



AGENDA – REGULAR MEETING
6:00 p.m., June 12, 2017

Economic Development Authority

- 1. ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF MINUTES**
 - A. May 8, 2017
- 4. MATTERS FROM THE FLOOR**
- 5. PUBLIC HEARING**
- 6. ACCOUNTS PAYABLE**
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
 - A. Presentation on Economic Development Opportunities (WSB & Associates)
 - B. Discuss Properties for Sale in Osseo
- 9. REPORTS OR COMMENTS: Executive Director, President, Members**
- 10. ADJOURNMENT**

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
May 8, 2017**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:30 p.m., Monday, May 8, 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 Hultstrom, to approve the Agenda as presented. The motion carried 7-0.

3. APPROVAL OF MINUTES – APRIL 10, 2017

A motion was made by Hultstrom, seconded by Johnson, to approve the minutes of April 10, 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 Schulz, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS

A. UPDATE ON OSSEO SPRING FOOD TRUCK EVENT

Grams stated the 2017 Osseo Spring Food Truck Event (Spring Opener) is a go. The City Council has approved the necessary road closures for the event and staff has been authorized to enter into agreements necessary for the execution of the event. The EDA has approved funding for 50% of the event costs. In further discussions with staff and the City Attorney, it has been determined that the City can provide funding for the remaining 50 percent of the event costs, but that staff would have to follow a strict flow of funds in order for the cost to be shared by the City.

Staff creates specific event funds within the City's financial system to pay for many events. In order for the City to pay for a portion of the event costs, the following will need to happen:

- 1) The EDA has already approved 50 percent of the event cost.
- 2) The reminder of the event cost, minus any outside donations we receive, will be known once the event is completed and over.
- 3) The City can then pay for those remaining costs by donating that amount to the EDA at the June 12 Council meeting. The funds will have to come from the Contingency Fund (no other identifiable source of funds for this event).
- 4) The EDA has to officially “accept” the donation at its next meeting (which wouldn’t be until July 10).
- 5) Then, in-house Finance staff can “pay off” the specific event fund deficit.

Grams explained the fund would carry a deficit as various invoices are paid (music, fencing, porta-potties, policing needs, promotions, etc.) and a temporary deficit would run in that specific fund until the City can donate the amount of the funding gap to the EDA to zero out that funding gap. Hopefully the EDA will receive enough donations to completely cover the remaining 50 percent. It was staff’s recommendation to have the EDA cover the remaining balance.

Hultstrom asked if it would be better for the EDA to fully fund the event and then to seek donations to assist with the event. Grams did not believe this was necessary. He stated he would bring the financial gap to the City Council and EDA after the event is held.

Schulz commented on the accounting laws the City had to follow. He stated with the timing of event he believed staff’s recommendation was reasonable. He anticipated the event would benefit the City’s businesses and for this reason should be covered by the EDA.

Stelmach was comfortable with the EDA covering the full expense for the event.

Johnson questioned if any expenses would have to be paid prior to the event. Stelmach stated there were several bills that would have to be paid prior to the event being held.

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

Grams stated he would be out of the office May 9-20.

Johnson reported there were two houses for sale in Osseo that should be considered by the EDA. He reviewed the property addresses with the EDA and recommended this be considered by the EDA at its next meeting. Abts explained the property at 600 Central Avenue was listed at \$190,000.

City Planner Nancy Abts invited the EDA members to attend a Development/Redevelopment 101 workshop being sponsored by WSB.

10. ADJOURNMENT

A motion was made by Stelmach, seconded by Schulz, to adjourn at 6:47 p.m. The motion carried 7-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.



