

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
May 9, 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, May 9, 2016.

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

Member absent: Daniel Spanier.

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

Others present: None.

2. OATH OF OFFICE FOR MEMBER REBECCA DORAN

City Attorney Mary Tietjen administered the Oath of Office to newly appointed EDA member Rebecca Doran.

3. APPROVAL OF AGENDA

A motion was made by Schulz, seconded by Stelmach, to approve the Agenda as presented. The motion carried 6-0.

4. APPROVAL OF MINUTES – APRIL 11, 2016

A motion was made by Johnson, seconded by Schulz, to approve the minutes of April 11, 2016, as presented. The motion carried 6-0.

5. MATTERS FROM THE FLOOR – None.

6. PUBLIC HEARINGS – None.

7. ACCOUNTS PAYABLE

Executive Director Riley Grams presented the EDA Accounts Payable listing.

A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable. The motion carried 6-0.

8. OLD BUSINESS

A. DISCUSS LEASE OPTIONS FOR MUNICIPAL PARKING SPACE

Grams stated in an effort to help facilitate a local business (Heinen's) expansion, the EDA directed the Executive Director to look into options for other municipal parking spaces in the downtown area. Staff reached out to Tom Kern, President of Premier Bank in Osseo, to see if the bank would be interested in selling one of the two bank owned parking lots to the EDA for

continued municipal parking use. Mr. Kern spoke with the Bank Chairman and Committee, who appears uninterested in outright selling a lot to the EDA at this time. They did, however propose an option to lease one of the two lots to the EDA for municipal parking use. No further lease numbers were discussed. The plan would then be to sell the current EDA lot to Mr. Paul Heinen to allow him to expand his building and bring more tax revenue to the City.

Grams requested the EDA consider this option. It was his opinion that we should not lease one of the bank owned parking lots at this time. The two bank owned lots currently act as municipal parking. There would be no advantage to lease a lot to continue an already ongoing use. It would only hinder the bank from potentially developing that land at a future date. Even if the EDA entered into such a lease, there would most likely be a clause that allows the bank to get out of the terms of the lease if a potential development appeared imminent.

Grams recommended the EDA discuss other options with Mr. Heinen to help facilitate this development. One idea would be to have Mr. Heinen purchase the Rausch/Crystal Welding building and simply swap a portion of that land to the EDA in exchange for the existing EDA owned parking lot. Staff has put together a map illustrating the idea. This idea would help facilitate more development by Mr. Heinen (and allow him to build on adjacent property) and keep some parking space for municipal use (which would be located closer to the downtown core). Staff has attempted to reach out to owners of Crystal Welding/Rausch property with no callbacks at this time. The EDA should consider this potential option or discuss any other options at this time and direct staff accordingly.

Johnson understood Rausch was not interested in selling only a portion of the lot two years ago. He understood Rausch had a CUP violation, which may change their circumstances. He recommended Heinen consider purchasing a portion of property from Rausch.

Stelmach questioned if the City would receive additional proceeds in taxes if Heinen's were to purchase this property. Grams reported this was the case.

Further discussion ensued regarding the Rausch property.

Stelmach clarified the Rausch property was .35 acres in size and the City-owned parking lot was .23 acres in size.

Schulz understood Mr. Heinen wanted to purchase the City's parking lot; however, with development increasing in the downtown area, he believed it was in the City's best interest to hold onto this property. He recommended Mr. Heinen pursue a land purchase with Mr. Rausch. He explained that the municipal lot may be utilized in the future by Rochon employees. He was interested in the EDA further discussing a municipal parking plan for the downtown area.

Grams asked how staff should proceed.

Schulz reported he spoke with the Mayor of Dayton and understood Mr. Rausch's holdings were in flux at this time. He suggested staff make an appointment to speak with Mr. Rausch or his daughter regarding a potential sale of his lot adjacent to Heinen Sports.

Johnson stated he would be happy to attend this meeting with staff.

Grams commented on the expense of demolishing the existing building on the Rausch property.

Johnson stated another option would be for the City to pursue space on the adjacent parking lot (veterinarian office) and have this space leased for additional parking.

Doran supported this recommendation.

Johnson was in favor of the EDA purchasing a lot next to the Rausch property.

Grams thanked the EDA for its input.

9. NEW BUSINESS – None.

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

Stelmach welcomed Ms. Doran to the EDA.

Johnson explained Dorothy Clarke will be honored for her volunteerism on Wednesday, May 11, at noon at the Osseo Community Center. He invited all EDA members to attend.

11. ADJOURNMENT

A motion was made by Schulz, seconded by Stelmach, to adjourn at 6:37 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.