



**AGENDA – REGULAR MEETING  
6:00 p.m., March 13, 2017**

**Economic Development Authority**

- 1. ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF MINUTES**
  - A. February 13, 2017
- 4. MATTERS FROM THE FLOOR**
- 5. PUBLIC HEARING**
- 6. ACCOUNTS PAYABLE**
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
  - A. Discuss Sewer Availability Charge (SAC) Deferral Program
  - B. Discuss 600 Central Avenue
  - C. Update on Celtic Crossing Redevelopment Site
- 9. REPORTS OR COMMENTS: Executive Director, President, Members**
- 10. ADJOURNMENT**

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
February 13, 2017**

1. ROLL CALL

Acting President Mark Schulz called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, February 13, 2017.

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

Members absent: Chair Todd Woods.

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

Others present: Christy Morrell, Andrew Bergman, Michael Woods, Candice Anderson, Dan Anderson, and Dennis Smith.

2. OATH OF OFFICE FOR NEW COMMISSIONERS – Juliana Hultstrom and Dan LaRouche

City Attorney Mary Tietjen administered oaths to the newly appointed EDA Commissioners Juliana Hultstrom and Dan LaRouche. A round of applause was offered by all in attendance.

3. ELECTION OF EDA OFFICERS

Executive Director Riley Grams requested the EDA elect officers to serve as President, Vice President, Treasurer, Assistant Treasurer, and Secretary for 2017.

**A motion was made by Schulz, seconded by Johnson, to appoint Todd Woods as President. The motion carried 6-0.**

**A motion was made by Stelmach, seconded by Johnson, to appoint Mark Schulz as Vice President. The motion carried 6-0.**

**A motion was made by Stelmach, seconded by Johnson, to appoint LeAnn Larson as Secretary. The motion carried 6-0.**

**A motion was made by Hultstrom, seconded by LaRouche, to appoint Harold E. Johnson as Treasurer. The motion carried 4-2 (Schulz and Stelmach opposed).**

**A motion was made by Johnson, seconded by Schulz, to appoint Larry Stelmach as Assistant Treasurer. The motion carried 6-0.**

It was the consensus of the EDA to appoint Riley Grams Executive Director.

4. APPROVAL OF AGENDA

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

5. APPROVAL OF MINUTES – JANUARY 9, 2017

**A motion was made by Johnson, seconded by LaRouche, to approve the minutes of January 9, 2017, as presented. The motion carried 6-0.**

6. MATTERS FROM THE FLOOR – None.

7. PUBLIC HEARINGS – None.

8. ACCOUNTS PAYABLE

Grams presented the EDA Accounts Payable listing.

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

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. APPROVE PURCHASE OF DIRECTIONAL SIGN BRACKETS

Grams stated staff is requesting approval for the purchase of 24 new brackets to hold the business directional signs. He reported the current brackets are not adequate to hold the large signs and Public Services has had to reinstall fallen signs on many occasions. Staff reported the cost of the 24 Brackets would be \$657.95 paid for out of the EDA budget.

Stelmach asked if the original brackets could be returned. Grams stated he was working with Public Services to try to receive some compensation for the original expense.

Schulz questioned if the new brackets could be painted. Grams believed this could be done.

Schulz requested the new brackets be painted to match the poles.

**A motion was made by Johnson, seconded by Hultstrom, to approve the purchase of directional sign brackets in the amount of \$675.95. The motion carried 6-0.**

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

Grams welcomed the new EDA members to the Authority. He stated he looked forward to working with these individuals and thanked them for their willingness to serve the community.

City Planner Nancy Abts reported she attended a valuable conference sponsored by Ehlers where municipal finance and TIF were addressed. She thanked the City for the opportunity to attend this event.

Poppe welcomed Hultstrom and LaRouche to the EDA.

LaRouche thanked the EDA for the opportunity to serve the City.

Hultstrom thanked the City and reported she also attended the Ehlers Seminar with Abts.

Stelmach congratulated and welcomed members Hultstrom and LaRouche.

Johnson welcomed the new members and provided further comment on some of the topics discussed at the Ehlers Seminar.

Schulz welcomed Hultstrom and LaRouche to the EDA.

12. ADJOURNMENT

**A motion was made by LaRouche, seconded by Stelmach, to adjourn at 6:24 p.m. The motion carried 6-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*



# Osseo

## City of Osseo Economic Development Authority Meeting Item

6

### Accounts Payable Listing

3/13/17 EDA

2017

3

Check Name	Comments	Amount
EHLERS & ASSOCIATES, INC	JAN 2017 TIF REPORTING	\$6,885.00
EHLERS & ASSOCIATES, INC	CELTIC CROSSING PARCEL RECONSTRUCT	\$1,703.75
EHLERS & ASSOCIATES, INC	REALIFE - RECONSTRUCT PAYGO NOTE	\$1,100.00
KENNEDY & GRAVEN, CHARTERED	JAN 2017 SERVICES	<u>\$352.27</u>
		\$10,041.02

### EDA MONTH END CASH BALANCE

FUND	DESCRIPTION	2/13/2017 BALANCE	REVENUE	ADJUSTMENTS (+/-)	2/13/2017 BALANCE	PROPOSED EXPENSE	3/13/2017 BALANCE
801	GENERAL	368,660.70		6.94	368,667.64	-7,237.27	361,430.37
806	TIF 2-5 REALIFE	1,492.87			1,492.87	-1,100.00	392.87
811	DOWNTOWN PROJECT DEBT	0.00			0.00		0.00
812	TIF 2-2 STEEPLEPOINT	-5,389.10			-5,389.10		-5,389.10
817	TIF 2-4 BELL TOWER	273,841.48			273,841.48		273,841.48
819	TIF 2-6 CELTIC CROSSING	55,430.66			55,430.66	-1,703.75	53,726.91
824	TIF 2-7 BARGER PROJECT	-1,387.93			-1,387.93		-1,387.93
825	TIF 2-8 LANCOR/LYNDES	-7,942.56			-7,942.56		-7,942.56
826	TIF 2-9 BLOCK 6 CENTRAL 5	46,905.12			46,905.12		46,905.12
836	TIF 2-9 BLOCK 6 DEBT SERVICE	65,733.85			65,733.85		65,733.85
		797,345.09	0.00	6.94	797,352.03	-10,041.02	787,311.01

1 2016 DEC INTEREST

6.94



## Osseo Economic Development Authority Meeting Item

**Agenda Item:** Discuss Sewer Availability Charge (SAC) Deferral Program

**Meeting Date:** March 13, 2017

**Prepared by:** Nancy Abts, City Planner

**Attachments:** SAC Information Sheet  
Draft Deferral Program Agreement

### Policy Consideration:

Discuss the city's interest in participating in the Met Council's SAC Deferral Program

### Previous Action or Discussion:

Staff regularly deals with the SAC program as part of the development process. Payments for SAC are usually collected on building permits or plumbing permits. The EDA and City Council are not regularly involved in SAC.

### Background:

Cities served by Met Council's wastewater facilities must pay Sewer Availability Charges (SAC). The expected amount of sewage from a building is the basis for SAC charges. The City collects SAC fees from businesses and property owners. Funds are sent to Met Council.

Sometimes, businesses are not expecting to pay for SAC. The surprise cost can be a barrier to small businesses. Because of this, the Met Council allows cities to be part of a SAC Deferral Program.

The program allows up to 80 percent of SAC due to be deferred for up to 10 years. (Cities decide how much SAC to defer and for how long.) Regular payments plus interest are made towards the deferred SAC. Deferral is only available for projects with up to 25 SAC units. (For example, a total of 9 SAC units were needed for the new Red's Savoy Pizza. Because that property had a credit for some SAC units, only 1 additional unit had to be paid up front.) (Each SAC unit is currently priced at \$2,485.)

A handful of communities throughout the Metro participate in the SAC Deferral program, including Brooklyn Park, Prior Lake, Medina, Rosemount, Minneapolis, and others. With the exception of Minneapolis, most use the program sparingly. Many cities say it is a nice option to offer to businesses. However, the SAC deferral program charges interest at the same rate as Met Council's average cost of debt. Sometimes businesses have access to better interest rates through conventional financing. If this is the case, they do not use the SAC deferral option.

Many communities in the program collect payments as part of utility billing. The cities then send payments to the Met Council once a year. Regular billing lets communities know if businesses are falling behind in their payments. Deferral agreements with businesses can make it clear that unpaid SAC will be assessed to the property.

If a business that is part of the deferral program closes, a city has two options. It can continue paying for the SAC, or it can “leave” the property with only the SAC credits that have been paid in full. “Paying off” additional SAC units could be an incentive for future development. Which option to take can be decided when a business closes, on a case-by-case basis.

**Budget or Other Considerations:**

If the city decides to offer SAC Deferral, Finance staff recommend charging an additional “cost of service”. This fee would be on top of the deferred SAC and interest. It would cover the cost of the tracking and forwarding incremental SAC payments.

**City Goals Met By This Action:**

- Foster and promote economic development in the City
- Improve the City’s aging and deteriorating infrastructure
- Ensure City’s continued financial stability
- Stay current with new technologies in all areas of City services

**Recommendation/Action Requested:**

Staff recommends the EDA discuss their interest in the SAC Deferral Program.



