



AGENDA – REGULAR MEETING
6:00 p.m., April 10, 2017

Economic Development Authority

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

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
March 13, 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, March 13, 2017.

Members present: Juliana Hultstrom, Harold E. Johnson, Dan LaRouche, Duane Poppe (arrived at 6:02 p.m.), Mark Schulz, and Todd Woods.

Members absent: Larry Stelmach.

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 Johnson, seconded by Hultstrom, to approve the Agenda as presented. The motion carried 5-0.

3. APPROVAL OF MINUTES – FEBRUARY 13, 2017

A motion was made by Johnson, seconded by Schulz, to approve the minutes of February 13, 2017, as presented. The motion carried 5-0.

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 Hultstrom to approve the Accounts Payable.

Johnson requested further information regarding a bill from Ehlers. Grams discussed the Ehlers bill. Grams requested the Accounts Payable be approved as presented and noted staff would investigate this matter further and would report back to the EDA.

The motion failed for lack of a second.

A motion was made by Johnson, seconded by Schulz, to approve the Accounts Payable, less the Ehlers & Associates (\$1,100) expense. The motion carried 6-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. DISCUSS SEWER AVAILABILITY CHARGE (SAC) DEFERRAL PROGRAM

City Planner Nancy Abts stated cities served by the Metropolitan 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, and the funds are then sent to the Met Council.

Abts reported 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.

Abts explained that a handful of communities throughout the Metro participate in the SAC Deferral program, including Brooklyn Park, Prior Lake, Medina, Rosemount, Minneapolis, and a few 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.

Abts reported 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.

Abts stated 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. Staff recommends the EDA discuss its interest in the SAC Deferral Program.

Woods requested further information regarding the interest rate that would be charged by the Met Council. Abts discussed how the Met Council determined an interest rate for their SAC deferral program.

Schulz commented he was uncertain how often this program would be used. He stated he preferred to have a backup assessment plan in place to ensure the property holder paid the SAC expense instead of the City. Abts explained that some cities that participate in the SAC deferral program have a joint agreement with both the property owner and business owner.

Schulz stated this would be the only way he would support this program.

Woods questioned if the City could have a term of less than 10 years for the deferral program. Abts reported the City could make this adjustment to the deferral program.

Johnson reviewed the language within the SAC deferral program for properties that went out of business and how the City would be impacted.

LaRouche discussed the attraction of this program and how it may bring new businesses to Osseo.

Schulz questioned if the City or the business owner would hold the SAC deferral note. Grams believed the City would hold the note because the City was responsible for paying all SAC

charges. He reported that the City would have an agreement in place with the business in order to have the payments covered. Abts clarified that cities are responsible for paying SAC but would not be responsible if a business were to go out of business.

Schulz recommended this item be tabled to a future meeting until further information can be provided to the EDA. City Attorney Mary Tietjen understood the City of Rosemount participated in this program. She stated she would follow up with them and would provide the EDA with more information at its next meeting.

The consensus of the EDA was to discuss this at the April EDA meeting.

B. DISCUSS 600 CENTRAL AVENUE

Abts explained 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. Staff recommends the EDA discuss its interest in 600 Central Avenue and direct staff accordingly.

Johnson discussed the surrounding properties and noted which ones had recent improvements.

Grams noted the property at 600 Central Avenue was a single-family home in the City's downtown commercial district. He stated the home was out of place and was in need of pricey renovations. He anticipated the EDA could acquire the property and believed this would be a great redevelopment opportunity for the City.

LaRouche explained he drove by the property and he agreed it would be quite costly to renovate the single-family home. He supported the EDA considering the purchase of this property for future redevelopment. Grams stated he did not anticipate the property could be purchased and rented given the investment that would have to be made in the property.

Woods questioned what the asking price for the property would be.

Schulz stated he was not against the purchase of the property; however, he encouraged the EDA to keep in mind the potential expense of relocation costs. Abts indicated staff did not have this information and said staff could investigate the purchase price and relocation costs further.

Hultstrom inquired if the property owners expressed interest in selling the property. Abts reported this was the case.

Schulz suggested staff look into grant funding that may be available to assist with the purchase of the property. Grams anticipated that this property would fit well with Hennepin County grant opportunities. He indicated he would speak with the City Attorney about potential relocation costs.

The EDA directed staff to contact the property owner and Hennepin County and report back at the April meeting.

