



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	10/06/2025

ITEM:	Fire Suppression Grant Application (Sister Bud, LLC).		
DEPARTMENT:	Community Development	BY/DATE:	CD Staff, 09/30/2025
CORE CITY STRATEGIES:			
<input type="checkbox"/> Community that Grows with Purpose and Equity		<input type="checkbox"/> Engaged, Effective and Forward-Thinking	
<input type="checkbox"/> High Quality Public Spaces		<input type="checkbox"/> Resilient and Prosperous Economy	
<input checked="" type="checkbox"/> Safe, Accessible and Built for Everyone		<input type="checkbox"/> Inclusive and Connected Community	

BACKGROUND:

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. Earlier this year, the EDA budgeted additional funds for the Fire Suppression Grant Program and increased the maximum available grant award per applicant from \$30,000 to \$50,000.

One of the future tenants of 5011 University Ave has submitted an application for this grant program. The prospective tenant, Sister Bud, LLC, is a cannabis retailer that is currently working with the owner of the building to build out a cannabis retail space. Since this proposed new business requires a change of use, the new business is required to install a sprinkler system in the building. Additionally, since the new retail space will be located in a strip mall, the entirety of the strip mall must be sprinkled. This requirement is established via Minnesota State Statute Chapter 1306.0020 MUNICIPAL OPTION Subp. 2. "Existing and new buildings."

The applicant has provided more than the required two quotes from licensed fire protection contractors, as well as two quotes from water main contractors. The lowest bids for the project total \$104,225. The quotes have been included in the meeting packet. In the 2025 budgeting process, the EDA allocated \$100,000 to the program and increased the amount accessible per grant award. So far in 2025, there has been one applicant that was awarded a grant of \$30,000. This leaves \$70,000 in grant funds available for the remainder of 2025.

Staff recommend approval of the application at the maximum reimbursement allowance of \$50,000. As demonstrated by the quotes provided by the applicant, the price of adding fire suppression systems is cost prohibitive for small businesses. Installation of the required fire suppression system in the structure will help modernize the entire building, not solely the new retail space, and will help ensure that it can be used in a safe manner by current and future tenants.

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2025-26, there being ample copies available to the public.

MOTION: Move to approve Resolution 2025-26, 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 Sister Bud, LLC.

ATTACHMENT(S)

1. Resolution 2025-26
2. 5011 University Ave NE (Sister Bud, LLC) Fire Suppression Grant Application
3. Draft Fire Suppression Grant Agreement