

**ECONOMIC DEVELOPMENT AUTHORITY (EDA)
MINUTES OF THE MEETING OF
DECEMBER 7, 2020**

The meeting was called to order at 5:00 pm by Chair Szurek.

Members Present: Novitsky, Buesgens, Schmitt, Herringer, Murzyn, Williams, and Szurek.

Staff Present: Aaron Chirpich (Community Development Director), Mitchell Forney (Community Development Coordinator), and Shelley Hanson (Recording Secretary).

PLEDGE OF ALLEGIANCE- RECITED

CONSENT AGENDA

1. Approve the minutes from the meetings of September 28 and October 5, 2020
2. Approve the Financial Reports and Payment of Bills for September and October 2020-Resolution 2020-18.

Questions from Members:

Herringer commented that he liked the new format for the financial reports. He questioned the payments to Xcel Energy on check #181975. Chirpich stated this was for the parking ramp by the medical clinic. Herringer then asked about the payment to Sprint on check # 182163. Chirpich responded that this was the settlement payout for the tower relocation issue. The payment to AT & T (check #182180) was the first payment as part of the settlement also. They will have another one next year. And the two payments to Crown Castle were part of the settlement to them also (paid from two different funds). The remainder of their settlement is the construction of the new tower and their right to continue leasing space on the tower.

*Motion by Buesgens, seconded by Williams, to approve the consent agenda as presented.
All ayes. MOTION PASSED.*

RESOLUTION NO. 2020-18

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTHS OF SEPTEMBER AND OCTOBER 2020, AND THE PAYMENT OF THE BILLS FOR THE MONTHS OF SEPTEMBER AND OCTOBER 2020.

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 months of September and October, 2020 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, financials 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 a part of the permanent records of the Columbia Heights Economic Development Authority.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 7th day of December, 2020	
Offered by:	Buesgens
Seconded by:	Williams
Roll Call:	All ayes
	_____ President
Attest:	
_____ Assistant Secretary	

BUSINESS ITEMS

1. Approve CEE Contract for Home Energy Squad Services-Resolution 2020-19

Forney explained that in April 2019 the EDA Approved a partnership with the Center for Energy and Environment (CEE) to provide subsidized home energy inspections through CEE’s Home Energy Squad program. This program was renewed in 2020 and has seen 51 households take advantage of the subsidized home visits. In the past 2 years the City has funded the program with a max contribution of \$5,000 per year. CEE offers two different types of visits under its home energy program. Energy Saver visits cost \$70 and include an insulation inspection, safety check on heating and water systems, and the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather stripping, programmable thermostats, and LED light bulbs. Energy Planner visits cost \$100 and include everything offered in an Energy Saver visit plus a blower door test to check for air leaks, visual inspection of insulation levels with use of infrared camera, heating system and hot water heater combustion safety tests, and a report to the homeowner on recommended energy upgrades.

For the last two years the EDA has only funded the Energy Planner visits, formerly called the Enhanced Visit, in an attempt to influence homeowners to take advantage of the more robust program. Due to the fact that the EDA's contribution has been underutilized for the last two years, Community Development staff recommends funding both programs during this agreement cycle. Once the program reaches its potential of serving 100 households per year, the contribution may be altered again to refocus on the Energy Planner visits. If approved the City would subsidize both types of visits by 50 percent, \$35 for Energy Saver visits and \$50 for Energy Planner Visits.

The agreement included with this letter has a term length of three years. CEE recently re-negotiated their partnership with Excel energy and has signed a new three year agreement to operate the Home Energy Squad Program. CEE has requested that future agreements follow the agreement cycle they have with Excel Energy so that all their partnerships are renewed at the same time.

STAFF RECOMMENDATION:

Staff recommends approving Resolution 2020-19, a resolution approving an agreement with the Center for Energy and Environment to subsidize Home Energy Squad visits.

Questions/comments from members:

Buesgens stated that it's a good idea to keep this program in place.

Szurek asked if we would be adding an additional \$5,000 to the program for 2021 or if the leftover funds would help offset that amount to keep the annual program cost to \$5,000. Chirpich said the remaining funds from 2020 will be carried forward (approximately \$2,500), and additional funds would be added to bring the 2021 working capital to \$5,000. She stated residents probably were skeptical of participating in this program during 2020 due to covid, and were apprehensive about letting people in their homes to conduct the audits. Hopefully we will get more residents to take advantage of this program going forward.