C. UPDATE ON CELTIC CROSSING REDEVELOPMENT SITE

Grams explained recently the Celtic Crossing property (five total properties: 110, 120, 130, 140, and 150 Regan Lane) was sold to a new group called Celtic Crossing Rental Homes 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.

Grams reported 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.

Grams indicated 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).

Grams stated that, in terms of assistance, all the usual tools are available. Tax Increment Financing seems to be the most likely assistance package. However, 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). Staff reviewed the income limits in Hennepin County.

Grams reported 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.

Johnson assumed the new management group has discussed the vacant properties and would be willing to meet with the City. He supported the City reaching out to the new management group.

Hultstrom recommended the zoning of the property remain as is.

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

Johnson stated last week Ms. Abts and he met with officials from the City of Brooklyn Park to discuss the project along 93rd Avenue N. He reviewed the plans noting the adjustments that had been made to make room for the train line. Abts reported the Brooklyn Park City Council would be holding another worksession meeting to discuss this topic.

10. **ADJOURNMENT**

A motion was made by Johnson, seconded by Schulz, to adjourn at 6:55 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

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Accounts Payable Listing

4/10/17 EDA

2017

4

Check Name	Comments	Amount
CROWN STAMP & ENGRAVING	ID BADGES	\$19.90
CROWN STAMP & ENGRAVING	ID BADGES	\$14.15
HENN CO PROPERTY TAX	1311922140111	\$194.41
KENNEDY & GRAVEN, CHARTERED	FEB 2017 - ROCHON SALE TAX ITEMS	\$23.75
KENNEDY & GRAVEN, CHARTERED	FEB 2017 SERVICES	\$80.58
TIMESAVER OFF SITE	3/13/17 EDA MTG	\$139.00
TIMESAVER OFF SITE	2/13/17 EDA MTG	\$139.00
		\$610.79
EHLERS & ASSOCIATES	TIF 2-5 EXPENSE RESUBMISSION	<u>\$1100.00</u>
		\$1710.79

EDA MONTH END CASH BALANCE

		3/13/2017		ADJUSTMENTS		3/13/2017	PROPOSED	4/10/2017	
FUND	DESCRIPTION	BALANCE	REVENUE	(+/-)		BALANCE	EXPENSE	BALANCE	
801	GENERAL	361,430.37		296,057.47	1	657,487.84	-610.79	656,877.05	
806	TIF 2-5 REALIFE	392.87		47.88	1	440.75		440.75	
	TIF 2-5 REALIFE			1,100.00	2		-1,100.00	-1,100.00	
811	DOWNTOWN PROJECT DEBT	0.00		0.00		0.00		0.00	
812	TIF 2-2 STEEPLEPOINT	-5,389.10		5,389.10	1	0.00		0.00	
817	TIF 2-4 BELL TOWER	273,841.48		3,055.67	1	276,897.15		276,897.15	
819	TIF 2-6 CELTIC CROSSING	53,726.91		-403.00	1	53,323.91		53,323.91	
824	TIF 2-7 BARGER PROJECT	-1,387.93		660.50	1	-727.43		-727.43	
825	TIF 2-8 LANCOR/LYNDES	-7,942.56		0.00		-7,942.56		-7,942.56	
826	NON TIF 2-9 CENTRAL 5	46,905.12		-46,905.12	1	0.00		0.00	CLOSED
836	TIF 2-9 CENTRAL 5	65,733.85		-489,348.09	1	-423,614.24		-423,614.24	
		787,311.01	0.00	-230,345.59		555,865.42	-1,710.79	554,154.63	
1	YEAR END RECONCILIATION PER AUDIT		-231,445.59						
2	EHLERS - CLAIM DENIAL 3/13/17		1,100.00	-230,345.59					
	RESUBMITTED UNDER EXPENSE								



Osseo Economic Development Authority Meeting Item

Agenda Item:	Discuss SAC Deferral Program
Meeting Date:	April 10, 2017
Prepared by:	Nancy Abts, City Planner
Attachments:	Summary of SAC Deferral Procedures Rosemount Master Agreement Rosemount Application Form

Policy Consideration:

The EDA requested more information on how other communities administer SAC Deferral Programs.

Previous Action or Discussion:

The EDA discussed SAC Deferral at the March meeting.

