

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
April 10, 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, April 10, 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: 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 – MARCH 13, 2017

A motion was made by Schulz, seconded by Hultstrom, to approve the minutes of March 13, 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 Stelmach, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS

A. DISCUSS SEWER AVAILABILITY CHARGE (SAC) DEFERRAL PROGRAM

City Planner Nancy Abts stated the Met Council allows communities to enter into an agreement to defer Sewer Availability Charges (SAC) for businesses. The deferral program allows up to 80 percent of SAC due to be deferred for up to ten years.

Abts explained regular payments plus interest are made towards the deferred SAC. Deferral is available only for projects with up to 25 SAC units. A handful of communities throughout the Metro participate in the SAC Deferral program. Communities have some leeway about how they choose to operate their programs.

Woods asked if a subcommittee would be formed to review the policies for the SAC Deferral Program. Abts did not believe this would be necessary as the Met Council would have a boilerplate agreement. She stated she would need input from the EDA on the deferrals.

Johnson stated he brought this issue to staff's attention and believed this program would be an incentive for new businesses developing in the community. He suggested the City structure its program similarly to Brooklyn Park's program.

Schulz said he was in agreement with the City pursuing a SAC Deferral Program. He recommended that property owners sign off on the deferrals if properties were rented. He stated he also did not want to see the City paying off deferred SAC fees for properties that defaulted.

Hultstrom suggested a five-year deferral program be pursued at 70 percent. She recommended that payments be made through the City's utility billing.

Chair Woods supported this recommendation.

B. DISCUSS 600 CENTRAL AVENUE

Abts discussed the potential purchase of the property at 600 Central Avenue and noted the site had been used for small engine repair in the past. She explained the City has not recently acquired property for commercial redevelopment. It was noted housing projects and park expansion have different implications for costs and funding. She explained relocation benefits must be paid to property owners when Minnesota cities buy property. However, these benefits can be voluntarily waived by the seller. Staff noted the Boerboom Park properties cost approximately \$145,000, \$157,000, and \$191,000 each and the sellers of those properties waived relocation benefits.

Abts reported grant programs typically have specific goals for their funds. It can be hard to find grants to buy a property for an unspecified or unknown project. The parcels where Rochon's office building is now located were bought by the EDA in the early 2000s. Those parcels were purchased without outside funding or a clear plan for their future. The Five Central project was able to draw from "housing focused" grant programs. Grants for Five Central included federal Community Development Block Grant (CDBG) money.

Abts explained the Metropolitan Council has funds available for site acquisition with its Livable Communities grants. It was noted these grants are competitive and many other projects could apply. Site acquisition is only one eligible activity. More specific projects might have a better chance of being funded. Staff reported preliminary "concept plans" applications must be submitted by May 4, 2017. She noted the property at 600 Central Avenue may have environmental contamination from an old small engine repair shop. Environmental cleanup and investigation funds are also available. Those grants typically are awarded based on specific plans for jobs- or housing-creation.

Schulz understood this block was in need of renovation.

Woods agreed, but stated the EDA may have other priorities to address prior to purchasing this property.

LaRouche asked if there were any identified alternative uses for this property. He questioned if it was wise for the City to invest in this property when no specific use had been identified.

Schulz understood there currently was background within the Comprehensive Plan to support the EDA applying for a grant to purchase this property. Abts stated this was the case.

Johnson requested further information on the Met Council grants. Abts discussed the qualifications within the Livable Communities Program grants being offered by the Met Council.

Schulz believed the EDA had to start some place for this block but was uncertain if the timing was quite right. He said the purchase of the property at 600 Central Avenue could set the tone for future redevelopment but understood more properties would have to be purchased.

Woods agreed and stated it would be better to purchase the property prior to the current owner putting additional funds into the site.

Hultstrom indicated she would like to see the City pursue grant funding for the purchase of the property at 600 Central Avenue.

Johnson supported the EDA looking into purchasing other properties on this block as well.

The consensus of the EDA was to direct staff to look into potential grant opportunities and other funding sources for the purchase of the property at 600 Central Avenue.

C. UPDATE ON CELTIC CROSSING REDEVELOPMENT SITE

Grams stated recently several staff members, EDA President Woods, and EDA member Johnson met with representatives of Highland Management Group. Highland Management Group recently purchased the Celtic Crossing apartments and the adjacent undeveloped parcels. The purposes of the meeting were to meet our new neighbors and gain insight into any plans the group may have for the undeveloped parcels.

Grams reported Highland Management Group's plans call for building out the existing tenant spaces in the two Celtic Crossing buildings, plus subdividing larger units into smaller units. When asked about plans for the undeveloped parcels, they responded that they had no short-term plans for that site and would like to focus first on the build-out of the existing buildings. They indicated they would like to see how the rental market responded before making a decision on the undeveloped parcels. Grams stated the City would like to collaborate with the group, should the rental market continue to expand.