# What is SAC?

SAC is an easier way to say Sewer Availability Charge.

The Metropolitan Council charges this one-time fee when a residence or business connects to the regional wastewater (sewer) system for the first time. The Council may also charge SAC when a business grows or changes the use of its space, which may create more potential demand on the system.

The Council charges SAC to local governments, who pass it on to business or property owners. Some local governments also charge an additional fee.

You will pay any SAC owed to your local government.



## Why do I have to pay SAC?

Wastewater pipes and treatment plants are expensive. We borrow money to build them large enough to serve current AND future customers. SAC helps pay off the debt.

## How does the Council determine the SAC I will pay?

SAC is charged in units.

One single-family home = 1 SAC unit = \$2,485 (2016-2017)



Non-residential properties require a “determination” (calculation) of the amount of maximum potential wastewater capacity needed for the site. Depending on your business, you could pay more than one SAC unit. For example, a restaurant without a bar will pay 1 SAC for every 10 seats.



SAC is determined based on the maximum potential wastewater flow created by the activities at the location (food preparation, dishwashing, floor cleaning, manufacturing, restroom use, etc.)



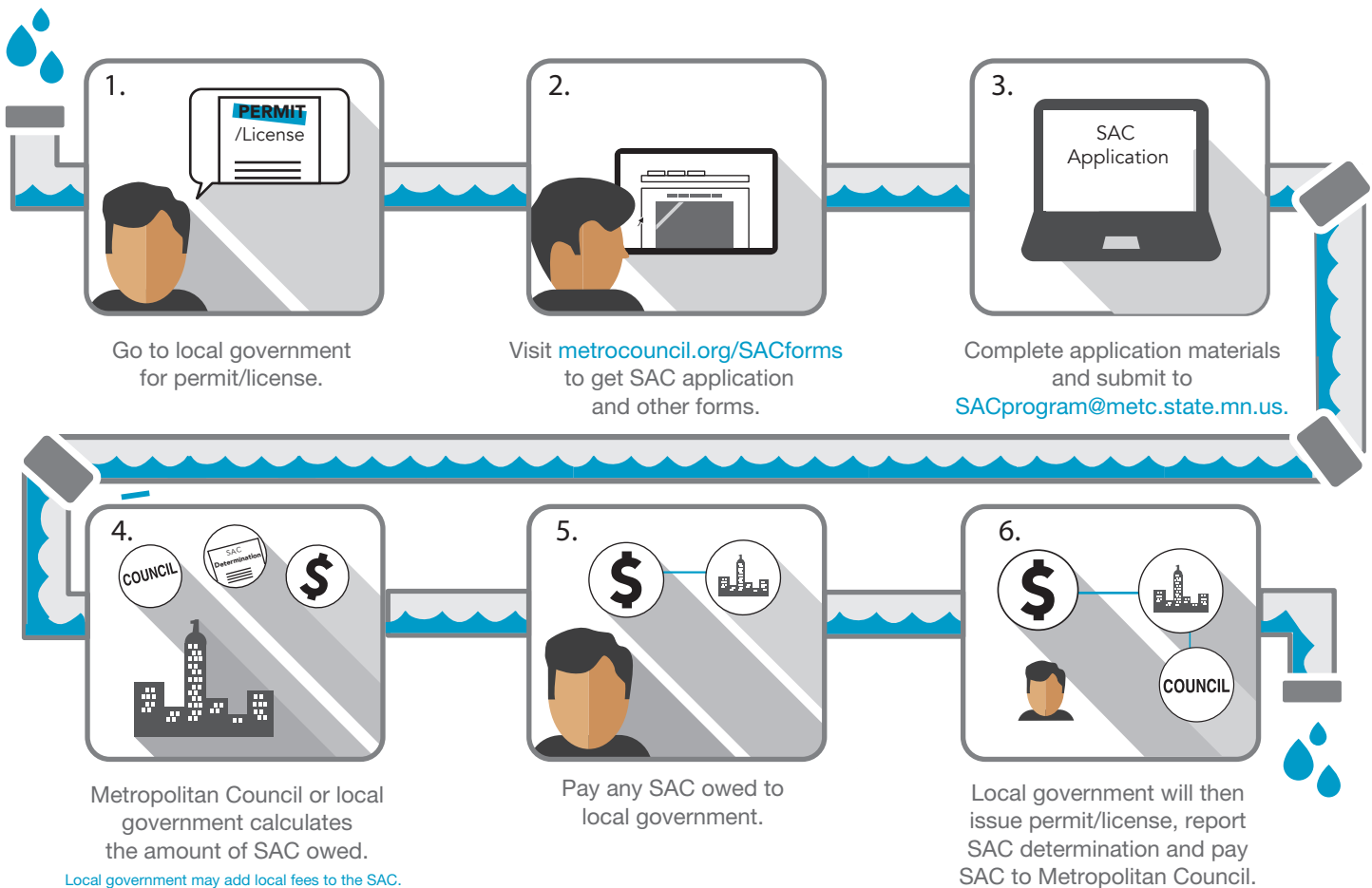
Let's say you buy or open a business that is similar in kind and size to what existed in the same space before. If SAC was paid, you may not be charged additional SAC. Before signing a lease, contact the Council to see if there are SAC credits on the site and how to submit for a determination.