Background:

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 10 years. (Cities decide how much SAC to defer and for how long. Three participating communities defer for 10 years; 6 defer for 5 years, and one defers for 3 years. Nine communities defer the maximum 80 percent of SAC, while one defers 70 percent.) Regular payments plus interest are made towards the deferred SAC. Deferral is only available 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. A summary of procedures is attached. Deferral documents from the City of Rosemount are attached.

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. No administrative charge is in place for processing “regular” 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.

SAC Deferral

City	deferral terms		Deferrals	Amount	Procedures					
	period	amount	as of 3/1/2017	Financed to-date	City-Business Agreement	Payments Collected	Admin fee?	Nonpayment?	Other fees deferred?	Other notes
Minneapolis	10	70%	33-1	\$239,976	Owner & Operator both agree to deferred payments.	2x Yearly	No			
Prior Lake	5	80%	3	\$51,408	Owner & Operator both agree to deferred payments.	Monthly		Assess to property.		Has agreed to subordinate lein position for one SAC deferral payment, to assist business with financing.
Brooklyn Park	5	80%	3-1	\$38,269	Owner & Operator both agree to deferred payments.	Monthly		Assessed to property; waive right to contest	City WAC (either/both)	Fixed 3% interest; Collect 1st mo. payment up front. Authority for program in City Code. No re-calculation increase can be deferred.
Robbinsdale	5	80%	1	\$23,856						
Apple Valley	10	80%	1	\$23,856	Assessed to tax roll immediately		For assessing	Charge was assessed to tax roll immediately	Utility connection fees	
Golden Valley	5	80%	1	\$17,892						
Rosemount	5	80%	1	\$5,964	Owner & Operator both agree to deferred payments.	Monthly			Sewer connection	2 SAC minimum amount to defer
Savage	5	80%	0	0						
Mounds View	10	80%	0	0						
Medina	3	80%	0	0						

COMMUNITY: Rosemount	No. 15M00
COMMUNITY ADDRESS: 2875 145th Street East, Rosemount, MN	
CONTACT PERSON: Jeff May/Kim Lindquist	
COMMUNITY-WIDE SAC DEFERRED AMOUNT: 80%	
COMMUNITY-WIDE SAC DEFERMENT PERIOD: 5 years	
PAYMENT MONTH(S): July	

MASTER SAC DEFERRAL AGREEMENT

THIS MASTER SAC DEFERRAL AGREEMENT ("Agreement") is entered into by and between the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota, with business offices at 390 Robert Street North, Saint Paul, Minnesota 55101 ("Council"), and the local government unit identified above as the "Community."

Recitals

1. The Council owns and operates the metropolitan disposal system. Under Minnesota Statutes section 473.517, subdivision 3, the costs of acquisition, betterment and debt service associated with the "reserve capacity" of the system must be allocated among and paid by the respective local government units in the metropolitan area through a sewer availability charge ("SAC") for each new connection or increase in capacity demand to the metropolitan disposal system within each local government unit.
2. Individual property or business owners whose properties are either newly connected or increase capacity demand to the metropolitan disposal system do not pay SAC to the Council. However, local government units that pay SAC to the Council for new connections or increased capacity demands typically pass on those costs to property and business owners by assessing property and business owners a "Local SAC" which sometimes includes local add-on charges.
3. Minnesota Statutes section 473.517, subdivision 6 authorizes the Council to provide for the deferment of payment of all or part of the allocated costs which are allocated by the Council to a local government unit in any year pursuant to section 473.517, subdivision 3. The deferments are repayable at such time or times as the Council shall specify, with interest.
4. At its November 28, 2012 meeting, the Council adopted changes to its SAC program including a small business SAC deferral program. The changes became effective January 1, 2013. At its January 22, 2014 meeting, the Council adopted changes to the SAC deferral program that became effective immediately upon adoption.
5. The Council wants to encourage and help communities promote business development by deferring community SAC payment obligations pursuant to Minnesota Statutes section 473.517, subdivision 6, so participating communities may pass through to businesses the benefits of deferred SAC payments by the communities. The Council's *Sewer Availability Charge Procedure Manual*

(January 2014) states that communities that want to participate in a SAC deferral program must execute a standard master SAC deferral agreement with the Council.

6. To obtain a deferment of a SAC payment obligation and provide assistance to businesses, communities will submit to the Council a signed master SAC deferral agreement. For the term of the master agreement, communities will have the option to note on their monthly SAC reporting, on forms as provided by the Council, the eligible SAC liabilities for which the communities are requesting a SAC payment deferment from the Council. For each such subject SAC liability the deferment will be effective as of the first day of the subsequent month (*e.g.*, for an April building permit that is reported for SAC in May, the deferment will be effective as of June 1).

7. In order to define the rights and obligations of the Community and the Council and the relevant SAC deferral arrangements, the Community and the Council agree as follows:

Article 1 - Definitions

1.1 Definition of Terms. Unless otherwise provided or indicated by the context, the terms defined in this article have the meanings given them in this article. Capitalized terms or phrases used in this Agreement have the meanings given them in the most recent version of the Council's *Sewer Availability Charge Procedure Manual* (the "*SAC Procedure Manual*").

- (a) **Community.** "Community" means a "Community" or "Customer Community" as those terms are defined in the *SAC Procedure Manual*.
- (b) **Determination.** "Determination" has the meaning ascribed to that term in the *SAC Procedure Manual*.
- (c) **Regional Portion of Local SAC.** The "Regional Portion of Local SAC" means that portion of the Community's SAC payment obligations to the Council that the Community passed on to properties within the Community's jurisdiction and does not include any local add-on charges.
- (d) **SAC Deferred Amount.** "SAC Deferred Amount" means the amount of the Community's SAC obligation under Minnesota Statutes section 473.517, subdivision 3 that has been deferred pursuant to Minnesota Statutes section 473.517, subdivision 6 and the terms and conditions of this Agreement.
- (e) **Business.** "Business" means a property or business for which the aggregate SAC Determination results in a liability of twenty-five (25) SAC units or less, before application of any Credits available on the Site. Business does not include *any type* of "Residential Property" or "Publicly Assisted Housing" as those terms are defined in the *SAC Procedure Manual*; nor does it include motels, hotels, camps, nursing homes, senior housing or prisons. Business includes "Commercial Properties," as that term is defined in the *SAC Procedure Manual*, but only when the aggregate SAC Determination for a Commercial Property is twenty-five (25) SAC units or less, before any applicable Credits.

Article 2 – SAC Deferred Amount; Interest; Payments

2.1 SAC Deferred Amount. Subject to the terms and conditions of this Agreement and applicable law, the Council will allow the Community to defer payment on the Community's SAC obligations for Business properties within the Community's jurisdiction in an amount not to exceed eighty percent (80%) of the SAC due for the properties that are either newly connected or increase capacity demand to the metropolitan disposal system. The percentage by which the Community elects to defer payment on the Community's SAC obligations must be applied on a community-wide basis to all participating Businesses within the Community's jurisdiction. The "Community-Wide SAC Deferred Amount" is stated as a percentage on Page 1 of this Agreement. The deferment is available only to properties for which the aggregate Determination is twenty-five (25) SAC units or less. In each instance in which the Community exercises this deferment option, the SAC amount that is not deferred is due and payable at the time the SAC liability is incurred by the Community. Payments on the non-deferred amounts are due with the regular SAC reporting to the Council, pursuant to the *SAC Procedure Manual*. The deferred SAC liability begins accruing interest on the first day following the regular SAC reporting.

2.2 Interest. Annually at each calendar year-end, the Council will determine the average rate on its wastewater bonds, pursuant to Minnesota Statutes section 473.517, subdivision 6. All new SAC deferments during the following calendar year will be subject to that interest rate, but that interest rate will be fixed for the duration of the deferment period for each deferral originated in that calendar year. Interest on unpaid SAC Deferred Amount balances will be computed in whole months, however, payments to the Council can be annual.

2.3 Payments. When the Council invoices the Community for payments on its SAC Deferred Amount, the Council will provide the Community with a payment schedule that amortizes the SAC Deferred Amount and interest on that deferred amount over the term of the deferment period. The Community's payment schedule will list the Business properties for which the Community elected to defer payments on the Community's SAC obligations to the Council. The Community will make payments to the Council at least annually. The Community may elect to make payments semi-annually or more frequently to correspond with the Community's Local SAC collections, assessments or other payments from Businesses, but the same payment schedule must apply to all Community SAC Deferred Amounts. The month(s) the Community elected to make its SAC payments to the Council under the payment schedule are identified on Page 1 of this Agreement as the "Payment Month(s)." The Community may repay or prepay the Council the unpaid balance of a SAC Deferred Amount at any time prior to the end of the deferment period. Any repayment or prepayment made by the Community shall be without penalty to the Community. The Community's payment schedule will be recalculated during the term of the deferment period to reflect: (a) repayments or prepayments by the Community; (b) the Community's election (if any) to discontinue making payments on its SAC Deferral Amount for a Site pursuant to Section 4.2(b); (c) any Community payments to the Council pursuant to Section 4.1(b); or (d) the addition of new Business properties for which the Community elects to defer payment on the Community's SAC obligations to the Council.

2.4 Local SAC Payments from Businesses. Subject to the limitation stated in Sections 3.2 and 4.1, the Community may enter into a payment or other agreement with each Business for payment of Local SAC to the Community on terms and conditions agreed to by the Community and the Business. Except as described in Section 4.2, failure of a Business to make its Local SAC payments to the Community or the Community's failure (or choice) not to assess or collect Local SAC from a Business shall not relieve the Community of its obligation to pay the Council any unpaid SAC

Deferred Amount, plus interest, or otherwise meet its SAC payment obligations under Minnesota Statutes section 473.517, subdivision 6 or other law.

Article 3 - Term of Deferments

3.1 Term of Agreement. Unless otherwise terminated pursuant to this Agreement, this Agreement shall remain in force and effect until the term of the last deferment period expires for Business properties listed on the Community's payment schedule. The Council reserves the right to cancel, suspend or modify its SAC deferral program at any time and for any reason upon thirty (30) calendar days written notice to the Community. If the Council cancels, suspends or modifies its SAC deferral program it will honor all existing SAC deferrals which the Community elected to make under this Agreement prior to the cancellation, suspension or modification. The Community is responsible for giving timely notice to the Community's participating Businesses or prospective participant Businesses of any cancellation, suspension or modification of the Council's SAC deferral program that may affect the Community's local SAC deferral program.

3.2 Term of Deferment. The Community elects the term of the SAC deferments between the Council and the Community, but the maximum term of a Community's SAC deferment shall not exceed ten (10) years. The Community may have only one SAC deferment period and must have the same SAC deferment period for all Business properties covered by this Agreement. The Community's "Community-Wide SAC Deferment Period" is identified on Page 1 of this Agreement.

Article 4 – Local SAC Deferrals

4.1 Local Terms and Conditions. The Community will be responsible for identifying property and business owners that qualify for the Community's SAC deferral program pursuant to any Community terms or conditions. The Council will disapprove a Community deferment request only if a property or business owner does not qualify as a Business as defined in this Agreement. Because the Council's SAC deferral program is intended to benefit Businesses, the Community must administer its local SAC deferral program in a revenue-neutral manner. The Community agrees its SAC payments to the Council will not be less than the Regional Portion of Local SAC payments the Community receives from participating Businesses.

- (a) **Local Deferment Period.** The Community agrees it will not allow a Business a less generous deferment period (*i.e.*, a shorter deferment period) for payment of the Regional Portion of Local SAC than the term of the Community's Community-Wide Deferment Period. This Agreement is not intended to govern the payment or deferment of any local add-on charges by the Community (if any) for Business properties.
- (b) **Local Deferred Amount.** The Regional Portion of Local SAC deferred by the Community for a Business's benefit shall not be less than the Community's SAC Deferred Amount. If a Business elects to prepay the Community some or all of the Regional Portion of Local SAC deferred by the Community, the Community must make a like payment to the Council to cover the Community's SAC obligations to the Council for the Business property. If a Business elects to prepay some of the Regional Portion of Local SAC deferred by the Community the Council will recalculate the Community's payment schedule.

4.2 Unpaid Local SAC. If a Business ceases operations or moves from the Site and does not require the incremental wastewater capacity represented by the SAC deferral, the Community may exercise one of the following two options:

- (a) **Continue SAC Payments.** The Community may continue to make its payments to the Council under the payment schedule. If the Community elects this option it will accrue SAC Credits for the Site in accordance with the SAC Credit provisions of the *SAC Procedure Manual*.
- (b) **Discontinue SAC Payments.** The Community may discontinue making its payments to the Council on the Community's SAC Deferral Amount for the Site. The Community must notify the Council if the Community elects this option and it must certify to the Council that the incremental capacity no longer is needed at the Site. The Community is responsible for making all SAC payments on the SAC Deferral Amount that were due prior to the notice. The Site will not be credited with the portion of the wastewater capacity not paid (for future SAC Determinations), but will receive Credit for actual SAC paid (including partial units). No Community SAC deferral payments to the Council will be refunded. Net Credits will be available to the Community for Community-Wide Credits only if a new SAC Determination establishes a permanent reduction of capacity demand.

4.3 Late Community Payments. If the Community makes a late SAC deferral payment to the Council, an additional administrative charge of two percent (2%) of the unpaid balance of the SAC Deferred Amount per month (or such higher interest rate allowable under law) will be applied.

Article 5 - Notices

5.1 Written Notices. Any notice, request, demand and other correspondence required by or made in accordance with this Agreement shall be in writing and delivered:

To the Council: Metropolitan Council
Attn: MCES Finance Director
390 Robert Street North
Saint Paul, Minnesota 55101-1806

To the Community: The Community's "Contract Person" identified on Page 1
At the "Community Address" identified on Page 1

5.2 Notice Delivery. Any notices or other correspondence shall be deemed to have been received: (a) three (3) calendar days after the date on the notice if the notice is sent by U.S. Mail; or (b) the next business day from the date on the notice if the notice is sent by facsimile or by e-mail.

Article 6 - Defaulting Liabilities

6.1 Liability. To the extent permitted or authorized by law, the Community will hold the Council harmless and indemnify the Council against any actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which the Council may suffer or be subject to as a result of any default by a Business or the Community of the Community's SAC payment obligations under this Agreement or under applicable law. A Business's failure to pay Local SAC shall not relieve the Community of its obligation to pay the Community's SAC obligations to the Council. Nothing in this Agreement shall be interpreted as a waiver of any liability limitations or

immunities granted to the Council and the Community by Minnesota Statutes chapter 466 or by other applicable state or federal law.

6.2 Survival of Terms. Notwithstanding any other provision of this Agreement, the validity of this Article and the Community's obligation to pay its SAC obligations shall survive the expiration or termination of this Agreement.

Article 7 - Miscellaneous

7.1 Dispute Resolution. Any dispute arising under this Agreement shall be settled through consultations between the Council's and the Community's representatives. If an agreement regarding a dispute cannot be reached within thirty (30) days upon notice of a dispute from the Council or the Community, either party is then entitled to bring such dispute before the courts of this state or take such action as otherwise allowed by law.

7.2 Exercise of Rights. Any rights, powers and remedies granted to the Council and the Community by this Agreement shall not preclude or limit any other rights, powers and remedies available to the Council or the Community in accordance with law and other provisions of this Agreement. The exercise of any rights, powers and remedies by the Council or the Community shall not preclude the Council or the Community from exercising any other rights, powers and remedies available to the Council or the Community. No failure or delay by the Council or the Community to exercise any of their respective rights, powers and remedies under this Agreement or in accordance with applicable laws shall be construed as a waiver of such rights, powers, and remedies. The waiver of any right, power or remedy, in whole or in part, shall not preclude the Council or the Community from exercising any of their other respective rights, powers or remedies.

7.3 Severability of Provisions. Each provision in this Agreement shall be severable from and independent of the other provisions. If one or more provisions are held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected and shall remain in force and effect.

7.4 Amendments and modifications. Any amendments or modifications to this Agreement shall be in writing and shall become effective only upon execution of the amendment by the Council's and the Community's authorized representatives.

7.5 Assignment. The Community shall not assign any of its rights or obligations under this Agreement to any third party, even if the Site which was the subject of the SAC liability is removed from the jurisdiction of the Community. The Community may not barter, trade, sell or otherwise treat any SAC payment obligation deferments or SAC Credits as a commodity and the Council will not honor any agreements between the Community and any third parties that purport to barter, trade, sell or otherwise treat any SAC payment obligation deferments or SAC Credits as a commodity.

7.6 Successors. This Agreement shall be binding on the legal successors of the Council and the Community, whether by operation of law or otherwise.

7.7 Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Community and the Council represent and warrant on the Community's and the Council's behalf respectively that the individuals are duly authorized to execute this Agreement on the Community's

and the Council's behalf respectively and that this Agreement constitutes the Community's and the Council's valid, binding and enforceable agreement.

IN WITNESS WHEREOF, the Community and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

COMMUNITY

By: 

Print Name: William Broste

Title: Mayor

Date: 7/7/15

By: 

Print Name: Clara Hadler

Title: City clerk

Date: 7/7/2015

METROPOLITAN COUNCIL

By: 

Print Name: Ned S. Smith

Title: Director, MCE's Finance & Revenue

Date: 7/16/15





ROSEMOUNT

MINNESOTA

ROSEMOUNT SEWER FEE DEFERRAL PROGRAM APPLICATION

BUSINESS INFORMATION

Business Name: _____

Business Address: _____

Business Contact: _____ Title: _____

Principals and Titles: _____

Telephone: _____

E-Mail: _____

PROPERTY OWNERSHIP INFORMATION

Property Owner: _____

Address: _____

Telephone: _____

E-Mail: _____

SAC UNIT DETERMINATION

The Metropolitan Council has established a total Sewer Availability Charge (SAC) Unit Determination for the Business, including **all leased/owned space at the above address** (attach the SAC determination letter):

_____ Gross Units; _____ Credits; _____ Net Units; _____ Rounded Units

Note: Gross Units will be rounded down at **x.49** or less, and units will be rounded up at **x.50** or more.

PROGRAM ELIGIBILITY

SAC Unit (Gross) determination is between 2.50 and 24.99 units? _____ Yes, _____ No

SAC Unit (Gross) determination is 25.00 units or more? _____ Yes, _____ No

- If your gross determination is between 2.50 and 25.49 units, you may apply for a deferral of Met Council SAC and City of Rosemount sewer connection. If the SAC determination is over 25 units you are not eligible for the program.

The SAC Unit determination allows me to apply for the following fee deferrals (deferral 80% of the total billing) to be paid to the City of Rosemount monthly for sixty (60) months as defined in a Payment Agreement to be executed between the Property Owner and the City.

_____ Metropolitan Council SAC (\$2,485 per unit in 2015)
 _____ Rosemount Sewer Connection Charge (\$1,200 per unit in 2015)

Eligibility is also based on answering "Yes" to all six questions below:

1. ___ Yes / ___ No Property tax payments are current?
2. ___ Yes / ___ No The business is in good standing with the State of Minnesota?
3. ___ Yes / ___ No The property is in compliance with Rosemount City Code?
4. ___ Yes / ___ No The SAC determination is two (2.0) or more gross units?
5. ___ Yes / ___ No The property is located within the City of Rosemount?

AUTHORIZATION

I understand the City of Rosemount Sewer Fee Deferral Program.. I hereby certify that the above statements are true and correct to the best of my knowledge. I understand that any false statements may disqualify me or this business from the Rosemount Sewer Fee Deferral Program.

Business Signature: _____ Date: _____

Property Owner Signature: _____ Date: _____



Osseo Economic Development Authority Meeting Item

Agenda Item: Discuss 600 Central Avenue

Meeting Date: April 10, 2017

Prepared by: Nancy Abts, City Planner

Attachments: (none)

Policy Consideration:

The EDA requested more information about 600 Central Avenue.

Previous Action or Discussion:

The EDA discussed this property at their March meeting. Information on potential costs and possible funding assistance was requested.

Background:

The City hasn't recently acquired property for commercial redevelopment. Housing projects and park expansion have different implications for costs and funding.

Costs of Acquisition

Relocation benefits must be paid to property owners when Minnesota cities buy property. However, these benefits can be voluntarily waived by the seller. Boerboom Park properties cost approximately 145, 157, and 191 thousand dollars each. Sellers of those properties waived relocation benefits.

Purchase price of a property depends on several factors. An appraisal can help determine the appropriate value of a property. An appraisal costs about \$500 and can serve as a starting point for negotiations.

Grants

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 bought 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. Future CDBG allocations are in question under a new administration. Boerboom Park properties were not bought with grant funding.

The Metropolitan Council funds site acquisition through its Livable Communities grants. However, the grants are competitive and many other projects can also apply. Site acquisition is only one eligible activity. More specific

projects might have a better chance of being funded. Preliminary “concept plans” applications must be submitted by May 4, 2017.

The property 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.

Budget or Other Considerations:

Budget impacts are not known at this time.

City Goals Met By This Action:

- Foster and promote economic development in the City
- Develop and implement the Comprehensive Plan Update
- Improve the City’s aging and deteriorating infrastructure
- Promote a healthy and high quality standard of living

Recommendation/Action Requested:

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



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Update on Celtic Crossing Redevelopment Site

Meeting Date: April 10, 2017

Prepared by: Riley Grams, EDA Executive Director

Attachments: None

On Tuesday, April 4, Staff members, EDA President Woods and EDA Commission Member Johnson met with representatives of Highland Management Group, who recently purchased the Celtic Crossing apartments and the adjacent undeveloped parcels. The purpose of the meeting was to first meet our new neighbors and second to gain some insight into any future plans they may have for those undeveloped parcels.

Highland Management Group, based out of Edina, own and manage several large multi-family residential buildings, mainly in the western and southwestern Twin Cities area. They also own and manage a few smaller commercial sites as well. Highland does have some previous experience building new residential and commercial space, but that isn't their bread and butter. Their current plans call for building out the existing tenant spaces in the two Celtic Crossing buildings, subdividing them into smaller units. When asked about their plans for the undeveloped parcels, they responded that they had no short-term future 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 to several nearby apartment complexes initially, before making a decision on the undeveloped parcels.

Staff and EDA Members explained that the City of Osseo has built a lot of momentum over last five or so years, and that if and when they decided to do something with those parcels, we would love the opportunity to meet with them. We indicated that the EDA and the City would love to partner with them to make something happen in the near future, should the rental market continue to expand. Overall the meeting was very positive and Staff will check back with the owners regularly and report any new information to the EDA.



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Consider Osseo Food Truck Spring Event

Meeting Date: April 10, 2017

Prepared by: Riley Grams, EDA Executive Director

Attachments: Event details

Policy Consideration:

EDA President Woods and EDA Commission Member Stelmach will provide details for a proposed spring food truck and beer event in downtown Osseo on May 20, 2017.

Previous Action or Discussion:

The EDA most recently discussed such an event approximately one year ago.

City Goals Met By This Action:

Foster and promote economic development in the City

Provide a variety of activities for all citizens with continued and new City events and programs

Recommendation/Action Requested:

Staff recommends the Economic Development Authority discuss the proposed event and direct Staff accordingly.



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Consider Donation to Osseo Gateway Sign Fund

Meeting Date: April 10, 2017

Prepared by: Riley Grams, EDA Executive Director

Attachments: None

Policy Consideration:

Consider making a donation from the EDA to the Gateway Sign Fund to balance the project funds necessary to complete the project.

Background:

The City has been working with Scenic Signs to design and construct the Osseo Gateway Sign. Some time ago, 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's policies (to ensure the policy allowed for an economic development angle). The EDA is expected to discuss the sign's policy in the EDA work session meeting, scheduled to being at 5:00 pm on Monday, April 10.

Provided the EDA members agree to make a donation to the Gateway Sign Fund, Staff has complied the sign's true costs against the fund balance to reveal the remainder necessary to complete the project. The numbers are as follows:

PROJECT COSTS	AMOUNT		PROJECT FUNDS	AMOUNT
Sign design/construction	\$129,990.00		Beginning balance	\$11,761.91
Vertical column letters	\$5,780.00		Hennepin Co. grant	\$50,000.00
Landscaping	\$20,000.00		Remaining 2003C funds	\$36,000.00
Engineering & Legal	\$2,701.06		Donations	\$12,300.00
Contingency	\$10,000		EDA funding gap	\$58,409.15
TOTAL	\$168,471.06		TOTAL	\$168,471.06

The remaining funding gap sits at \$58,409.15. I recommend 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.

Previous Action or Discussion:

The EDA has previously discussed a donation to the Gateway Sign Fund in the past.

Budget or Other Considerations:

Staff would transfer \$60,000 from the EDA General Fund to the Gateway Sign Fund. A Resolution accepting the donation will be on the next City Council agenda. The EDA did budget \$65,000 for a donation to the Gateway Sign Fund in 2017.

City Goals Met By This Action:

Foster and promote economic development in the City

Increase communication with citizens and encourage citizen engagement

Promote a healthy and high quality standard of living

Options:

The Economic Development Authority may choose to:

1. Approve a donation of \$60,000 to the Osseo Gateway Sign Fund;
2. Deny a donation of \$60,000 to the Osseo Gateway Sign Fund;
3. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the Economic Development Authority choose option 1) Approve a donation of \$60,000 to the Osseo Gateway Sign Fund.