

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
March 7, 2011**

1. OATH OF OFFICE

Executive Director Jeffrey Dahl administered the Oath of Office to EDA member Kevin Rebman.

ROLL CALL

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

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

Staff present: Executive Director Jeffrey Dahl and acting City Attorney Sandra Woessner.

Others present: Ron Barger.

2. APPROVAL OF AGENDA

A motion was made by Lienemann, seconded by Hartkopf, to approve the Agenda as presented. The motion carried 7-0.

3. ELECTION OF OFFICERS

A motion was made by McNeil to table the Election of Officers in order to reconsider changes to the EDA By-Laws to allow a Council member to be president of the EDA Board. The motion was seconded by Sadler.

Rebman noted the City Code states that the EDA Board member elected as President shall not be a City Council member. Changing the City Code would require an ordinance amendment by the City Council.

Lienemann stated he thought the current parameters for election of officers to serve the EDA Board was a good system.

McNeil said he thought experienced Council members could be effective as EDA President.

The motion failed on a vote of 1 aye (McNeil) to 6 nays (Hartkopf, Lienemann, Poppe, Rebman, Sadler, Wiley).

A motion was made by Lienemann, seconded by Poppe, to appoint Kevin Rebman as EDA President. The motion carried 6-1 (McNeil-nay).

A motion was made by Sadler, seconded by Hartkopf, to appoint Will Lienemann as Vice President of the EDA. The motion carried 6-1(McNeil-nay).

A motion was made by Hartkopf, seconded by Sadler, to appoint LeAnn Larson as Secretary of the EDA. The motion carried 7-0.

A motion was made by Lienemann, seconded by Sadler, to appoint Duane Poppe as Treasurer of the EDA. The motion carried 7-0.

A motion was made by Poppe, seconded by Lienemann, to appoint Jeffrey Dahl as Assistant Treasurer of the EDA. The motion carried 7-0.

4. APPROVAL OF MINUTES – February 7, 2011

A motion was made by Hartkopf, seconded by Lienemann, to approve the minutes of February 7, 2011, as presented. The motion carried 7-0.

5. MATTERS FROM THE FLOOR – None.

6. ACCOUNTS PAYABLE

A motion was made by Sadler, seconded by McNeil, to approve the revised Accounts Payable (Listing 030711EDA, run 03/07/11, 3:25 PM, for \$7,583.85). The motion carried 7-0.

7. OLD BUSINESS

A. 226 CENTRAL AVENUE “ITEN BUILDING” STATUS

Dahl stated at the January meeting the EDA authorized staff to utilize the services of a consultant (of up to \$1,000) to provide a more detailed analysis of what it would cost to:

- Demolish the building and construct a parking lot; and
- Repair the building in order to lease/sell the building as a retail use.

The EDA conducted a work session tonight at 6:00 p.m., prior to the regularly scheduled meeting, to review a more detailed analysis. Staff utilized the services of Bolton and Menk (demo/parking lot) and Buetow & Associates (repair to lease/sell).

Dahl noted one offer to purchase the property has been received from a private party.

McNeil noted one offer had been received and the EDA should let that party know that the EDA was willing to consider the offer. Dahl stated he would send a letter to the party indicated that the EDA would consider the offer.

Poppe offered a suggestion to contact a small business broker, stating we had this building for sale.

Rebman said a “package” could be brought to the EDA if a desired business was offering to move to this location and bring value to Osseo.

Poppe noted there are several things to consider. The EDA would have to consider which plan might be best for Osseo: a proposed plan with a desired use but lower value versus a proposed plan with a higher value but a potential business risk.

Wiley asked if the EDA was looking for the maximum financial benefit or looking for a business to fill a void.

Rebman stated he was in favor of the best value for Central Avenue—seeing a viable business at that location.

McNeil asked how to gauge if business owners downtown feel that parking is needed or is adequate.

A motion was made by McNeil, seconded by Poppe, to direct staff to draft a solicitation of interest to be reviewed at the next meeting in order to sell the building “as is.” The motion carried 7-0.

A motion was made by Rebman, seconded by Poppe, to direct staff to send an acknowledgment to the party that had submitted a letter of interest to purchase the property and indicate the EDA’s timeline, as well as ask for additional information. The motion carried 7-0.

B. 533 CENTRAL LLC DEVELOPMENT AGREEMENT

Dahl stated staff has received a letter from attorney Lawrence Marofsky, who is representing 533 Central, LLC, and Ronnie Barger. The letter indicates the intention of 533 Central, LLC, to re-obtain ownership of Osseo Commons---which is the only way there would be any possibility for the existing Development Agreement to be cured of default.

Staff and committee members are against tabling action on this item yet again. However, we did agree that the only valid reason to delay action was if there was evidence from 533 Central, LLC, and the current owner, Prime Holdings, LLC, that 533 Central, LLC, would re-obtain ownership.

Because of the timing of the letter received by Mr. Marofsky, staff has not had the opportunity to review the proposal with City Attorney Loren Magsam and Mary Ippel of Briggs & Morgan to answer several questions.

Rebman noted the key issues as identified by City Attorney Magsam are:

- 1) Does the property continue to qualify as a TIF housing district?
- 2) What would be the ownership position of 533 Central LLC?
- 3) Has the property met the low to moderate income restrictions and age restrictions since June 2010?
- 4) How will the EDA evaluate any proposal from the developer?

Sadler stated he did not want something new required of the developer at this point.

Rebman said nothing new has been required of the developer in the last nine months, only documentation to support answering the above questions.

McNeil asked about the extra legal fees accrued over the long debate on this matter, and if the costs could be recouped. Dahl said he would research those additional legal fees. Rebman said he expected the additional fees would come from available TIF funds.

Lienemann said he was in favor of 533 Central LLC getting TIF reimbursement and complained of the slow process in this matter.

A motion was made by Lienemann, seconded by Sadler, to table this matter to the next EDA meeting. The motion carried 5-2 (McNeil & Sadler-nay).

C. DISCUSS DOWNTOWN PARKING SIGNAGE AND STRIPING

Dahl stated staff has prepared a report that outlines the costs of parking signs and striping.

Parking Signs

Post 6 to 8 "P" (parking) signs (with arrows) on Central Avenue pointing down side streets where city parking is available. Location possibilities are:

- a. On West side of Central, one sign at 5th St NW, 4th St NW, 3rd St NW, 2nd St NW
- b. On East side of Central, one sign at 3rd St NE, 2nd St NE
- c. And "P" signs on alleys if needed (like East side between 3rd and 2nd Sts NW)

Total Cost \$500-\$1,000 (\$100 per sign, not including installation)

Striping

Cost to stripe parking lines on Central Avenue (large enough for a pickup): \$1,000-2,000.

Cost to stripe parking lines one block each side of Central (on Streets only) at a 45-degree diagonal where possible on side streets: \$2,000-\$4,000.

Cost to fix and Stripe asphalt in old Senior Center lot: estimated at \$100,000 to make the parking lot code compliant.

- a. At 4th St NE and 1st Ave NE up to alley and (not grass area where house was).
- b. Put up parking cement abutments (wheel stops) to prevent people from driving on non-asphalt areas.
- c. Mark former Senior Center lot with "IN" on 4th St NE and "OUT" on 1st Ave NE and appropriate signage for Exit, Do Not Enter, Enter on 4th Street, etc.

Cost to asphalt and stripe lot at 2nd St NW and 1st Ave NW (next to Lubbe Dental): estimated at \$100,000 to make the parking lot code compliant.

- a. Includes the corner lot and the adjacent lot where the house sat across from the Post Office.

Two "new" City lots, on-street striping, signs, etc: approximately \$210,000.

Sadler said he hated to see more clutter on Central Avenue with blue parking signs, and asked if posting on the larger light standards was possible. He stated striping should be done in the spring instead of fall.

Poppe noted the bus shelter to be erected in 2011 on Central Avenue could have a diagram or listing of parking lots.

McNeil was in favor of striping first as a means to guide parked vehicles.

Dahl stated a new striping plan would require preparation by the City Engineer.

EDA consensus was to have more detailed figures before proceeding with parking signage and striping options.

A motion was made by Sadler, seconded by Poppe, to direct staff to provide more detailed figures regarding parking signage and determine how much it would cost for the City

Engineer to provide an on-street parking plan in the Central Business District before it decided to spend money on striping. The motion carried 7-0.

D. BLOCK 6 PROJECT UPDATE AND APPROVAL OF APPRAISALS

Dahl stated the grant agreement with Met Council for the “Block 6” Redevelopment Project was recently executed. Staff has met with the Block 6 Committee members (Rebman, Poppe, Sadler) on March 1 and discussed the next steps, which are: 1) Development of the Request for Proposals, and 2) Commencement of the acquisition of properties associated with the project.

Request for Proposals (RFP)

Staff will begin development of an RFP and send out drafts to the Block 6 Committee members for review prior to EDA consideration. In order to obtain the best results from the RFP, the committee suggested that:

- A list of potential developers is developed with the help of the EDA;
- The RFP is advertised through a variety of avenues; and
- An informational meeting would be held with potential developers to review the RFP.