Visit [metro council.org/SACmanual](http://metro council.org/SACmanual) for guidance on how much SAC you might pay.

Did you KNOW?



# How do I submit for a SAC determination?



Metropolitan Council staff will contact you within one business day after receiving your application materials to confirm whether the materials are complete or not. The Council can usually complete a determination in two to three weeks once it receives all the necessary forms and documents. **You pay any SAC owed to your local government, usually as part of a permit or business license.**

## Are payment options available?

If you cannot afford to pay your SAC fee to your local government:

- You may be able to get a small business loan to spread out the cost of SAC and other local government fees. Check with your local bank or lending agent.
- Your local government may also be able to delay a portion of your SAC fee. Ask your local government if they participate in the SAC Deferral Program.

## Questions?

Email [SACprogram@metc.state.mn.us](mailto:SACprogram@metc.state.mn.us) or call [651-602-1770](tel:651-602-1770) to speak with a SAC representative.

# **SAC Deferral Program**

## **Description and Application**

To promote business development, Metropolitan Council Environmental Services (MCES) provides communities the option to participate in the SAC Deferral Program to defer some SAC payment obligations. This option allows deferral of up to 80% of SAC due for the wastewater demand created by businesses (communities are required to pass on the benefits of deferred SAC payments to the participating businesses). Businesses allowed to participate are those within an eligible city and where a new SAC determination of 25 or fewer SAC units occurs (total charge before credits). To obtain these deferments, communities must first complete and submit to MCES a signed master SAC Deferral Agreement (Agreement). This Agreement will be sent to interested communities for signature after the information in the following is completed and returned to MCES.

- 1. Community:**
- 2. Community Address:**
- 3. Contact (Finance Director or CFO):**
- 4. Community-Wide Maximum Percent of SAC that can be Deferred (80% maximum):**
- 5. Community-Wide SAC Deferment Period (years):**
- 6. Payment Month(s):**

For 4, 5 and 6 above, each participating community has additional implementation options that will apply to all its deferrals:

4. For qualifying SAC liabilities (businesses with total determinations of 25 units or fewer), MCES allows the community to defer up to 80% of SAC due; however, a community can set a maximum that is lower than this (fill in the percentage on line 4 above). Once this community maximum is set, the percentage deferred for each individual site deferral can be lower than this maximum but cannot be higher (e.g., a community chooses a 75% maximum, but a business chooses to pay 50% up front). For each individual deferment, this site-specific percentage must be noted on the MCES SAC-E Form, available at: <http://www.metrocouncil.org/Wastewater-Water/Funding-Finance/Rates-Charges/Sewer-Availability-Charge/SAC-Forms.aspx#Activity>
5. Deferment period (term): Choose any whole number up to a maximum of 10 years. This term will apply to all individual deferments from the community. However, note that the Agreement allows any individual deferment to prepay the remaining principal (and interest up to the payoff date) at any time.
6. Timing of payments: MCES prefers annual payments due each year on the anniversary the Agreement was signed, but Communities may request a different payment schedule, as long as it applies to all deferments in the community. Semi-annual payments are also allowed, on any month-end during the year - such a schedule may be preferred that corresponds with local SAC collections, assessments, or other payments from businesses.

**Communities are strongly encouraged to:**

- Consider which staff will be responsible for authorizing SAC deferrals and what the process will be to implement site specific deferral arrangements as are allowed under the Agreement with MCES;
- Consider the need for policies or ordinances around your agreements or arrangements with business and property owners (in some cases those parties may have different interests);
- Consider in advance how to react if a business fails to pay, which will not relieve the community of its deferral payment obligation to MCES, unless the business closes and as described below; and
- Review the Agreement with involved community staff and legal advisors before signing. Please note that this program is offered only as described in the Agreement; MCES does not anticipate changing it.

