



ECONOMIC DEVELOPMENT AUTHORITY
City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, August 04, 2025
5:00 PM

MINUTES

The meeting was called to order at 5:00 pm by President James

CALL TO ORDER/ROLL CALL

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

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

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approve the minutes of the regular EDA Meeting of July 7, 2025.
2. Approve financial reports and payment of bills for June 2025 – Resolution No. 2025-17.

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

RESOLUTION NO. 2025-17

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF COLUMBIA HEIGHTS, MINNESOTA, APPROVING THE FINANCIAL STATEMENTS FOR THE MONTH OF JUNE 2025 AND THE PAYMENT OF THE BILLS FOR THE MONTH OF JUNE 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 June 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 4th of August, 2025

Offered by: Laurel Deneen

Seconded by: Justice Spriggs

Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

BUSINESS ITEMS

3. Façade Improvement Grant Report for Juanchito Barber located at 4050 Central Ave NE

Voight reported on the 2025 Façade Improvement Grant application for 4050 Central Ave NE. This building was formerly occupied by Don's Barber Shop. The new tenant is Juanchito Barber, a new business. The new tenant is applying for grant funds for new storefront signage on the Central Avenue façade of the structure. A photo of the existing conditions has been included in the Agenda Packet.

Voight stated the applicant was able to receive two bids for the signage, amounting to \$4,300 (SignMinds Inc.) and \$5,844.09 (BMS Signs & Printing). This sets them up for a grant amount of \$2,922.05. Renderings of the proposed signage have been included in the packet. Community Development staff recommend funding this project in full as the new signage will reflect the new business and help attract customers.

Voight noted that, thus far in 2025, the EDA has approved three Façade Improvement Grant applications for a total of \$11,749.25 approved, with an additional \$2,922.05 being requested at this meeting. This leaves \$65,328.70 in Façade Improvement Grant funds remaining from the initial annual budget of \$80,000.

Questions/Comments from Members:

Szurek asked if the applicants were doing anything more to the building than just putting up signage. Voight replied that the rendering is strictly for the signage. The grant funding request is only for the signage. She added that the applicant intends to do some painting and other things on the front of the structure, but they were unsure of specifics during the time that they were filling out the application.

Buesgens asked if the EDA had any influence in encouraging the applicant to do anything like signs that project from the structure. Forney replied that the City Code only allows signs to stick out a certain amount from the building. Buesgens asked what the reason was for the signs not jutting out too far. Forney replied that it is due to the structural weight that it causes.

James expressed her gratitude that the applicant worked with the multicultural liaison and that the grant was reaching a broader community of applicants. She added that she is glad that something is happening in the vacant space.

Motion by Márquez-Simula, seconded by Dibba, to waive the reading of Resolution 2025-18, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Márquez-Simula, seconded by Buesgens, to adopt Resolution No. 2025-18, 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 Juanchito Barber. All ayes of present. MOTION PASSED.

RESOLUTION NO. 2025-18

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 JUANCHITO BARBER

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 Juanchito Barber.
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 4th of August, 2025

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

President

Attest:

Secretary

4. 4243 5th St Habitat For Humanity Gap Financing Discussion

Forney reported at the May 5th EDA meeting, Community Development staff presented a gap financing request from Twin Cities Habitat for Humanity (TCHFH) for their partnership project at 4243 5th Street NE. At that time, TCHFH identified a total financing gap of approximately \$120,000, comprised of a \$90,000 development gap and a \$30,000 affordability gap. At the May meeting, TCHFH requested \$75,000 in financial assistance to help close the development portion of the gap. During the EDA's discussion of the request at that meeting, EDA commissioners expressed hesitation about providing the full amount of funding. Commissioners were divided on whether to

directly fund the project in full, to offer to fund the project in full but with half as a loan and half as a grant, or to reserve the funds for future initiatives. Since that meeting, staff have worked closely with TCHFH to explore creative solutions to address the funding gap. As a result, staff and TCHFH are bringing forward a revised proposal that balances the project's needs with the EDA's expressed financial considerations. TCHFH will attend the meeting in person to present on this revised request and provide additional details about how they finance their projects.

