

**OFFICIAL PROCEEDINGS
CITY OF COLUMBIA HEIGHTS
CITY COUNCIL MEETING
MARCH 26, 2018**

The following are the minutes for the regular meeting of the City Council held at 7:00 PM on Monday March 26, 2018 the City Council Chambers, City Hall, 590 40th Ave. N.E., Columbia Heights, Minnesota

1. CALL TO ORDER/ROLL CALL

Council President Novitsky called the meeting to order at 7:05 p.m.

Present: Council President Novitsky, Councilmember Williams, Councilmember Buesgens, and Councilmember Murzyn, Jr.

Also Present: Walt Fehst; City Manager, Jim Hoeft; City Attorney, Kelli Boureois; Human Resources Director/Assistant to the City Manager, Gary Gorman; Fire Chief, Lenny Austin; Police Chief, Terry Nightingale; Police Officer, Joe Hogeboom; Community Development Director, Keith Dahl; Economic Development Manager, and Katie Bruno; City Clerk/Council Secretary

2. INVOCATION

Invocation provided by Linda McCollough, Community United Methodist Church

3. PLEDGE OF ALLEGIANCE

4. MISSION STATEMENT, Read by Council President Novitsky

Our mission is to provide the highest quality public services. Services will be provided in a fair, respectful and professional manner that effectively address changing citizen and community needs in a fiscally-responsible and customer friendly manner.

5. APPROVAL OF AGENDA

Council President Novitsky announced the following addition to the Agenda:

- Addition of 6B. Proclamation for Youth Art Month

Motion by Councilmember Buesgens, seconded by Councilmember Murzyn, Jr. to approve the agenda as amended. All Ayes, Motion Carried.

6. PROCLAMATIONS, PRESENTATIONS, RECOGNITION, ANNOUNCEMENTS, GUESTS

A. Officer Terry Nightingale proclamation

Council President Novitsky read the proclamation and presented it to Officer Nightingale.

B. Legislative Update from Senator Carolyn Laine and Representative Mary Kunesh-Podein

Senator Laine provided legislative updates on Tax Conformity, a Sexual Misconduct Bill and the MNLARS Systems upgrades. Representative Kunesh-Podein gave an update on the Governors Bill; including The Safe & Secure Schools Act, and Funding for Early Childhood Education. Kunesh-Podein has been working on two bills, Jake's Bill and "Girls United." Jake's Bill provides for curriculum to be made available to schools, providing awareness of opioid addiction. Girls United will provide programming for sex trafficking awareness. Kunesh-Podein reported a bonding request for a crosswalk on Central Ave was submitted, she will keep the council informed.

City Manager Walt Fehst asked if there was any news on the elimination of fiscal disparities. Senator Laine

stated it is unlikely that fiscal disparities will be eliminated.

C. Youth Art Month Proclamation

Councilmember Buesgens read the proclamation.

7. CONSENT AGENDA

(These items are considered to be routine by the City Council and will be enacted as part of the Consent Agenda by one motion. Items removed from consent agenda approval will be taken up as the next order of business.)

A. Approve Minutes of the City Council

MOTION: Move to approve the minutes of the City Council meeting of March 12, 2018

MOTION: Move to approve the minutes of the City Council Special Work Session of March 12, 2018

B. Accept Board and Commission Meeting Minutes

MOTION: Move to accept the Library Board minutes from February 7, 2018

C. Consideration of Appointments to various Advisory Commissions

MOTION: Move to appoint volunteers to serve on various commissions as recommended.

D. Consideration of a Resolution approving Subordination Agreement related to loans made by the City to finance Columbia Court Town Homes.

MOTION: Move to waive the reading of Resolution 2018-14, there being ample copies available to the public.

MOTION: Move to approve Resolution 2018-14, a resolution approving the subordination agreement related to loans made by the City of Columbia Heights to finance the Columbia Court Townhomes.

E. Consideration of a Resolution authorizing an amendment to the Fiscal Year 2018 Planning & Inspections Fund Budget.

MOTION: Move to waive the reading of Resolution 2018-15, there being ample copies available to the public.

MOTION: Move to approve Resolution 2018-15, a resolution of the City Council for the City of Columbia Heights, Minnesota, authorizing an amendment

F. Keyes Park Bid Award: Add Alternate #1

MOTION: Accept the bid for Add Alternate #1, McCleod Avenue sidewalk, in the amount of \$38,011 for a revised contract award of Keyes Park Improvement Project, City Project No. 1610, to Odesa II LLC of Sauk Rapids, Minnesota in the amount of \$490,821.50 with funds for Add Alternate #1 to be appropriated from Fund 430-51610; and, furthermore, to authorize the Mayor and City Manager to enter into a contract for the same.

