

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
August 3, 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, August 3, 2009.

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

Members absent: Steve Menth and Dan Sadler.

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

Others present: Ron Barger and Henry Camacho.

2. APPROVAL OF AGENDA

Lienemann requested the addition of item 6.D. Discuss Relocation of Bob & Carl's Pylon Sign to the Agenda.

A motion was made by Spanier, seconded by Lienemann, to approve the Agenda as amended. The motion carried 5-0.

3. APPROVAL OF MINUTES – July 6, 2009, regular meeting

A motion was made by Lienemann, seconded by Schreiber, to approve the minutes of the July 6, 2009, meeting as presented. The motion carried 5-0.

4. MATTERS FROM THE FLOOR – None.

5. ACCOUNTS PAYABLE

Withers stated the payment to Todd & Ann Walock for Developers Payment of \$6,430 should be removed from the Accounts Payable Listing.

A motion was made by Lienemann, seconded by Schreiber, to remove the payment to Todd & Ann Walock for Developers Payment of \$6,430 from the Accounts Payable Listing. The motion carried 5-0.

A motion was made by Schreiber, seconded by Rebman, to approve the Accounts Payable (Listing 080309EDA, run 7/30/09 11:52 AM, in the amount of \$92,334.37 as revised per above action). The motion carried 5-0.

6. OLD BUSINESS

A. DISCUSS WI-FI SYSTEM WITH UNPLUGGED CITIES

Henry Camacho, representing Unplugged Cities, gave a presentation to the EDA regarding the Wi-Fi system in Osseo. The presentation included a financial summary, marketing update, and wireless coverage study.

Camacho stated the summary of cash flow for the Wi-Fi included figures from November 1, 2007, to June 30, 2009. It outlined capital expenditures; payments by the City and by Unplugged Cities; revenue from sales, rentals, and services; write-offs due to bad debts; outstanding receivables; and net receipts.

Rebman noted the financial report includes expenditures going back to November 2007 but income has been received only since February 2008.

Schreiber stated the Wi-Fi system is not making money yet.

Camacho outlined the marketing efforts to date. There have been two door hanger campaigns and one citywide mailing. Businesses have been approached twice, and four apartment complexes have been marketed to. The Wi-Fi take rate is just under 20 percent (take rate is based on 1000 possible customers with an industry standard of 15 percent of those not purchasing any internet access).

Lienemann said he hadn't seen any marketing information or talked to anyone marketing the Wi-Fi system. He stated the marketing info needs to get to the decision makers in an office—not just the front desk. Lienemann said he was disappointed in the marketing efforts by Unplugged Cities.

Schreiber said this is a good deal for businesses to save money. He suggested a new brochure be created for marketing. Schreiber said all residential customers should be able Wi-Fi in their homes without external antennas.

Camacho said a business grade of services—a higher grade—could be created. Some tree trimming might aid in reception. He estimated 10-20 percent of users would likely require external antennas to get a strong signal.

Rebman reminded everyone that a free trial period is available for anyone to try out the Wi-Fi service.

Lienemann asked about the cost of an external antenna. Camacho said about \$100.

Camacho showed a coverage area map, with red areas receiving poor signal strength. Most of the City is in the green and blue areas which provide good reception.

Withers asked how the coverage study was done. Camacho said exterior antennas and cable equipment are loaded on a pickup and laptop computers as a driver goes down streets. Sampling is done every three seconds. The maximum speed of the vehicle is 15 mph.

Rebman asked how this new map compared to the projected coverage map from 2007. Camacho said he hadn't compared this new map to the old. Camacho added the intent is also to crack down on people sharing user IDs.

Lienemann asked about the number of subscribers in the past 18 months of operation. Camacho said about 200, with about 180 current subscribers.

Wiley asked about maintaining that number of subscribers. Camacho said shrinkage would be about ten percent.

Withers noted the second quarter earnings from Unplugged Cities are not reflected in this report, which would be about \$4,000.

Rebman thought the projected number of subscribers would be about 200-220 by this point. He also stated a Wi-Fi system is not optimal for downloading sizable documents.

Spanier asked about the number of subscribers that can work concurrently. Camacho said the system currently allows up to 500 concurrent subscribers.

B. DISCUSS MARKETING OPTIONS

Withers noted the importance of shopping locally and helping existing businesses in Osseo succeed. A few interested people have formed an ad-hoc committee to better promote Osseo. Ideas are welcome for both attracting new business and retaining the ones that are here. He said the improvements to Central Avenue will make the downtown area more aesthetically pleasing and likely attract businesses, even if times are tough economically. Business retention also projects a positive, proactive image of the city for future business attraction.

Wiley made several suggestions to focus on to fill empty buildings and retain the businesses that are already here:

- 1) Survey the kinds of businesses that would be supported by the community;
- 2) Actively attract and market to these businesses.
- 3) Help make real estate deals to get these businesses in place (possibly through a real estate firm) by offering financial assistance through public and private funds.
- 4) Retain existing businesses.
- 5) Employ cooperative marketing efforts.

