

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
July 6, 2009**

1. ROLL CALL

President Kevin Rebman called the regular meeting of the Osseo Economic Development Authority to order at 7:00 p.m., Monday, July 6, 2009.

Members present: Will Lienemann, Steve Menth, Kevin Rebman, Dan Sadler, Ken Schreiber, Dan Spanier, and Bruce Wiley.

Staff present: City Attorney Loren Magsam, City Planner Jeffrey Dahl, and Deputy Clerk LeAnn Larson.

Others present: Ron Barger, Kevin Whelan, and Michael Olsen.

2. APPROVAL OF AGENDA

A motion was made by Lienemann, seconded by Sadler, to remove items 7.B., 7.C., and 7.E. from the Agenda. The motion carried 7-0.

3. APPROVAL OF MINUTES – June 1, 2009, regular meeting

A motion was made by Wiley, seconded by Schreiber, to approve the minutes of the June 1, 2009, meeting as presented. The motion carried 7-0.

4. MATTERS FROM THE FLOOR

Kevin Whelan, representing Summit Bank, the owner of Osseo Commons at 533 Central Avenue, stated they are seeking cooperation with the City in relation to the Development Agreement and tax increment financing note for this property. They are trying to sell the units for senior housing.

5. ACCOUNTS PAYABLE

Sadler questioned if the Comcast costs for Wi-Fi were increasing.

Rebman wondered if the invoice periods might be doubling-up (July twice).

Spanier asked about the Kentco Signs invoice. City Planner Dahl stated the invoice is for “Land Available” signs that the EDA previously requested.

A motion was made by Menth, seconded by Lienemann, to approve the Accounts Payable (Listing 070609EDA, run 7/1/09 9:11AM, in the amount of \$114,482.18). The motion carried 7-0.

6. OLD BUSINESS – None.

7. NEW BUSINESS

A. DISCUSS WITH UNPLUGGED CITIES THE QUALITY OF THE WI-FI SIGNAL

City Planner Jeffrey Dahl stated he attempted to have representation from Unplugged Cities at this meeting to answer some questions about the Wi-Fi signal, marketing, costs, and improving customer satisfaction, but had not received a response to this requests.

Rebman suggested a meeting with Unplugged Cities be set for this week to discuss these matters, even if Executive Director Withers was unavailable this week. Menth and Schreiber volunteered to meet with Rebman, Dahl, and Unplugged Cities this week.

Lienemann asked why it seems difficult to get all the numbers to better understand the financial aspects of the Wi-Fi system.

Sadler said he is still looking for a Wi-Fi audit which has been promised for a number of months.

City Attorney Loren Magsam stated he and Withers met last week about this matter. The city's official audit did not include a complete audit of the Wi-Fi Enterprise. The EDA may need to contract with an audit firm in order to receive a complete audit of the Wi-Fi Enterprise.

Lienemann asked about termination provisions in the agreement with Unplugged Cities. Magsam said he would need to review the contract with Unplugged Cities. He guessed the contract could include a termination provision of anywhere between 30 to 90 days.

Wiley said Unplugged Cities has not met the EDA's request for getting timely information, numbers for costs/revenues/customers, and might "react" better to a potential notice of termination.

A motion was made by Wiley to send a notice of cancellation of contract with Unplugged Cities for cancellation in 30 days or the earliest opportunity.

Rebman said he could not speak for Withers and communication efforts between Withers and Unplugged Cities. He suggested waiting to take action such as termination of a contract.

Dahl said staff, Rebman, and Unplugged Cities have been meeting quarterly to discuss various issues. EDA member Menth was at the most recent meeting.

Sadler said he thinks the EDA may not recoup its investment in the Wi-Fi system.

Rebman reminded everyone of the three year plan for the Wi-Fi system, and the system has only been operating for slightly more than one year at this point.

Wiley said the EDA would like a guarantee of Unplugged Cities representation at the next EDA meeting to address projections for customers and finances thus far to give the EDA confidence that it is not throwing money away on this system. He said a notice of cancellation would get their attention.

EDA member Sadler seconded the motion.

Rebman asked if the EDA wanted to take this step when contracts with Comcast are also involved in the Wi-Fi Enterprise. He said Withers should be present before action is taken since Withers has been the main contact person working with Unplugged Cities.

Spanier said we should wait with action like this and not incur potential costly results for cancellation of contracts. He added Withers is working on this matter in trying to get an audit of financial matters.

Sadler said we could sell the equipment back to Unplugged Cities or to another vendor. He thought Unplugged Cities was making more money on this venture than the City of Osseo. Dahl said the fee structure is based on what the EDA previously approved.

Wiley amended his motion to be a 60 day time period instead of 30 days.

Lienemann said he has not seen marketing efforts for the wireless. Menth said Rebman helped pass out door tags about the wireless system at all businesses. Lienemann said good marketing involves more than a pamphlet being dropped off.

Schreiber said more should be known before action is taken to cancel contracts.

Spanier said the Wi-Fi system works well for him at his home. He added that Withers is working on the matter, and it would be premature to cancel any contracts at this time.

A motion was made by Rebman, seconded by Menth, to table this matter to the next EDA meeting. The motion carried on a roll call vote of 4-3 (Spanier, Menth, Schreiber & Rebman-aye; Wiley, Lienemann & Sadler-nay).

B. CONSIDER REQUEST FOR EXTENSION OF TIME TO CORRECT DEFAULT—
RON BARGER

(Item removed from the Agenda.)

C. DISCUSS ISSUE OF ASSIGNMENT OF TIF PROCEEDS FROM OSSEO
COMMONS

(Item removed from the Agenda.)

D. DISCUSS QUESTION OF MARKETING OSSEO FUNDING/STAFFING/
OVERSIGHT—BRUCE WILEY

Bruce Wiley said he and Withers have discussed marketing of Osseo's Central Business District for potential redevelopment. Wiley said it is important that Osseo markets itself to attract new businesses. He said marketing dollars would be well-spent in capitalizing on the downtown improvements with the Central Avenue Improvement Project. Wiley asked for feedback from the EDA board.

Sadler asked where the money would come from. He suggested owners of buildings need to promote themselves by putting money into their properties. Sadler asked if there might be other grant opportunities to pursue.

Lienemann said the EDA is the economic driver in Osseo and should contribute to a marketing plan.

Spanier suggested discussing a special taxing district again for the downtown as a possible measure for marketing efforts. He wondered if Withers could give a presentation regarding this at the next EDA meeting.

Sadler asked if Prime Advertising might have promotional suggestions or options for marketing efforts. Wiley said he would contact Prime Advertising about this possibility and seek other possible options/advice for marketing ideas.

Dahl said he was aware of another firm that could make a proposal for marketing.

EDA consensus was in support of pursuing potential marketing efforts of Osseo.

E. CONSIDER NOTICE OF DEFAULT FOR TODD AND ANN WALOCK/TW
REMODELING

(Item removed from the Agenda.)

F. DISCUSS PRIORITIES FOR 2010 EDA BUDGET

City Planner Dahl stated the EDA levied \$45,000 to its general fund in 2009 and allotted it to the revised Architectural Design Guidelines Grant Program. To date, no funds have been utilized from this levied amount but several inquiries have been made. Dahl said there is also about \$15,000 remaining in the home improvement fund. He said he is looking into other possible incentives to aid downtown businesses.

Lienemann said perhaps some of the \$45,000 levied amount could be earmarked for new marketing efforts.

8. OTHER REPORTS: Executive Director, President, Members

Dahl noted several items from Executive Director Withers' written report. Staff has received an appraisal on 9 Central Avenue and will be discussing it at the next Council meeting. Staff has met with the owner of 25 4th Street NW regarding the potential purchase of this building for a new police station. The Central Avenue Project is proceeding but a few days behind schedule.

City Attorney Loren Magsam asked if the EDA wants items relating to Development Agreements on the Agenda for discussion and/or action, such as sending a Notice of Default, or if the Executive Director should proceed with action on such items in the course of his duties. Magsam said EDA board members should consider this item at a future meeting.

Spanier had no report.

Wiley said he was happy to learn of a new restaurant/bar coming to downtown Osseo soon, and that some downtown businesses are making improvements to their properties. He stated he wanted to allay the rumors that CVS Pharmacy was going to locate on the Dean's Supermarket and Bromen's Luggage site. Discussion on that matter was two years ago, and neither Dean's nor Wiley opted to sell their sites for a CVS Pharmacy. Wiley said people should avoid spreading untruthful rumors.

Lienemann asked about new gas meters on the front of buildings with the Central Avenue Project. He said this shouldn't be happening with the nice improvements to Central Avenue.

Sadler said new gas meters should not be located on the fronts of downtown businesses.

Menth has no report.

Schreiber had no report.

Rebman reminded everyone of the upcoming Farmers Market starting Tuesday, July 14, from 3-7 p.m.

9. ADJOURNMENT

A motion was made by Sadler, seconded by Menth, to adjourn at 8:26 p.m. The motion carried 7-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk