

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
January 3, 2011**

1. ROLL CALL

President Kevin Rebman called the regular meeting of the Osseo Economic Development Authority to order at 7:00 p.m., Monday, January 3, 2011.

Members present: Will Lienemann, Terry McNeil, Duane Poppe, Kevin Rebman, Dan Sadler, and Bruce Wiley.

Member absent: Mark Schulz.

Staff present: Executive Director Jeffrey Dahl, City Attorney Loren Magsam, and Secretary LeAnn Larson.

Others present: Allan Hartkopf, Al Lindquist, Michael McLaughlin, Martin Duffy, and Ron Barger.

2. APPROVAL OF AGENDA

A motion was made by Sadler, seconded by Lienemann, to approve the Agenda as presented. The motion carried 6-0.

3. APPROVAL OF MINUTES – December 6, 2010

A motion was made by Lienemann, seconded by Sadler, to approve the minutes of December 6, 2010, as presented. The motion carried 6-0.

4. MATTERS FROM THE FLOOR – None.

5. ACCOUNTS PAYABLE

A motion was made by Poppe, seconded by Lienemann, to approve the Accounts Payable (Listing 123110EDA, run 12/29/10, 9:54 AM, for \$228,660.64). The motion carried 6-0.

6. OLD BUSINESS

A. CONSIDER PROPOSAL FROM URBAN WORKS, INC., TO ASSIST IN SET UP OF SPECIAL SERVICE DISTRICT

Executive Director Jeffrey Dahl stated the EDA has had significant discussion on this matter. After the last EDA meeting, consensus was that business owners in downtown Osseo needed to meet privately and agree to ask the EDA for assistance in gauging interest and setting up a Special Services District (SSD) for downtown property/business owners.

Dahl said he recently spoke with several property owners and a meeting between business owners has not yet taken place. Based on the timeframe Michael McLaughlin, Urban Works, Inc., submitted in his proposal, the EDA would need to take action on this item this winter in order to for an SSD to be in operation by January 2012.

There has been a lot of discussion regarding costs of snow removal services with economies of scale. Information submitted by Wiley Enterprises regarding snow removal costs on one block of Central Avenue for 2009-2010 was presented. That info stated the annual cost for this service was \$1.71 per lineal foot or \$112.86 for a standard 66-foot wide lot for the entire winter season. When the City contracted for snow removal service last year, the approximate annual cost was \$4.05 per lineal foot or \$267.30 for a standard 66-foot wide lot. Lynde Enterprises estimates that snow removal on sidewalks would cost approximately \$3 per lineal foot.

Duffy said there has not been time to meet on this subject with other Central Business District business owners.

Sadler said he was not in favor of spending between \$15,000-50,000 to set up an SSD. He stated if enough interested business people were in support of this district, they could set it up themselves. He asked about tabling the issue indefinitely.

City Attorney Magsam noted a matter could not be tabled indefinitely; it had to state a time certain if the motion was to table a matter.

A motion was made by Sadler, seconded by McNeil, not to consider a proposal from Urban Works, Inc., to assist in the formation of a Special Service District at this time. The motion carried 5-1 (Poppe-nay).

Wiley said he would be in favor of pursuing the formation of an SSD if there was sufficient business interest in the future.

Lienemann said it takes 25 percent of the business owners to petition for the implementation of an SSD, and the EDA could take up the matter again at that time.

Al Lindquist, 625 1st Avenue NE, stated this could be a bigger issue than keeping the sidewalks looking nice. He said safety and liability for unsafe conditions could be an issue. Lindquist said there are typically no piles of snow/ice on other city sidewalks like there are in Osseo.

Rebman stated matters of snow removal in an SSD are only one part of a possible solution to help downtown business owners. Other benefits and cost savings could be realized in an SSD.

B. 226 CENTRAL AVENUE "ITEN BUILDING" UPDATE

Dahl stated this item was discussed at an EDA work session prior to this meeting. Discussion included the history, specifications, land use, and the Redevelopment Master Plan for this site. The conditions of the building and future land use options were explored.

Dahl stated the future land use options discussed were:

- Fix up the building/site and sell/lease to a preferred business at market rate;
- Sell the building "as is" at market rate;
- Demolish the building and use as a public parking lot with small green space abutting Central Avenue;
- Fix up the building and use completely for a public purpose (library, public safety, arts center, etc.);
- Fix up the building and use partially for a public purpose—the other space would be sold/leased to a preferred business at market rate.

Dahl stated that the work session discussion resulted in the need for more figures/data regarding costs to remodel the building (as a shell) and how much it would cost to demolish the building and construct a parking lot. Dahl guessed the additional cost for a consultant to make this determination would cost up to \$1,000.

Sadler said it would be hard to make a decision about 226 Central Avenue without having hard numbers for costs for the options discussed.

A motion was made by Sadler, seconded by Lienemann, to authorize the Executive Director to utilize the services of a consultant in gathering more information for 226 Central Avenue, at a cost not to exceed \$1,000. The motion carried 6-0.

C. WI-FI UPDATE

Dahl stated staff has collected approximately \$650 of the \$9,000 in delinquent payments after the final billing for Wi-Fi in December. Dahl has spoken with a collection agency to determine whether it is worthwhile for the City to track down payment for outstanding accounts.

All of the access points have been taken down and are currently stored at City Hall with the remaining inventory. Scott Pietig, Wireless Consultant, and EDA President Rebman are planning to go through the infrastructure, mark all inventory, and make a recommendation on how to capture the most value for these assets.

Citilink (former Wi-Fi internet provider) has disputed the length of the services agreement between itself and the City. The City gave prior notification to Citilink that it was terminating its services in July 2010. Citilink has sent invoices for services since July; however, the City has refused to pay them. Staff was recently notified that Nextera Wireless purchased significant assets of Citilink.

Dahl stated a collection agency he spoke with today would retain 33 percent of the collections received. He thought the City had nothing to lose by exploring this option.

Sadler asked if the delinquent amounts could be certified to taxes as a special assessment. Magsam said no, there is nothing in the City Code or in Minnesota statutes to allow for certification of delinquent accounts like Wi-Fi to taxes.

McNeil asked about those people who had substandard service and did not pay their bill. Magsam said that anyone has a legal right to dispute the claim on a collection notice per the Fair Debt Collection Practices Act.

Dahl said staff has adjusted accounts as people have explained or proven inadequate service.

A motion was made by Poppe, seconded by Sadler, to authorize the Executive Director to proceed with collection of delinquent Wi-Fi accounts via the services of a debt collection agency. The motion carried 5-1 (McNeil-nay).

D. CONSIDER EXTENDING CONTRACT WITH MNCEE FOR HOME IMPROVEMENT PROGRAM

Dahl stated in January 2008 the EDA approved a "consulting agreement" with Minnesota Center for Energy and Environment (MNCEE) to provide low-interest loans to qualified residents and free remodeling visits to all residents in the City of Osseo. This consulting agreement requires approval on an annual basis for the partnership between MNCEE and the EDA to continue.

In 2008, \$25,000 was allocated from the EDA's general levy for this program. From January 2008 to December 2009, the program has financed two home improvement loans and 15 home remodeling visits. Program expenses for the two years have totaled \$5,803.05. Typically, the EDA promotes the program via Cable 12, City Newsletter, City website, and an annual direct mailing campaign.

Dahl said he recommends extending the Consulting Agreement between the City of Osseo EDA and MNCEE through 2011.

Poppe asked about the program expenses of about \$5,800. Dahl said these expenses are a result of loan initiations, loan write-downs, home remodeling visits, and marketing.

McNeil said he was in favor of pursuing a different program that might result in more participation. With economic times being tough, he thought income restrictions for this program were too hard to meet. McNeil spoke of enhanced programs in other cities that could serve more people.

Rebman said we do not have adequate staff to administer other programs on behalf of the EDA.

A motion was made by Sadler, seconded by Lienemann, to authorize the Executive Director to sign the addendum extending the Consulting Agreement between the EDA and MNCEE through December 31, 2011. The motion carried 5-1 (McNeil-nay).

E. LCDA MET COUNCIL GRANT UPDATE

Dahl stated the Met Council has approved Osseo's application for Block 6 Redevelopment Project for the full amount of \$626,000. Official approval of the award and contract will follow in the upcoming months.

Dahl recommends the EDA appoint three committee members to assist staff with moving forward on this project. The first steps this winter are to commence acquisition of property and to formulate an RFP for the site.

Rebman said he was interested in being on the committee for the Block 6 Redevelopment Project. He asked for two other volunteers. Poppe and Sadler agreed to be on this committee.

7. NEW BUSINESS – None.

8. REPORTS OR COMMENTS: Executive Director, President, Members

Dahl stated the City's General Fund included an amount of \$30,000 for EDA purposes. However, the EDA has not allocated this \$30,000 specifically for any purpose yet. Dahl suggested a work session or discussion at a regular meeting to set forth goals or a plan for 2011.

Rebman said he was looking for a Tax Increment Financing (TIF) update late this winter so balances in each TIF district were known. Dahl said a joint session with the Council would be timely given there are several new Council members.

McNeil spoke of the importance of parking and how it affects development. He said the EDA should adopt a strategic plan.

Rebman, McNeil, and staff will meet to discuss EDA strategies for 2011.

9. ADJOURNMENT

A motion was made by McNeil, seconded by Wiley, to adjourn at 7:56 p.m. The motion carried 6-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk