ECONOMIC DEVELOPMENT AUTHORITY

City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, June 01, 2026
5:00 PM

MINUTES

The meeting was called to order at 5:04 pm by President Spriggs.

CALL TO ORDER/ROLL CALL
Members present: Connie Buesgens; Laurel Deneen; Rachel James; Amáda Márquez-Simula; Justice Spriggs; Marlaine Szurek

Members absent: Lamin Dibba

Staff present: Aaron Chirpich, City Manager; Mitchell Forney, Community Development Director; Sarah LaVoie, Administrative Assistant; Emilie Voight, Community Development Coordinator

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. **Approve May 4, 2026 EDA Meeting Minutes. (pg. 3)**
   MOTION: Move to approve the May 4, 2026, regular EDA meeting minutes.

2. **Resolution 2026-16 to Approve the Financial Reports and Payment of the Bills for April 2026. (pg. 10)**
   MOTION: Move to waive the reading of Resolution 2026-16, there being ample copies available to the public.
   MOTION: Move to approve Resolution 2026-16, approving the financial statements for the month of April 2026 and the payment of the bills for the month of April 2026.

Motion by James, seconded by Deneen, to approve the consent agenda as presented. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2026-16

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF APRIL 2026 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF APRIL 2026.

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 month of April 2026 have been reviewed by the EDA Commission; and

WHEREAS, the EDA has examined the financial statements and finds them to be acceptable as to both form and accuracy; and

WHEREAS, the EDA Commission has other means to verify the intent of Section 469.096, Subd. 9, including but not limited to Comprehensive Annual Financial Reports, Annual City approved Budgets, Audits and similar documentation; and

WHEREAS, financial statements are held by the City's Finance Department in a method outlined by the State of Minnesota's Records Retention Schedule,

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Columbia Heights Economic Development Authority that it has examined the referenced financial statements including the check history, and they are found to be correct, as to form and content; and

BE IT FURTHER RESOLVED the financial statements are acknowledged and received and the check history as presented in writing is approved for payment out of proper funds; and

BE IT FURTHER RESOLVED this resolution is made as part of the permanent records of the Columbia Heights Economic Development Authority.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 1st day of June, 2026

Offered by: Rachel James
Seconded by: Laurel Deneen
Roll Call: All ayes of present. MOTION PASSED.

____
President

Attest:

____
Secretary

BUSINESS ITEMS

3. **Fire Suppression Grant Application 4014-4016 Central Ave NE (Sister Bud LLC). (pg. 22)**
Voight stated in 2022, the EDA created the Fire Suppression Grant Program to assist local businesses with the expenses incurred when installing fire suppression systems within commercial buildings. Many of the commercial properties in Columbia Heights do not have fire suppression systems. Certain businesses and changes of use require the addition of fire

suppression systems to existing buildings. The price of adding fire suppression systems is often cost prohibitive for small businesses.

Voight noted that the owner of the property at 4014-4016 Central Ave NE, Sister Bud LLC, has submitted an application for this grant program. The property owner is currently working to establish a new cannabis business in the building. In order to enable this, the owner is required to install a fire suppression system. The fire suppression system will necessitate a new 6-inch water line extension.

Voight explained that the applicant has provided three quotes for the proposed water line extension. One bid amounts to $59,900 (Valley Rich), one amounts to $86,700 (Triple E), and the third amounts to $56,200 (Vada). The quotes have been included in the meeting packet. Based on these estimates, the project would be eligible to receive a maximum grant award of $28,100.00. In the 2026 budgeting process, the EDA allocated $100,000 to the Fire Suppression Grant program, of which $74,068.50 remains. This is the second Fire Suppression Grant application in 2026.

Voight stated that in the 2025 grant application cycle, Sister Bud received $26,200 in Fire Suppression Program grant funds for a property at 5011 University Ave. Sister Bud was not able to move forward with a business at that location, so is now applying for this grant for 4014-4016 Central Ave. Staff recommend funding tonight's application at $23,800 instead of the full amount available based on the provided quotes ($28,100), in order to not to exceed the typical maximum $50,000 grant award per property or business owner. Installation of a fire suppression system in the structure will modernize the building and improve its safety.