Osseo Economic Development Authority Meeting Item

Agenda Item: Presentation on Economic Development Opportunities

Meeting Date: June 12, 2017

Prepared by: Nancy Abts, City Planner

Attachments: None

Background:

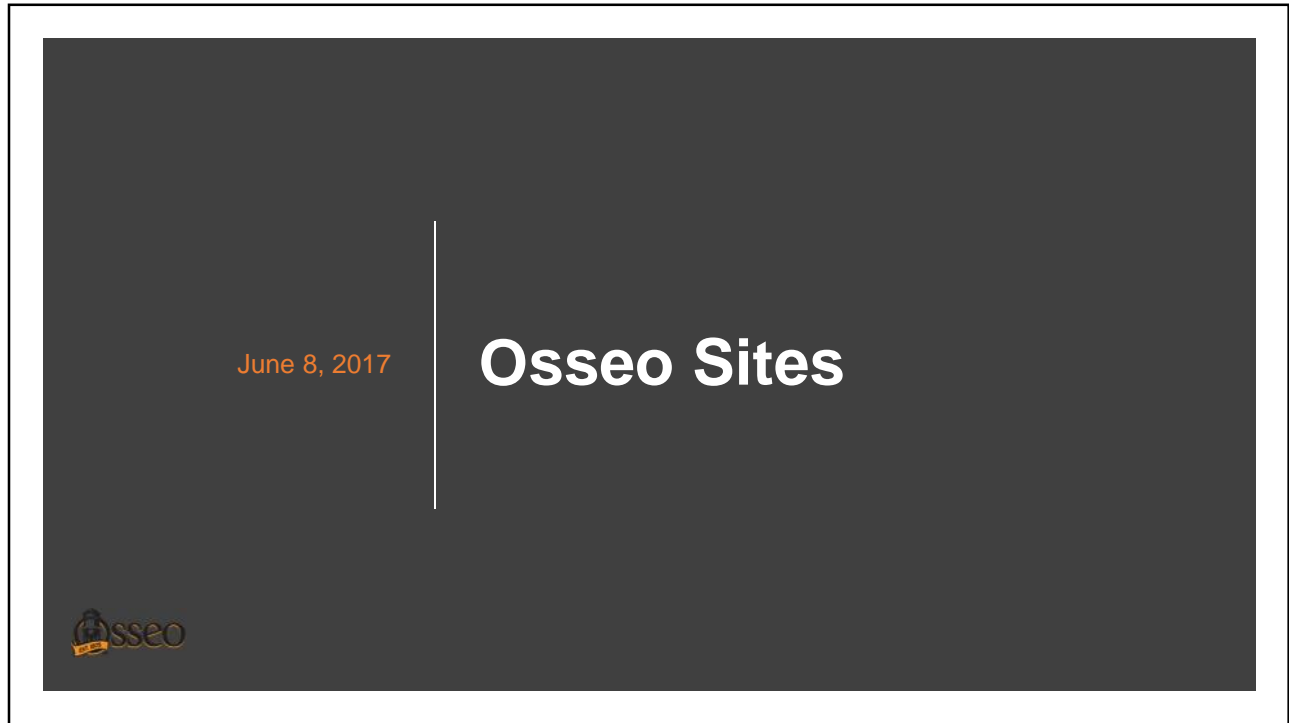
Brian Bourassa and Jim Gromberg from WSB & Associates on hand Monday night to provide information on potential funding for economic development.

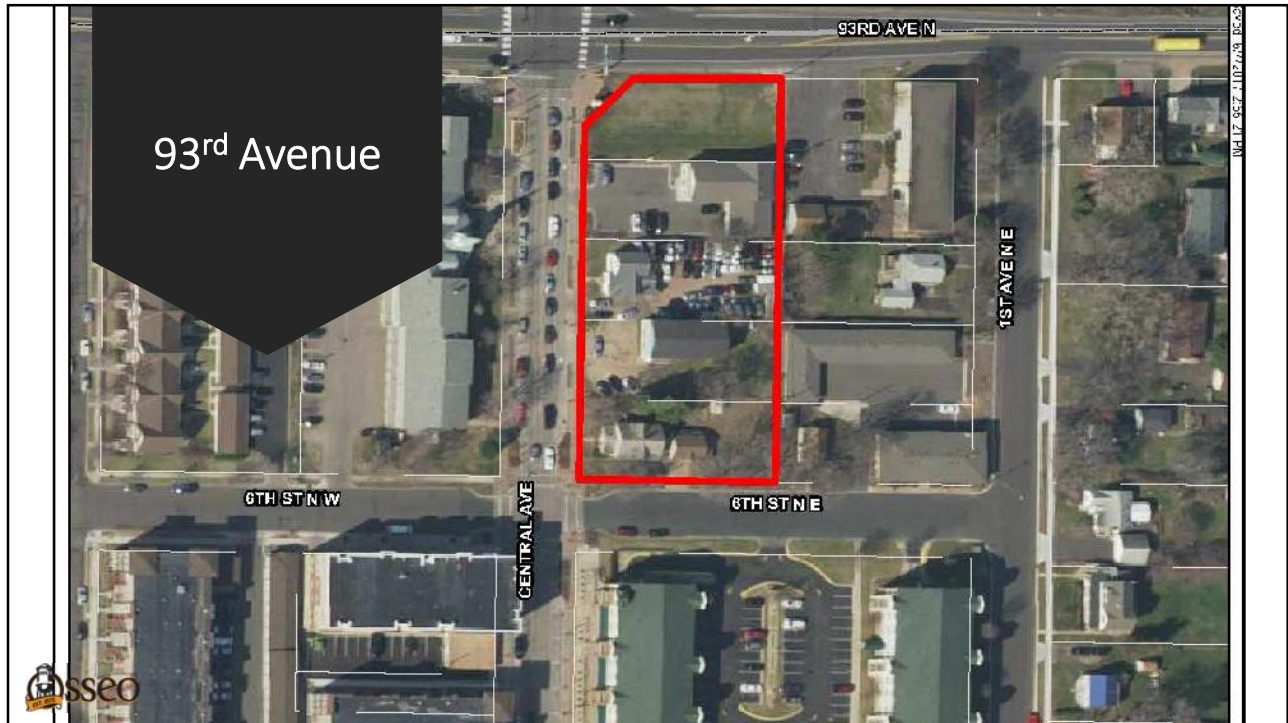
Brian Bourassa, PE | Business Services Group Manager, Principal

Brian is a Principal at WSB and the Business Services Group Manager. He has more than 25 years of experience in the civil engineering field and has worked extensively in both the public and private market sectors. This experience has provided Brian with a broad engineering background, and has allowed him to develop a strong understanding of both public financing and private business perspectives. Brian's lasting client relationships are a testament to the focus he places on developing creative solutions and providing over-the-top customer service. via wsbeng.com

Jim Gromberg | Economic Development Coordinator

Jim Gromberg joins WSB from the Department of Employment and Economic Development (DEED), where he worked with businesses to help locate and expand within the state. Jim was also in charge of the state's Data Center Attraction Program and Shovel-Ready Certification Program. He brings over 20 years of economic development experience in both the public and private sectors, including Landmark Bank, Connexus Energy, and city management and development positions in Isanti and Ramsey. Jim is a past President of the Economic Development Association of Minnesota (EDAM) and served in several community leadership positions. via wsbeng.com





Central Avenue



- 5 properties
 - 632 Central Avenue
 - .23 Acres
 - Vacant
 - \$82,000
 - Central Business District
 - 624 Central Avenue
 - .25 acres
 - Retail Use
 - \$325,000
 - Central Business District

Central Avenue



- 5 properties
 - 616 Central Avenue
 - .25 Acres
 - Car Lot
 - \$113,000
 - Central Business District
 - 608 Central Avenue
 - .25 acres
 - Retail Use
 - \$250,000
 - Central Business District

Central Avenue



- 5 properties
 - 600 Central Avenue
 - .25 Acres
 - Residential
 - \$144,000
 - Central Business District

Funding Sources

- **Hennepin County Transit Oriented Development Grants:** The TOD program criteria support projects and developments that generally: enhance transit usage, increase density along transit corridors, reinforce both the community and the transit system.
- **Hennepin County Economic Development Infrastructure Fund:** Hennepin County is making up to \$500,000 in grant funding available to support business recruitment and expansion through targeted investments in infrastructure upgrades and extraordinary costs associated with starting or expanding a business.



Funding Sources



- **Met Council Tax Base Revitalization Account:** Cities, counties, and local development authorities in the 7-county metro area are eligible to apply for funds to be used for the investigation and cleanup of various contaminants at sites that support redevelopment.
- **Met Council Transit-Oriented Development:** Projects are eligible if they are located within a LCA-TOD-Eligible Area within one-half mile of LRT, BRT, commuter rail, or high-frequency express bus stations that are currently operational or will be operational by 2020.

Funding Sources



- **Contamination Cleanup Grant:** Grants provide cities, counties, port authorities, EDA's, and HRA's with up to 75 percent of contaminant investigation and cleanup costs.
- **Contamination Investigation and RAP Development:** Grants provide cities, counties, port authorities, EDAs, and HRAs with up to 75 percent or maximum of \$50,000 for contaminant investigation and RAP development.

Funding Sources

- **Hennepin County Environmental Response Fund:** ERF grants provide a variety of assessment and cleanup measures to Hennepin County businesses, non-profits, and municipalities for contaminated sites.
- **DEED Redevelopment Grant Program:** The Redevelopment Grant Program helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use.

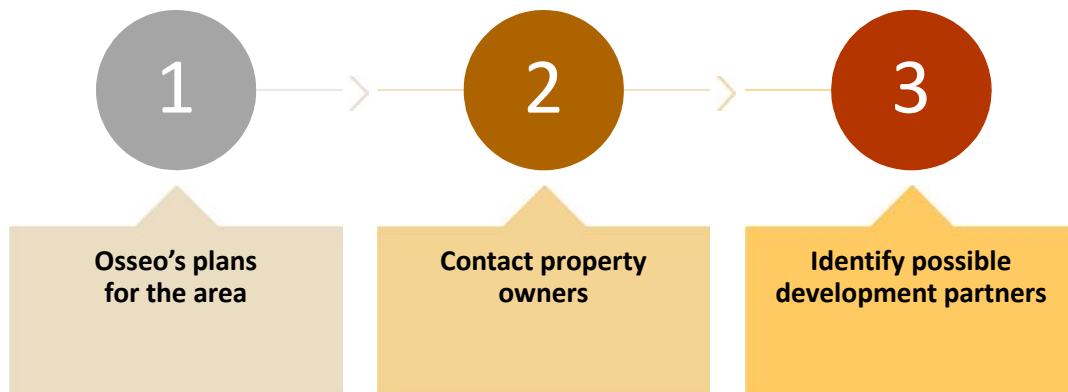


Funding Sources

- **Hennepin County Brownfields Clean-up:** Public entities, private for-profit and non-profit organizations located in Hennepin County are eligible for low-interest loans to assist in hazardous waste cleanup.
- **DEED Cleanup Revolving Loan Fund:** This program provides low interest loans to public entities, private for-profit organizations and private non-profit organizations. Loan funds help pay for cleanup costs necessary to implement the RAP.



Next Steps





City of Osseo Economic Development Authority Meeting Item

Agenda Item: Discuss Properties for Sale in Osseo

Meeting Date: June 12, 2017

Prepared by: Riley Grams, EDA Executive Director

Attachments: Properties for Sale

Policy Consideration:

The EDA should discuss various properties for sale in Osseo, and direct Staff accordingly.

Background:

Staff is pleased to have Brian Bourassa and Jim Gromberg from WSB & Associates on hand Monday night to give the EDA members some potential funding opportunities as it relates to overall economic development within the City of Osseo. Staff had a good discussion with Brian and Jim about various redevelopment opportunities in the City (locations and the likelihood of those panning out) recently and invited Brian and Jim to attend a future EDA meeting. The discussion on various properties for sale in Osseo dovetails nicely off of the presentation from WSB.

It's best to direct the discussion in two sections: residential and commercial.

Residential

Currently, Staff is aware of a few different residential homes for sale in Osseo. Some are located in residential areas, while one is located on Central Ave in the commercial district (600 Central Ave). Right now, the housing market in the Twin Cities is very good. Homes all over the Metro area are selling very quickly, and in many cases for more than asking price. This includes homes for sale here in Osseo. Staff keeps close watch of residential property sales, and most homes are being sold quickly and often for more than asking price. We know there is always an opportunity to restart a scattered site housing program, with the EDA leading the charge. However, Staff doesn't believe this is the right time to reinvest in that program. A scattered site housing program usually is better served during periods of slow housing sales, because the EDA is able to purchase the home cheaper, use some funds to bring the value up, and then re-sell the properties. Staff believes during hot housing markets, it's best to leave the homes alone.

Commercial

We have several commercial locations in town ripe for redevelopment. One area that the EDA has recently discussed is the 600 block of Central Ave. Currently, the single family home located at 600 Central Ave is the subject of a pending sale. Other properties on the block could possibly be purchased if the EDA inquired. Those properties include 616 Central Ave (JML Motors), 624 Central Ave (commercial property owned by Chris Rains), and 632 Central Ave (undeveloped parcel owned by Wiley Properties). Of course, the biggest question is always money. The EDA currently doesn't have the means to outright purchase all of the properties on that block. The Hennepin County Assessor uses an estimated Market Value to determine property taxes; the total estimated value of the properties mentioned is \$664,000. We must look for funds to help assist in the purchase of those properties, clean them up and demolish

buildings (if necessary). That's where the discussion with WSB will come in handy. There are other commercial locations in town that are in need of redevelopment, and Staff is always prepared to bring those items to the attention of the EDA.

City Goals Met By This Action:

Foster and promote economic development in the City

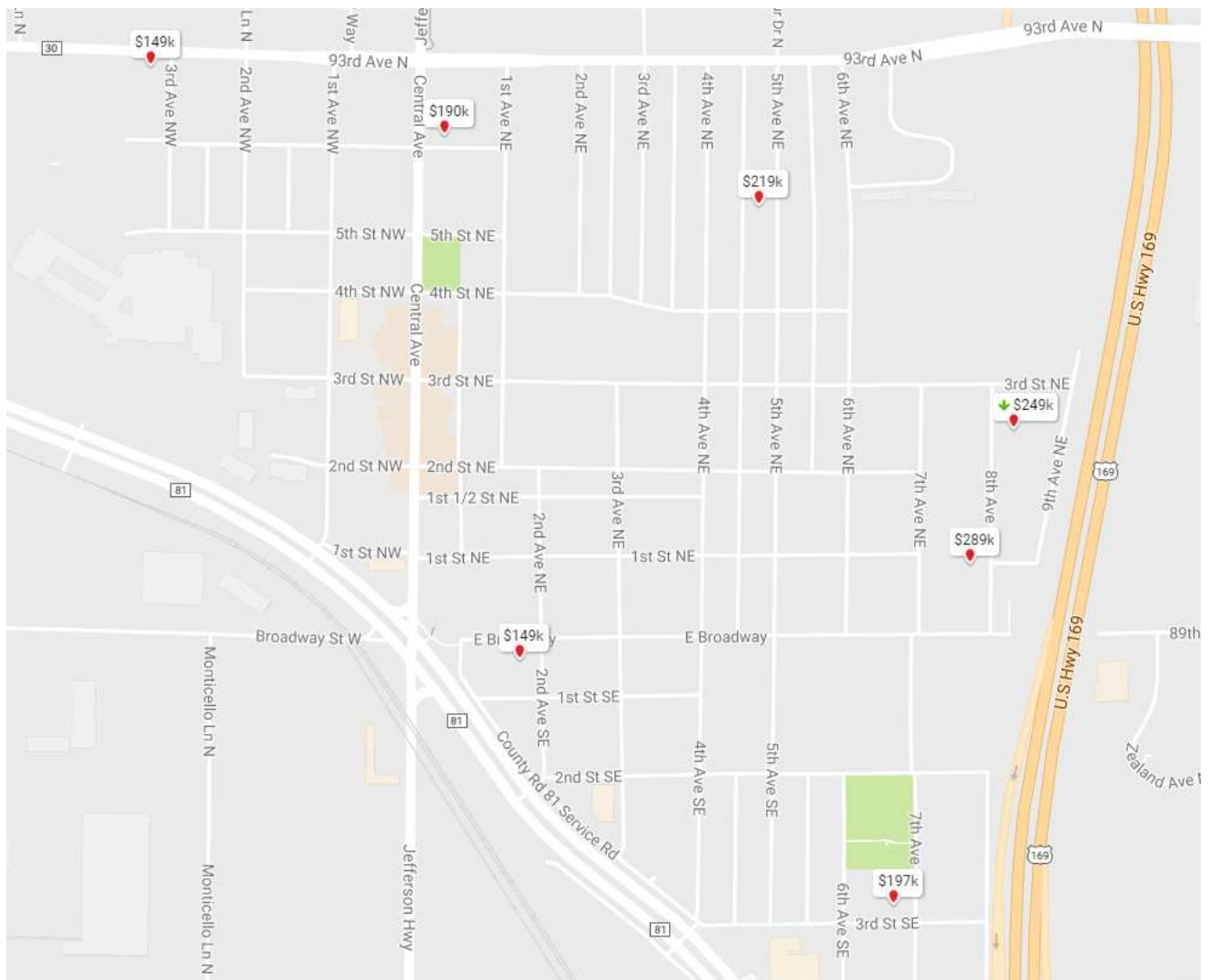
Promote a healthy and high quality standard of living