Once the Agreement is executed, SAC reporting staff in your community must also attach the MCES SAC-E form with monthly SAC reporting for each qualified business for which the community is allowing the deferred SAC payment. Each deferment liability will be effective the first day of the subsequent month (e.g., for an April building permit that is due and typically reported in May, interest will begin accruing June 1).

Principal on the deferred amount will be amortized monthly at a fixed interest rate based on MCES' average cost of debt (per statute). MCES' average cost of debt, computed on December 31 each year, will be used as the interest rate for all new deferrals entered into the following calendar year. For example, the average rate was 2.28% on 12/31/12, so all deferrals originating in 2013 uses that rate, and the rate was fixed for the duration of each individual deferral started in 2013. For 2014 the rate for new deferrals is 2.26%. Near the end of January each year, MCES will provide the new interest rate (for deferrals started in the new calendar year) to participating communities.

If a participating business completely closes, the community has an option to discontinue making deferral payments to MCES. If this option is chosen, it requires a notification to MCES with a certification of the business closing. In this situation, the site will not be credited with the unpaid wastewater capacity (for future SAC determinations), but will get credit for each SAC unit paid. No payments will be refunded and no net credits will be transferrable off the site (unless and until a redevelopment requires less wastewater capacity, as on any site). Alternatively, for each such business closure, the community has the option of simply finishing the payments to MCES, which will result in full SAC credit for the next use of the site.

Late payments on deferrals will incur an additional administrative charge of 2% per month plus the maximum interest allowed by law.

**SAC Deferral Example #1:**

1. Community signs SAC Deferral Agreement in October 2013, establishing basic deferral terms including maximum amount deferred (e.g., 80%), standard community deferral length (e.g., 5 years), and the payment timing requested (e.g., billing only on anniversary of Agreement).
2. An 8-SAC unit business is permitted February 2014. On the SAC Activity Report for February, the community chooses a deferral and:
  - a) Pays 20% of the SAC for the site =  $8 \times 20\% = 1.60 \times \$2485/\text{unit [2014 SAC rate]} = \$3976$

- b) Attaches SAC-E form that details the information for this individual deferral:
  - i. Property Address = 123 45<sup>th</sup> Street, City of XYZ
  - ii. Business Name = Acme Genetics, Ltd.
  - iii. Permit Issued Date = 2/15/14
  - iv. Start of Loan Date = 4/1/14 (1<sup>st</sup> day of month after SAC report is due)
  - v. Deferred amount= 8 SAC units X 80% = 6.40 X \$2485/unit = \$15,904
- 3. MCES sends an invoice detailing the amount due on the SAC deferral(s) in October 2014. In this single deferral example:
  - a) \$15,904 was spread over 5 years with monthly amortization at 2.26% interest (the 2014 interest rate) = \$280.57/month.
  - b) Payment on this loan in year 1 = \$280.57 X 7 months [April through October] = \$1,963.99
  - c) Invoice is sent out annually (aggregating all community deferrals).
  - d) Payment is due in 30 days.

In this example, unless the deferral is prepaid, the community will pay for 12 months in 2015, 2016, 2017 and 2018, and only 5 months on the last year's invoice (2019). At that point the full 8 SAC is paid and creditable to future use.

### SAC Deferral Example #2:

Same circumstances as above but the business closes in 2016 after community made 2 payments (for 7 months in 2014 and 12 months in 2015).

In June 2016, community notifies MCES that the business closed. Community has an option:

- 1. Continue remitting the remainder of the SAC deferral payments as scheduled. The full 8 SAC units will be credited to future use on the site as all units are paid for. Of course, if the new use is different, a new SAC determination must be made, and the community will owe SAC for any incremental capacity demand. –OR–
- 2. Discontinue accruing liability. The community still needs to pay for the 5 months that wastewater demand was needed in 2016, but has no obligation for the rest of the scheduled payments. Only what was paid is creditable for future use (24 months of 60 is paid = 40% X 6.4 SAC units = 2.56 credits available for the site, in addition to 1.60 units from the original down payment).

If you wish to participate in the deferral program and are ready for the master SAC Deferral Agreement, fill out the boxes at the top of this application and return it to Dan Schueller, MCES, 390 North Robert Street, St. Paul, MN 55101 or [dan.schueller@metc.state.mn.us](mailto:dan.schueller@metc.state.mn.us). If you have additional question you can call him at 651.602.1624. For questions about the SAC program in general, please call Jessica Nye at 651.602.1378. For SAC determinations, please call Karon Cappaert at 651.602.1118.



## Osseo Economic Development Authority Meeting Item

<b>Agenda Item:</b>	<b>Discuss 600 Central Avenue</b>
<b>Meeting Date:</b>	March 13, 2017
<b>Prepared by:</b>	Nancy Abts, City Planner
<b>Attachments:</b>	Hennepin County Property Information 2030 Comprehensive Plan Excerpt

### **Policy Consideration:**

Discuss the EDA's interest in the property at 600 Central Avenue.

### **Previous Action or Discussion:**

This part of town is identified for redevelopment in the 2007 Redevelopment Master Plan and 2030 Comprehensive Plan. Current plans call for the entire block to be improved as a "Downtown Edge Mixed-Use". This would include commercial at the corners and residential use in other areas. The plan calls for 2 to 4 story buildings.

### **Background:**

The owners of the house at 600 Central Avenue recently contacted the City. The owners are thinking about making significant improvements to the property. They are thinking about upgrading old knob and tube wiring, replacing the roof, and potentially constructing an artist's studio in place of the current garage.

It might make sense to consider buying the house before these improvements are made. The EDA should talk about whether the City wants to redevelop this area.

### **Budget or Other Considerations:**

Budget impacts are not known at this stage.

### **City Goals Met By This Action:**

- Foster and promote economic development in the City
- Promote a healthy and high quality standard of living
- Improve the City's aging and deteriorating infrastructure

### **Recommendation/Action Requested:**

Staff recommends the EDA discuss their interest in 600 Central Avenue and direct staff accordingly.



# Hennepin County Property Map

Date: 3/8/2017



PARCEL ID: 1811921220109

OWNER NAME: J M Colville & D Colville

PARCEL ADDRESS: 600 Central Ave, Osseo MN 55369

PARCEL AREA: 0.25 acres, 10,834 sq ft

A-T-B: Abstract

**SALE PRICE: \$84,900**

**SALE DATA: 02/2013**

SALE CODE: Vacant Land

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Residential

HOMESTEAD: Non-Homestead

**MARKET VALUE: \$144,000**

TAX TOTAL: \$2,548.38

ASSESSED 2017, PAYABLE 2018

PROPERTY TYPE: Unavailable

HOMESTEAD: Unavailable

MARKET VALUE: Unavailable

## Comments:

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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COUNTY 2017



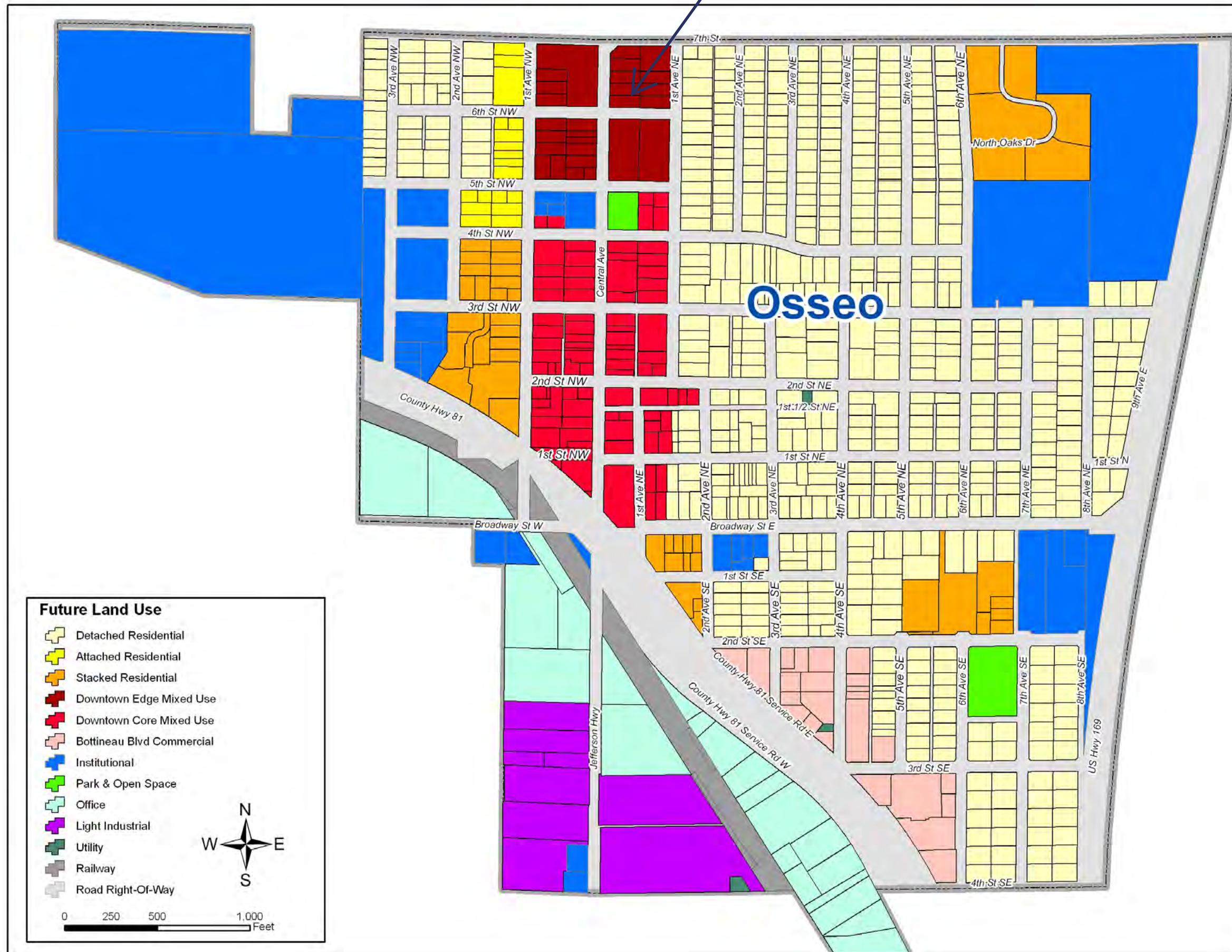


Figure 4.4 Future Land Use Map  
Source: 2007 Hennepin County  
Parcels and HKGi



Figure 4.3: Osseo's Land Use Plan Categories

<b>Detached Residential</b>		<ul style="list-style-type: none"> <li>• Single-family detached houses</li> <li>• Duplexes</li> <li>• Carriage houses</li> <li>• Accessory units</li> <li>• Density range of 3 to 8 housing units per acre</li> </ul>
<b>Attached Residential</b>		<ul style="list-style-type: none"> <li>• Rowhouses, side-by-side townhouses</li> <li>• Triplex, quadruplex</li> <li>• Mansion townhouses</li> <li>• Density range of 8 to 16 housing units per acre</li> </ul>
<b>Stacked Residential</b>		<ul style="list-style-type: none"> <li>• Apartments, lofts, flats</li> <li>• Stacked townhouses</li> <li>• Vertical housing orientation (2 to 4 stories)</li> <li>• Density of 16 housing units per acre or greater</li> </ul>
<b>Bottineau Boulevard Commercial</b>		<ul style="list-style-type: none"> <li>• Retail goods, services and entertainment</li> <li>• Double building orientation (Bottineau Boulevard and adjacent neighborhood streets)</li> <li>• One and two story buildings</li> <li>• "Gateway" quality architecture and features</li> </ul>
<b>Office</b>		<ul style="list-style-type: none"> <li>• Employment intensive office uses</li> <li>• Limited supporting retail uses</li> <li>• Buildings of two (2) stories or greater preferred</li> <li>• "Gateway" quality architecture and features</li> </ul>
<b>Light Industrial</b>		<ul style="list-style-type: none"> <li>• Light manufacturing, assembly, processing</li> <li>• Warehousing, storage, distribution</li> <li>• One level buildings with mezzanine space</li> <li>• Truck traffic</li> <li>• Limited outside storage</li> </ul>
<b>Downtown Core Mixed-Use</b>		<ul style="list-style-type: none"> <li>• Mix of commercial, entertainment, civic, housing, office</li> <li>• Vertical orientation with 100% active use on street (retail, entertainment)</li> <li>• Residential density of 20-40 units/acre (2 to 4 story structures)</li> </ul>
<b>Downtown Edge Mixed-Use</b>		<ul style="list-style-type: none"> <li>• Wide mix of uses with predominant use more of a residential nature</li> <li>• Commercial pushed to corners, not 100% street level</li> <li>• Civic focus encouraged</li> </ul>
<b>Institutional</b>		<ul style="list-style-type: none"> <li>• Government facilities</li> <li>• Schools</li> <li>• Library</li> <li>• Churches, Cemeteries</li> </ul>
<b>Parks &amp; Open Space</b>		<ul style="list-style-type: none"> <li>• Parks</li> <li>• Playfields, playgrounds</li> <li>• Plazas, open spaces</li> <li>• Trails</li> </ul>



**Table 4.7: Summary of Land Use Categories, Allowed Densities and Uses.**

<b>Planned Land Use Category</b>	<b>Density</b>	<b>Allowed Land Uses</b>
Detached Residential	3-8 units per acre	Detached house, duplex, carriage house, accessory unit
Attached Residential	8-16 units per acre	Side-by-side townhouses, rowhouses, mansion townhouses, triplex, quadruplex
Stacked Residential	16 units per acre or greater 2 to 4 floors	Stacked apartments, townhouses, flats, lofts
Bottineau Boulevard Commercial	1 to 2 floors	Retail, services, entertainment, limited office
Office	1 to 4 floors	Office, limited retail/services
Light Industrial	1 to 2 floors	Light industrial
Downtown Core Mixed-Use	20-40 units per acre 2 to 4 floors	Retail, services, entertainment, office, stacked residential, civic, institutional
Downtown Edge Mixed-Use	20-40 units per acre 2 to 4 floors	Retail, services, entertainment, office, stacked residential, civic, institutional
Institutional		Government facilities, schools, library, post office, churches, cemeteries
Parks & Open Space		Parks, open spaces, plazas, playfields, playgrounds, trails
Road Right-of-Way		Road right-of-way
Railway		Railroad right-of-way
Utility		Public & private utilities

## Land Use Plan

The (Future) Land Use Plan Map has been updated to reflect the land use categories and designations that were initially envisioned in the Redevelopment Master Plan. This map (shown in Figure 4.4) shows the desired future land uses for all land in Osseo. It establishes the Downtown Core district as the area between County Road 81/Bottineau Boulevard and 4th Street N, a Civic Campus that spans both sides of Central Avenue between 4th Street N and 5th Street N, and the North Town Crossing district between 5th Street N and 7th Street N/93rd Avenue. Land use in most of this area is guided for street level retail uses on all properties fronting directly onto Central Avenue. North Town Crossing area is guided for high and medium density residential uses with some street level commercial uses.

To support the revitalization of Osseo's traditional small town downtown, the land use designations guide new housing to the downtown area, both in multi-story, mixed-use



## City of Osseo Economic Development Authority Meeting Item

**Agenda Item:** Update on Celtic Crossing Redevelopment Site

**Meeting Date:** March 13, 2017

**Prepared by:** Riley Grams, EDA Executive Director

**Attachments:** Property Maps

**Policy Consideration:**

Hear an update on the Celtic Crossing site and discuss possible future options.

**Background:**

Recently, the Celtic Crossing property (five total properties: 110, 120, 130, 140, and 150 Regan Lane) were sold to a new group called Celtic Crossing Rental Homes I LLC (out of Edina, MN). The properties are being managed by Highland Management Group. The EDA recently removed those undeveloped parcels from the existing TIF district and amended the TIF agreement.

The next step would be to approach the new owners to see what they would like to do with the undeveloped parcels. Depending on the outcome of that conversation, Staff can develop a plan to assist development of those parcels. The EDA or City doesn't have any right to attempt to find a Developer at this point, unless the owners gave permission to do so. In order to help facilitate that initial discussion, the EDA should consider what type of development would be appropriate at that location, and what (if any) assistance the EDA might be comfortable with.

The properties are zoned R-2 Multi Family Residential. Typical uses in these areas include multi-story apartment buildings, town or row homes, and any other variety of residential uses (other than single family homes). The site has easy access to County Road 81, and would most likely have to include underground parking in order to maximize unit density to make the development profitable. Staff has held initial discussions about potential uses of the site, and the consensus seems to be multi-story apartment units (similar to that of 5 Central).

In terms of assistance, all the usual tools are available. TIF seems to be the most likely assistance package. However, keep in mind that the site would only allow for a new Housing TIF District, as the parcels would not qualify for a Redevelopment TIF District (due to the fact that there are no structures present on the site that would qualify as substandard).

A Housing TIF District includes income limits in Hennepin County. The incomes below are for 2016 numbers (the most readily available figures):

Hennepin County Rent Limits for 2016				
	1 person	2 persons	3 persons	4 persons
20% of units at 50% of AMI	\$30,505	\$34,350	\$38,650	\$42,900
40% of units at 60% of AMI	\$36,060	\$41,220	\$46,380	\$51,480

The EDA can discuss potential or preferred uses for the site so that Staff may approach the owners with some information. Staff will reach out to the owners soon in an attempt to set up a meeting to discuss the future of those parcels and any plans the owners have for them.

**City Goals Met By This Action:**

Foster and promote economic development in the City

Maintain as low a tax rate as possible

Plan and provide for safe and quality housing options



# Hennepin County Property Map

Date: 3/8/2017



PARCEL ID: 1311922140120

OWNER NAME: Celtic Crssing Rtl Hms I Llc

PARCEL ADDRESS: 150 3rd St N W, Osseo MN 55369

PARCEL AREA: 0.47 acres, 20,285 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Condominium

HOMESTEAD: Non-Homestead

MARKET VALUE: \$170,000

TAX TOTAL: \$3,009.26

ASSESSED 2017, PAYABLE 2018

PROPERTY TYPE: Unavailable

HOMESTEAD: Unavailable

MARKET VALUE: Unavailable

## Comments:

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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