Rebman commented that sometimes lack of capital and lack of business education get in the way of success. He said he knows that local banks are willing to assist with business loans. And, existing businesses need to cooperate with and promote each other.

Wiley said the City has several programs already in place to assist businesses, whether in retention or as a new business. That information has to be shared with prospective businesses. He stated the Central Avenue project provides a golden opportunity to attract new businesses. Wiley said it would take a concerted effort by multiple people working on this business promotion and retention.

Withers said one new opportunity to support businesses will be a future link to the Osseo Business Association on the City's new website, www.discoverOsseo.com.

Lienemann said often times surveys are hard to create and take too long.

Wiley said having a few more franchise operations would be good in that these types of operations have experience on their side.

Rebman said real estate brokers could be marketing various opportunities right now since the City has an approved Master Plan in place.

Schreiber said the City has a list of businesses it desires as part of the Master Plan. Wiley said an Osseo focus group helped formulate those ideas of desirable businesses. He was thinking that a survey of a 3-5 mile radius of Osseo could address potentially supportable businesses.

Spanier said he did not like to spend \$5-10,000 dollars on a decent survey.

Wiley said some type of cooperative marketing program is what Osseo needs to do to be pro-business.

C. DISCUSS PRIORITIES FOR 2010 EDA BUDGET

Withers noted that an earlier discussion this year by the EDA included a proposal to request an EDA tax levy like last year of the maximum amount, about \$45,600. Withers suggested the EDA earmarked these funds in 2010 as follows: \$20,000 to the Architectural Design Guidelines program, and \$25,600 to a new Discover Osseo promotion.

Lienemann asked what happens with past levied amounts if not used for the earmarked program. Withers said the money stays with the earmarked program until the funds are spent or the EDA redirects the funds to be used elsewhere.

Schreiber said the budget for 2010 would be tough one and he did not want another EDA levy.

Rebman said the City needs these funds.

Lienemann said he liked the idea of earmarking funds toward a Discover Osseo promotion—getting new businesses and keeping the existing ones. He said that activity benefits the whole City.

Lienemann asked if there were still unspent funds in the program for residential revitalization. Withers said yes, there were still funds available.

A motion was made by Lienemann, seconded by Wiley, to ask the Council for an EDA levy at a maximum amount, earmarked for \$20,000 to the Architectural Design Guidelines program, and \$25,600 to a new Discover Osseo promotion.

Spanier said he preferred to see the budget for the EDA before voting on this matter.

Wiley said it was important that the EDA ask for the tax levy as the intent is economic development.

The motion carried 4-1 (Schreiber-nay).

D. DISCUSS RELOCATION OF BOB & CARL'S PYLON SIGN

Lienemann said in 2002 there was a swap of land between Heinen's and Bob & Carl's Auto Body whereby a verbal agreement was that the City would relocate a pylon sign advertising for Bob & Carl's to the corner of the triangular piece where it is currently located. To-date, this sign relocation has not been done.

City Planner Jeff Dahl stated he has heard the story also and researched the address files to substantiate the "need" for the City to relocate the sign, but no information has been found to support this idea. Also, he said a sign moratorium is currently in place that would prohibit such action.

Schreiber asked why the City would have been involved in a verbal agreement of any sort at that time.

Spanier asked who owns the sign and wants it moved.

Wiley said pylon signs don't fit in the current City Code, anyway.

Withers said this matter would need further research.

7. NEW BUSINESS

A. DISCUSS SPECIAL TAXING DISTRICT

Withers stated any request for a special taxing district would have to come from the business community who would be supporting it. Essentially, a special services district would assess an amount on property that would then derive enhanced services for the property.

B. CONSIDER EASEMENTS FOR ALLEYWAY IN BLOCK 14

Withers stated CenterPoint Energy needs to do gas line work in the alley between 1st Avenue NW and Central Avenue in conjunction with the Central Avenue project. On Block 14 (the former senior center site), Lot 3 (the old Anna Dailey lot) is owned by the EDA. An easement does not exist in this alley for such work.

Magsam stated this alley and utilities easement is for the East 8 feet of Lot 3, Block 14, Osseo, for the purposes of constructing, maintaining, repairing, and replacing an alley, drainage, and utilities located thereon.

A motion was made by Wiley, seconded by Schreiber, that the EDA grant to the City an alley and utilities easement for the East 8 feet of Lot 3, Block 14, Osseo. The motion carried 5-0.

A motion was made by Spanier, seconded by Schreiber, to recommend the City Council authorize the City Attorney to obtain alley and utilities easements for all remaining lots on Block 14. The motion carried 5-0.

8. OTHER REPORTS: Executive Director, President, Members

Withers stated Night to Unite is anticipated to be a great success, with 8 or 9 block parties planned for Tuesday, August 4.

Withers provided a brief update on the Central Avenue project.

No other reports were offered.

9. ADJOURNMENT

A motion was made by Spanier, seconded by Schreiber, to adjourn at 9:39 p.m. The motion carried 5-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk