

RESOLUTION NO. 2026-13

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE CREATION AND IMPLEMENTATION OF THE COLUMBIA HEIGHTS ECONOMIC SUPPORT MICROLOAN PROGRAM.

WHEREAS, the Economic Development Authority (the EDA or Authority) of the City of Columbia Heights (the City) possesses powers defined in the Minnesota State Statutes, including Minnesota Statutes, Sections 469.090 through 469.1082, as amended (the “EDA Act”), that enable it to take action to support economic development in its geographic jurisdiction; and

WHEREAS, these powers granted to the EDA include, but are not limited to, the authority to make economic development loans to businesses pursuant to Sect. 469.192 of the EDA Act and to provide business subsidies as outlined in Minn. Stat. Sect. 116J.993 through 116J.995, both of said powers being municipal level mechanisms intended to promote the public good through targeted assistance to individual businesses; and

WHEREAS, the EDA and the City have a history of supporting local businesses through ongoing economic development efforts such as the Façade Improvement Program and the Fire Suppression Program, as well as one-off initiatives in times of need such as the 2020 Columbia Heights Business Relief Grant Program; and

WHEREAS, these types of economic development programs and projects not only support businesses but also protect the City’s overall health and well-being by working to prevent tax base decreases and blight caused by business closures and empty commercial buildings; and

WHEREAS, as a result of the recent federal immigration enforcement surge, Columbia Heights businesses have faced challenges including employee absences and hiring difficulties, issues with suppliers, reduced sales, and security challenges; and

WHEREAS, these and other challenges have led to direct impacts on Columbia Heights businesses including temporary and permanent closures, decreased revenue and owner pay, fewer hours or days of operations, reduced employee hours and reductions in staff, and difficulty paying rent, mortgage, insurance, or utilities; and

WHEREAS, the EDA and the City quantified and documented many of these challenges and impacts in the EDA’s 2026 Business Economic Impact Survey and in the City’s written response to the Cities for Safe and Stable Communities Coalition survey; and

WHEREAS, in response to demonstrated need and as authorized by the powers granted to it by the Minnesota Statutes, the EDA wishes to help bolster local businesses’ abilities to continue operating in Columbia Heights despite these recent challenges, and thereby to help maintain the entrepreneurship and vibrancy the Columbia Heights business community is known for; and

WHEREAS, based on the testimonials gathered from local businesses, the EDA believes that a program of forgivable loans to assist with structure costs such as mortgage and lease payments would have a substantial beneficial impact on businesses’ capacities to continue operating in their current locations and that it is in the best interests of the City to implement such program; and

WHEREAS, the EDA has caused to be prepared guidelines (the “Program Guidelines”) for the EDA’s Economic Support Microloan Program (the “Program”) to fund the loans described herein to assist with structure costs such as rent, mortgage, utilities, and insurance, and such Program Guidelines are on file with the EDA; and

WHEREAS, the EDA intends to partner with the Metropolitan Consortium of Community Developers (MCCD), a Minnesota-based consortium of nonprofit community development organizations and Community Development Financial Institutions committed to expanding access to wealth and resources for neighborhoods through housing and economic development initiatives and doing business as the Minnesota Consortium of Community Developers, in order to design and administer said Program; and

WHEREAS, there has been presented to the Board of Commissioners of the EDA (the “Board”) a Professional Services Agreement (the “Professional Services Agreement”) with MCCD, which sets forth the terms under which the MCCD will administer the Program; and

WHEREAS, there has also been presented to the Board a form of loan documents, including a loan agreement (the “Loan Agreement”) and a promissory note (the “Note”), which each loan recipient will be expected to execute and deliver to the EDA; and

WHEREAS, loans under the Program Guidelines shall not exceed \$10,000, and therefore any loan under the Program will not constitute a business subsidy within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended; and

WHEREAS, the EDA finds that the Program is consistent with the economic development goals in Economic Development Authority Redevelopment Fund 408 and intends to use this Fund to administer the Program.

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

1. Approves the creation of the Program; and
2. Approves the form and substance of the Professional Services Agreement with MCCD, the Program Guidelines, and the forms of Loan Agreement and Note for the Program, along with any other document or certificate to be executed and delivered by the EDA and/or the loan recipient prepared by or in consultation with MCCD necessary to accomplish the goals of the Program (collectively, the “Loan Documents”); and
3. Amends the 2026 budget for Economic Development Authority Redevelopment Fund 408 to appropriate \$300,000 from the Commercial Revitalization Program for loans under the Program and \$40,000 from the Façade Improvement Program for administrative costs due and payable to MCCD; and
4. Authorizes the Executive Director of the Authority to approve loans in consultation with MCCD as provided in the Professional Services Agreement and execute the Loan Documents to which the Authority is a party, on behalf of the Authority, without the need for further action by the Board; and
5. Delegates authority to the Executive Director of the Authority to work with a recipient to resolve issues causing a loan to become due and payable; and

6. Authorizes the officers, employees, and other agents of the Authority to take all actions necessary to perform the Authority's obligations under the Loan Documents, including, without limitation, all acts and things required of them by or in connection with this resolution and the Loan Documents, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained herein and in the Loan Documents.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Adopted this 6th day of April, 2026

Offered by:

Seconded by:

Roll Call:

President

Attest:

Secretary