

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RESOLUTION NO. 2026-008

RESOLUTION APPROVING A DEVELOPMENT ASSISTANCE AGREEMENT WITH THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY AND ALATUS COLUMBIA HEIGHTS II LLC

BE IT RESOLVED by the by the City Council of the City of Columbia Heights, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City and the Columbia Heights Economic Development Authority (the “Authority”) have previously established the Alatus Tax Increment Financing District (the “TIF District”), a redevelopment district within the Downtown Central Business Redevelopment Project in the City, and approved a tax increment financing plan therefor, all in accordance with Minnesota Statutes, Sections 469.174 through 469.1794, as amended.

1.02. Alatus Columbia Heights II LLC, a Delaware limited liability company (the “Developer”), owns certain property located in the TIF District (the “Developer Parcel”), and the City owns certain property also located in the TIF District legally described in EXHIBIT B attached to the Agreement hereinafter defined (the “City Parcel” and together with the Developer Parcel, the “Development Property”). If necessary for the purpose of developing a multi-phased mixed-use development project on the Development Property, currently anticipated to include high-density residential housing, medium-density residential housing, commercial/retail space, and public open space (the “Project”), the City will convey the City Parcel to the Authority, for conveyance by the Authority to the Developer pursuant to an amendment to the Agreement.

1.03. To make the Project financially feasible, the City provided a bridge loan to the Developer of the proceeds of the City’s Taxable General Obligation Temporary Tax Increment Bond, Series 2021A, issued by the City on July 21, 2021 in the original aggregate principal amount of \$5,935,000 (the “Series 2021A Temporary TIF Bond”), which the Developer used to purchase the Developer Parcel and pay costs of demolition and related loan transaction costs. The Series 2021A Temporary TIF Bond was redeemed and prepaid by the City’s Taxable General Obligation Temporary Tax Increment Refunding Bonds, Series 2023A, issued by the City on December 14, 2023, in the original aggregate principal amount of \$6,615,000 (the “Series 2023A Temporary TIF Bond”). The City anticipates issuing its Taxable General Obligation Tax Increment Refunding Bonds, Series 2026A, on or about January 27, 2026, in the original aggregate principal amount of \$7,635,000 (the “Series 2026A TIF Bond”), to redeem and prepay the Series 2023A Temporary TIF Bond.

1.04. The Series 2026A TIF Bond is payable primarily from the tax increments derived from the Development Property and the improvements thereon, as further described in that certain Development Assistance Agreement (the “Agreement”) between the Authority, the City, and the Developer.

1.05. There has been presented to the City Council a form of the Agreement, which also includes a form of a Minimum Assessment Agreement (the “Assessment Agreement”) to be executed and delivered by the Developer, the Authority, and the tax assessor for each phase of the Project, including in particular, a multifamily housing development currently anticipated to consist of approximately 275 market-rate and/or

workforce apartment housing units and parking to be constructed by the Developer on the Developer Parcel (“Phase 1”), as further described in the Agreement.

1.06. The City believes that Phase 1 of the Project is in the best interests of the City and will help alleviate a housing shortage in the City.

Section 2. Agreement.

2.01. The City Council hereby approves the Agreement substantially in accordance with the terms set forth in the form presented to the City Council, together with any related documents necessary in connection therewith, including the Assessment Agreement, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Agreement (collectively, the “Development Documents”) and hereby authorizes the Mayor and the City Manager (the “Authorized Officers”) to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder when all conditions precedent thereto have been satisfied.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the Authorized Officers prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the officers, any of the documents authorized by this resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act on their behalf.

2.03. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents.

2.04. The City Council hereby authorizes staff of the City and the Authority and the City’s and the Authority’s advisors and legal counsel to proceed with the implementation of this resolution and the Agreement and the Assessment Agreement and to negotiate, draft, and prepare all further plans, resolutions, documents and contracts necessary for this purpose.

Section 3. Future Amendments. The authority to approve, execute and deliver future amendments to the Development Documents entered into by the City and consents required under the Development Documents is hereby delegated to the Authorized Officers, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the City; (b) such amendments or consents do not contravene or violate any policy of the City, and (c) such amendments or consents are acceptable in form and substance to the City Attorney or the counsel retained by the City to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

Section 4. Effective Date. This resolution shall be effective upon approval.

Approved this 12th day of January, 2026, by the City Council of the City of Columbia Heights,
Minnesota.

Offered by:
Seconded by:
Roll Call:

Amáda Márquez Simula, Mayor

ATTEST:

Sara Ion, City Clerk