Schulz asked if the new owners would be interested in speaking with a developer. Woods believed the new owners wanted to take some time to evaluate the rental market in Osseo prior to making any further changes.

D. CONSIDER OSSEO FOOD TRUCK SPRING EVENT

Grams stated EDA President Woods and EDA member Stelmach would provide details for a proposed spring food truck and beer event in downtown Osseo on May 20, 2017.

Stelmach stated last year the EDA discussed hosting a food truck and craft beer event downtown Osseo. He explained the Lions Club would assist with beer sales. He discussed the objective for the food truck event and believed this would appeal to a wide range of individuals and promote the City and Osseo businesses. He suggested the event be held on Central Avenue, with the beer garden held near Osseo Sports.

Woods explained the food trucks had been placed surrounding the park, which is where the beer garden and music would be located.

Stelmach recommended the food truck event be held on Saturday, May 20. He recommended non-typical food be brought into the City, such as sushi, gourmet, and southwest food. He indicated he was pursuing musicians to perform for the event and wanted to see the high school band participate.

Bruce Neumann, Osseo Lions Club, described how the Lions could assist in providing a variety of beer for the proposed food truck event. He stated the Lions would oversee the beer sales and noted the Lions had a 20' by 20' tent. He reported he had applied for a liquor license with the City for this event. He encouraged the EDA to consider sponsoring this event.

Stelmach discussed the numerous ways the event would be marketed to the community. Woods indicated the event could be published in the *Growler* free of charge and recommended an ad also be placed in the *Sun Focus*. He hoped to have some news coverage for the event.

Stelmach reported St. Vincent Church would allow its site to be used for overflow parking. He indicated the Lions would allow the EDA to use its chairs for the event, which means the EDA would only need to rent tables. He requested that café seating be allowed on Central Avenue during the food truck event.

Stelmach suggested a passport be created for the event in order to drive foot traffic up and down Central Avenue. He estimated the total cost for the event to be \$3,900. He anticipated the EDA could receive donations for the event from the Legion and other local sponsors. He indicated he spoke to ten local businesses and all were supportive of the event. He requested the EDA consider funding this event in order to allow marketing and promotional efforts to begin.

Johnson questioned how much of Central Avenue would be closed for the event. Woods stated the plan was fluid, but suggested Central Avenue be closed from 3rd to 5th Streets, including the park.

Johnson recommended Central Avenue be closed from 3rd Street all the way to County Road 30, since the lot at St. Vincent would be used for overflow parking.

Grams discussed the expense for the police officers for this event would be just over \$2,000. He anticipated an additional officer might be needed to direct traffic on County Road 30.

Schulz liked the idea of this being a City sponsored event. He stated he was not interested in taking this event north of 5th Street or south of 3rd Street. He liked the idea of keeping the event centered around the park. He believed the noon to 7:00 p.m. timeframe was a good timeframe.

Johnson asked if the City or the EDA would be sponsoring this event. Schulz recommended the City sponsor this event.

Johnson supported the EDA sponsoring a portion of this event. He suggested the EDA spend up to \$3,000 on the event.

Hultstrom supported the EDA sponsoring 40% of the event with the City covering the remaining 60% of expenses. She stated if the event was successful in 2017, additional sponsorships could be pursued in the coming years.

Schulz asked what type of contribution Woods and Stelmach would like to see the EDA make to this event. Woods supported a 50/50 or 40/60 split for the event. He stated he saw this more as an EDA sponsored event.

A motion was made by Johnson, seconded by Hultstrom, to direct the EDA to move forward with the May 20 Food Truck Event and that the EDA pay 50% of the costs incurred with the City Council paying the remaining 50%. The motion carried 5-0-2 (Woods and Stelmach abstained).

8. NEW BUSINESS

A. CONSIDER DONATION TO OSSEO GATEWAY SIGN FUND

Grams stated the City has been working with Scenic Signs to design and construct the Osseo Gateway Sign. In the past the EDA was asked whether or not they would like to participate in funding this project. At that time, the EDA agreed it would be a worthwhile investment to make, provided it had some review of the sign policy to ensure the policy allowed for an economic development angle. The EDA discussed a sign policy in the EDA work session meeting held at 5 p.m. this evening.

Grams reviewed the project costs and funds received to date.

Grams explained the remaining funding gap is \$58,409.15. He recommended that the EDA fund this remaining balance in order to complete the project. The total donation amount requested is \$60,000. At the end of the project, once all donations have been received and all bills have been paid, whatever is left in that fund would be transferred back to the EDA General Fund by the end of the fiscal year, leaving a zero balance in that fund.

A motion was made by Schulz, seconded by Hultstrom, to approve a donation of \$60,000 to the Osseo Gateway Sign Fund. The motion carried 7-0.

9. REPORTS OR COMMENTS: Executive Director, President, Members – None.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Johnson, to adjourn at 7:09 p.m. The motion carried 7-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.