



ECONOMIC DEVELOPMENT AUTHORITY
City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, January 05, 2026
5:00 PM

MINUTES

The meeting was called to order at 5:00 pm by Director Forney.

CALL TO ORDER/ROLL CALL

Members present: Connie Buesgens; Laurel Deneen; Rachel James; Amáda Márquez-Simula; Marlaine Szurek

Members absent: Lamin Dibba, Justice Spriggs

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

PLEDGE OF ALLEGIANCE

ELECTION OF OFFICERS

1. Election of 2026 Economic Development Authority Officers.

Forney explained that the EDA would nominate members for each position. After the nominations, the EDA would vote for each position.

James nominated Spriggs for President of the Economic Development Authority. Márquez-Simula seconded.

Motion by James, seconded by Márquez-Simula, to elect Justice Spriggs as President of the Economic Development Authority. All ayes of present. MOTION PASSED.

Buesgens nominated Dibba as the Vice President of the Economic Development Authority. Márquez-Simula seconded.

Motion by Buesgens, seconded by Márquez-Simula, to elect Lamin Dibba as Vice President of the Economic Development Authority. All ayes of present. MOTION PASSED.

Buesgens nominated Deneen as Treasurer of the Economic Development Authority. Márquez-Simula seconded.

Motion by Buesgens, seconded by Márquez-Simula, to elect Laurel Deneen as Treasurer of the Economic Development Authority. All ayes of present. MOTION PASSED.

Forney noted that the Secretary position is usually held by City staff and recommended Sarah LaVoie. Márquez-Simula nominated Sarah LaVoie as Secretary of the Economic Development Authority. Deneen seconded.

Motion by Márquez-Simula, seconded by Deneen, to elect Sarah LaVoie as Secretary of the Economic Development Authority. All ayes of present. MOTION PASSED.

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

CONSENT AGENDA

- 2. Approve the minutes of the regular EDA Meeting of December 01, 2025.**
- 3. Approve financial reports and payment of bills for November 2025 – Resolution No. 2026-01.**
- 4. Designating the 2026 Official Depositories of the Economic Development Authority – Resolution No. 2026-02.**

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

RESOLUTION NO. 2026-01

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF NOVEMBER 2025 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF NOVEMBER 2025.

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 November 2025 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 5th of January 2026

Offered by: Rachel James
Seconded by: Marlaine Szurek
Roll Call: All ayes of present. MOTION PASSED.

President-Acting: Laurel Deneen

Attest:

Secretary

RESOLUTION NO. 2026-02

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, and U.S. Bank, 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, and U.S. Bank, 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 U.S. Bank, 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 5th of January 2026

Offered by: Rachel James
Seconded by: Marlaine Szurek
Roll Call: All ayes of present. MOTION PASSED.

President-Acting: Laurel Deneen

Attest:

Secretary

BUSINESS ITEMS

5. Façade Improvement Grant Report for The Golden Nuts located at 4801 Central Ave NE.

Voight reported that the building is occupied by The Golden Nuts, an international sweet store and coffee shop. The tenant is applying for grant funds to replace the glass storefront windows and door on the Central Avenue façade of the structure. A photo of the existing conditions has been included in the Agenda Packet.

Voight noted that the applicant was able to receive two bids for the work, amounting to \$13,650.63 (GlassSource LLC) and \$14,868.38 (City Wide Glass). This sets them up for a grant amount of \$5,000. Renderings have not been included in the packet because the windows and door will be replaced in-kind, the only change being upgraded glass. Community Development staff recommend funding this project in full as the new windows and door will be more energy efficient and also reduce costs for the tenants. This is the first Façade Improvement Grant application in 2026. The initial annual budget for the program was \$80,000. The approval of this application would leave \$75,000 remaining in the annual program budget.

Questions/Comments from Members:

Buesgens asked if the EDA was keeping track of energy-efficient improvements to buildings for the Partners in Energy program. Forney replied that staff could start tracking energy-efficient improvements. He added that the list would benefit a project that City staff are working on for a City-wide sustainability tracker using GIS. Márquez-Simula requested additional information regarding the sustainability tracker. Forney explained that the Sustainability Commission included a goal in 2025 to build a GIS-type story map for all of the sustainability items that the City is working on.