G. Consideration of approval of attached list of rental housing applications.

MOTION: Move to approve the items listed for rental housing license applications for March 26, 2018, in that they have met the requirements of the Property Maintenance Code.

H. Approve Business License Applications

MOTION: Move to approve the items as listed on the business license agenda for March 26, 2018.

I. Review of Bills

MOTION: Move that in accordance with Minnesota Statute 412.271, subd. 8 the City Council has reviewed the enclosed list of claims paid by check and by electronic funds transfer in the amount of \$828,279.76.

Motion by Councilmember Murzyn, Jr., seconded by Councilmember Buesgens to approve the Consent Agenda items as presented. All Ayes, Motion carried.

8. PUBLIC HEARINGS

A. Public Hearing to Consider Revocation of Rental Licenses for 4625 and 4633 Tyler Street NE.

City Attorney Jim Hoeft explained that the City has been working with the landlord for quite a while, progress was slow. The landlord has been working with an Attorney, and things have been moving in the right direction. Hoeft recommended tabling the item until the June 11 meeting, to allow things to continue to progress.

Motion by Councilmember Murzyn, Jr., seconded by Councilmember Williams to table the public hearing to consider the revocation of rental licenses at 4625 and 4633 Tyler Street NE until the City Council meeting of June 11, 2018. All Ayes, Motion Carried.

9. ITEMS FOR CONSIDERATION

- A. Other Ordinances and Resolutions
- B. Bid Considerations
- C. New Business and Reports

10. CITY COUNCIL AND ADMINISTRATIVE REPORTS

Councilmember Buesgens attended the HeightsNext movie night; "Clean Bin Project," the HeightsNext clean-up committee meeting, Hilltop City Council meeting to learn about a future project, a landlord meeting, "The Legends" ribbon cutting, a lecture on Birdscaping, the League of Minnesota Cities legislative conference, the Bridgeview Chili Cook-off, the community dinner at First United Methodist Church, the state championship basketball game, the pep fest at the school, and the boosters fundraiser at Sarnas.

Councilmember Murzyn, Jr. attended "the Legends" ribbon cutting, and the Bridgeview Chili Cook-off.

Council President Novitsky attended the MAC meeting, where Anoka County Sherriff Tony Palumbo provided updates on the jail and courthouse, and implicit bias training. The Chili Cook-off and egg hunt were attended. The Booster meeting and Lion's meeting were also attended.

11. CITIZENS FORUM

Diana Teigland-4630 Jefferson St NE reported that recently a car went off the road, and crashed into the front of her house. She requested the council look at ways to improve the area to prevent this from happening in the future.

Greg Teigland-4630 Jefferson St NE explained the driver was headed west on 46 ½, and became airborne over the southbound lane of Jefferson.

City Manager Fehst stated he will look into this, and will talk with both the Police Chief and the Public Works Director. Councilmember Murzyn, Jr. suggested making 46 ½ a one-way east bound street.

Councilmember Buesgens recommended considering a stronger barrier, even if the road is changed to one way.

Malcolm Watson-1717 49th Ave NE announced a fundraiser for the Kiwanis will take place on May 12th at Sullivan Lake.

12. ADJOURNMENT

Motion by Councilmember Murzyn, Jr., seconded by Councilmember Williams to adjourn. All Ayes, Motion carried.

Meeting adjourned at 8:09 p.m.



Respectfully Submitted,
Katie Bruno, Council Secretary/City Clerk

RESOLUTION 2018-14

RESOLUTION APPROVING SUBORDINATION AGREEMENT RELATED TO LOANS MADE BY THE CITY TO FINANCE COLUMBIA COURT TOWN HOMES

WHEREAS, Columbia Heights Transition Block LLC, a Minnesota limited liability company (the "Developer"), the Columbia Heights Economic Development Authority (the "Authority"), and the City of Columbia Heights, Minnesota (the "City") are parties to a Preliminary Development Agreement, dated October 19, 2000 (the "Original Contract"); and

WHEREAS, the Original Contract contemplated that the Developer would transfer fee ownership of a parcel of land in the City (the "Land") to Columbia Heights Housing Limited Partnership I, a Minnesota limited partnership (the "Borrower"), and that the Borrower would enter into a Definitive Development Agreement (as defined in the Original Contract) for the development and construction of a 22-unit affordable rental complex (the "Project") on the Land; and

WHEREAS, the Developer and the Authority entered into that certain Contract for Private Development, dated March 23, 2001 (the "Contract"), which Contract is the Definitive Development Agreement contemplated by the Original Contract, pursuant to which the Developer agreed to develop and construct the Project on the Land and the Authority agreed to provide public assistance to the Developer in connection with the Project; and

WHEREAS, the Developer conveyed the Land to the Borrower, and thereafter the Borrower developed and constructed the Project; and

WHEREAS, in accordance with the Contract, the Developer obtained additional financing, including a

mortgage and other forms of financing, sufficient to complete the construction of the Project and certain financing documents were delivered to the Developer, including but not limited to the LCA Loan Agreement and the CDBG Loan Agreement (each as hereafter defined); and

WHEREAS, pursuant to a grant agreement between the Metropolitan Council and the City, the City received from the Metropolitan Council certain grant funds created under Minnesota Statutes, Section 473.251, as amended (the "Metropolitan Livable Communities Fund"), intended in part to facilitate development of the Project; and

WHEREAS, from the grant funds provided by the Metropolitan Council, the City provided a loan of \$100,000 (the "LCA Loan") to the Borrower pursuant to a Loan Agreement (Livable Community Act Funds), dated March 23, 2001 (the "LCA Loan Agreement"), between the Borrower and the City, in order to provide additional financing for the Project; and

WHEREAS, to evidence the LCA Loan, the Borrower issued its promissory note to the City, dated March 23, 2001 (the "LCA Note"); and

WHEREAS, from the grant funds provided by the United States Department of Housing and Urban Development Community Block Grant Program, the City provided a loan of \$231,000 (the "CDB Loan") to the Borrower pursuant to a Loan Agreement (Community Development Block Grant Funds), dated March 23, 2001 (the "CDB Loan Agreement"), between the Borrower and the City, in order to provide additional financing for the Project; and

WHEREAS, to evidence the CDB Loan, the Borrower issued its promissory note to the City, dated March 23, 2001 (the "CDB Note"); and

WHEREAS, the Borrower is in the process of refinancing the debt incurred to finance the construction of the Project whereby the Federal Home Loan Mortgage Corporation, a shareholder-owned government sponsored enterprise ("Freddie Mac") has committed, subject to certain conditions, to facilitate the financing of the Project by purchasing a loan made by NorthMarq Capital, LLC (the "Lender") to the Borrower in the approximate amount of \$1,825,000 to refinance the Project; and

WHEREAS, in conjunction with the refinancing of its debt related to the Project, the Borrower has requested that the interests of the City in the LCA Loan Agreement and LCA Note and the CDB Loan Agreement and CDB Note be subordinated to the Lender's interests with respect to the refinancing debt; and

WHEREAS, there has been presented before the City Council a form of Subordination Agreement – Governmental Entity (the "Subordination Agreement"), between the Lender and the City; and

WHEREAS, the City Council has reviewed the Subordination Agreement and finds that the execution of the same are in the best interest of the City and of its residents.

NOW, THEREFORE, be it resolved by the City Council of the City of Columbia Heights as follows:

1. The Subordination Agreement, as presented to the City, is hereby approved in all respects for execution by the City, subject to modifications that do not alter the substance of the transaction and that are approved by the

Mayor and City Manager of the City, provided that execution of such documents by such officials shall be conclusive evidence of their approval.

2. The Mayor and City Manager of the City are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution.

3. This resolution shall take effect and be in full force from and after its approval.

RESOLUTION 2018-15

A RESOLUTION AUTHORIZING AN AMENDMENT TO THE FISCAL YEAR 2018 PLANNING & INSPECTIONS FUND BUDGET.

BE IT RESOLVED, by the City Council (the "Council") for the City of Columbia Heights (the "City") as follows:

WHEREAS, the City Council approved Resolution 2017-130, a resolution which subsequently adopted the initial Fiscal Year 2018 Planning & Inspections Fund budget; and

WHEREAS, certain revenues and expenditures of the Planning & Inspections Fund budget will exceed the amount initially adopted; and

WHEREAS, it is necessary to increase the Planning & Inspections Fund budget to reflect the additional activity not originally anticipated for prior to the approval of Resolution 2017-130; and

WHEREAS, the Community Development Organizational Chart reflects changing needs for development services in the City.

NOW, THEREFORE, in accordance with all ordinances and regulations of the City of Columbia Heights, the City Council of the City of Columbia Heights makes the following:

ORDER OF COUNCIL

IT IS HEREBY RESOLVED, that the Fiscal Year 2018 Planning & Inspections Fund budget 201.42400 is amended to increase both revenues and expenditures in the amount of \$40,000.00, and the Community Development Organizational Chart is hereby adopted.