Forney stated that after further discussion, staff and TCHFH have agreed on a reduced request for \$35,000 in financial assistance. This revised figure acknowledges the project's unique financing challenges while preserving EDA resources for future initiatives. It also reflects unforeseen project costs and changing site conditions, which are described below. Unlike typical Habitat for Humanity projects, the 4243 5th Street project was initiated in direct partnership with the City, at a time when traditional grant programs were unavailable. This challenging timing meant that Habitat had fewer external funding sources than usual, contributing to the financing gap. In addition, unexpected stormwater drainage issues emerged during the course of the project, adding additional costs. After the demolition of the previous structure in December 2023, the site was improperly regraded by the demolition contractor. When an unusual winter rain event occurred, this caused water to flow into a neighboring property's basement. The demolition contractor had fixed the problem, but during the building of the new home, similar issues have emerged. Habitat has since had to regrade the lot and install additional stormwater infrastructure to ensure proper drainage, increasing the project's cost.

Forney noted that staff are proposing that the \$35,000 in assistance be provided in the form of a forgivable deferred loan, as outlined in the attached loan documents and resolution. The loan will be contingent on TCHFH completing all requirements outlined in the Pre-Development Agreement executed with the City. Upon completion of these requirements, the loan will be forgiven, effectively functioning as a grant. To fund the forgivable loan, staff recommend utilizing pooled TIF resources from the C8 TIF District. Under this structure, the C8 District would loan \$35,000 to the W3W4 Scattered Site TIF District, which would then issue the forgivable loan directly to Twin Cities Habitat for Humanity. The W3W4 District would repay the C8 District using revenue generated from properties within its district. Since the W3W4 District is restricted to funding affordable housing-related expenditures, this ensures the proper use of funds. Utilizing pooled TIF dollars also means the proposed loan would not impact the EDA's 2025 budget allocation. Following this transaction, the C8 TIF District would still have approximately \$180,000 available for future affordable housing projects.

Forney mentioned that Community Development staff recommend approval of the \$35,000 forgivable loan to TCHFH. This action continues the EDA's strong partnership with Habitat for Humanity and supports the redevelopment of 4243 5th Street NE. The revised request balances the immediate financing needs of the project while preserving funding capacity for future affordable housing opportunities. Staff believe this proposal represents a responsible and collaborative approach to gap financing in a constrained funding environment.

Noah Keller, Habitat for Humanity Representative, stated he is a real estate development manager with Twin Cities Habitat for Humanity. He provided a summary and history of the project site. He

noted that the house was going to be torn down and used for the Fire Department to do training. After the training, the City was able to offer the property to Habitat for Humanity for \$1. The property development agreement came with a specific timeline for when the house needed to be completed. He noted that they are on track to complete construction before the deadline. He explained that an issue with the timeline was that they could not have another funding source to help with the remaining development or affordability gap. Typically, on a Habitat project, it is anticipated that \$40,000-\$50,000 is private funding. If needed, Habitat for Humanity will dedicate additional funds from the General Fund to cover the remaining development costs or affordability gap.

Mr. Keller explained that due to the lack of other public funding sources, they were able to raise \$30,000 in private funding, but there was still a \$90,000 development gap. He mentioned that when he heard that there was additional City money through the TIF pool, he requested additional funding. He noted that the \$35,000 of funding would help alleviate a little over one-third of the remaining development gap. He added that there is a family that is already matched to the home.

Questions/Comments from Members:

James asked how long the loan would take to be forgiven through repayments. Forney replied that it would take longer than the TIF district has left.

Márquez-Simula mentioned that she was glad to have the funds used in a way that supports affordable housing. She suggested having an update about the family moving into the home during a Council meeting so the community can see that the City wants to support affordable housing.

Deneen mentioned that there was an outside company that came in to do regrading. She asked if the City has gone after insurance to get some of the money recouped due to poor grading. Forney replied that the grading was not under the City's responsibility. The homeowner eventually took up the issue with the contractor, and the contractor fixed the site prior to Habitat for Humanity taking over.

Dibba clarified that Habitat for Humanity was requesting \$35,000 from the EDA. He wondered how the remaining gap funds would be obtained. Mr. Keller replied that Habitat for Humanity would backfill whatever gap remained through general fundraising. He added that it would simply mean that the property would require more private subsidy than other projects.

Mr. Keller expressed his appreciation for the City's solution-based approach.

Motion by Buesgens, seconded by Deneen, to waive the reading of Resolution No. 2025-19 and 2025-20, there being ample copies available to the public. All ayes of present. MOTION PASSED.

Motion by Buesgens, seconded by Deneen, to adopt Resolution No. 2025-19, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, authorizing an interfund loan for advance of funds from Tax Increment Financing University Avenue Redevelopment District (no. C8) for costs in connection with the City-Wide Scattered Site Housing Tax Increment Financing District. All ayes

of present. MOTION PASSED.

Motion by Buesgens, seconded by Deneen, to adopt Resolution 2025-20, a Resolution of the Economic Development Authority of Columbia Heights, Minnesota, approving a loan to Twin Cities Habitat For Humanity, Inc. and approving a loan agreement relating to a forgivable loan and related loan documents.

RESOLUTION NO. 2025-19

AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF FUNDS FROM TAX INCREMENT FINANCING UNIVERSITY AVENUE REDEVELOPMENT DISTRICT (NO. C8) FOR COSTS IN CONNECTION WITH THE CITY-WIDE SCATTERED SITE HOUSING TAX INCREMENT FINANCING DISTRICT

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

Section 1. Background.

1.01. Pursuant to Minnesota Statutes, Sections 469.174 through 469.1799, as amended, and predecessor statutes (the "TIF Act"), the City of Columbia Heights, Minnesota (the "City") and the Housing and Redevelopment Authority in and for the City (the "HRA") previously established Tax Increment Financing University Avenue Redevelopment District (No. C8) ("TIF District C8") within a project area variously called the Downtown CBD Revitalization Project, the Central Business District Redevelopment Project, and the CBD Redevelopment Project (the "Project").

1.02. By resolution approved January 8, 1996, the City transferred to the EDA the control, authority and operation of all projects then administered by the HRA.

1.03. Pursuant to the TIF Act, the City and the Authority also previously established the CityWide Scattered Site Housing Tax Increment Financing District ("Scattered Site TIF District") within the Project.

1.04. The Authority expects to incur certain costs related to the Scattered Site TIF District, which costs may be financed on a temporary basis from available Authority funds.

1.03. Under Section 469.178, Subdivision 7 of the TIF Act, the Authority is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act.

1.04. The Authority intends to establish a deferred loan for affordable housing redevelopment within the Project, including but not limited to property located at 4243 5th Street NE, Columbia Heights MN 55421, in the City (collectively, the "Property"), and intends to pay all or a portion of the costs of the deferred loan using tax increments from TIF District C8, up to the total balance of tax increments available in the fund or account for TIF District C8 (the "Balance").

1.05. The Authority has designated the advance of funds for the deferred loan as an interfund loan (the "Interfund Loan" or "Loan").

Section 2. Authorization of Use of Funds; Further Actions.

2.01. The Authority hereby authorizes use of the Balance from TIF District C8 as one of the legally available funding sources for the Interfund Loan.

2.02. The Authority authorizes the Loan in the amount of \$35,000, to be drawn from the account for TIF District C8. Such amount will be made available to the Authority at or before the disbursement of the deferred loan. The outstanding principal balance of the Loan bears interest at the rate of 5.0 percent per annum (which is the greater of the rates specified under Sections 270C.40 or 549.09 in accordance with Minnesota Statutes, Section 469.178, subdivision 7); provided, however, the Executive Director of the EDA is authorized to specify a lower rate. Interest accrues from the respective dates of each disbursement from the identified account in order to fund the deferred loan.

2.03. The Loan is payable from tax increments generated from the Scattered Site TIF District (if any), from any other tax increments legally available for such purposes, and from any other revenues available to the Authority. Principal and interest ("Payments") shall be made at the times any revenue sources are available to make installment payments. The outstanding balance of principal and interest is due on the date of last receipt of tax increment from the Scattered Site TIF District or from any other tax increment district from which repayment of the Loan is made. Payments will be credited to the account from which the Loan was drawn. All payments shall be applied first to accrued interest, and then to unpaid principal of the Loan.

2.04. The Authority reserves the right to permanently allocate all or any portion of the Balance to the deferred loan and to amend the terms of the Interfund Loan at any time by resolution of the Authority's Board of Commissioners, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon approval.

ORDER OF ECONOMIC DEVELOPMENT AUTHORITY

Passed this 4th of August, 2025

Offered by: Connie Buesgens
Seconded by: Laurel Deneen
Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

RESOLUTION NO. 2025-20

APPROVING LOAN TO TWIN CITIES HABITAT FOR HUMANITY, INC. AND APPROVING A LOAN AGREEMENT RELATING TO A FORGIVABLE LOAN AND RELATED LOAN DOCUMENTS

WHEREAS, the Columbia Heights Economic Development Authority (the “EDA”) is an economic development authority established pursuant to Minnesota Statutes, Sections. 469.090 to 469.108, as amended (“EDA Act”), and has all the powers under the EDA Act as well as all the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047 (“HRA Act”). Under Minnesota Statutes, Section 469.192, the EDA also has the authority to make loans for any purpose the EDA is authorized to carry out under the EDA Act and HRA Act; and