Motion by Márquez-Simula, seconded by Buesgens, to waive the reading of Resolution No. 2026-03, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by James, to approve Resolution No. 2026-03, a Resolution of the Columbia Heights Economic Development Authority, 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 The Golden Nuts. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2026-03

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 A FAÇADE IMPROVEMENT GRANT AGREEMENT WITH THE GOLDEN NUTS.

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 storefronts, increasing business vitality and economic performance, and decreasing criminal activity along Central Avenue Northeast and in the City’s Business districts, 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 The Golden Nuts.
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

Passed this 5th of January 2026

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

President-Acting: Laurel Deneen

Attest:

Secretary

6. Façade Improvement Grant Report for Easy Tax Services located at 4111 Central Ave NE.

Voight reported that the suite of the multi-tenant building is occupied by Easy Tax Services, LLC, a tax preparation, notary, and document assistance business. The tenant is applying for grant funds to install a new exterior wall sign panel on the existing sign panel framing on the Central Avenue façade of the structure. A photo of the existing conditions and a rendering of the proposed design have been included in the Agenda Packet.

Voight noted that the applicant was able to receive two bids for the work, amounting to \$1,750.00 (BMS) and \$2,947.38 (Fastsigns). This sets them up for a grant amount of \$1,473.69. Community Development staff recommend funding this project in full, as the new signage will help promote the business and attract and orient customers. This is the second Façade Improvement Grant application in 2026. The first application this year is also being presented tonight. The initial annual budget for the program was \$80,000. If both Façade Improvement Grants presented at the January 2026 EDA meeting were approved, it would leave \$73,526.31 remaining in the annual program budget.

Questions/Comments from Members:

Buesgens pointed out that it would be nice to have more personalized signage for the building. She asked if it was possible to ask the owner to change the policy on color and design. Forney replied

that a tenant would need to make the request to the owner.

Motion by James, seconded by Deneen, to waive the reading of Resolution No. 2026-04, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by James, seconded by Deneen, to approve Resolution No. 2026-04, a Resolution of the Columbia Heights Economic Development Authority 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 Easy Tax Services, LLC. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2026-04

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 A FAÇADE IMPROVEMENT GRANT AGREEMENT WITH EASY TAX SERVICES, LLC.

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 storefronts, increasing business vitality and economic performance, and decreasing criminal activity along Central Avenue Northeast and in the City’s Business districts, 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 Easy Tax Services, 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

Passed this 5th of January 2026

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

President-Acting: Laurel Deneen

Attest:

Secretary

7. Discussion on Possible Habitat for Humanity Partnership Projects.

Forney reported that recently, Community Development staff met with representatives from Twin Cities Habitat for Humanity at the Anoka County Real Estate Summit. During that event, Habitat staff spoke with City staff about potential opportunities within the City of Columbia Heights and expressed interest in completing another project in the community. Following that initial conversation, staff scheduled a follow-up meeting with Habitat for Humanity to discuss potential project concepts and to better understand Habitat’s anticipated development plans for 2026. In conjunction with the City’s goal-setting efforts, staff determined it would be appropriate to bring forward for EDA discussion two properties currently owned by the EDA to evaluate whether either site may be suitable for a Habitat for Humanity project or whether the EDA wishes to pursue alternative redevelopment strategies.

Forney stated Habitat for Humanity has received Community Development Block Grant (CDBG) funding through Anoka County for an acquisition and rehabilitation project anticipated for 2026. At this time, Habitat does not yet know the location of that project within Anoka County. City staff will continue to monitor opportunities through the City’s time-of-sale program for properties that could align with that funding. The potential projects discussed at tonight’s meeting, however, would be separate from that effort. Habitat for Humanity has expressed interest in partnering with the City on a complete teardown and rebuild project in 2026. Staff is bringing this discussion to the EDA at this time because, should the EDA express interest in moving forward with a Habitat partnership, Habitat could apply for 2026 Anoka County CDBG funding and potentially leverage additional resources to close financing gaps. As part of this discussion, it is important to note that Habitat has indicated that any project would likely require gap financing from the City, similar to prior Habitat projects, to address the difference between construction costs and available funding sources.

Forney explained that the EDA currently owns two parcels that have been discussed for redevelopment or future redevelopment. Staff is seeking EDA direction regarding how these

properties should be positioned moving into 2026 and potentially 2027.

Forney noted that the first parcel, located at 841 49th Avenue NE, has been in the EDA's portfolio for several years. The property is zoned R-2A, which allows for single-family and two-family residential development, and the lot is approximately 15,000 square feet. Under the existing zoning, the site could accommodate a single-family home, duplex, or twin-home. Previous discussions considered whether higher-density development might be feasible; however, the property is surrounded primarily by R-1 zoning and bordered by R-2B zoning. Rezoning the site to a higher-density district would likely constitute spot zoning and would not be consistent with zoning code standards or the Comprehensive Plan, which designates the property for low-density residential use. Achieving higher density would require broader rezoning or a Comprehensive Plan amendment, neither of which is currently contemplated. The EDA originally acquired the property due to severe building deterioration and a flooded basement, with the intent of demolition and future redevelopment. The acquisition was funded with General Fund 408 redevelopment funds, allowing flexibility for either market-rate or affordable housing development. When discussing this site with Habitat for Humanity, staff indicated the EDA's interest in something other than a single-family home, and Habitat noted that twin-home development is an option. Habitat for Humanity staff also noted that a twin-home project would likely require greater gap financing than a single-family home.

Forney stated the second site discussed with Habitat is located at 4510 Taylor Street NE. This property was purchased by the EDA in 2025 and has a lot area of approximately 7,700 square feet. The site is zoned R-2A, which allows for single-family and two-family development; however, the lot size does not meet the minimum requirements for a duplex or twin-home development. Like the first property, this site was acquired using General Fund 408 redevelopment funds and may be used for either market-rate or affordable housing. Staff initially evaluated this site as a potential demonstration of an accessory dwelling unit (ADU) project. However, the lack of alley access and the need to provide all parking from the front of the property present design challenges, but are not necessarily barriers. Habitat for Humanity indicated that they do not typically pursue ADU projects, as their target homebuyers generally cannot support the increased mortgage costs associated with an additional unit, and the financing structure is more complex.

Forney explained that in 2025, the EDA applied for and was awarded matching Minnesota Housing Finance Agency (MHFA) grant funds. The EDA contributed \$75,000 from Fund 408 and will receive a \$75,000 match once those funds are expended on eligible affordable housing activities. As part of that application, staff identified that funds could be used for large-scale redevelopment projects or smaller affordable housing initiatives, such as a Habitat for Humanity partnership. In addition, the EDA has approximately \$140,000 remaining in its tax increment financing (TIF) housing pool, which has historically been used to acquire property, support redevelopment, and provide gap financing for Habitat projects. Between these funding sources, the EDA has sufficient capacity to partner with Habitat for Humanity without relying on annually budgeted funds.

Forney stated that staff do not have a specific recommendation at this time. Both EDA-owned sites present viable redevelopment opportunities, and a partnership with Habitat for Humanity would align with City and EDA goals related to affordable housing and homeownership. At the same time,

the EDA may identify or acquire additional properties in 2026 that could also be candidates for a Habitat partnership. Any Habitat project would likely involve a request for gap financing, and the EDA may wish to discuss whether it is willing to provide such assistance. Staff is seeking EDA input on the future direction of the currently owned parcels and whether pursuing a Habitat for Humanity partnership is a priority for 2026 planning.

Questions/Comments from Members:

James asked if it would make sense to sell one of the properties on the open market to recoup the costs. Buesgens mentioned that when she first came on, the EDA was selling properties to builders. She added that it was not market-rate housing, but was affordable housing. Forney explained that any lot that the EDA does not work on with Habitat for Humanity, staff could prepare an RFP to bring in a market-rate developer for a project and sell the lot to the developer.

Buesgens noted she would like to save the 49th Avenue lot for a triplex. She mentioned the 4510 Taylor Street NE property would be a better fit for Habitat for Humanity.

James suggested selling the lot on 4510 Taylor Street NE for additional funds. She added that she would still be in favor of Habitat for Humanity redeveloping the 4510 Taylor Street NE lot. Buesgens stated she would be open to having Habitat for Humanity redevelop the 4510 Taylor Street NE lot. Forney noted that \$75,000 of the Minnesota Housing grant funds need to be spent in the next two to three years. The funds have to be expended on affordable housing.

Buesgens mentioned that there are two homes that burned in fires, and wondered if they were potential lots that the City could purchase. Forney mentioned that the property that burned down on 6th Street has had multiple owners since it burned down. Staff could reach out to the property owner to schedule a meeting with the property owner. Buesgens stated she would be in favor of that. Szurek asked if the property on 6th Street was owned by a family member. Forney replied that it is not.

Szurek expressed her concern regarding the gap in financing with Habitat for Humanity. She explained that she did not want the City to be a bank for Habitat for Humanity to redevelop homes. Forney explained that the EDA could offer a project without the gap financing and see if Habitat for Humanity would still like to do the project. Chirpich asked if CDBG could fill the gap in financing. Forney replied that it was a possibility.

Deneen stated she would like to keep the 841 49th Ave property for development in the future. She explained that the 4510 Taylor Street NE property could use a new home and would be in favor of Habitat for Humanity to redevelop the property. She explained that she would want to see a balance in getting new housing in the area, and being mindful of the City's expenses. Márquez-Simula agreed. She added that she has received complaints about the properties that have burned down due to fires. Having new structures would make the neighborhoods look better. She noted that the burned-down properties are a safety issue. She stated she would be interested in the EDA finding the properties as blighted. James agreed. She wondered if there were enforcement mechanisms to force people to take down burned homes. Chirpich replied that there are obvious

violations and would need to dig in with legal to get some clarity. He explained that it can take time since insurance claims can drag out.

Márquez-Simula suggested having the Fire Department practice on the properties. She wondered if it could lower costs for salvaging the properties.

James agreed to have 4510 Taylor Street NE as a Habitat for Humanity home and agreed that the EDA does not need to fund the entire \$75,000 gap financing request.

Forney noted that Spriggs emailed his comments, "I am in favor of partnering again with Habitat for Humanity and providing gap funding, as I do think it aligns with the EDA goals regarding affordable housing. In terms of the two sites, I would favor the 4510 Taylor location over the 841 49th Avenue. In my opinion, it would be beneficial to keep the 841 49th Ave option open for the time being given the proximity to Central Ave for something more than a single family home. To the point about zoning of the 841 49th Ave - zoning reform is something I want to bring up as the year moves along."

Forney requested that the EDA provide staff with direction on how much gap financing they would feel comfortable with. The EDA discussed being willing to finance \$35,000 to Habitat for Humanity. Szurek stated she would not want to finance anything since it would set an expectation that the City finances each Habitat for Humanity project. She added that the City is not a bank. Deneen mentioned that there needs to be a balance between the desire for affordable housing and the City not being a bank. Szurek stated she would not vote in favor of \$75,000 but would be willing to consider a smaller amount. Forney mentioned that the City provided \$35,000 in gap financing for the previous project, so doing half of the gap financing would be close to the previous project. Szurek asked if the City provided a loan in the previous project. Forney replied that it was a deferred loan. He added that the EDA could consider doing a deferred loan again. Deneen stated she would prefer a deferred loan. Forney replied that they would build the deferred loan into the development agreement.

8. 3901 Central Right of First Refusal Discussion.

Forney reported that over the past year, Community Development staff have been in ongoing discussions with Heights Rental, as the business owner has been exploring retirement and the sale of the business to another rental company. Heights Rental occupies a prominent corner within the downtown area and is a well-established, valued business in the community. During prior business updates presented at EDA meetings, staff informed the Authority that the EDA holds a Right of First Refusal (ROFR) on the Heights Rental property and business.

Forney noted that the ROFR was established as part of the EDA's acquisition of the neighboring property for the redevelopment of the City library. As part of that negotiated transaction, the EDA secured a Right of First Refusal to purchase the Heights Rental building and business should the owner decide to sell. In the December 2025 business update discussion, the EDA directed staff to explore whether the ROFR could be waived for the current sale while continuing the ROFR into the future under new ownership. Staff discussed this option with the seller. However, the seller is not interested in continuing the ROFR, citing concerns that it could negatively impact future sale

opportunities for any prospective buyers.

Forney stated the current business owner has now formally initiated the EDA's Right of First Refusal process by submitting a Letter of Intent from a prospective buyer. Under the terms of the ROFR, the EDA has 30 days from receipt of the notice to determine whether it will exercise its right to purchase the property and business under the same terms.

Forney explained that, based on the submitted Letter of Intent:

- The purchase price for the land is \$1,070,000
- The purchase price for the business is \$1,250,000
- Exercise of the ROFR would require the EDA to purchase the land, business operations, and inventory
- The total acquisition cost would be approximately \$2,320,000

Forney explained that if the EDA were to exercise its Right of First Refusal, it would be required to fund the full purchase price. At this time, staff are unaware of a readily available funding source for an acquisition of this magnitude and would need to conduct further analysis with Finance to pull funding from a variety of sources. Additionally, the EDA is already planning a redevelopment opportunity directly across 39th Ave NE to the south. Staff believe maintaining the operational continuity of Heights Rental under private ownership, while focusing EDA resources on existing redevelopment priorities, best aligns with current economic development objectives. Community Development staff recommend that the EDA decline to exercise its Right of First Refusal for the purchase of Heights Rental. Staff are available to answer questions and conduct additional research if the EDA wishes to further evaluate alternatives.

Questions/Comments from Members:

Deneen stated that she was not interested in moving forward with the property. Buesgens agreed.

Motion by Szurek, seconded by Buesgens, to decline exercising the Economic Development Authority's Right of First Refusal for the property located at 3901 Central Avenue NE and to authorize staff to provide written notice to the seller of the EDA's intent not to purchase. All ayes of present. MOTION PASSED.

BUSINESS UPDATES

a. NOAH Program Launch

Voight stated the NOAH Program launched on January 1st. The application is live on the CEE website with the Columbia Heights information. There is a link on the City's website as well. At the end of the week, Community Development staff will be sending out a Spanish/English mailer to all 2-plus unit property owners. In addition, there will be some social media posts starting later in the week. There is one more contract for the servicing agreement that needs to be signed and will be included in the Consent Agenda next month.

She reviewed questions during the previous meeting. She noted there was a question about

whether the prioritization visits were available in any languages other than English. Currently, they are only in English, but there are Spanish-speaking staff at the loan servicing department who can work with applicants. The mailer is bilingual so that applicants can call a number if they want to speak to someone in Spanish. If an applicant wants to work with someone in a different language, they would be able to have an interpreter or have a service necessary to make it happen.

Voight noted that there was a question regarding radon and lead testing. It is not currently a service that CEE offers as part of its assessments. They are able to provide information sheets that can be handed out as part of their visits.

Voight stated that staff would keep the EDA updated with applicant numbers and information about what is happening.

Buesgens asked if there would be handouts or information provided to landlords. Voight replied that the intent is to get some information out to landlords.

b. 2026 Business of the Year

Voight noted that nominations for the 2026 Business of the Year are open, and the closing date is March 31st. The EDA would review applications during the April EDA meeting. The application is online, and paper copies are available. Members of the EDA and elected officials are not allowed to nominate businesses. Community Development staff will make posts on social media.

c. Calendar: Special EDA Meeting Proposed for January 12th

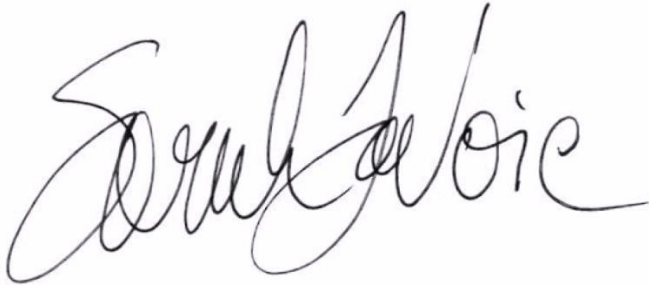
Forney stated that staff will be calling a special EDA meeting on January 12th at 5:30 pm to discuss the bond sale for the 4300 development.

Buesgens asked about the new Dairy Queen owners not being able to meet the statutes. James replied that Dairy Queen has their own franchise requirements. Forney pointed out that many Dairy Queens without food or a drive-thru are starting to close. He added that there are discussions on how to use the space in a different way, and potentially combining it with the theater.

ADJOURNMENT

Motion by Buesgens, seconded by James, to adjourn the meeting at 5:53 pm. All ayes. MOTION PASSED.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sarah LaVoie". The signature is written in a cursive, flowing style with large loops and a long tail on the final letter.

Sarah LaVoie, Recording Secretary