Novitsky asked if the EDA is approving \$5,000 per year maximum for the entire three years period now, or if this will be brought back to them every year. Chirpich stated this is approval for the three year period and there is no need to come back till 2023.

Schmitt clarified that only approximately \$2,500 will be needed to fund the program for 2021. Chirpich stated that was correct.

Motion by Schmitt, seconded by Novitsky, to waive the reading of Resolution 2020-19, there being ample copies available to the public. All ayes MOTION PASSED.

Motion by Schmitt, seconded by Novitsky, to adopt Resolution 2020-19, a resolution of the Columbia Heights Economic Development Authority approving the agreement with the Center for Energy and Environment to perform Home Energy Squad visits. All ayes. MOTION PASSED.

This is the Agreement we will enter into with “CEE”, along with the approved Resolution 2020-19.

**AGREEMENT to Perform
Home Energy Squad Visits
In the City of Columbia Heights**

This Agreement is made by and between the Columbia Heights Economic Development (“EDA”) with offices at 590 40th Ave NE Columbia Heights, MN 55421 and the Center for Energy and Environment (“CEE”), with offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401.

The following agreement is for the Center for Energy and Environment (CEE) to deliver Home Energy Squad Planner visits to residents of the City of Columbia Heights.

PROGRAM SCOPE

The purpose of the Home Energy Squad visits is to promote energy conservation in residential properties. Energy Saver visits offer energy efficient installs, and Energy Planner visits offer installs, diagnostic tests, and follow-up services. CEE will perform Home Energy Squad Energy Saver and Energy Planner visits for residents per the fee schedule listed below.

Type of Home Energy Squad Visit	EDA payment	Resident co-pay
Energy Saver visit	\$35	\$35
Energy Planner visit	\$50	\$50

**ELIGIBLE
PROPERTY**

ES

Properties must be residential (from 1-4 units) and located within the geographical boundaries of the City of Columbia Heights. Individual owners of condominiums or town homes are eligible for funding.

CEE TASKS

- 1. Conduct Home Energy Squad Energy Saver Visits.** CEE will conduct Home Energy Squad Energy Saver visits to help homeowners identify and implement energy savings opportunities in their homes. The visit will include an insulation inspection, safety check on heating system and water, and the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather stripping, programmable thermostats and LED light bulbs.
- 2. Conduct Home Energy Squad Energy Planner Visits.** CEE will conduct Home Energy Squad Energy Planner visits to help homeowners identify and implement energy savings opportunities in their homes. The Energy Planner visit will include the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather stripping, programable thermostats and LED light bulbs. In addition, it will include a blower door test to check for air leaks, visual inspection of insulation levels with use of infrared camera as weather permits, heating system and hot water heater combustion safety tests and a report to the homeowner on recommended energy upgrades (if resident is a renter, permission from the landlord may be required for doing these additional diagnostic services).

The co-pay and exact package of services are subject to change based on programmatic considerations, including CEE’s agreement with utilities and other factors which are outside the bounds of this agreement. CEE will notify the Columbia Heights EDA prior to any changes taking effect. CEE will lead a community-based marketing campaign to promote the program. The Columbia Heights EDA shall provide assistance in developing and implementing this campaign.

- 3. Providing Air Sealing and Insulation quotes.** If air sealing and/or insulation are recommended at a Home Energy Squad Energy Planner visit, CEE may provide a quote to the resident that would be honored by participating insulation contractors. CEE is an independent third party to any transaction between the resident and

- 4. the insulation contractor. CEE does not receive any compensation from insulation contractors, nor does CEE, CenterPoint Energy or Xcel Energy accept any liability for any work performed by these contractors. Any agreement for work done by the contractors is solely between the contractor and the resident.
- 5. **Follow-up services and insulation contractor assistance.** If major upgrades (air sealing, insulation and furnace or boiler replacement) are recommended at the visit, CEE will follow-up with homeowners through email or by phone to encourage implementation. When a quote is provided CEE has the ability to schedule insulation work directly with a qualified contractor making it easier for homeowner to move forward with recommendations. CEE will also provide contact information to program participants who have follow-up questions after the home visit.

CITY TASKS

- 1. **Assist and coordinate with CEE on marketing activities.** This includes working with CEE on press releases, articles in CITY newsletters, water bill inserts, promoting program on CITY website, CITY email lists, assistance in coordinating with neighborhood and other CITY leaders, assistance in reserving workshop and event space as needed.

PAYMENT

CEE shall submit regular invoices to the Columbia Heights EDA for activity performed under this agreement. Invoices will be emailed to the Community Development Department.

The Columbia Heights EDA will reimburse CEE \$35 for every Energy Saver visit and \$50 for every Home Energy Squad Planner visit completed not to exceed \$5,000 per year without further authorization from the EDA.

CONTACTS

The following individuals shall be contacts for this program:

COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT CONTACT PERSON

Aaron Chirpich
Community Development Department, City of Columbia Heights
achirpich@columbiaheightsmn.gov 763-706-3670

CEE CONTACT PERSON

Stacy Boots Camp, Center for Energy and Environment
Assistant Outreach Manager
sbootscamp@mncee.org or 612-244-2429

TERM

The project shall run from January, 1 2021 through December 31, 2023 and may be extended upon mutual agreement by the parties.

In witness thereof, the parties have executed this work order as of the date written below.

COLUMBIA HEIGHTS ECONOMIC
DEVELOPMENT AUTHORITY

CENTER FOR ENERGY AND
ENVIRONMENT

By: _____

By: _____

Date: _____

Date: _____

RESOLUTION NO. 2020-19

A RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY APPROVING THE AGREEMENT WITH THE CENTER FOR ENERGY AND ENVIRONMENT TO PERFORM HOME ENERGY SQUAD VISITS.

BE IT RESOLVED BY the Board of Commissioners of the Columbia Heights Economic Development Authority (the "EDA") as follows:

WHEREAS, the EDA has determined that it is necessary and desirable to promote energy conservation within the City of Columbia Heights (the "City"); and

WHEREAS, the EDA has continually supported the partnership with the Center for Energy and Environment ("CEE") to work towards a more energy efficient city; and

WHEREAS, the EDA has reviewed the Agreement to Perform Home Energy Squad Enhanced Visits in the City (the "Agreement") and has determined to partner with CEE for the purposes of subsidizing home energy squad visits, lowering energy costs of residential properties, and increasing the City's energy efficiency;

NOW, THEREFORE BE IT RESOLVED that the EDA hereby approves the form and substance of the Agreement in the form presented; and

BE IT FURTHER RESOLVED, that Kelli Bourgeois, as the Executive Director of the EDA is hereby authorized, empowered and directed for and on behalf of the EDA to enter into the Agreement and take such action as deemed necessary and appropriate to carry out the purpose of the foregoing resolution.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 7 th day of December, 2020	
Offered by:	Schmitt
Seconded by:	Novitsky
Roll Call:	All ayes
	_____ President
Attest:	
	_____ Assistant Secretary

2. Approve Hazardous Material Abatement Contract for 230 40th Avenue NE

Forney told members this contract being considered is to approve a bid for the removal of hazardous material from 230 40th Avenue NE. In December of 2019 the EDA purchased the property located at 230 40th Ave through the Commercial Revitalization Program. It was the ultimate goal of the EDA to demolish the blighted single family residential house on the property and prepare the site for future redevelopment. The House itself will not be demolished until the spring of 2021 after the structure has been utilized for training by the Fire Department.

The scope of work submitted in the bid request included the removal of asbestos containing materials, appliances, and accessories containing hazardous materials. In response to the request for bids, the EDA received 2 quotes. The quote submitted by Hummingbird Environmental LLC was determined to be the lowest qualified bid. For \$1,500 Hummingbird Environmental LLC shall furnish the services and necessary equipment to complete all work specified in the scope of work. All work will be performed in accordance with OSHA regulations, Minnesota Department of Health Asbestos Abatement Rules, and other applicable Federal and State regulations. Hummingbird Environmental LLC shall insure proper clean up, transport, and disposal of hazardous and asbestos containing materials.

