

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
June 13, 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, June 13, 2016.

Members present: Rebecca Doran, Harold E. Johnson, Duane Poppe, Mark Schulz, Daniel Spanier, Larry Stelmach, and Todd Woods.

Members absent: None.

Staff present: Executive Director Riley Grams and City Attorney Mary Tietjen.

Others present: None.

2. APPROVAL OF AGENDA

A motion was made by Schulz, seconded by Stelmach, to approve the Agenda as presented. The motion carried 7-0.

3. APPROVAL OF MINUTES – MAY 9, 2016

A motion was made by Johnson, seconded by Stelmach, to approve the minutes of May 9, 2016, as presented. The motion carried 7-0.

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 Johnson, seconded by Schulz, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS

A. DISCUSS PURCHASE OF RAUSCH PROPERTIES (116 1ST AVENUE NW & 22 2ND STREET NW)

Grams stated one of the main objectives of the Osseo EDA is to continue economic development within the City. The EDA has previously discussed the idea of contacting Mr. Rausch about purchasing two parcels located in the CBD (116 1st Ave NW and 22 2nd Street NW). EDA President Todd Woods, Commissioner Harold E. Johnson, and staff were able to connect with Michelle LaBrosse and Joe Rausch last week to discuss the potential of a property purchase. It appears that the family is more open to selling the two parcels at this time. The parcels would be a package deal, according to the family. While figures were not discussed,

staff asked the family to consider what they would want for the two parcels, and asked them to connect with Grams when ready.

Grams stated there is a tenant housed in the building located on 116 1st Avenue NW. During a recent conditional use permit conditions check, it was determined the tenant's primary business did not fit as a permitted or conditional use in the Central Business District. The family did mention at the meeting that they would require some considerable time to give their tenant ample notice to move out and find a new location. Relocation costs were not discussed (if applicable) for the existing tenant.

Grams reported Hennepin County has assessed a market value of \$411,000 for the property located at 116 1st Avenue NW and \$65,000 for the property located at 22 2nd Street NW (\$476,000 total). It might make sense for the EDA to get an appraisal conducted on the two properties to get a better handle on a purchase price. Historically, the City/EDA has offered to split the cost of an appraisal with the property owner.

Grams indicated another concern is the cost of demo and hazardous materials abatement. Staff guessed the old building was riddled with asbestos. Early estimates would suggest costs for demo in the \$10,000-15,000 range, and another \$10,000-20,000 for asbestos abatement but true costs would be solicited.

Grams reviewed a list of potential grant opportunities put together by City Planner Nancy Abts. Due to funding cycles and various application deadlines, obtaining grants may take some time, but would be certainly worthy for staff to look into. Another option may be to work together with new neighbors at that location, Rochon Corporation. Perhaps the EDA could purchase the properties from the Rausch family, and then work with Rochon to re-sell to them as some discounted cost. There might be grant assistance to help keep costs low. This option would be attractive because it would ask for private investment, and any new development would increase the City's taxes.

Grams stated another possibility would be to secure enough space to create a new downtown municipal parking area. Staff recommends the Economic Development Authority discuss the options available and direct staff accordingly.

Johnson discussed the history of these properties and the available grants in further detail with the EDA.

Woods understood that Rausch would not be making any decision until after speaking with their tax attorney. He had concerns with how high the cleanup expenses would be for the property. However, he still believed the property was a good investment for the City.

Schulz did not believe the property should be purchased until a development was ready to move forward. He asked if Rochon completed soil samples. Grams reported this work was conducted for Rochon.

Schulz asked if the City would be responsible for relocation expenses. Grams was uncertain if this would be required considering the business was interested in moving.

Schulz supported the idea of additional downtown parking.

Johnson was in favor of obtaining an appraisal for the property. Grams agreed this would assist the EDA in further evaluating the purchase. He was in favor of having further conversation between the City and the property owner prior to seeking an appraisal. He explained that the City split the cost of the last appraisal with the property owner 50/50.

Johnson recommended the EDA handle the conditional use permit violation with care.

Grams explained he would start an initial conversation about the redevelopment of this property, while also speaking to Rochon about its future plans.

8. NEW BUSINESS

A. APPROVE INTERFUND TRANSFERS (Resolution)

Grams requested the EDA approve interfund transfers for the year ended December 31, 2015.

A motion was made by Johnson, seconded by Stelmach, to adopt EDA Resolution No. 2016-1 approving Interfund Transfers for the Year ended December 31, 2015. The motion carried 7-0.

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

Woods welcomed Spanier back to the EDA.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Johnson, to adjourn at 6:31 p.m. The motion carried 7-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.