



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	06/01/2026

ITEM:	Purchase of 4217 Central Ave NE.		
<i>Presenting Item:</i> Mitchell Forney			
DEPARTMENT: Community Development		BY/DATE: Mitchell Forney, 5/28/2026	
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 checked="" type="checkbox"/> Resilient and Prosperous Economy	
<input type="checkbox"/> Safe, Accessible and Built for Everyone		<input type="checkbox"/> Inclusive and Connected Community	

BACKGROUND

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.

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 reuse of salvageable materials while reducing demolition and disposal costs associated with the project.

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 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 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.

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.

STAFF RECOMMENDATION

Staff recommend approval of the purchase agreement for 4217 Central Avenue NE in the amount of \$225,000 and authorization of up to \$80,000 for demolition, closing costs, and associated redevelopment expenses utilizing temporary funding from Fund 408 pending reimbursement through ACHRA levy funding.

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2026-18, there being ample copies available to the public.

MOTION: Move 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.

ATTACHMENT(S)

1. Resolution 2026-18
2. Purchase Agreement
3. Property Map