The goal of the RFP will be to attract a quality developer that is able to fulfill the general parameters of the grants received for the project (sustainable, affordable, row-townhome, attractive, increase tax-base, etc.) with limited financial risk to the EDA.

Acquisition Process

Staff has begun communication with the two residential properties associated with Phase I of the project. The first step was to inform the property owners that the EDA still wishes to pursue acquisition of their properties IF they are willing sellers. Staff has met with both property owners, and they have indicated that they may be willing sellers.

The next step is to order an appraisal (approximately \$350 per property) and begin the negotiating process. Once an agreement has been reached, the draft purchase agreements will be reviewed by the Committee prior to EDA approval. Staff will proceed with acquisition of Phase II of the project (former Osseo Express property) after it moves forward with Phase I of the project.

Dahl hopes to have a draft RFP for consideration at the April EDA meeting. Staff is requesting authorization of residential appraisals for 33 5th Street NW and 25 5th Street NW to begin the negotiating process.

A motion was made by Lienemann, seconded by Sadler, to direct staff to develop an RFP for the redevelopment of Block 6, and commence with the acquisition process with the two single-family homes in the project area. The EDA approved (6-1) moving forward with the two residential appraisals. The motion carried 6-1 (McNeil-nay).

8. NEW BUSINESS

A. DISCOVER OSSEO PHOTO CONTEST

Dahl stated in May 2010 the EDA authorized expenditures for several marketing and promotions ideas from the Marketing and Promotions Committee. This Committee sponsored a Photo Contest, which ended in September. Prizes were to be awarded for first, second, and

third places in three categories, up to a grand total of \$525. In November, the EDA awarded \$350 for prizes in the two categories that had entries.

The winning photos are featured on our website and were featured in the Winter Osseo Outlook. Future promotions of Osseo could include use of these photos, as well.

The staff proposal this year is to hold a photo contest again with the same rules but over a longer time. Because of the September 3 deadline last year, photos for some of Osseo's major events were not included. Photos in the category "Discover Osseo Community" could have included events such as Lions Roar, Oktoberfest, and the annual tree lighting ceremony-Osseo Minidazzle. The proposed deadline this time would be January 6, 2012, with the same prize awards of first, second, and third places in three categories, up to a total of \$525.

The recommendation is to approve this year's Photo Contest promotional activity and awards prizes of first, second, and third places in three categories, up to a total of \$525.

McNeil suggested a mandatory number of participants, more entries, and winners in one category only. He said the EDA had more pressing things than a Photo Contest.

Sadler said the prize monies could be lowered.

A motion was made by McNeil, seconded by Sadler, to suspend the Photo Contest for 2011. The motion failed on a 2 ayes (McNeil, Sadler) to 5 nays (Hartkopf, Lienemann, Poppe, Rebman, Wiley) vote.

A motion was made by Wiley, seconded by Sadler, to reduce the total prize money allotment to \$300. The motion failed on a 3 ayes (McNeil, Sadler, Wiley) to 4 nays (Hartkopf, Lienemann, Poppe, Rebman) vote.

A motion was made by Rebman, seconded by Poppe, to conduct the Photo Contest in 2011 as outlined but stipulating that any entrant can win only one prize per category. The motion carried 7-0.

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

Dahl reminded everyone of the upcoming Remodeling Fair, Saturday, April 2, at the Crystal Community Center.

Dahl stated a Council Strategic Planning Session would be held on Saturday, April 2, from 7:30 a.m.-3:30 p.m., in the Community Center. This session will include a facilitator, Council members, staff, EDA President, and Planning Commission Chair.

Sadler stated the www.savemyosseo.com website did not have complete and accurate information, and the "Osseo is collapsing" signs were hurting Osseo.

Wiley said he agreed with Sadler, that the signs are not a positive for Osseo.

McNeil said he spoke with Minnesota Representative Kurt Zellers recently at the capitol, along with Council members Poppe and Schulz. He asked about Osseo's lobbying effort on behalf of the City. McNeil encouraged the EDA to join the efforts of the Council in support of Osseo.

Rebman asked if a TIF update would be presented in April at the EDA meeting. Dahl will check with Rebecca Kurtz, Ehlers & Associates.

Rebman asked about the EDA investments.

10. ADJOURNMENT

A motion was made by Sadler, seconded by Poppe, to adjourn at 8:37 p.m. The motion carried 7-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk