

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
SPECIAL MEETING MINUTES  
July 13, 2009**

**1. ROLL CALL**

President Rebman called the special meeting of the Osseo Economic Development Authority to order at 6:30 p.m., Monday, July 13, 2009.

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

Staff present: Executive Director Greg Withers, City Attorney Loren Magsam, and Deputy Clerk LeAnn Larson.

Others present: Al Lindquist and Ron Barger.

**2. BUSINESS**

**A. APPROVE UTILITY EASEMENT FOR PROPOSED ALLEY ON EDA LAND**

Executive Director Greg Withers stated the EDA owns Lots 3 and 5, Block 6, Osseo, and the City owns Lot 4, Block 6. These three properties abut the west boundaries of 521, 523, and 533 Central Avenue. It is proposed that an easement for alley and utility purposes be granted over a portion of the three lots. This alley has been contemplated for some time in conjunction with the Osseo Commons project and potential future redevelopment of the Osseo Express site. Gas utility work is currently being done by CenterPoint Energy in relation to the Central Avenue Project. CenterPoint would like to run its gas line down what would be an alley behind the subject properties. The recommended action is to grant alley and utility easements on the two EDA lots: Lots 3 and 5, Block 6, Osseo.

Lienemann asked about new gas meters being installed on the front of a few Central Avenue properties. Withers said there will be no new gas meters installed on building fronts, and the few new meters that have been installed on fronts will be moved.

Withers said the proposed easement would be 15 feet from the easterly property lines of the subject lots.

Schreiber said a new alley would essentially “take” two houses in 5<sup>th</sup> Street NW. Withers said the proposed alley is not being done now but this easement would facilitate that action in the future should the Osseo Express lot, 501 Central Avenue, be redeveloped.

Spanier said an easement can be granted now without requiring an alley be constructed.

Wiley asked about the location of the easement. Magsam said the easement would be on EDA or City owned land only, not abutting privately owned property.

Sadler commented there may be an easement in that location already due to sanitary

sewer lines.

**A motion was made by Lienemann, seconded by Sadler, to grant alley and utility easements on Lots 3 and 5, Block 6, Osseo. The motion carried 7-0.**

B. CONSIDER REQUEST FOR EXTENSION OF TIME TO CORRECT DEFAULT (Ron Barger)

Withers stated a Notice of Default was mailed on June 15, 2009, to the Developer (533 Central LLC). The EDA provides this written Notice of Event of Default to the Developer when the event of default occurs. The Notice states that the Event of Default must be cured within thirty (30) days of the Notice, or the EDA will cancel and rescind the Development Agreement.

Withers said Ron Barger, Developer, has stated he would like a 60-day extension of this time to cure the default.

Menth said he understood Summit Bank owns the property now. Withers said yes, the bank does own the property, but the Development Agreement has not been assigned to the bank and Withers would prefer to work with the Developer in order to achieve a possible cure of the default.

Ron Barger, Developer of 533 Central/Osseo Commons, stated he would prefer an extension to the end of 2009, rather than a 60-day extension, in order to get financing in place.

Withers said the bank that owns the property currently wants the TIF Note as part of the Development Agreement assigned to it. However, assignment of the TIF Note to a new owner of the property may not be part of the sale. Withers said the EDA should protect its "interest" in this property by keeping the TIF Note with the Development Agreement. He warned that granting an extension to the end of the year holds the bank up in relation to a possible sale of the property.

Lienemann said he was in support of an extension to the end of the year.

Wiley said the EDA should take its time to think things through carefully and not do anything at this time. He said he thought the goal of the EDA should be to keep the TIF Note with the building.

Sadler agreed the TIF Note should stay with the building and thought an extension to the end of the year would give Barger a chance to arrange financing to purchase the building.

Magsam stated the Notice of Default has already been sent to the Developer. Any possible action tonight would be to allow an extension of the time to cure the default for the time desired by the EDA.

**A motion was made by Lienemann, seconded by Sadler, to extend the time allowed to cure the default for the Development Agreement between the EDA and 533 Central LLC to December 31, 2009.**

Sadler asked why the Notice of Default had been sent in June. Withers stated the

Development Agreement provides that a notice should be sent upon determination of any Events of Default. This action was approved at the June EDA regular meeting.

Wiley asked if the issue of assignment of any TIF Note would require future EDA discussion and possible action. Magsam said yes, the matter would come before the EDA for approval.

**The motion carried 6-1 (Spanier-nay).**

3. **ADJOURNMENT**

**A motion was made by Menth, seconded by Spanier, to adjourn at 6:55 p.m. The motion carried 7-0.**

Respectfully submitted,

LeAnn Larson  
Deputy Clerk