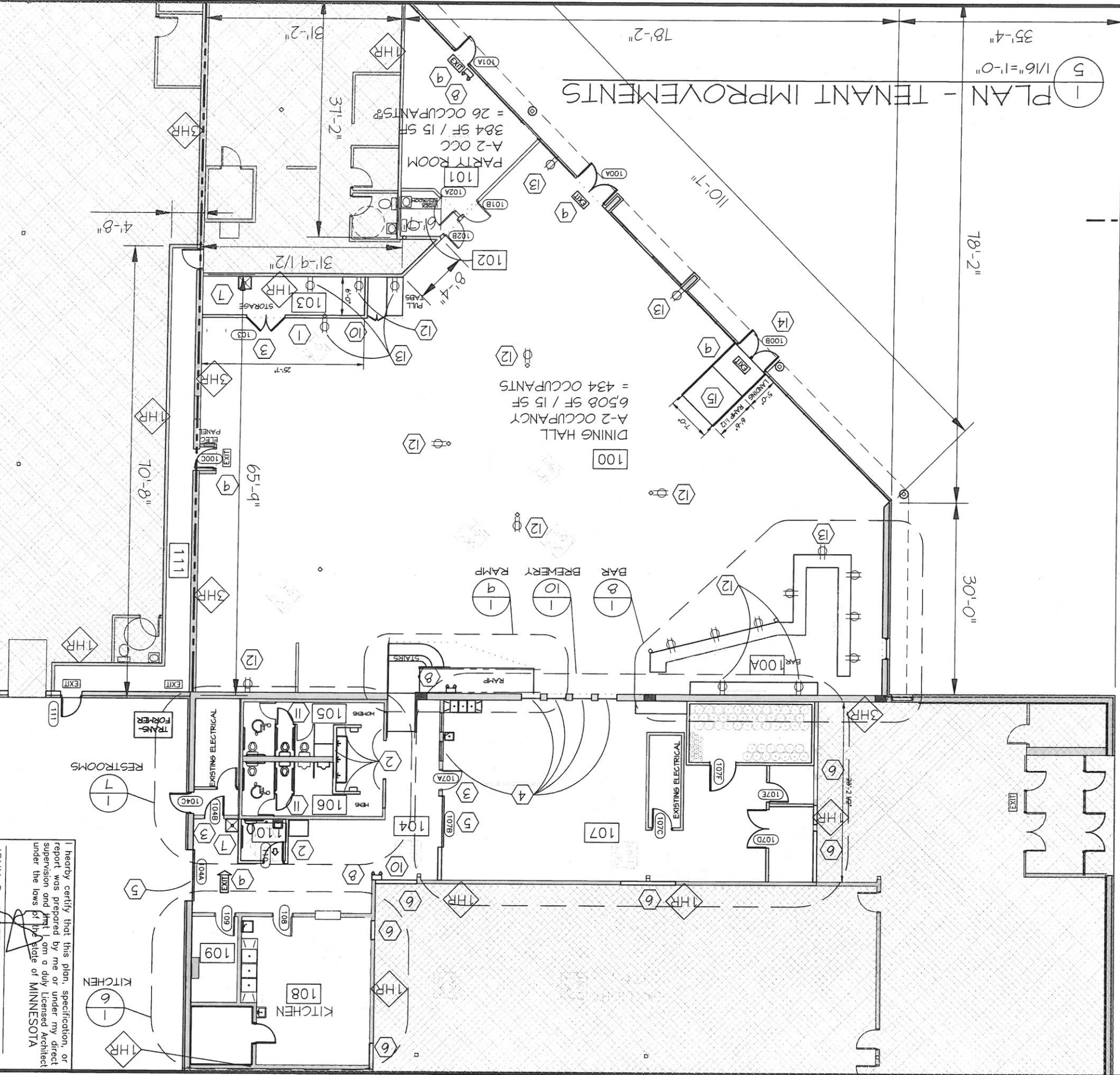


WALL TYPES:
 EXISTING (NOT IN SCOPE)
 DEMO
 NEW

- NOTES
- SEE SHEET 3 FOR GENERAL NOTES
 - SEE SHEET 11 FOR ROOM AND DOOR SCHEDULES
 - EXISTING ONE HOUR CONSTRUCTION = 1HR
 - EXISTING THREE HOUR CONSTRUCTION = 3HR
 - EXISTING BUILDING SEPARATION FIRE WALL = ---
 - EXISTING (NOT IN SCOPE)

- KEYNOTES:
- NEW WALL TO 8'-0"
 - NEW WALL TO CEILING GRID
 - NEW DOOR
 - NEW WINDOWS
 - NEW 8' x 8' OVERHEAD DOOR
 - INFILL OPENINGS - 1 HR CONSTRUCTION
 - MOP SINK
 - EMERGENCY LIGHTING
 - ILLUMINATED EXIT SIGN
 - FIRE EXTINGUISHER CABINET
 - SWAP EXISTING DOOR SWING
 - POWER OUTLET IN CEILING
 - POWER OUTLET AT 36" ABOVE FLOOR
 - NEW DOUBLE DOOR ENTRY
 - NEW LANDING, RAMP WITH RAILINGS

1 PLAN - TENANT IMPROVEMENTS



5

5/8/22
 1/16"=1'-0"

PLAN - TENANT IMPROVEMENTS
 RAIL MERKS BREWING DEPOT
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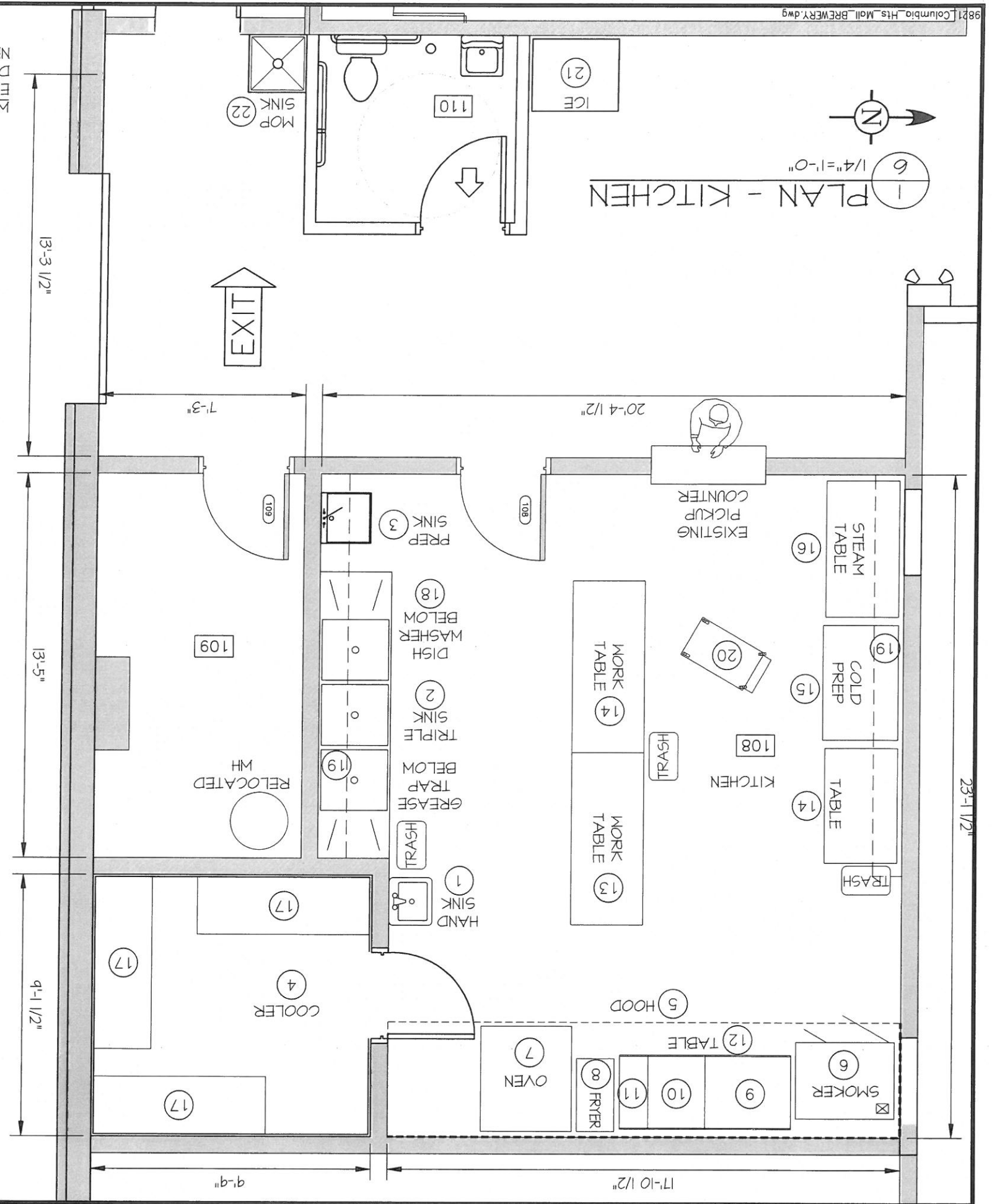
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JOHN D. ANDERSON
 Date 5/8/22 License No. 23628

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Architect under the laws of the State of MINNESOTA



WALL TYPES:
 EXISTING
 DEMO
 NEM

NOTES:
 TBD = TO BE DETERMINED

#	QTY	Equipment	Manufacturer	Model
1	1	Hand sink	Eagle	HAS-10-FA-PE
2	1	3 Compartment Sink	Eagle	414-22-3-24
3	1	Prep sink	Steelton	522CS115FW
4	1	Walk In Cooler	Barr Inc	Custom
5	1	Exhaust Hood Above	Southern Pride	SRG-400
6	1	Smoker	Southern Pride	SRG-400
7	1	Oven	Cooking Performance Group	FGC100N
8	1	Fryer	Avanico	FF300
9	1	Charbroiler	Avanico	CAG36RC
10	1	Griddle	Avanico	CAG24MG
11	1	(2) Burner Range	Avanico	CAG-R-2-12
12	1	Equipment Stand (30" x 72")	Regency	600ES3072G
13	2	S.S. Work table (30" x 72")	Regency	600T3072G
14	1	S.S. Work table (30" x 48")	Regency	600TB3048G
15	1	Cold Prep Table	Avanico	APT-48-HC
16	1	Steam Table	Eagle	HT4-NG
17	3	Wire Shelving (72" x 24")	Regency	460EG2472KIT
18	1	Dishwasher	Jackson	DishStar HT-E
19	-	S.S. Wall Shelving Above	TBD	TBD
20	TBD	Service Cart	TBD	TBD
21	1	Ice Machine	TBD	TBD
22	1	Mop Sink	TBD	TBD

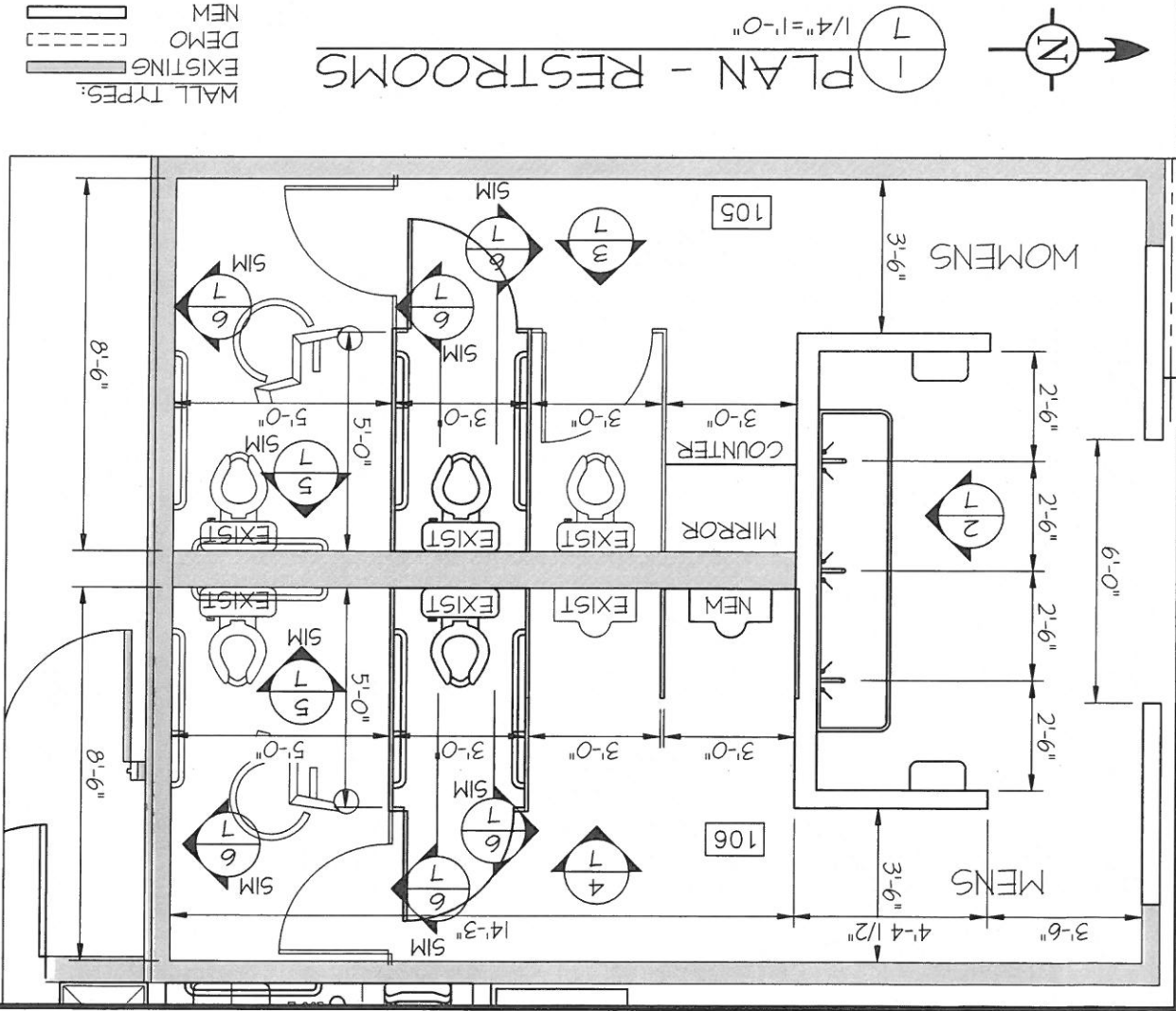
KITCHEN NOTES:
 ALL EQUIPMENT, SINKS, SHELVING AND WORK SURFACES TO BE NSF APPROVED. TENANT TO PROVIDE FINAL EQUIPMENT SELECTION LIST AND EQUIPMENT DATA SHEETS FOR HEALTH DEPARTMENT SUBMITTAL. EQUIPMENT LAYOUT TO BE VERIFIED BY EQUIPMENT SUPPLIER.
 GREASE TRAP NOT REQUIRED. OWNER SHALL BE RESPONSIBLE TO COORDINATE ANY OTHER CODE REQUIRED KITCHEN ITEMS.
 KITCHEN FINISHES:
 WALLS TO BE FIBERGLASS REINFORCED PANELS UP TO CEILING GRID (10'-0" MINIMUM).
 WALL BEHIND COOK LINE TO BE STAINLESS STEEL PANEL. -----
 CEILING TO BE VINYL COATED ACOUSTIC TILE.
 FLOOR AND BASE COVE TO BE QUARRY TILE.

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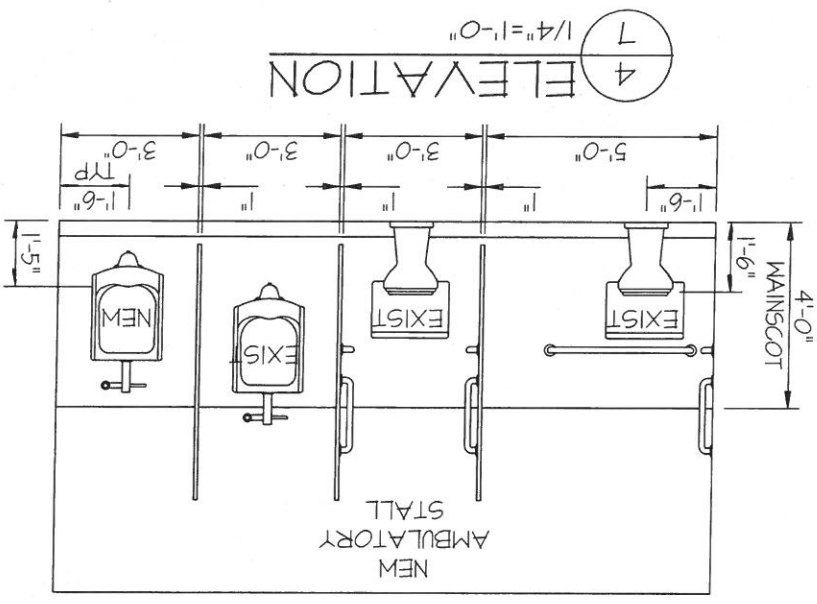
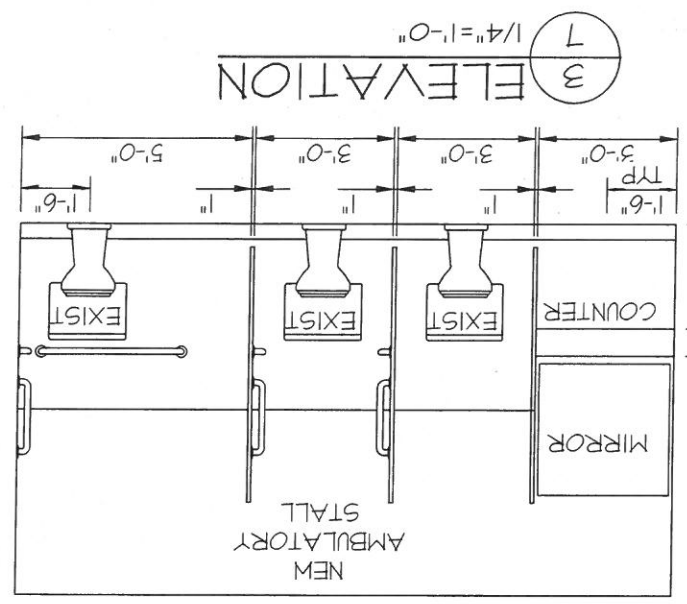
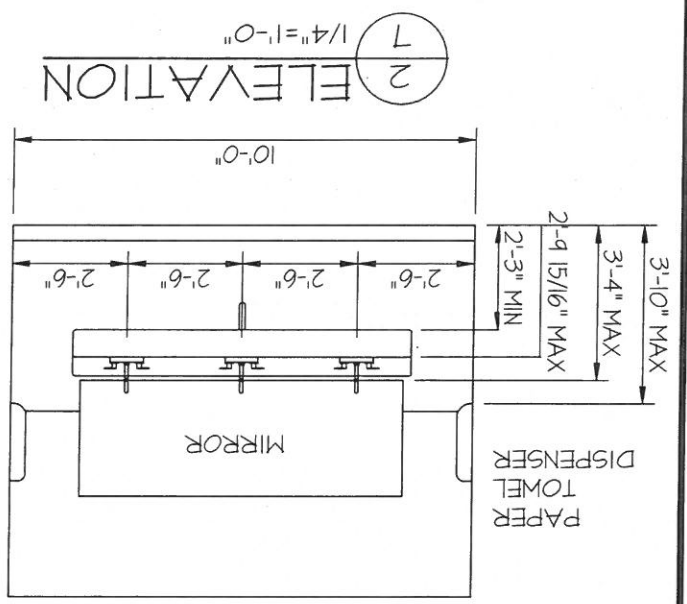
JOHN D. ANDERSON
 Date 5/8/22 License No. 23628

<p>6</p> <p>PLAN - KITCHEN</p> <p>RAIL MERKS BREWING DEPOT</p> <p>4055 CENTRAL AVENUE NORTH</p> <p>COLUMBIA HEIGHTS, MN, 55421</p>		<p>COLUMBIA HEIGHTS CENTER, LLC</p> <p>14675 MARTIN DRIVE, # 200, EDEN PRAIRIE, MN 55344</p> <p>(952) 944-1665</p>		<p>R & C DRAFTING</p> <p>9448 CREEK RIDGE LANE, SAVAGE, MN, 55378</p> <p>(612) 965-3999 Bob@RandCDrafting.com</p>	
5/8/22	1/4"=1'-0"	REV	DATE	DESCRIPTION	
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		3			

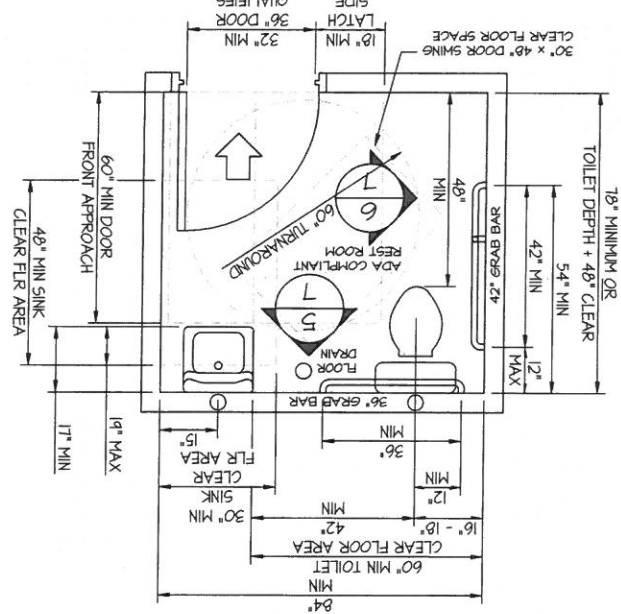
8821 Columbia_Hts_Mall_BREWERY.dwg



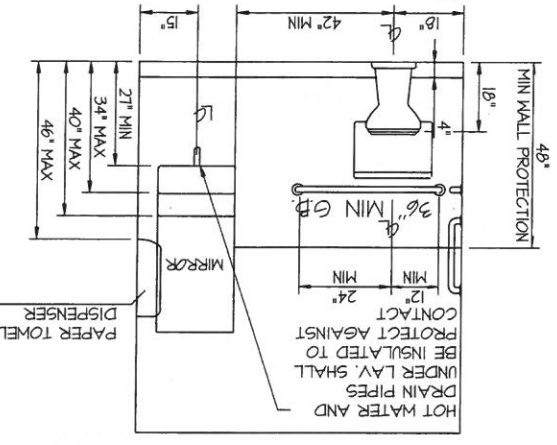
PLAN - RESTROOMS
 WALL TYPES:
 EXISTING (---)
 DEMO (---)
 NEW (—)



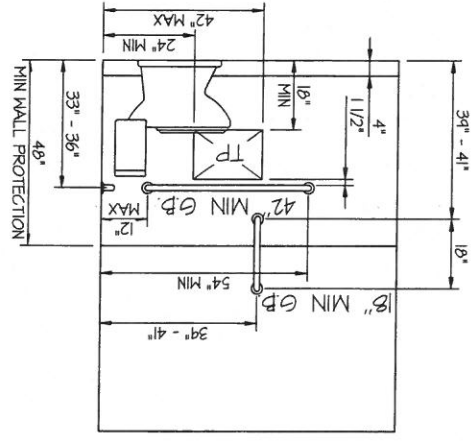
PLAN - RESTROOM 110



ELEVATION 5



ELEVATION 6



2020 MNBC SECTION 1209 - TOILET AND BATHROOM REQUIREMENTS
 1209.2 FINISH MATERIALS.
 1209.2.1 FLOORS AND SHOWER BASES, IN OTHER THAN DWELLING UNITS, TOILET, BATHING AND SHOWER ROOM FLOOR FINISH MATERIAL SHALL HAVE A SMOOTH, HARD, NONABSORBENT SURFACE, SUCH AS PORTLAND CEMENT, CONCRETE, CERAMIC TILE, SHEET VINYL, OR OTHER APPROVED FLOOR COVERING MATERIAL. THE INTERSECTIONS OF SUCH FLOORS WITH WALLS SHALL HAVE A SMOOTH, HARD, NONABSORBENT VERTICAL BASE THAT EXTENDS UPWARD ONTO THE WALLS AT LEAST 4 INCHES (101 MM).
 1209.2.2 WALLS AND PARTITIONS, WALLS AND PARTITIONS WITHIN 2 FEET (610 MM) OF SERVICE SINKS, URINALS AND WATER CLOSETS SHALL HAVE A SMOOTH, HARD, NONABSORBENT SURFACE. TO A HEIGHT OF NOT LESS THAN 4 FEET (1219 MM) ABOVE THE FLOOR, AND EXCEPT FOR STRUCTURAL ELEMENTS, THE MATERIALS USED IN SUCH WALLS SHALL BE OF A TYPE THAT IS NOT ADVERSELY AFFECTED BY DISPENSERS AND SOAP DISHES, PROVIDED ON OR WITHIN WALLS. ACCESSORIES SUCH AS GRAB BARS, TOWEL BARS, PAPER DISPENSERS AND SOAP DISHES, PROVIDED ON OR WITHIN WALLS, SHALL BE INSTALLED AND SEALED TO PROTECT STRUCTURAL ELEMENTS FROM MOISTURE.

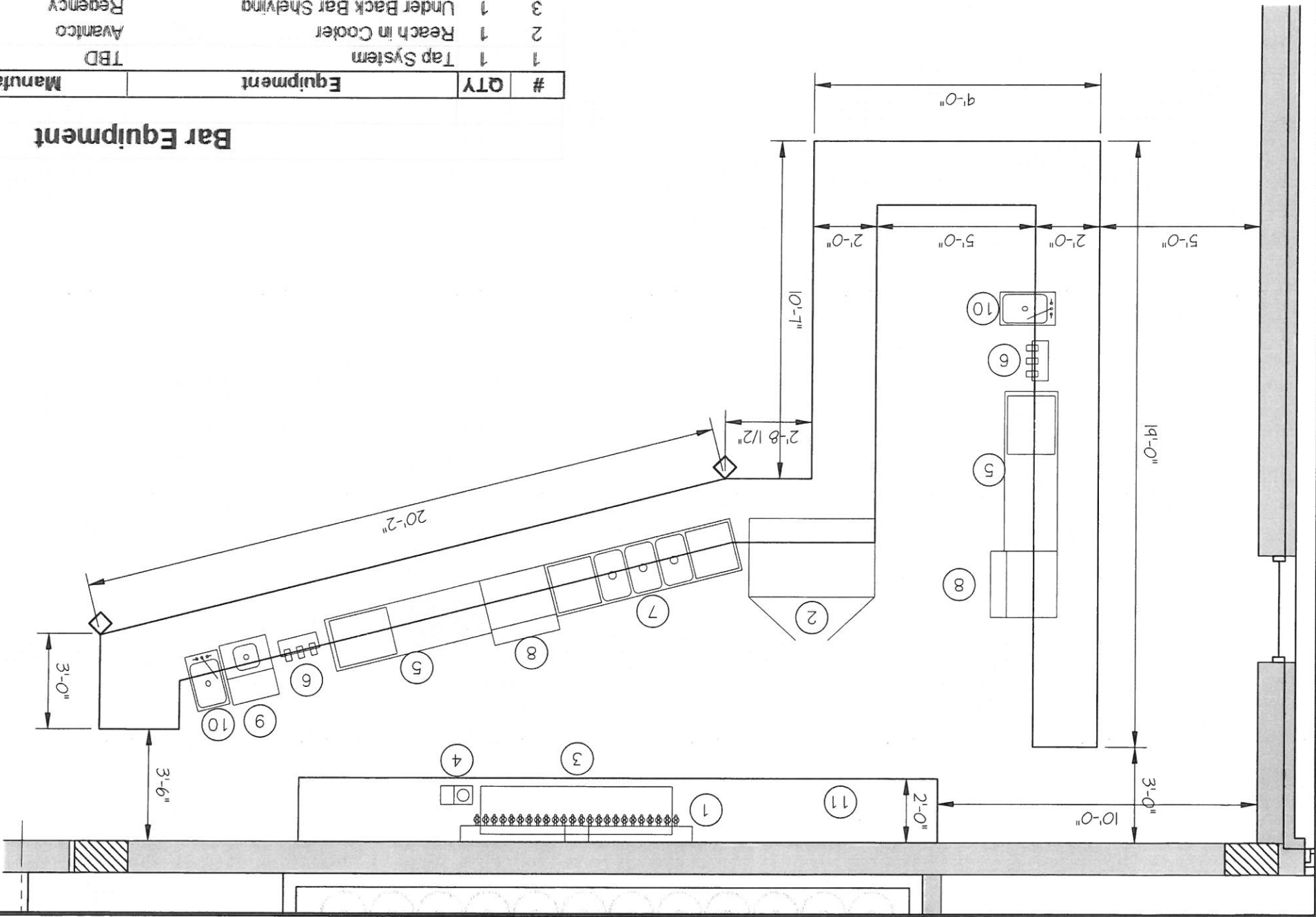
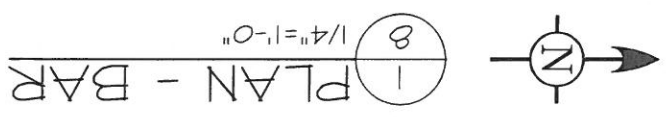
7
 5/8/22
 1/4" = 1'-0"
PLAN & DETAILS - RESTROOMS
RAIL MERKS BREWING DEPOT
4055 CENTRAL AVENUE NORTH
COLUMBIA HEIGHTS, MN, 55421

COLUMBIA HEIGHTS CENTER, LLC
 14675 MARTIN DRIVE, # 200, EDEN PRAIRIE, MN 55344
 (952) 944-1665
R & C DRAFTING
 944B CREEK RIDGE LANE, SAUSAGE, MN, 55378
 (612) 965-3999 Bob@RandCDrafting.com

JOHN D. ADDERSON
 Date 5/8/22 License No. 23628
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REV	DATE	DESCRIPTION
1		
2		
3		

WALL TYPES:
 EXISTING
 DEMO
 NEW



NOTES:
 TBD = TO BE DETERMINED

#	QTY	Equipment	Manufacturer	Model	Water	Drain	Elec.
1	1	Tap System	TBD		X		
2	1	Reach in Cooler	Avantco	178AU48RHC			115, 27A
3	1	Under Back Bar Shelving	Regency	460EC1872K33			
4	1	Glass Rinsers	Advance Tabco	SU-16	X		
5	2	Under Bar Work Station with Ice Bin	Eagle Group	CWS5-18L	X		
6	2	Soda Gun System	TBD - Provided by beverage distributor		X		
7	1	3 Compartment Sink	Advance Tabco	PRB-24-63C3	X		
8	2	Glass Washer	Noble	CG-115	X		115/60/1
9	1	Dump Sink	Regency	600BSSDS2318	X		
10	2	Hand Wash Sink	Regency	600UHS2112	X		
11	1	Locked Liquor Cabinet	TBD				
12							

Bar Equipment

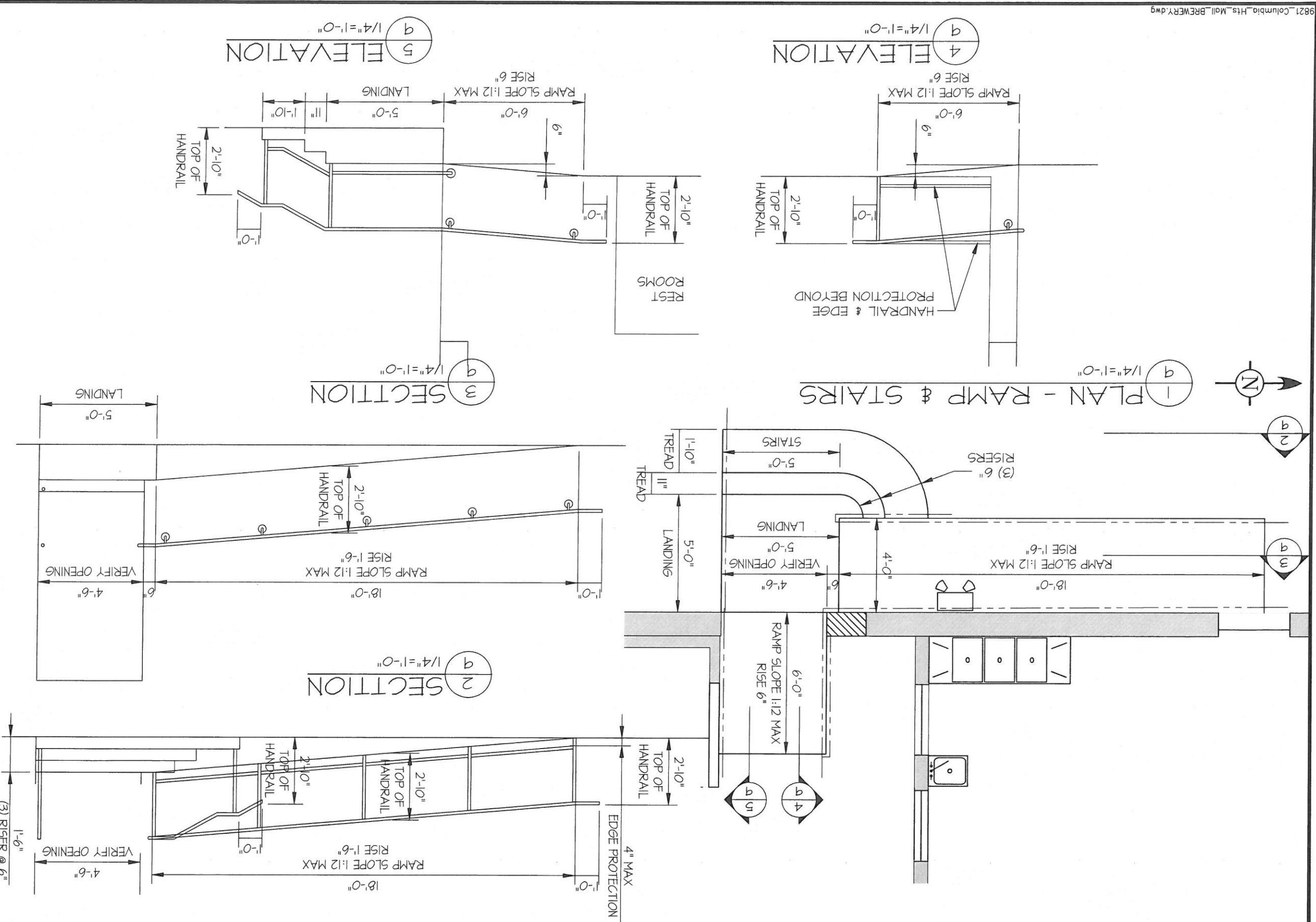
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JOHN D. ANDERSON
 Date 5/8/22 License No. 23628

COLUMBIA HEIGHTS CENTER, LLC
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 R & C DRAFTING
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8
 5/8/22
 DETAILS - BAR
 RAIL MERKS BREWING DEPOT
 4055 CENTRAL AVENUE NORTH
 COLUMBIA HEIGHTS, MN, 55421

REV	DATE	DESCRIPTION
1		
2		
3		



9

5/8/22
1/4"=1'-0"

DETAILS - RAMP & STAIRS
RAIL MERKS BREWING DEPOT
4055 CENTRAL AVENUE NORTH
COLUMBIA HEIGHTS, MN, 55421

COLUMBIA HEIGHTS CENTER, LLC
14675 MARTIN DRIVE, # 200, EDEN PRAIRIE, MN 55344
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REV	DATE	DESCRIPTION
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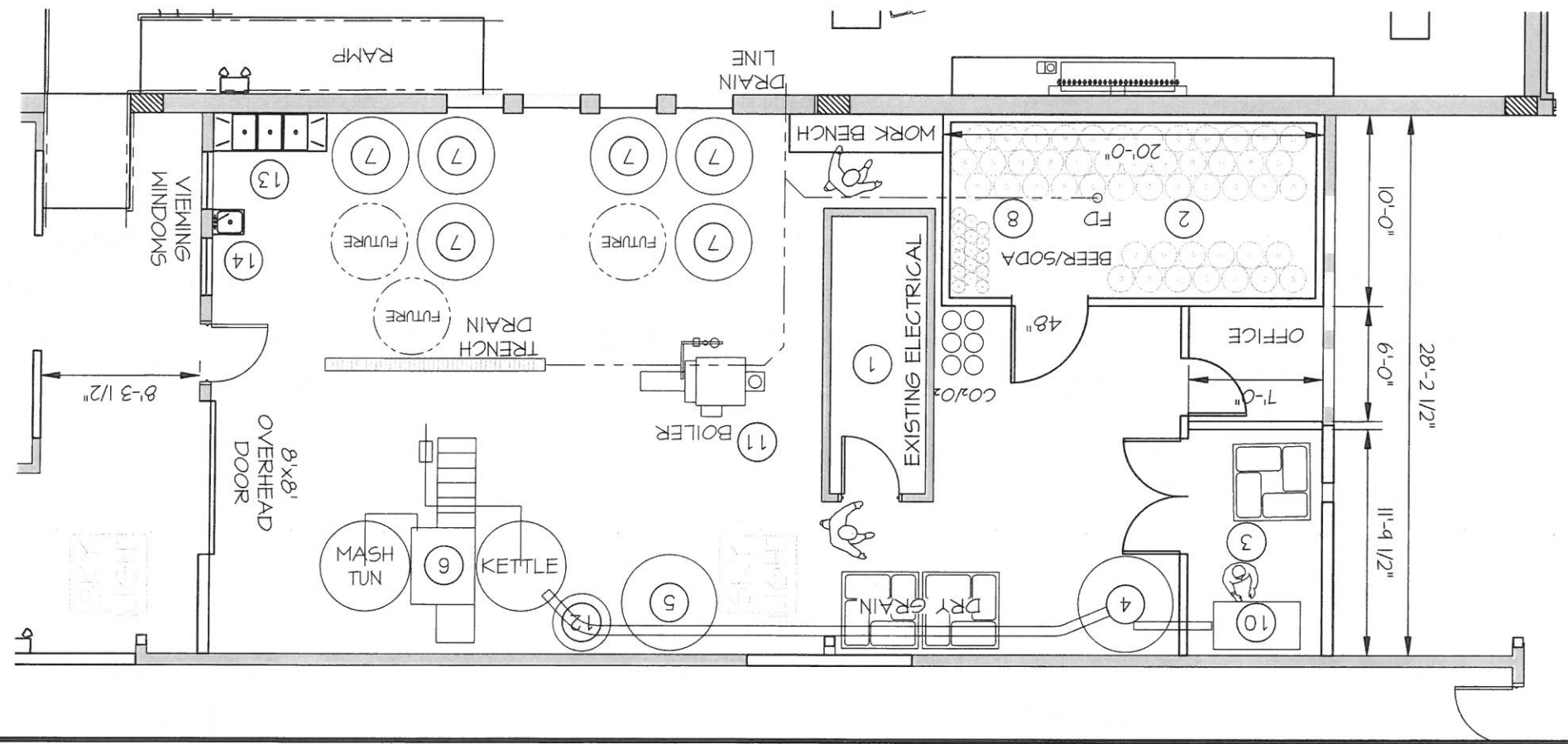
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WALL TYPES:
 EXISTING
 DEMO
 NEW

ITEM	DESCRIPTION	NOTES
1	ELECTRICAL ROOM	EXISTING
2	COOLER	10' x 20'
3	GRAIN MILL ROOM	
4	POLY GRIST CASE	DME ITEM 52
5	HOT LIQUOR TANK	DME ITEM 10
6	BREWHOUSE	DME ITEMS 13, 14 & 16
7	FERMENTORS	DME ITEM 30
8	KEGS	
9	PORTABLE CIP PUMP	DME ITEM 23
10	MALT MILL	DME ITEM 51
11	BOILER	7.1 x 4'W x 5'H
12	CARBON FILTER	3' DIA
13	3 COMPARTMENT SINK	72"
14	HAND SINK	TBD

PLAN - BREWERY
 10 1/8"=1'-0"
 N



10
 5/8/22
 1/8"=1'-0"
 PLAN - BREWERY
 RAIL MERKS BREWING DEPOT
 4055 CENTRAL AVENUE NORTH
 COLUMBIA HEIGHTS, MN, 55421

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REV	DATE	DESCRIPTION
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2		
3		

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FIRE SUPPRESSION GRANT AGREEMENT

THIS FIRE SUPPRESSION GRANT AGREEMENT (“**Agreement**”), dated this _____ day of _____, 2022 (the “**Effective Date**”), is entered into by and between Rail Werks Brewing Depot (the “**Grantee**”), and the Columbia Heights Economic Development Authority (the “**EDA**”).

RECITALS

WHEREAS, Grantee is the owner of certain Property located at 4055 Central Ave NE in the City of Columbia Heights (the “**City**”), Anoka County, Minnesota, and legally described in Exhibit A hereto (the “**Property**”);

WHEREAS, the EDA has instituted a Fire Suppression Grant, Pilot Program (the “**Program**”) for the purpose of revitalizing existing commercial spaces, increasing business vitality, and bolstering public safety;

WHEREAS, as part of the Program, the EDA has proposed to make grants of money in the maximum amount of \$30,000 per parcel of real property, to property owners, tenants, or nonprofit organizations, in order to promote safety, attract new businesses, and revitalize commercial buildings within the City; and

WHEREAS, Grantee desires to participate in the Program, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the agreements hereinafter contained, the parties agree as follows:

1. Fire Suppression Improvements: Grantee agrees to complete the fire suppression improvements at the Property that are identified on Exhibit B attached hereto (the “**Improvements**”), subject to the following terms and conditions:
 - a. Grantee shall provide plans and specifications to the EDA, detailing the Improvements to be completed (the “**Plans**”). If Grantee wishes to revise the Plans, Grantee must submit the revised Plans to the EDA at the address provided herein. The EDA shall give written notice of its approval or disapproval of the revisions to the Plans, and if the EDA does not give such written approval or disapproval within thirty (30) business days after receipt of Grantee’s revised Plans, the EDA shall be deemed to have approved the revisions to the Plans.
 - b. The Improvement shall be constructed consistently with the Plans, as the same may be revised pursuant to Section 1(a) herein. The cost to complete construction of the Improvements shall be defined as the “**Improvement Costs**.” The Improvements shall be completed in a first-class manner, consistent with the Plans, if any, and in compliance with all applicable laws,

rules, and regulations. Grantee shall obtain all required permits and approvals from the City and any other governing authority with jurisdiction over the Property related to the construction of the Improvements. The out-of-pocket costs for such permitting and approvals shall be the responsibility of Grantee, provided the same shall be included in the definition of "Improvement Costs," and subject to the provisions of Section 2 of this Agreement.

- c. Grantee agrees to commence the Improvements within sixty (60) days following the signing of the Agreement, and to complete the Improvements within ten (10) months but may request a six (6) month extension provided there is demonstrated hardship.
2. Payment of Grant Funds: Grantee shall be responsible for making initial payment to all contractors involved in the construction of the Improvements. Upon final completion of the Improvements, Grantee shall make a written request to the EDA for reimbursement of one-half (1/2) of the actual Improvement Costs incurred by Grantee, but in no event shall the reimbursement exceed Fifteen Thousand Dollars (\$30,000). The written request shall include:
- a. Proof of all inspections of the Improvements by the City building inspector and fire department;
 - b. Before and after photographs Improvements made (as well as follow-up transmission of electronic files of such photographs), and reflecting that the Improvements were completed consistently with any approved Plans;
 - c. A copy of the final invoice(s) received from the contractor(s) who completed the Improvements; and
 - d. Proof of payment of invoice(s) that comprised the Improvement Costs.
 - e. A copy of all applicable permit(s).

Following Grantee's written request for reimbursement, Grantee shall cooperate with the EDA in delivering to the EDA such follow-up information as is reasonably requested by the EDA in order to review the Improvements and Improvement Costs reimbursement request. Within twenty-one (21) days following receipt of Grantee's written request for reimbursement of Improvement Costs, the EDA shall: (i) make payment of the reimbursement, (ii) send Grantee written explanation of such other items of information as are needed by the EDA to evaluate the reimbursement request, or (iii) send Grantee written explanation of the EDA's reasons for denial of repayment of any of Grantee's requested reimbursement.

3. Liability for Improvements: Neither the City nor the EDA shall in any event be liable to the Grantee, nor to any of its agents, employees, guests or invitees at the Property for, and the Grantee shall indemnify, save, defend, and hold harmless the City and the EDA from, any claims or causes of action, including attorney's fees incurred by the City or the EDA, arising from defect or claimed defect of any of the Improvements, or arising from any action of the City or the EDA under this Agreement. This section shall survive the termination or expiration of this Agreement.

4. Written Notice: Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received by the designated addressee or regardless of whether actually received or not, when deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at their respective addresses, as set forth below, or at such other address as they may subsequently specify by written notice.

<u>If to the EDA:</u> Columbia Heights EDA Community Development Department 590 40 th Avenue N.E. Columbia Heights, MN 55421	<u>If to Grantee:</u> Rail Werks Brewing Depot Attn: William Roberts 4055 Central Ave NE Columbia Heights, MN 55421
---	---

5. Captions; Choice of Law; Etc. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement. This Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the subject matter contained herein. There are no verbal agreements that change this Agreement. This Agreement binds and benefits the parties hereto and their successors and assigns. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

[Signatures to Appear on Following Page]

IN WITNESS WHEREOF, Grantee and the EDA have signed this Agreement as of the day and year first above written.

GRANTEE:

Rail Werks Brewing Depot

By: _____

Name: _____

Its: _____

Date: _____

EDA:

COLUMBIA HEIGHTS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

UNIT 4055 IN: TAXABLE PORTION OF ALL THAT PRT OF BLK 4 RESERVOIR HILLS &
VAC 41ST AVE DESC AS FOL; E 11 FT OF S 103.5 FT OF LOT 31 & S 103.5 FT OF LOTS 32 & 33,
TOG/W ADJ VAC 41ST AVE & TOG/W

EXHIBIT B**PROPERTY IMPROVEMENTS SUBJECT TO A 50% REIMBURSEMENT**

This attachment contains a summary of the project identified in the application for the Fire Suppression Grant Program. The Summary reflects the Grantee's proposed project as approved by the EDA on March 6th, 2023 and may reflect minor changes to the total cost and minor changes in the proposed project that occurred subsequent to application submission. The application is incorporated into this grant agreement by reference and is made a part of this grant agreement as follows. If the application or any provision in this application conflicts with or is inconsistent with other provisions of this agreement or the project summary contained in this Attachment B, the terms and descriptions contained in this grant agreement and the project summary shall prevail.

Project summary: Alteration of the current fire sprinklers and installation of an ANSUL system \$48,872.00

FIRE SUPPRESSION GRANT, PILOT PROGRAM

PROGRAM OVERVIEW

The Columbia Heights Economic Development Authority (the “EDA”) has created and now offers the **Fire Suppression Grant, Pilot Program** (the “Grant Program”). As part of the City’s Business Retention and Expansion Strategy, the EDA has identified the need to bolster public safety and improve the commercial stock within the city. Setting out to encourage the revitalization, rehabilitation, and restoration of older, underutilized commercial spaces within the City of Columbia Heights (the “City”). Many of the older commercial structures throughout the city lack basic fire suppression systems or infrastructure for said systems. As new businesses seek to develop in the city, they are limited by code requirements for the instillation of fire suppression systems. These improvements are very costly making it difficult for small business to enter and utilize many of the City’s older and smaller commercial spaces. The Fire Suppression Grant, Pilot Program seeks to assist businesses and property owners in partially alleviating the costs of installing fire suppression systems. This program, being initiated by the Community Development Department shall be a pilot program for the remainder of 2022 and 2023

The Grant Program reimburses businesses, tenants, or property owners for eligible improvements up to **fifty percent (50%)** of the total project cost; for a **maximum reimbursement of \$30,000**. The applicant is reimbursed once the improvements are completed in accordance with program guidelines. The building or business owner must apply for, be approved for, and sign a grant agreement before doing the work in order to receive the grant.

ELIGIBLE APPLICANTS

- Applicants must be an owner or a tenant, with approval from the property owner(s), of a commercial or industrial property, or a 501(c)(3) organization in the City of Columbia Heights (the “City”) located along 37th Avenue NE, 37th Place NE, 40th Avenue NE, University Avenue NE, or Central Avenue NE between 37th and 53rd Avenue NE.
- Applicants must be in good standing with the City, including but not limited to, legally operating with proper licensure; and current on property taxes, utility bills, and special assessments.
- No new construction will be considered under this program.
- The use of the building must be commercial or mixed-use

ELIGIBLE IMPROVEMENTS

Fire safety improvements must be completed by a licensed contractor and comply with all permitting and inspection requirements:

- Design & Engineering costs directly associated to the fire sprinkler system installation
- Construction and installation of a fire line from the main water line to the building
- Fire sprinkler system equipment/installation
- Associated fire alarm systems/installation in conjunction to a fire sprinkler system

Please note: Labor costs of a contractor, including necessary design work are eligible costs for reimbursement but cannot exceed 10% of the construction costs.

Required Application Documents

Required Application Materials:

- A complete application sent to the attention of the Columbia Heights Economic Development Authority at following location: **590 40th Ave NE, Columbia Heights, MN 55421**
- Proof of ownership or signed letter from the property owner acknowledging the scope of work and giving the renter permission to apply for the grant and to complete the proposed work.
- A detailed scope of work
- Electronic copy of drawings or designs
- Submit 2 or more competitive proposals from licensed and bonded contractors. These proposals should give detailed information about the work to be done, the costs, and the project completion schedule. Any contractor that has submitted a competitive detailed estimate may be used. Contractors cannot be changed unless new proposals have been submitted and approved by the EDA.
- Other supporting documents may be requested by staff or the EDA.

APPLICATION PROCESS

1. Applications will be open and accepted until the initial allocation of funding is exhausted.
2. Upon the Receipt of a complete application Community Development staff will review the planned project with the building official and fire department prior to bringing it before the EDA. During the review staff may request more information or documents related to the project
3. After the EDA's decision applicants will be notified via email correspondence. A Grant Agreement must be approved and signed before commencement of any improvements.
4. Once the Grant Agreement is executed the Recipient of the grant, may begin the project improvements, the Grantee is responsible for obtaining all necessary permits and inspections throughout the process.
5. The grant recipient or its contractor must commence the improvements sixty (60) days after an executed Grant Agreement. The project specified in the agreement must be completed within ten (10) months after the signing of the agreement.
6. Once the project is complete, the grant funds will be disbursed for reimbursement to the applicant after all the following pieces of information have been submitted:
 - a. Proof of Final Inspection by the Building Official and fire department
 - b. A Copy of the Final Invoice Received from the Contractor
 - c. Before and After Photographs
 - d. Proof of Payment to the Contractor (i.e. receipt, invoice, etc.)
 - e. Copies of all applicable permits

ADDITIONAL REQUIREMENTS

- Grants will only be awarded for projects that lead to the installation of a complete fully functioning fire suppression system. Installation of a main line attachment without an immediate plan for the installation of a fire suppression system is also prohibited.
- If costs exceed the original estimates or exceed the maximum of the program, the property owner or tenant will be responsible for the full amount of the excess. The EDA cannot reimburse more than the total amount specified in the Agreement.
- Any work commenced prior to the signing of the GRANT Agreement will not be eligible for reimbursement funding.



AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	3/1/2023

ITEM:	Rail Werks Brewing Façade Improvement Grant Application	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney, 3/1/23

BACKGROUND:

This report is 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.

RECOMMENDED MOTION(S):
MOTION: Move to waive the reading of Resolution 2023-11 there being ample copies available to the public.
MOTION: Move 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

ATTACHMENT(S):

1. Resolution 2023-11
2. Sample Façade Improvement Grant Agreement
3. Rail Werks Brewing Application

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

Adopted this 6th day of March, 2023

Offered by:

Seconded by:

Roll Call:

President

Attest:

Secretary

FAÇADE IMPROVEMENT GRANT AGREEMENT

THIS FAÇADE IMPROVEMENT GRANT AGREEMENT (“**Agreement**”), dated this _____ day of _____, 2023 (the “**Effective Date**”), is entered into by and between Rail Werks Brewing Depot (the “**Grantee**”), and the Columbia Heights Economic Development Authority (the “**EDA**”).

RECITALS

WHEREAS, Grantee is the tenant at certain Property located at 4055 Central Ave NE in the City of Columbia Heights (the “**City**”), Anoka County, Minnesota, and legally described in Exhibit A hereto (the “**Property**”);

WHEREAS, the EDA, in cooperation with the City and its police department, has instituted a Façade Improvement Grant Program (the “**Program**”) for the purpose of revitalizing existing store fronts, increasing business vitality and economic performance, and decreasing criminal activity;

WHEREAS, as part of the Program, the EDA has proposed to make grants of money in the maximum amount of \$5,000.00 per parcel of real property, to property owners, tenants, or nonprofit organizations, in order to revitalize, rehabilitate, and restore exterior store fronts within the Central Business District in the City (the “**CBD**”), increase business vitality and economic performance in the CBD, and in certain instances, to provide monitored surveillance within the CBD; and

WHEREAS, Grantee desires to participate in the Program, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the agreements hereinafter contained, the parties agree as follows:

1. Property Improvements: Grantee agrees to complete the improvements at the Property that are identified on Exhibit B attached hereto (the “**Improvements**”), subject to the following terms and conditions:
 - a. If requested by the EDA, Grantee shall provide plans and specifications to the EDA, detailing the Improvements to be constructed (the “**Plans**”). If Grantee wishes to revise the Plans, Grantee must submit the revised Plans to the EDA at the address provided herein. The EDA shall give written notice of its approval or disapproval of the revisions to the Plans, and if the EDA does not give such written approval or disapproval within ten (10) business days after receipt of Grantee’s revised Plans, the EDA shall be deemed to have approved the revisions to the Plans.
 - b. The Improvement shall be constructed consistently with the Plans, as the same may be revised pursuant to Section 1(a) herein. The cost to complete

construction of the Improvements shall be defined as the “**Improvement Costs.**” The Improvements shall be completed in a first-class manner, consistent with the Plans, if any, and in compliance with all applicable laws, rules, and regulations. Grantee shall obtain all required permits and approvals from the City and any other governing authority with jurisdiction over the Property related to the construction of the Improvements. The out-of-pocket costs for such permitting and approvals shall be the responsibility of Grantee, provided the same shall be included in the definition of “Improvement Costs,” and subject to the provisions of Section 2 of this Agreement.

- c. Grantee agrees to commence the Improvements within sixty (60) days following the Effective Date, and to complete the Improvements within six (6) months following the issuance of all necessary building permits, but in no event later than eight (8) months following the Effective Date.
2. Payment of Grant Funds: Grantee shall be responsible for making initial payment to all contractors involved in the construction of the Improvements. Upon final completion of the Improvements, Grantee shall make a written request to the EDA for reimbursement of one-half (1/2) of the actual Improvement Costs incurred by Grantee, but in no event shall the reimbursement exceed Five Thousand Dollars (\$5,000.00). The written request shall include:
- a. Proof of final inspection of the Improvements by the City building inspector;
 - b. Before and after photographs of the Property, reflecting the Improvements made (as well as follow-up transmission of electronic files of such photographs), and reflecting that the Improvements were completed consistently with any approved Plans;
 - c. A copy of the final invoice(s) received from the contractor(s) who completed the Improvements; and
 - d. Proof of payment of invoice(s) that comprised the Improvement Costs.

Following Grantee’s written request for reimbursement, Grantee shall cooperate with the EDA in delivering to the EDA such follow-up information as is reasonably requested by the EDA in order to review the Improvements and Improvement Costs reimbursement request. Within twenty-one (21) days following receipt of Grantee’s written request for reimbursement of Improvement Costs, the EDA shall: (i) make payment of the reimbursement, (ii) send Grantee written explanation of such other items of information as are needed by the EDA to evaluate the reimbursement request, or (iii) send Grantee written explanation of the EDA’s reasons for denial of repayment of any of Grantee’s requested reimbursement.

3. Liability for Improvements: Neither the City nor the EDA shall in any event be liable to the Grantee, nor to any of its agents, employees, guests or invitees at the Property for, and the Grantee shall indemnify, save, defend, and hold harmless the City and the EDA from, any claims or causes of action, including attorney’s fees incurred by the City or the EDA, arising from defect or claimed defect of any of the Improvements,

or arising from any action of the City or the EDA under this Agreement. This section shall survive the termination or expiration of this Agreement.

- 4. Written Notice: Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received by the designated addressee or regardless of whether actually received or not, when deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at their respective addresses, as set forth below, or at such other address as they may subsequently specify by written notice.

<p><u>If to the EDA:</u></p> <p>Columbia Heights EDA Community Development Department 590 40th Avenue N.E. Columbia Heights, MN 55421</p>	<p><u>If to Grantee:</u></p> <p>Rail Werks Brewing Depot Attn: William Roberts 4055 Central Ave NE Columbia Heights, MN 55421</p>
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- 5. Captions; Choice of Law; Etc. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement. This Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the subject matter contained herein. There are no verbal agreements that change this Agreement. This Agreement binds and benefits the parties hereto and their successors and assigns. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

[Signatures to Appear on Following Page]

IN WITNESS WHEREOF, Grantee and the EDA have signed this Agreement as of the day and year first above written.

GRANTEE:

Rail Werks Brewing Depot

By: _____

Name: _____

Its: _____

Date: _____

EDA:

COLUMBIA HEIGHTS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

UNIT 4055 IN: TAXABLE PORTION OF ALL THAT PRT OF BLK 4 RESERVOIR HILLS & VAC 41ST AVE DESC AS FOL; E 11 FT OF S 103.5 FT OF LOT 31 & S 103.5 FT OF LOTS 32 & 33, TOG/W ADJ VAC 41ST AVE & TOG/W

EXHIBIT B**PROPERTY IMPROVEMENTS SUBJECT TO 50% REIMBURSEMENT**

This attachment contains a summary of the project identified in the application for the Façade Improvement Grant Program. The Summary reflects the Grantee's proposed project as approved by the EDA on March 6th, 2023 and may reflect minor changes to the total cost and minor changes in the proposed project that occurred subsequent to application submission. The application is incorporated into this grant agreement by reference and is made a part of this grant agreement as follows. If the application or any provision in this application conflicts with or is inconsistent with other provisions of this agreement or the project summary contained in this Attachment B, the terms and descriptions contained in this grant agreement and the project summary shall prevail.

Project summary: Build and install a new sign and logo \$9,200

THE CITY OF COLUMBIA HEIGHTS

FACADE IMPROVEMENT GRANT PROGRAM

COMMUNITY DEVELOPMENT

FOR OFFICE USE ONLY:

DATE RECEIVED:	AMOUNT REQUESTED:
DATE REVIEWED:	TAX ID NUMBER:

PROPERTY OWNER INFORMATION Check if Applicant

Name: Columbia Heights Center LLC Year Purchased: 1998
 Address: 14675 Martin Drive Ste 200 Eden Prairie MN 55344
 Telephone: 952-944-1665 Email Address: tim@grootwassink.com

BUSINESS INFORMATION Check if Applicant

Business Name: Rail Werks Brewing Popot
 Primary Contact: William Roberts
 Address: 4055 Central Ave
 Telephone: 612-710-7603 Email Address: Railwerks@outlook.com
 Type of Business: Brew Pub

Check the appropriate type of ownership:

- The business owns the property The business leases the property

PROPOSED IMPROVEMENTS

Describe the Storefront Façade Improvements:

Put up Sign for Business

Describe any other improvements, if applicable:

Estimated Cost of Improvements: _____

Have you engaged the services of a Contractor, Designer, or Architect: Yes No

Would you be able to complete the improvements this year: Yes No

Would you allow the placement of surveillance cameras on your property or business: Yes No

APPLICATION PROCESS Applications open Friday June 29, 2018 and close Friday July 27, 2018

1. The following documents must accompany a completed application:

- a. Proof of property ownership or lease.
- b. Written consent from the property owner giving permission to conduct the façade improvements.
- c. Color photographs of existing storefront façade conditions.
- d. Two or more competitive proposals from contractors.
- e. Other supporting documentation deemed necessary by the Columbia Heights Economic Development Authority (the "EDA"), the Columbia Heights Police Department, or the Applicant.

2. Process after application submission:

- a. A meeting will take place to go over the submitted improvement proposal to discuss grant expectations and to address grant concerns.
- b. The grant recipient or its contractor must commence the improvements sixty (60) days after an approved Grant Agreement.
- c. After façade improvements are complete, the grant funds will be disbursed for reimbursement to the applicant after all of the following pieces of information have been submitted: Proof of Final Inspection by the Building Official or his or her designee, A copy of the Final Invoice Received from Contractor, Photographs of improvements, Proof of Payment to the Contractor (i.e. receipt, invoice, etc.)

APPLICANT ACKNOWLEDGEMENTS

- 1. The Applicant shall hold the EDA, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Grant Program or its Application, including but not limited to, any legal or actual violations of any State or Federal laws.
- 2. 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, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Grant Application are incurred by the Applicant at its sole risk and expense.
- 3. The Applicant acknowledges that they have read the Façade Improvement Grant Program and Design Guidelines, and understands that if the proposal is approved, they will make the above referenced improvements to the property within the specific time allowed. Additionally, if identified by the Police Department that an Applicant qualifies for the installation of surveillance cameras, the Applicant shall be required to allow the City to place surveillance cameras on the front façade of certain buildings.

The undersigned, a duly authorized representative of the Applicant, hereby certifies that the foregoing information is true, correct, and complete as of the date hereof and agrees that the Applicant shall be bound by the terms and provisions herein.



APPLICANT'S SIGNATURE

2/28/23

DATE



PROPERTY OWNER'S SIGNATURE

2-28-23

DATE



SALES QUOTE 1475

Item 6.

North Star Sign

Quality Signs Affordable Prices, Licensed-Bonded-Insured

DATE FEBRUARY 28, 2023

732 Gannon Way
 Victoria, MN 55386
 Phone 651.398.7152
 North_star_sign@yahoo.com

SOLD TO RAIL WERKS BREWING DEPOT
 4055 CENTRAL AVE NE
 COLUMBIA HEIGHTS, MN

SHIP TO SAME

SALESPERSON	JOB	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE	PAYMENT TERMS	DUE DATE
SEAN		NSS	NC	NA	50% DOWN BAL. COD	NA

ITEM #	QTY	DESCRIPTION	UNIT PRICE	DISCOUNT	LINE TOTAL
1	1	ONE SET OF 24" L. E. D. LIT LETTERS ON RACEWAYS INSTALLED. LETTERS HAVE BLACK PERF. VINYL	\$7275.00		\$7275.00
2	1	6' X 5' STEAM ENGINE LOGO PER ARTWORK PROVIDED. L. E. D. LIT. INSTALLED.	\$425.00		\$425.22
3	1	24" DIAMETER DOUBLE SIDED PROJECTION SIGN. ARTWORK PROVIDED. L. E. D. LIT. INSTALLED.	\$1500.00		\$1500.00
			TOTAL DISCOUNT		
				SUBTOTAL	\$9200.00
				SALES TAX	0
					\$9200.00

MAKE CHECKS PAYABLE TO NORTH STAR SIGN
 THANK YOU FOR YOUR BUSINESS

