

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
March 14, 2016**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, March 14, 2016.

Members present: Harold E. Johnson, Duane Poppe (arrived at 6:07 p.m.), Mark Schulz, Larry Stelmach, Todd Woods, and Anne Zelenak.

Members absent: Daniel Spanier.

Staff present: Executive Director Riley Grams, City Planner Nancy Abts, Finance Officer Teri Portinen, and City Attorney Mary Tietjen.

Others present: Rebecca Kurtz and Gary Groen.

2. APPROVAL OF AGENDA

**A motion was made by Schulz, seconded by Stelmach, to approve the Agenda as presented. The motion carried 5-0.**

3. APPROVAL OF MINUTES – FEBRUARY 8, 2016

**A motion was made by Johnson, seconded by Schulz, to approve the minutes of February 8, 2016, as presented. The motion carried 5-0.**

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Executive Director Riley Grams presented the EDA Accounts Payable listing.

**A motion was made by Stelmach, seconded by Johnson, to approve the Accounts Payable. The motion carried 5-0.**

7. OLD BUSINESS

A. APPROVE OSSEO DOWNTOWN DIRECTIONAL SIGNAGE CONCEPTS

Grams stated the EDA requested sign concepts be produced by our sign vendor (Scenic Signs) for the downtown directional sign program. Staff worked with Scenic Signs to obtain the example sign. Grams reported the orange/black concept works well in daylight and at nighttime. The white and orange colors are reflective and would be easily visible in the evening hours. The blue/white concept will be used for publicly owned locations, such as City Hall, the library, Police Department, Fire Department, and parks. Staff recommended the EDA approve the orange/black concept for downtown business signs and the blue/white concept for downtown public signs.

Stelmach thanked staff for taking pictures at night of the signs. He questioned how long it would take to get these signs in place. Grams anticipated that staff would draft a letter that would be sent to applicable businesses. A timeline would be set to receive applications for the sign program and then an order would be placed for the directional signs.

Zelenak asked if the directional signs were larger in scale than the current street signs. Grams reported this was the case. He explained the City's street signs were not currently the proper size and would need to be replaced at some point in the future.

Schulz supported the orange and black color scheme for the directional signs. He was pleased by the reflectivity of these signs as well.

**A motion was made by Stelmach, seconded by Zelenak, to approve orange/black concept for downtown business signs and the blue/white concept for downtown public signs.**

Johnson questioned expenses the EDA would incur for the sign program. Grams reported the EDA would be covering the labor and bracket expense for the signs.

**The motion carried 6-0.**

8. NEW BUSINESS

A. TIF UPDATE – Rebecca Kurtz, Ehlers & Associates

Grams indicated Rebecca Kurtz was present to provide a TIF update.

Rebecca Kurtz, Ehlers & Associates, presented a TIF update. She defined TIF as the ability to capture and use most of the increased local property tax revenues from new development within a defined geographic area for a defined period of time without approval of the other taxing jurisdictions. She explained the EDA had the authority to establish TIF districts but must receive approval from the Council following a public hearing.

Ms. Kurtz reported there were three main reasons the EDA would pursue a TIF district. The first being to redo substandard or obsolete buildings through redevelopment. Second, to create affordable housing. And lastly, as an economic development project that creates jobs and increased tax base. She further defined the restrictions within each of the three TIF resources and provided comment on the "but for" test. She then described how the City could use TIF increment.

Johnson asked if TIF funds could be used for residential home updates or renovations. Ms. Kurtz stated this could be done, but did not believe this would make sense economically.

Johnson was in favor of receiving additional information on this concept as this could assist Osseo homeowners in upgrading their aging homes.

Johnson questioned if the Five Central Apartments project was an affordable housing TIF district. Ms. Kurtz indicated the Five Central Apts project was a redevelopment project that had an affordable housing aspect.

Ms. Kurtz reviewed the existing TIF districts within the City of Osseo. She explained TIF District 2-4 named Bell Tower was a redevelopment district that was established in 2000 and would decertify in 2028. She discussed the terms of the outstanding NAPA note. She recommended this district remain as is until the bonds were paid in full.

Ms. Kurtz commented on TIF District 2-5 for Realife Cooperative. She explained this was a mixed-use senior housing redevelopment that had two financial obligations. The project was established in 2001 and would decertify in 2028.

Ms. Kurtz reported TIF District 2-6 was established for Celtic Crossing/Mary Patrice Condos. This district was a redevelopment district that was established in 2002 and would decertify in 2030 or when the financial obligations were paid in full. She indicated this was a larger district that included 30 parcels. She suggested the EDA discuss the potential of decertifying or removing certain parcels from this district at a future meeting.

Woods asked if the parcels removed from TIF District 2-6 could be placed in a new TIF District. Ms. Kurtz reported these parcels could if they qualify for a TIF project.

Ms. Kurtz discussed TIF District 2-8, the Lynde's project. She indicated this was a redevelopment district that was established in 2007 and would decertify in 2034. She reported this district had an interfund loan tied to the C&I Coatings expansion. She explained the EDA had until April of 2018 to make adjustments to this TIF District.

Ms. Kurtz commented on TIF District 2-9, the Five Central Apartments project. She stated this was a redevelopment district that was established in 2013 and would decertify in 2040 or when the obligations were paid (potentially 2029). She reported this project included 140 units of rental housing. She was pleased to report the County had valued the units higher than anticipated, which would assist with paying off the loans in a timely manner. The debt used for this project was described in detail with the EDA. She indicated the City could expand or create new obligations within this district until 2018.

Ms. Kurtz reviewed the decertified TIF Districts. She explained how other cities in the metro area were utilizing TIF. She reported workforce and senior housing were the most common uses for TIF. She discussed the benefit of removing parcels from TIF Districts and commented on how the City could utilize the redistribution of TIF funds to pay down the Wiley TIF fund debt.

Woods thanked Ms. Kurtz for her TIF report.

#### B. APPROVE OSSEO MAINSTREET HOLDINGS LETTER

Grams explained a letter has been requested to be signed by the Osseo EDA and mailed to American National Bank. The letter states that to date (March 14, 2016) the Osseo Mainstreet Holdings group has completed the improvements set forth in the Development Agreement and that they are currently not in default of any requirements or conditions set forth in the Development Agreement. The letter is needed because of a potential change in the ownership organization of Osseo Mainstreet Holdings and its bank is requiring assurances that it currently is not in default of the existing Development Agreement. Should the organizational structure change, the EDA will require an addendum to the Development Agreement assigning either a

new entity or the proposed changed entity (Osseo Mainstreet Holdings) to the Development Agreement. Should that happen, staff will come back to the April 11 EDA meeting to approve such. Staff recommended the EDA approve the letter to American National Bank.

**A motion was made by Johnson, seconded by Stelmach, to approve the Letter to American National Bank as outlined. The motion carried 6-0.**

C. ACCEPT RESIGNATION OF EDA MEMBER ANNE ZELENAK

Grams stated EDA member Anne Zelenak has submitted her resignation letter to the City. The EDA should consider accepting the letter. The City Council would also approve the acceptance of the resignation letter and announce a vacancy on the EDA, which could be filled by either an Osseo resident or business owner. The EDA is required to maintain at least a majority of Osseo Councilmembers on the EDA. With this resignation, there will still be four Councilmembers serving on the EDA. Staff recommended the EDA accept the resignation of EDA member Anne Zelenak.

**A motion was made by Johnson, seconded by Stelmach, to accept the resignation of EDA member Anne Zelenak. The motion carried 5-0-1 (Zelenak abstained).**

D. DISCUSS PROPOSED FOOD TRUCK FAIR

Grams explained Larry Stelmach and Todd Woods have approached the City with a proposal for a new event, a Food Truck Fair to be held in the spring. The event is intended to attract new audiences to Osseo. A potential date of May 15 has been suggested for a Food Truck Fair in Osseo's Central Business District.

Stelmach discussed the potential food truck fair in further detail with the EDA stating this would be a new event for the City that would generate new interest in the community. He explained he and Woods attended a meeting with the Minnesota Food Truck Association. He proposed the food truck event in Osseo be held on Central Avenue on a Sunday afternoon and that live music and a beer garden accompany the event. He requested feedback from the EDA on the proposed event. He explained the Parka and Recreation Committee supported the event.

Woods explained that the EDA would have the ability to pick and choose which food trucks were invited to the event to ensure there was a variety of food provided. Stelmach commented the Minnesota Food Truck Association was recommending six trucks be present at the event.

Woods proposed the local high school band playing at the event along with the Teddy Bear Band. It was his hope the local Lions Club could provide a beer garden for the event, in addition to having local craft beer such as Omni and Surley. He discussed how the event would be marketed to the community.

Woods reported he has been in contact with AM1500 and has requested to make a plug for the event on their Thursday night beer program. He stated the event could also be advertised on the AM1500 website for \$5 per day. He explained he has discussed the potential of advertising the event with *The Growler*, a local event based publication. He commented an announcement could be placed on Channel 12. He believed that social media would be another great avenue to market the event. It was noted the Minnesota Food Truck Association would also advertise the event.

Stelmach described how parking would be managed for the event. He indicated St. Vincent's Church supported its parking lot being used for the event, along with St. Paul's Lutheran. He reported he was still waiting to hear back from the United Methodist Church and the Church of the Nazarene. He explained he was pursuing further information on tables and chairs. He proposed the Main Street businesses be allowed to have café tables and chairs outside their businesses.

Stelmach estimated the cost for the event would be \$6,500, which would cover police, public works, portable bathrooms, insurance, musicians, in addition to advertising and marketing for the event. He reported he would be contacting the Lions Club to assist with the beer garden. Stelmach indicated he did not know what the EDA should charge the food trucks for the event as it had no real data on how successful the event would be.

Schulz asked who decided how the food trucks would be placed. Woods suggested one food truck be parked per block on each side of Central Avenue on the day of the event.

Schulz supported the concept of the event, but feared how local restaurants would be impacted if a food truck was parked outside of their establishment for an afternoon. He questioned if Woods and Stelmach could pull off an event of this scale in the next two months and stated he did not support the EDA funding the event. He asked if Woods or Stelmach had been in contact with local restaurant owners. Stelmach stated he had been in contact with Duffy's and Nola's Café. He has yet to speak with the owner of Dick's.

Schulz questioned what direction Woods and Stelmach were seeking from the EDA. Woods discussed the work that went into the event thus far and believed the proposed date was crucial on making it a true success. Grams agreed that the EDA would have to make a decision tonight to either support the event, or delay action on the food truck event until 2017.

Poppe was in favor of centralizing the food trucks in the park.

Schulz suggested the school district be contacted for parking. Stelmach stated he was waiting for a return call.

Grams summarized the concerns of the EDA as being the cost and the timing of the event. He believed these concerns could be avoided if the event was delayed until 2017. This would allow the EDA to seek donations and properly plan for the event.

Schulz appreciated the time and effort of Woods and Stelmach, but he supported the event delayed until 2017.

**A motion was made by Stelmach, seconded by Woods, to offer EDA support and request \$7,000 in EDA funds for a spring food truck event on May 15 from 12-7:00 p.m.**

Schulz believed the project was coming at the EDA too fast and, for this reason, he would not be supporting the event.

**The motion failed 2-4 (Johnson, Poppe, Schulz and Zelenak opposed).**

Schulz thanked Stelmach and Woods for their efforts. He believed the event had great potential and looked forward to holding a food truck event in October of 2016 or May of 2017.

9. REPORTS OR COMMENTS: Executive Director, President, Members

Stelmach thanked Commissioner Zelenak for her time on the EDA.

Zelenak said she appreciated her time on the EDA.

City Planner Nancy Abts stated last fall the EDA discussed a grant application to Hennepin County. She was pleased to report she was recently notified the City would be receiving \$50,000 that could be used to assist with the expenses of the gateway sign.

Woods reported he attended the Yellow Tree Theatre fundraiser on Saturday night where \$40,000 was raised to support the theater.

10. ADJOURNMENT

**A motion was made by Schulz, seconded by Johnson, to adjourn at 7:48 p.m. The motion carried 6-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*