WHEREAS, Twin Cities Habitat for Humanity, Inc., a Minnesota nonprofit corporation (the “Borrower”), has requested that the EDA loan the Borrower funds to finance the development of a singlefamily residential home (the “Project”), located at 4243 5th Street in the City of Columbia Heights, Minnesota (the “Property”); and

WHEREAS, the Board of Commissioners (the “Board”) of the EDA has received and reviewed a form of Loan Agreement, to be entered into between the EDA and the Borrower (the “Loan Agreement”), providing for a forgivable loan in the amount of \$35,000.00 to the Borrower (the “Loan”) from available tax increments in the fund or account for the City-Wide Scattered Site Housing Tax Increment Financing District, which increments are proposed to be transferred from the fund or account for the Tax Increment Financing University Avenue Redevelopment District (No. C8), to provide gap financing for the Project; and

WHEREAS, the Board has also received and reviewed (i) a form of Promissory Note, to be given by the Borrower to the EDA as evidence of the Loan (the “Promissory Note”), and (ii) a Mortgage, to be given by the Borrower, as mortgagor, to the EDA, as mortgagee, to secure the Loan, as further described therein (the “Mortgage”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Columbia Heights Economic Development Authority, that:

1. The Loan Agreement, the Promissory Note, and the Mortgage (collectively, the “Loan Documents”) are all approved in accordance with their terms, subject to modifications that do not alter the substance of the transaction and that are approved by the President and the Secretary of the EDA, provided that execution of the Loan Documents by such officials shall be conclusive evidence of approval.
2. The President and the Secretary of the EDA are authorized to execute on behalf of the EDA the Loan Documents and any documents referenced therein requiring execution by the EDA, and to carry out, on behalf of the EDA, its obligations thereunder. In the event of absence or disability of any such officers, any of the documents authorized by this resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting

official, or by such other officer or officers of the Board as, in the opinion of legal counsel to the EDA, may act in their behalf.

3. The authority to approve, execute and deliver future amendments to the Loan Documents or consents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA 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 Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the EDA authorized to act in the Executive Director's place and stead.

Passed this 4th of August, 2025

Offered by: Connie Buesgens
Seconded by: Laurel Deneen
Roll Call: All ayes of present. MOTION PASSED.

President

Attest:

Secretary

5. Central Avenue Pass-through Purchase Discussion

Voight stated that at the direction of the EDA, Community Development staff contacted the owner of the property at 4024-4026 Central Avenue NE to discuss the pedestrian pass-through on the south side of the property. For many years, the City has provided maintenance services for this pedestrian walkway leading from Central Ave in the east to the alley and the Van Buren Ramp in the west, even though it is private property. The City maintains the lighting mounted on the south wall of the 4024-4026 building and provides snow removal in the winter.

Voight noted that after discussion with Community Development staff, the property owner expressed an interest in selling the pass-through portion of the property to the City. Ideally, they would like to complete the sale this fall. If the EDA were to purchase the pass-through, it would clarify liability in the event of an accident, ensure that the path remains open to public pedestrian use in the event of a change of building ownership, and potentially provide opportunities for placemaking, improved security, and public art in the Central Business District.

Voight mentioned that the property owner granted permission for the City to have the property

surveyed in order to confirm the exact dimensions of the area. The survey has been included in the Agenda Packet. If the EDA were to purchase this property, it could do so using EDA Redevelopment Fund 408. This fund currently holds approximately \$510,000 in pooled funds unassigned to specific EDA programs or expenditures.

Voight stated Community Development staff recommend that the EDA decide whether it would like to put forward an offer to purchase a portion of the property at 4024-4026 Central Ave NE (the pass-through), and if yes, that it define a price for said offer.

Questions/Comments from Members:

Buesgens stated she did not have a problem with purchasing a portion of the property. She mentioned that redevelopment might occur in the space in the future. She noted it would give the City some leverage in the future. She added that if the City is taking care of the section, it makes sense for the City to own it. She asked how much it would cost. Voight replied that she would look it up.

Voight mentioned that the ally serves as a pedestrian access to the ramp. The City would like to maintain the access area.

Deneen asked what the City's rights were to include lighting in the area, especially if the lighting required drilling into the other property walls in order to get wiring set up. Voight replied that the City maintains some lights that are already installed. She added that there is an informal agreement with the surrounding properties. She noted that if the building was sold to a new property owner and the owner did not want the City to maintain the lights, the City might have a difficult time trying to continue to maintain the lighting. The current owner could be receptive to the City putting in additional lighting since he has been receptive so far. She mentioned that owning the property would allow the City more flexibility for deciding what could go in there, like sidewalk-mounted lights.

Márquez-Simula stated that she was in favor of purchasing the property. She asked if the City had permission to paint the walls. Voight replied that the City would need to get to an agreement with the property owners to do so. Márquez-Simula mentioned that she would like the City to have a discussion with the property owners to see if it was a possibility.

Buesgens pointed out that when there is a purchase agreement, the City would have a deed for the stretch of property. She wondered if there was a way for there to be an agreement with the property owners and the City so that the City is able to ensure that the easements are included. Voight replied that it is something to take into account and to have discussions on whether the easements are a part of the purchase deal or wrapped up into the purchase for a certain amount of time. She mentioned that the space would allow for sidewalk murals on the ground.

Buesgens asked how old the buildings are. Voight replied that there is a survey for the property at 4026 from 1924. Forney added that the other building was also from 1924.

Dibba asked if the two buildings were owned by the same person. Voight replied that the buildings

are owned by two different owners. Dibba suggested that the City speak with both property owners about public art.

James mentioned that she has seen a lot of public art that does not attach to walls. She suggested public art such as a bench, thin lights, sculptures, etc. She added that she thought it was a great idea to purchase the property. Voight mentioned that if the EDA offered \$6 per square foot, it would be about \$6,500. She suggested that the EDA come up with an initial offer and a potential second offer price.

Deneen stated she was in favor of offering \$5-\$5.50 per square foot because the space is not useful for the property owners and the City is already maintaining it. She added that the City has already taken responsibility for it. She noted that the easements for the walls are an additional conversation and have the potential to be something that is negotiated as well.

James asked the Commissioners if they were in favor of purchasing the property. The EDA agreed. James agreed with Deneen's comments and added that she is open to the idea of the City having a negotiation with the property owners. She noted that she would like to have in writing the rights to use the lighting and the mural on the northside property. She stated she would be willing to increase the price. Deneen clarified that her suggestion for having a lower offer cost is just for the base cost of the property, and that the easement would be additional money.

Voight summarized that the EDA would like to purchase the property for around \$5.50 per square foot as a starting offer. She asked the EDA what their second offer would be. Deneen asked if they would want to discuss that in an open meeting. Chirpich suggested bringing back the property owner's offer to the EDA during the negotiation period.

BUSINESS UPDATES

a. NOAH Program Development

Voight mentioned that the EDA discussed a few months ago about moving forward with a NOAH program using the Affordable Housing Trust Fund. Staff have been working with CEE and the legal counsel to work out the contracts, documents, and budgets. The contracts will be available for the EDA to review during the September EDA meeting. The contract will include a recap of the design and the budget documents. Forney added that the MMB distributed how much the City would be getting for the year, which will be \$394,000 and will be in two installments. The funds from LAHA cannot be used to administer the program.

Márquez-Simula mentioned that there are a number of stores in the Business District that have fabric or other materials covering their storefront windows. She asked for an update during the next EDA meeting regarding what the City Code is, and which businesses are in the Business District and would need enforcement. Forney replied that the City does not allow businesses to cover their windows completely. He added that the new Code Enforcer would begin reaching out to businesses that have covered their windows. He noted that he would speak with the Code Enforcer.

Dibba asked if there was an update regarding the Rainbow and Medtronic sites. Forney replied that the City Council recently heard from the developer for the Medtronic site during the last Council

meeting. The rezoning of the property, the preliminary plat, the easement vacation, and the shoreland overlay variance were approved during the meeting. The project will be moving into the development contract phase. The developer will need each part of the site approved. The EDA will be hearing from the developer regarding a TIF application and request for financial assistance. The City Council has approved applying for LCDA funding and LIHTC bonds from the State. The developer did not receive their bond funding in July. The next bond cycle is in January. The project is anticipated to start in spring or summer next year.

Chirpich mentioned that there are ongoing conversations regarding the Rainbow site. The most recent discussions are on how to refinance the debt on the project in order to get to the next iteration and get it to the City for project approval. Staff will get a plan ready for the Council for the September work session meeting. The plan would include discussing bond refunding strategies and buying some time to get into 2026 for phase one. The proposed plan is still the same to have multi-family housing, an LA Fitness, and an Ace Hardware. The traffic study for the project is near completion. There may need to be an additional signal on 43rd Avenue. Alatus is considering reducing the density, in which case the signal may not be needed. Alatus has secured financing for the next phase of its project in Hopkins. He stated that the project is moving in a positive direction.

ADJOURNMENT

Motion by Buesgens, seconded by Szurek, to adjourn the meeting at 5:52 pm. All ayes. MOTION PASSED.

Respectfully submitted,



Sarah LaVoie, Recording Secretary