Bid Spreadsheet:

Company	Total
Dennis Environmental Operations	\$ 2,000.00
Hummingbird Environmental LLC	\$ 1,500.00

STAFF RECOMMENDATION:

Staff recommends awarding the contract to the low bidder for abatement work at 230 40th Ave NE to Hummingbird Environmental LLC.

Questions/comments from members:

There were no questions.

Motion by Buesgens, seconded by Williams, to accept the low bid from Hummingbird Environmental LLC, for the removal of all hazardous materials located at 230 40th Avenue NE; and furthermore, to authorize the President and Executive Director to enter into an agreement for the same. All ayes. MOTION PASSED.

A copy of the contract is as follows:

EDA IN AND FOR THE CITY OF COLUMBIA HEIGHTS CONTRACT FOR REMOVAL OF ASBESTOS, AND OTHER HAZARDOUS MATERIALS FROM 230 40th AVE NE, COLUMBIA HEIGHTS

For valuable consideration as set forth below, this Contract dated the ___ day of December, 2020, is made and entered into between the Economic Development Authority in and for the City of Columbia Heights, a public body corporate and political created pursuant to the laws of the State of Minnesota ("EDA") and Hummingbird Environmental LLC, a Minnesota Limited Liability Company ("Contractor").

1. **CONTRACT DOCUMENTS**

Contractor hereby promises and agrees to perform and comply with all the provisions of this Contract and the Proposal dated November 6, 2020, prepared by Contractor attached hereto as **Exhibit A** for the removal of asbestos-containing materials, and removal of other hazardous materials in preparation for demolition of the residential property located at 230 40th Ave NE, Columbia Heights, Minnesota ("Property"). The survey prepared by Angstrom Analytical, Inc. dated June 30, 2020 ("Survey") identifies certain hazardous materials that shall be removed by Contractor from the Property and is attached hereto as **Exhibit B**. The Contract, Proposal and Survey shall comprise the total agreement of the parties hereto. No oral order, objection, or claim by any party to the other shall affect or modify any of the terms or obligations contained in this Contract.

2. **THE WORK**

The work to be performed by Contractor under this Contract (hereinafter the "Work"), is defined in the Proposal as removal of asbestos-containing materials, and removal of hazardous and solid waste materials identified on the Survey, excluding the fuel tanks, in preparation for demolition of the residence located on the Property. As part of the Work, Contractor agrees to remove all excess material from the Property.

3. **CONTRACT PRICE**

The EDA agrees to pay Contractor the sum of \$1,500.00 in exchange for Contractor furnishing labor and materials for the Work at the Property, payable within 30 days of Contractor's completion of the Work.

Contractor may start work on this project upon its execution of this Contract.

4. **COMPLETION DATE/LIQUIDATED DAMAGES**

Contractor shall complete all Work on or before January 30th, 2021. ("Completion Date"). Due to the difficulty in ascertaining and establishing the actual damages which the EDA would sustain, liquidated damages are specified as follows for failure of Contractor to complete his performance under this Contract by the Completion Date: for every calendar day that the Contract shall remain uncompleted beyond the Completion Date of January 30th, 2021, Contractor shall pay the EDA \$50.00 per day as liquidated damages.

5. **INSURANCE**

Before beginning actual work under this Contract, Contractor shall submit to the EDA and obtain the EDA's approval of a certificate of insurance on Standard Form C.I.C.C.-701 or ACORD 25 forms, showing the following insurance coverage, and listing the EDA and City as a loss payee under the policies:

- | | | |
|----|-------------------------------|-------------------|
| a. | General Contractor Liability: | \$1,000,000.00 |
| b. | Workman's Compensation: | Statutory Amounts |

This certificate must provide for the above coverages to be in effect from the date of the Contract until 30 days after the Completion Date, and must provide the insurance coverage will not be canceled by the insurance company without 30 day's written notice to the EDA of intent to cancel. The certificate must further provide that Contractor's insurance coverage is primary coverage notwithstanding any insurance coverage carried by the City or EDA that may apply to injury or damage relating to the maintenance or repair of the City streets or rights-of-way by either the City, EDA or any employee, agent, independent contractor or any other person or entity retained by the City or EDA to perform the services described herein. All insurance is subject to the review and approval of the Columbia Heights City Attorney.

6. **LAWS, REGULATIONS AND SAFETY**

Contractor shall give all notices and comply with all laws, ordinances, rules and regulations applicable to performance under this Contract. Contractor shall provide adequate signs and/or barricades, and will take all necessary precautions for the protection of the Work and the safety of the public.

7. **INDEMNIFICATION**

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless the EDA, its agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of Work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury or to destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

8. **ASSIGNMENT**

Contractor shall not assign or transfer, whether by an assignment or novation or otherwise, any of its rights, duties, benefits, obligations, liabilities or responsibilities without prior written consent of the EDA.

9. **NOTICE**

The address and telephone number of Contractor for purposes of giving notices and any other purpose under this Contract shall be 522 Concord Street North, Suite 400, South St. Paul, MN 55075, 651-457-4699.

The address of the EDA for purposes of giving notices and any other purposes under this Contract shall be 590 40th Avenue NE, Columbia Heights, MN 55421.

IN WITNESS WHEREOF, the parties to this Contract have hereunto set their hands and seals as of the day and year first above written.

**ECONOMIC DEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF COLUMBIA HEIGHTS**

By: _____
Kelli Bourgeois
Its: Executive Director

Hummingbird Environmental LLC.

By: _____
Its: _____

3. Approve Service Agreement with TimeSaver Off Site Secretarial Inc.

Chirpich explained that the Community Development department has made the move to one full time Administrative Assistant over the past year. This position is responsible for all administrative duties serving the department, including work that supports the activities of the EDA. To accommodate the move to a single Administrative Assistant, the workload for the position needs to be reduced or streamlined wherever possible. To achieve this objective, staff recommends that the EDA contract with TimSaver Secretarial to complete meeting minutes on behalf of the EDA. TimeSavers currently provide minute taking services for the City Council, and they have proposed adding the EDA to the City's base contract. The company will use video recordings of EDA meetings to complete the work. Timesavers will bill the EDA separately from the City according the terms of the attached rate schedule. Rates will vary and the price sheet was included in the agenda packets. Chirpich stated that the City Council meetings average about \$200 per meeting.

STAFF RECOMMENDATION:

Staff recommends approving the proposed Timesaver Secretarial 2021 rate schedule as presented for minute taking services.

Questions/comments from members:

There were no questions regarding this matter.

Motion by Novitsky, seconded by Murzyn, to approve the 2021 rate schedule proposed by TimeSaver Off Site Secretarial, Inc. to provide minute taking services for the EDA in 2021; and furthermore, to authorize the Executive Director to enter into an agreement for the same. All ayes. MOTION PASSED.

4. Approve Acquisition of 960 40th Ave NE and 1002 40th Ave NE-Resolution 2020-20 & 2020-21

Chirpich explained that during the predevelopment planning phase for the 3989 Central redevelopment project, it became clear that the acquisition of 960 40th Avenue NE was necessary for the successful completion of the larger project. The necessity to acquire 960 40th Avenue is driven by its close proximity to the redevelopment site and the need to maintain alley access to nearby properties during construction.

Chirpich told members that the single-family home located at 960 40th Avenue sits just four (4) feet from the western property line that adjoins the redevelopment site. Directly west of the house and five feet from the property line of 960 40th Avenue there is a narrow alley. This alley serves as an access point to the garages of two additional homes in the immediate vicinity. Beneath the alley lies a City storm sewer line that has to be relocated as part of the broader redevelopment project. To keep the project on schedule, this sewer line has to be relocated at the beginning of the project. Removal and relocation of the current storm sewer line requires removal of the alley. Because the alley is so close to the primary excavation for the underground parking structure of the new development, the alley will be removed for a long period of time and the hole where the alley used to be will be over 10 feet deep. Therefore, to maintain access for the other homes nearby that utilize the alley for their garages, a new access point is required. To achieve the new access point, Alatus has purchased the property at 960 40th Avenue and they have torn down the former detached garage that was on the site. Removal of the garage has allowed access for the adjacent property owners to be achieved along the eastern side of 960 40th Avenue, effectively bypassing the former narrow alley.

Alatus originally approached staff in June of 2020 to see if the EDA could entertain the purchase of 960 40th Avenue at that time, as Alatus had reached out to the owner and determined that the owner was interested in selling. Staff responded to Alatus by stating that the EDA could not consider the purchase because the EDA's redevelopment funds were tied up in the purchase of the 3989 Central Avenue redevelopment site. Staff did indicate that 960 40th Avenue would be a property of interest to the EDA once the closing of 3989 Central was completed.

Now that the EDA has closed on the sale of the redevelopment site to Alatus, staff recommends moving forward with the acquisition of 960 40th Avenue. Staff considers the property to be a priority acquisition for redevelopment given the poor condition of the home and its close proximity to the new development. Alatus has purchased the property for \$225,000 and has paid the former owner an additional \$55,000 in relocation assistance, for a total investment of \$280,000. The tax assessed value of the property is \$185,000. Alatus has offered the property to the EDA for \$225,000. Staff considers this a fair deal given the fact that the acquisition was necessary to ensure the success of the larger project, and Alatus has agreed to cover the relocation expenses. Staff has no immediate plans for redevelopment of the site, as additional adjacent properties will have to be acquired to assemble enough land for a larger project.

BACKGROUND – 1002 40th Avenue:

1002 40th Avenue is located just east of 960 40th Avenue and was offered for sale on 11-20-20 with a list price of \$165,000. This property was formerly used as a duplex, but most recently was being used as a single family home. The listing agent indicated that there were multiple pending offers on the first day it was listed and informed staff that no offers would be reviewed until 11-23-20. Staff submitted an offer of \$175,000 on 11-23-20, and the offer was accepted the next day. The seller received multiple offers for the home, and indicated that the EDA's offer was not the highest price offer received. The other higher price offers were viewed as less secure than the EDA's. The tax assessed value of the property is \$172,000. Staff considers this potential acquisition to be a priority given its proximity to the 3989 Central Avenue redevelopment site, and the 960 40th Avenue property discussed above. Chirpich acknowledged that the EDA/City would still need to acquire the three properties in between 960 and 1002 40th Ave, and possible one property on Gould, in order to create a redevelopment site, but it is working toward that goal.

STAFF RECOMMENDATION:

Staff recommends that the EDA approve the purchase of both properties as part of a strategic land acquisition effort that will promote additional redevelopment in the immediate vicinity of the 3989 Central Avenue site. In addition to the base acquisition price of each home, staff anticipates that demolition and site clearing costs for both properties combined will total \$50,000, bringing the total project budget to \$450,000. Funding will come from the EDA redevelopment Fund 408. There are adequate funds to cover this expense, but it will commit most of the 2021 amount with these transactions.

Questions/comments from members:

Buesgens asked what kind of redevelopment Chirpich envisioned for this site. He responded that possibly a smaller multi-unit development such as a couple of two story, tri-plex buildings. He said he would not recommend constructing single family homes on the lots. Buesgens asked if staff had engaged in a conversation to see if the three property owners in between are interested in selling. Chirpich stated that staff has not approached them thus far.

Buesgens thinks the City Council should have a conversation about its policy regarding relocation fees. There was a discussion about the history of the City being reluctant to cover these expenses, and it being an "unwritten policy" to avoid it if possible. She thinks the topic needs to be re-visited in order to speed up the acquisition process for future redevelopment areas such as this one. Chirpich told members that it is usually easier to negotiate terms for relocation with single family home owners than it is for apartment building owners/tenants due to the number of renters involved.

Szurek thought it was a good opportunity to pick up these properties while we have the chance to do so.

Herringer said the City avoided paying relocation fees when buying the old Mady's bowling alley site by waiting until all the tenants had vacated the space on their own. It was noted, this becomes a more expensive issue when dealing with commercial property versus residential.

Motion by Buesgens, seconded by Schmitt, to waive the reading of Resolution 2020-20, there being ample copies available to the public. All ayes. MOTION PASSED.

Motion by Buesgens, seconded by Schmitt, to adopt Resolution 2020-20, a resolution approving the purchase agreement between the Columbia Heights Economic Development Authority and Alatus, LLC. All ayes. MOTION PASSED.

Motion by Novitsky, seconded by Murzyn, to waive the reading of Resolution 2020-21, there being ample copies available to the public. All ayes. MOTION PASSED.

Motion by Novitsky, seconded by Murzyn, to adopt Resolution 2020-21, a resolution approving the purchase agreement between the Columbia Heights Economic Development Authority and Lori Gibson. Roll Call Vote:

COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 2020-20

RESOLUTION APPROVING PURCHASE AGREEMENT BETWEEN THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY AND ALATUS, LLC

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Columbia Heights Economic Development Authority (the "Authority") as follows:

Section 1. Recitals.

1.01. The Authority and Alatus, LLC ("Seller") desire to enter into a purchase agreement (the "Purchase Agreement") pursuant to which the Authority will acquire certain property in the City located at 960 40th Avenue NE (the "Property") from the Seller for economic redevelopment purposes. The Property is described in Exhibit A attached hereto.

1.02. Pursuant to the Purchase Agreement, the Authority will purchase the Property from the Seller for a purchase price of \$225,000 plus related closing costs.

1.03. The Authority finds that acquisition of the Property is consistent with the City's Comprehensive Plan and will result in redevelopment of a substandard property, and that such acquisition will facilitate the economic redevelopment and revitalization of this area of the City.

Section 2. Purchase Agreement Approved.

2.01. The Authority hereby ratifies and approves the actions of Authority staff in researching the Property and preparing and presenting the Purchase Agreement. The Authority approves the Purchase Agreement in the form presented to the Authority and on file at City Hall, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Purchase Agreement by those officials shall be conclusive evidence of their approval.

2.02. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Purchase Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Purchase Agreement, and any deed or other documents necessary to acquire the Property from the Seller, all as described in the Purchase Agreement.

Approved this 7th day of December, 2020, by the Board of Commissioners of the Columbia Heights Economic Development Authority.

President

ATTEST:

Secretary

EXHIBIT A

PROPERTY

Lot 23, Block 6, Reservoir Hills, Columbia Heights, Anoka County, Minnesota

**COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 2020-21
RESOLUTION APPROVING PURCHASE AGREEMENT BETWEEN THE
COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY AND
LORI GIBSON**

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Columbia Heights Economic Development Authority (the "Authority") as follows:

Section 2. Recitals.

1.01. The Authority and Lori Gibson ("Seller") desire to enter into a purchase agreement (the "Purchase Agreement") pursuant to which the Authority will acquire certain property in the City located at 1002 40th Avenue NE (the "Property") from the Seller for economic redevelopment purposes. The Property is described in Exhibit A attached hereto.

1.02. Pursuant to the Purchase Agreement, the Authority will purchase the Property from the Seller for a purchase price of \$175,000 plus related closing costs.

1.03. The Authority finds that acquisition of the Property is consistent with the City's Comprehensive Plan and will result in redevelopment of a standard property, and that such acquisition will facilitate the economic redevelopment and revitalization of this area of the City.

Section 2. Purchase Agreement Approved.

2.01. The Authority hereby ratifies and approves the actions of Authority staff and of Re/Max Synergy acting as the Authority's real estate broker ("Broker") in researching the Property and preparing and presenting the Purchase Agreement. The Authority approves the Purchase Agreement in the form presented to the Authority and on file at City Hall, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Purchase Agreement by those officials shall be conclusive evidence of their approval.

2.02. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Purchase Agreement as a whole, including without limitation execution of any documents to which the Authority is a party referenced in or attached to the Purchase Agreement, and any deed or other documents necessary to acquire the Property from the Seller, all as described in the Purchase Agreement.

Approved this 7th day of December, 2020, by the Board of Commissioners of the Columbia Heights Economic Development Authority.

President

ATTEST:

Secretary

EXHIBIT A

PROPERTY

Lot 19, Block 6, Reservoir Hills, Anoka County, Minnesota.

OTHER BUSINESS

The next regularly scheduled meeting is January 4, 2021.

Motion by Buesgens, seconded by Murzyn to adjourn the meeting at 5:48 pm.

Respectfully submitted,

Shelley Hanson
Secretary