



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	05/02/2022

ITEM:	Creation of the Fire Suppression Grant Pilot Program	
DEPARTMENT:	Community Development	BY/DATE: Mitchell Forney 4/27/22

BACKGROUND:

During the May 3rd, 2021, EDA Meeting, Community Development staff brought forth for discussion the possibility of a Fire Suppression Grant Program. At that meeting, staff discussed how the Minnesota Administrative Rules (Building Code) requires any change in use, expansion, remodel, or new construction of a commercial development to meet current fire suppression code requirements. On several occasions, Staff has interacted with constituents that are looking to bring new businesses into the City, but their projects have difficulties coming to fruition due to the high cost of installing fire suppression systems.

Therefore, staff has proposed the Fire Suppression Grant Pilot Program. This is a program seeking to assist businesses and property owners in partially alleviating the costs of installing fire suppression systems. After receiving positive feedback from the EDA, staff has moved forward and established the principal documents for the Fire Suppression Grant Pilot Program.

In summary, the Fire Suppression Grant Pilot Program is a reimbursement program like the EDA's Façade Improvement Grant Program. The Fire Suppression Grant Pilot Program reimburses qualifying applicants up to 50% of the project costs with a maximum of \$15,000 per grant. The geographic boundaries for program eligibility are the same as the current Façade Improvement Grant Program and are limited to commercial or mixed-use buildings. Improvements that are eligible include the following: design and engineering costs, construction and installation of a fire line from the main water line to the building, fire sprinkler system equipment/installation, and associated fire alarm systems/installation.

Staff recommends establishing the Pilot Program by using existing funds from the EDA's Redevelopment Fund 408. This fund currently serves as the revenue source for the Commercial Revitalization activities of the EDA, which includes the Façade Improvement Grant Program and the scattered site acquisition of single-family homes that are zoned commercially. Fund 408 has historically been replenished with approximately \$250,000 each year by the City's special HRA levy. However, in 2022, the City increased the levy amount to \$310,000 to provide additional funding for the various programs that are supported by Fund 408. To fund the Pilot Program, staff recommends setting aside \$45,000 to get through the rest of 2022 and all of 2023. This number represents the unused portion of the Façade Improvement Grant funds from the 2020 budget. In subsequent years, staff and the EDA can determine funding levels based upon the success of the program.

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2022-12, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2022-12, a resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving the creation and implementation of the Fire Suppression Grant Pilot program.

ATTACHMENT(S):

1. Fire Suppression Grant Pilot Program Guidelines
2. Fire Suppression Grant Agreement
3. Resolution 2022-12