<u>Questions/Comments from Members</u>:

Buesgens asked if the applicant had put money into the previous building that was going to be leased. Voight confirmed that money had been put into the previous building. The representatives from Sister Bud explained to staff that there was a lease for the building, but the building changed ownership, and the terms of the lease were modified to such an extent that it was no longer feasible for them to stay in the building, which is why they moved to the new location.

James noted that the applicants are the owners of the property as well as the users of the property. Forney agreed. James stated she is in favor of the application.

Spriggs asked if there would be another business going into the building on University Avenue. Voight replied that another cannabis retailer is working on going into the building.

Motion by Deneen, seconded by Márquez-Simula, to waive the reading of Resolution 2026-17, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Deneen, seconded by Márquez-Simula, to approve Resolution 2026-17, 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 the owners of 4014-4016 Central Ave NE (Sister Bud LLC). All ayes of present. MOTION PASSED.*

RESOLUTION NO. 2026-17

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 THE OWNERS OF 4014-4016 CENTRAL AVE NE (SISTER BUD LLC).

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 or industrial property owners and/or tenants for the purposes of revitalizing, rehabilitating, and restoring buildings, and 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 the owners of 4014-4016 Central Ave NE (Sister Bud, LLC).
2. that the City Manager, as the Executive Director of the Authority, is hereby authorized, empowered and directed for and on behalf of the Authority to enter into the 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 they deem necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Adopted this 1st day of June, 2026

Offered by:	Laurel Deneen
Seconded by:	Amáda Márquez-Simula
Roll Call:	All ayes of present. MOTION PASSED.

President

Attest:

Secretary

4. Purchase of 4217 Central Ave NE. (pg. 40)

Forney stated that at the end of April, the owner of 4217 Central Avenue NE initiated the City's Time of Sale inspection process and contacted Community Development staff to begin the required inspection. Because the property is located along the Central Avenue corridor, the Building Inspector identified the parcel as a potential redevelopment opportunity and coordinated with Community Development staff to further evaluate the property.

Forney noted that during the inspection, staff found that while the structure was not completely uninhabitable, the property was in poor condition and would require significant investment and rehabilitation. Following the inspection, Community Development staff began discussions with the owner regarding the potential for acquisition by the Economic Development Authority (EDA) for future redevelopment purposes. After initial discussions established seller interest and a general purchase framework, staff brought the concept forward informally to the EDA at the May EDA meeting to gauge Commissioner interest in pursuing the acquisition. At that meeting, Commissioners expressed support for continued negotiations, and staff proceeded with preparation of a purchase agreement contingent upon formal EDA approval. During the May EDA discussion, Commissioners also discussed the reuse and salvage of building materials from the structure. The current owner intends to remove and reuse select materials, including siding, windows, and newer building components, prior to closing. Staff support this approach, as it promotes the reuse of salvageable materials while reducing demolition and disposal costs associated with the project.

Forney mentioned that although 4217 Central Avenue NE is located just outside the Central Business District, staff view the parcel as strategically important for future redevelopment opportunities along the Central Avenue corridor. Because the EDA's 2026 commercial revitalization funding has already been allocated to the Microloan Program, staff are recommending the use of Anoka County Housing and Redevelopment Authority (ACHRA) levy funding for reimbursement of the acquisition and related redevelopment costs. If approved, the EDA would utilize the Fund 408 fund balance to temporarily bridge the acquisition costs at closing. Staff would then bring forward a resolution to the City Council requesting ACHRA levy funding through Anoka County to reimburse the EDA for eligible acquisition and redevelopment expenses. The City has previously utilized this funding mechanism for redevelopment acquisitions, including the properties located near 39th and Central. Upon reimbursement by ACHRA, the temporary use of the Fund 408 balance would be restored. Currently, the EDA has $1,358,600 in Fund 408 Balance and $716,891.57 in the ACHRA levy.

Forney stated that staff are recommending approval of the purchase price of $225,000, along with authorization of up to $80,000 for demolition, closing costs, and associated redevelopment expenses. This amount provides the EDA with sufficient flexibility when requesting ACHRA reimbursement funds. Any funds not ultimately expended by the City would not be reimbursed and would remain with ACHRA.

Questions/Comments from Members:

Deneen asked how the house would be demolished. Forney replied that the Fire Department would train in the building but the EDA would approve a contract for demolition instead of burning the house down, due to its proximity to adjacent parcels.

Szurek asked what the use of the house south of the property was. Forney replied that it is used as an office for a PSA. Szurek pointed out that the City would not be able to obtain the property since it is a property that Anoka County funds. Forney explained that the PSA business is not an Anoka County-run business and that staff could approach the owner to see if there was interest in selling the property to the City.

Szurek asked about the parcel on the corner of 42nd Avenue and Central Avenue. She noted that there cannot be used car lots in the City, and the business is running illegally in the district. Forney replied that the parcel was grandfathered in, so the use is allowed, but that the number of cars is not allowed on the parcel. Szurek noted that there are two to three businesses being run on the property. Forney stated it would be an upcoming code enforcement item.

James noted that the proposed property is useless without neighboring properties since it is a narrow lot. She added that it is worth moving forward to purchase the property. She expressed her concern about the EDA purchasing the property for a specific purpose, and that in the future it will not be used for the intended purpose.

Spriggs asked if the property at the corner of 42nd Ave and Central Ave is two lots. Forney confirmed that it is two different parcels. Spriggs asked if City funds could be used to help relocate a tenant to somewhere else within the City. Forney replied that the ACHRA fund just has to meet the redevelopment goals and that there is a broad use for them.

Motion by James, seconded by Márquez-Simula, to waive the reading of Resolution 2026-18, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by James, seconded by Buesgens, to approve Resolution 2026-18, a resolution approving the purchase agreement between the Economic Development Authority of Columbia Heights, Minnesota, and AA Homes LLC, and establishing funding procedures for the purchase and demolition of the properties. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2026-18

A RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, AND AA HOMES LLC, AND ESTABLISHING FUNDING PROCEDURES FOR THE PURCHASE AND DEMOLITION OF THE PROPERTIES

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 AA Homes LLC (“Seller”) desire to enter into a purchase agreement (the “Purchase Agreement”) pursuant to which the Authority will acquire certain properties in the City located at 4217 Central 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 $225,000 plus related closing costs.

1.03. Pursuant to other project costs, the Authority will budget $80,000 for the demolition and grading of the property.

1.04. In accordance with the city’s ACHRA participation, the Authority will receive a reimbursement from the City of Columbia Heights via the Anoka County HRA, for the purchase and demolition of the properties.

1.05. 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 4217 Central Avenue NE. Such acquisition of these Properties, for subsequent resale, best meets the community’s needs and will facilitate the economic redevelopment and revitalization of this area of the City.

1.06. The Authority also finds that this redevelopment project is consistent with the purpose of the Economic Development Authority Redevelopment Fund 408. The current 2026 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 April 6, 2026, when the Authority amended this budget. The available balance of the Economic Development Authority Redevelopment Fund 408, beyond that committed for the existing 2026 budget, is approximately $1.3 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 Kutak Rock (“Legal Counsel”) in researching the Property and preparing and presenting the Purchase Agreement. The Authority approves the Purchase Agreement in the form presented to the Authority and on file at City Hall, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Purchase Agreement by those officials shall be conclusive evidence of their approval.

2.02. The Authority herby amends the 2026 budget for Economic Development Authority Redevelopment Fund 408 to appropriate $305,000 for the purchase of the Properties and additional estimated project costs.

2.03. The Authority herby accepts all related transfers of Anoka County HRA grant funds from the City of Columbia Heights.

2.04. 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 1st day of June, 2026

Offered by: Rachel James
Seconded by: Connie Buesgens
Roll Call: All ayes of present. MOTION PASSED.

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President

Attest:

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Secretary

5. Approval of Demolition Contract for 4510 Taylor St NE. (pg. 56)

Forney stated that late last year the Economic Development Authority (EDA) approved the purchase of 4510 Taylor Street NE, a single-family property intended for redevelopment into a new single-family home. Through subsequent discussions, the EDA determined that it would work with Twin Cities Habitat for Humanity on the redevelopment of the parcel, with the intent of ultimately conveying the property for the construction of a new home. In preparation for redevelopment, the existing structure must be demolished and the site cleared for future construction. The Fire Department has utilized the structure for training exercises; however, Fire staff determined that a live burn of the structure was not feasible due to the site conditions, including the lack of a basement area to contain ash, water, and debris following a training burn.

Forney noted that staff prepared bid documents and distributed demolition bid requests to multiple contractors, receiving 6 bids for the project. To streamline the demolition process, the EDA separately completed the required environmental testing for the structure. Testing identified no significant hazardous materials other than typical household appliance-related items requiring proper disposal. The selected demolition contractor will be responsible for demolition of the primary structure, removal of all outbuildings and site improvements, removal of obstructive trees, and general site clearing activities necessary to prepare the parcel for redevelopment. The work also includes proper capping and abandonment of water and sewer services in accordance with City requirements. Below is a summary of the bids received for the project. Staff recommends award of the demolition contract to the lowest responsible bidder, Semple Excavating & Trucking.

Motion by Deneen, seconded by James, to accept the proposal from Semple Excavating and Trucking, in the amount of $22,799 for the demolition of all building and site improvements, tree removal, hazardous item removal, water/sewer line capping, and site grading of the lot located at 4510 Taylor Street; and furthermore, to authorize the President and Executive Director to enter into an agreement for the same. All ayes of present. MOTION PASSED.

BUSINESS UPDATES

Voight noted that there is an additional Business Update and informed the EDA that Commissioner Dibba announced his resignation from the EDA due to scheduling conflicts. Staff will look into filling the position. Forney stated that City Code allows the EDA to either fill the vacancy and have the person finish up the open term or start over with a new term.

Márquez-Simula recommended staggering the terms and starting someone on a new six-year term.

Spriggs asked if the EDA or the City Council filled the vacant position. Forney replied that the City Council would fill the position.

The EDA agreed to stagger the terms and have the vacant position start with a new six-year term.

a. **June 5th Twin Cities North Chamber Business Connect Meeting.**
   Voight reminded the EDA about the June 5th Twin Cities North Chamber Business Connect Meeting and mentioned that it would be in Columbia Heights at 8:00 am in the Central Place Room at City Hall.

b. **Economic Support Microloan Program Update.**
   Voight noted that there have been 14 applications that have been approved in the first and second batches for the Economic Support Microloan Program. The total approved funding for batches one and two is approximately $135,000. There are nine additional applications in that are still in process, and if they were approved, it would add another $75,000 in loans, which would be a total of approximately $210,000 in loans out of the budgeted $300,000.

   Buesgens asked if there was a trend in what applicants were using the funds for. Voight replied that many are using the funds towards mortgage or lease and some are using it for utilities.

Buesgens asked if there was an update regarding the Rainbow site. Forney replied that staff are in weekly meetings with Alatus. Currently, the City is conducting a stormwater feasibility study meeting with ISG and the MWMO to integrate Jackson Pond more into the site. ISG is working on an official statement on what the feasibility study looks like. Staff have met with Alatus' possible funding partner. Part of the funding will be used to start the Environmental Assessment Worksheet. Approvals should be brought to the EDA and the City Council in the fall.

Buesgens asked if work at Jackson Pond would begin before the development, or if it would be intermingled with the development. Forney replied that the goal would be to start with the groundbreaking.

ADJOURNMENT

Motion by Buesgens, seconded by Szurek, to adjourn the meeting at 5:38 pm. All ayes of present. MOTION PASSED.

Respectfully submitted,

Sarah LaVoie, Recording Secretary