

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
June 12, 2017**

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 12, 2017.

Members present: Juliana Hultstrom, Harold E. Johnson, Dan LaRouche, Duane Poppe, Mark Schulz, Larry Stelmach, and Todd Woods.

Members absent: None.

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

Others present: Brian Bourassa and Jim Gromberg.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES – MAY 8, 2017

A motion was made by Johnson, seconded by Hultstrom, to approve the minutes of May 8, 2017, 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 Hultstrom, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. PRESENTATION ON ECONOMIC DEVELOPMENT OPPORTUNITIES (WSB & Associates)

Grams stated Brian Bourassa and Jim Gromberg from WSB & Associates were at this meeting to provide information on potential funding for economic development.

Brian Bourassa introduced himself and thanked the EDA for its time. He reviewed a presentation on three potential redevelopment sites in Osseo. The first area was a block of buildings along Jefferson

Highway. The second area was the Celtic Crossing condominiums, and the last area was the properties on Central and 93rd Avenue.

Jim Gromberg discussed the values of the buildings within the Central Avenue and 93rd Avenue block and commented on the potential for this 1.5-acre redevelopment area.

Grams stated the EDA would have to consider the expense of each property along with how easy or difficult it would be to acquire each parcel. He anticipated it would be easy to acquire four out of the five parcels and the fifth may take some time (Osseo Vacuum).

LaRouche questioned if the Comp Plan supported high density residential for this area of the City. Mr. Gromberg described how a high-density residential development with retail would fit nicely on these parcels.

Johnson understood the property on 600 Central Avenue sold 4 to 6 years ago. He believed the City should have purchased the property at that time as the price has risen significantly. He stated the properties on this block were close to 100 years old.

Stelmach questioned if there was a market for high density residential with street level retail space. Mr. Gromberg indicated this varied greatly between communities. Mr. Bourassa explained it was his understanding it was easier to fill the residential than the retail. However, being in a walkable community like Osseo, this could be an easier sell.

Poppe commented on the correlation between retail and residential space and the reasons why Five Central Apartments did not have commercial space. Mr. Bourassa stated the EDA would have to further evaluate if a development with retail/residential could be supported. Mr. Gromberg believed Osseo had a vibrant downtown area. He described how the culture was changing and how people were migrating to more urban and walkable areas.

Schulz stated the population on this side of the City might be able to support more retail, even if this meant the City would have to invest in the redevelopment. He anticipated that underground parking would be a necessity. He encouraged the EDA members to act as visionaries and really consider how these parcels should be redeveloped.

Mr. Gromberg reviewed the funding sources and grants that would be available to the EDA to assist with future redevelopment. He stated one of the first steps would be to explore the properties environmentally.

Johnson asked if the market in Osseo would support additional rental units. Mr. Gromberg anticipated that an ownership, condominium style unit would be supported in the proposed redevelopment area. He explained this would be determined by a future developer.

Johnson stated he was impressed by the St. Paul Port Authority and its numerous capabilities.

Woods encouraged the EDA members to forward any further comments or questions they may have regarding economic development opportunities to staff.

B. DISCUSS PROPERTIES FOR SALE IN OSSEO

Grams explained this discussion on various properties for sale in Osseo dovetails nicely off the presentation from WSB. He stated the focus for properties for sale in Osseo should be directed in two sections: residential and commercial.

Residential

Currently, staff is aware of a few different residential homes for sale in Osseo. Some are located in residential areas, while one is located on Central Avenue in the commercial district (600 Central Avenue). The housing market in the Twin Cities is good right now. Homes all over the Metro area are selling very quickly, and in many cases for more than an asking price.

This includes homes for sale here in Osseo. Staff keeps close watch of residential property sales, and most homes are being sold quickly. There may be an opportunity to restart a scattered site housing program, with the EDA leading the charge. However, staff does not believe this is the right time to reinvest in that program. A scattered site housing program usually is better served during periods of slow housing sales, because the EDA is able to purchase the home cheaper, use some funds to bring the value up, and then re-sell the properties. Staff believes it is best to leave the homes alone during hot housing markets.

Commercial

According to Grams, we have several commercial locations in town ripe for redevelopment. One area that the EDA has recently discussed is the 600 block of Central Avenue. Currently, the single-family home located at 600 Central Avenue is the subject of a pending sale. Other properties on the block could possibly be purchased by the EDA. Those properties include 616 Central Avenue (JML Motors), 624 Central Avenue (owned by Chris Rains), and 632 Central Ave (undeveloped parcel owned by Wiley Properties). The EDA currently does not have the means to outright purchase all of the properties on that block. The Hennepin County Assessor uses an estimated Market Value to determine property taxes; the total estimated value for the properties mentioned is \$664,000. The EDA must seek funds to help assist in the purchase of those properties and demolish buildings (if necessary).

Grams requested feedback from the EDA on the potential redevelopment opportunities within the City.

Woods stated if the EDA were to do move forward on the Central/93rd Avenue properties, the distressed property might require quick action. He was in favor of staff drafting a Request For Information (RFI).

Schulz indicated the Council could consider allocating LGA funds to the EDA in order to build up a funding source for these acquisitions. He stated he was in favor of the EDA making plans for this redevelopment.

Hultstrom supported the EDA pursuing this redevelopment as well.

Stelmach believed the EDA had to take action now given the fact the corner property was for sale. However, at the same time, he wanted to see staff developing an RFI for the potential redevelopment of these parcels.

Johnson asked if it would be advisable to bring forward a cash offer for the corner lot.

Poppe stated this may be a good option for the EDA and believed it made sense long term to purchase this property. Grams thanked the EDA for its input and stated he would work to develop an RFI.

Johnson explained he was interested in the EDA pursuing the redevelopment of the Osseo Sports building, 332 Central Avenue.

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

City Planner Nancy Abts reported there would be a business open house regarding TH 169 on Thursday, June 22, at the Champlin Ice Rink from 3:30 to 7:00 p.m. It was noted MnDOT was sponsoring the event.

Hultstrom stated she attended the WSB training on Thursday, May 18.

Stelmach congratulated the 2017 graduates from Osseo High School.

10. ADJOURNMENT

A motion was made by Stelmach, seconded by Johnson, to adjourn at 7:05 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.