Plan and provide for safe and quality housing options

Recommendation/Action Requested:

Staff recommends the Economic Development Authority discuss the available options and direct Staff accordingly.

Current homes for sale in Osseo as of 6/8/2017, per realtor.com



641 3rd Ave NW	List Price: \$149,900	2 Beds, 1 Bath; 857 sq ft; 7,405 sq ft lot
124 Broadway Street East	List Price: \$149,900	3 Beds, 1.5 Baths; 1,364 sq ft; 4,966 sq ft lot
PENDING		
241 7th Ave SE	List Price: \$197,000	3 Beds, 1 Bath; 1,913 sq ft; 0.32 acre lot
600 Central Avenue	List Price: \$190,000	3 Beds, 2 Baths; 1,986 sq ft; 0.25 acre
lot PENDING		
208 8th Ave NE	List Price: \$249,900	4 Beds, 2 Baths; 1,990 sq ft; 0.25 acre lot
509 5th Ave NE	List Price: \$219,900	3 Beds, 2 Baths; 2,022 sq ft; 7,841 sq ft
lot PENDING		
25 8th Ave NE	List Price: \$289,900	4 Beds, 2 Baths; 1,940 sq ft; 0.25 acre lot



City of Osseo Economic Development Authority Meeting Item

Accounts Payable Listing 6/12/17 EDA

Check Name	Comments	Amount
EHLERS & ASSOCIATES, INC	216 AUDIT - TIF PORTION	\$176.25
EHLERS & ASSOCIATES, INC	5 CENTRAL TIF FLOW ANALYSIS	\$293.75
KENNEDY & GRAVEN, CHARTERED	APR 2017 LEGAL SERVICES	\$289.65
KENNEDY & GRAVEN, CHARTERED	4/10/17 EDA WORKSESSION	\$528.00
TIMESAVER OFF SITE	5/8/17 EDA MTG	<u>\$139.00</u>
		\$1,426.65

EDA MONTH END CASH BALANCE								
		5/8/2017			ADJUSTMENTS	6/12/2017	PROPOSED	6/12/2017
FUND	DESCRIPTION	BALANCE	REVENUE		(+/-)	BALANCE	EXPENSE	BALANCE
801	GENERAL	654,891.15				654,891.15	-1,132.90	653,758.25
806	TIF 2-5 REALIFE	205.75				205.75		205.75
817	TIF 2-4 BELL TOWER	276,897.15				276,897.15		276,897.15
819	TIF 2-6 CELTIC CROSSING	50,823.91				50,823.91		50,823.91
824	TIF 2-7 BARGER PROJECT	-727.43				-727.43		-727.43
825	TIF 2-8 LANCOR/LYNDES	-7,942.56				-7,942.56		-7,942.56
836	TIF 2-9 CENTRAL 5	-426,914.24				-426,914.24	-293.75	-427,207.99
		547,233.73	0.00		0.00	547,233.73	-1,426.65	545,807.08