

**MINUTES OF SPECIAL JOINT MEETING WITH
CITY COUNCIL, ECONOMIC DEVELOPMENT AUTHORITY,
AND PLANNING COMMISSION
March 16, 2009**

1. CALL TO ORDER

Mayor John Hall called the special joint meeting of the Osseo City Council, Economic Development Authority, and Planning Commission to order at 7:46 p.m., Monday, March 16, 2009.

City Council members present: John Hall, Brian Kleven, Steve Menth, and Ken Schreiber. Member absent: Steve Parks.

Economic Development Authority members present: Kevin Rebman, Dan Spanier, and Bruce Wiley. Members absent: Dan Sadler and Will Lienemann.

Planning Commission members present: Dorothy Clarke, John Cochran, Brad Hansen, Barbra Plzak, Melanie Larsen Sinouthasy, and RJ Wiley. Member absent: Susan Hanson.

City staff present: City Administrator Greg Withers, City Planner Jeff Dahl, and Secretary Dawn Tessman.

Also present: Sid Inman-Ehlers & Associates, Marcus Thomas-Bolton & Menk, Ron Barger, and Martin Duffy.

2. BUSINESS

City Administrator Greg Withers explained that the EDA met a couple weeks ago and the Planning Commission met tonight. Both groups were asked to give their recommendation on whether or not the city should go ahead with the Central Avenue Improvement Project. Questions were asked about the financing and how much money the City Council was going to take out of the EDA accounts to use for downtown and would there be any money left for other projects. The council members also on the EDA wanted more information before next week's Public Hearing for the Side Street Lighting Project. For that reason, information presented at tonight's joint meeting will be financial information.

The project is from storefront to storefront including all utilities in the street from County Road 30 on the north to County Road 81 on the south. The Central Avenue Project as of Monday, March 22, will include both Central Avenue reconstruction as well as the side street lighting that is on both 1st Avenues and all the connecting streets from 1st up to 5th. It does not include 6th and 7th streets.

There are two parts of the project:

Street & Utilities: Water Main, Sanitary Sewer, Storm Sewer, Concrete Street & Curb and Gutter, Contingencies (10%), and Design and Administration (20%).

Total: Approximately \$2,700,000.

Streetscape: Mixed Use (Cty 30 to 5th St), Civic (5th St to 4th St), Mixes Use (4th St to Cty 81), Gateways (including the park along Cty 81 and gateway markers on the north and south end of Central), Irrigation System (plantings), Side St. Pedestrian Lighting, Contingencies (10%), and Design & Administration (14%).

Total: Approximately \$2,500,000.

Project Total: \$5,215,832. This is the construction, contingencies, and design and administration. This does not include the bonding costs that will be discussed later.

Withers stated that the City Council has decided the assessments as follows:

Street and Utilities - Assessments

40% Abutting property owners	Cost: \$ 675,000
60% City (utilities, TIF, Jefferson Hwy, Gen. Fund)	Cost: \$1,013,000

Streetscape - Assessments

50% Abutting property owners	Cost: \$1,251,000
50% City (from Tax Abatement and Gen. Fund)	Cost: \$1,251,000

Withers explained that the assessments to the abutting property owners would be strictly on a front foot basis.

The City's financing is as follows:

Street & Utility - City Financing

Water Fund	100%	\$ 36,000 / yr
Sanitary Sewer Fund	100%	\$ 450 / yr
Storm Sewer Fund	100%	\$ 44,000 / yr
TIF 1 & 2 Balances in 2012		\$480,000
Jefferson Hwy Assessments		\$ 36,000 / yr
Tax Abatement (TIF 1 & 2) 2013		\$ 72,000 / yr
Tax Abatement (TIF 2-2) 2014		\$ 57,000 / yr
General Fund		\$ 20,500 / yr

Withers stated that 2012 is when TIF districts 1 and 2 have to be decertified. The city cannot collect tax increments on those two districts after 2012. The law says if not spent, it must be returned to the taxing jurisdictions (i.e. the county, school district, and the city). The \$480,000 would then be divided by 3 and sent back to those jurisdictions.

Streetscape – City Financing

Tax Abatement (TIF 1 & 2) 2013	\$ 61,000 / yr
Tax Abatement (TIF 2-2) 2014	\$ 48,000 /yr
General Fund	\$ 9,500 /yr

The Jefferson Highway project was financed by a \$500,000 grant in 2007 and was also assessed to the property owners on Jefferson Highway. The project has already been fully financed and paid for. It is in the final process of being closed out and the city will have about \$36,000/year coming back into that fund. This \$36,000 is available for approximately 10 years. This grant money was to be spent on Jefferson Hwy and Central Avenue. Because the city was not ready at that time for the Central Avenue portion, the extra money collected will now be used.

After TIF districts 1 and 2 are decertified in 2012, the city will be getting back about \$72,000 a year. When the city puts a TIF development into place, we explain that without that TIF, the development would not take place. Therefore, we use the tax increments that are coming in for that new project that are greater than what the taxes were coming in before that project happened. Starting in 2013, the city will be getting back about \$72,000/yr that will go back into the general fund. It is no longer the EDA's money starting in 2013; it is the city's money. With this project, we are allocating that \$72,000/yr to the Central Avenue project.

TIF district 2-2 is decertified in 2013, meaning that in 2014 money of \$57,000/yr will start to come back to the city, and will be pledged to the downtown fund. It is called tax abatement because it is no longer a TIF project. In addition, there is \$20,500/yr that needs to come from the general fund.

Schreiber stated it looks like we are taking all the future road money and using it on Central Avenue. Our water and sewer prices were raised two years ago because those funds were depleted. Will there be any money left in funds for our streets? Will we need to assess all the residents to maintain Jefferson Highway?

Withers advised that all of the monies for the Jefferson Highway project have been paid, except for the 5% retained on all the payments. That money is in the fund and will be paid as soon we get the paperwork.

Schreiber addressed the issue of funds for maintaining our streets in the city. Do we have any funds currently set up for street maintenance or will we need to assess the residents?

Withers stated the city does not currently have a program to cover annual maintenance or seal coating for all of the streets. This needs to be discussed in future budget discussions. Mayor Hall stated the city is currently putting about \$125,000 per year towards the streets for seal coating and crack filling, doing 1/5th of the city, including Jefferson and Central Avenue (a five year program). Schreiber addressed the future project for our streets of milling and overlaying; however, Mayor Hall stated this \$125,000 is not for that project. The \$125,000 is for the seal coating and crack filling. Mayor Hall clarified when we mill and overlay the streets, the property owners will be assessed. Withers stated that this is a separate discussion. That money for the city street fund is still there and set aside and is not being discussed or used at all for the Central Avenue project tonight.

Schreiber questioned how much money is currently in the water and sewer fund. Withers referenced last year's audit report and stated this year's report, as well, will show the water fund is under funded. An increase was made this year to cover the city's added responsibility to pay for all the service connections between the main and the curb stop. That has not been fully funded. Increases will have to be discussed to cover the costs of the construction and services.

Schreiber asked about the sanitary sewer fund. Withers stated that the sanitary sewer fund is good, but the storm sewer fund is lacking dollars. When the fund was initially set up, the council decided to finance only half the need. The other half comes from the city's general fund, which transfers about \$45,000/year. There will be a requirement to finance more in the storm sewer fund, just like there was two years ago when it didn't get fully funded. This Project addresses some of the Storm Sewer improvement needs.

Withers advised the General Fund balance had about \$600,000 remaining at the end of last year and the total fund is just under \$2,000,000.

Withers then addressed the LED Street Lights for the Central Avenue. LED is what is proposed with 95 fixtures in the new improvements with 225 fixtures in the existing system. In the current system, some poles have 3 lights per pole. The new project will have one light per pole, with Central Avenue intersection poles having two lights each.

LED Central Avenue Street Lights – System Costs (compounded)

	Proposed - 95	Existing - 225
Yr 1	\$ 4,921	\$ 24,289
2	\$ 9,842	\$ 48,579
3	\$14,763	\$ 72,868
4	\$19,684	\$ 97,158
5	\$24,604	\$121,447

Yearly Savings: \$19,369
10 Yr. Cumulative Savings: \$193,685

LED Side and Crossing Street – Street Lights – System Costs (compounded)

	Proposed – 79	Existing – 229
Yr 1	\$ 3,965	\$ 21,595
2	\$ 7,930	\$ 43,190
3	\$11,896	\$ 64,785
4	\$15,861	\$ 86,381
5	\$19,826	\$107,976

Yearly Savings: \$17,630
10 Yr. Cumulative Savings: \$176,299

Withers summarized, the LED Light savings from Central Avenue of \$19,369 and the LED Light savings from the Side and Crossing Street Lights of \$17,630 totals Operating Costs Savings of \$36,999/yr. With the Project Bonding Costs equaling \$30,000, our annual savings to the General Fund is \$7,000. This is what makes it feasible to take the \$36,000 out of the general fund.

Mayor Hall also mentioned the Central Avenue and 3rd Street signal lights that will cost approximately \$15,000 and would be paid for in about 3-1/2 years. Withers answered a question regarding the number of side street lights in which he stated there would actually be fewer lights than what are existing now, mainly on 1st Avenue East between 3rd and 4th Street and also around the corner on 3rd (two lights) where there are 3 homes plus a Wiley Properties office building. That was all considered to be commercial property in the past, so every property there was charged on a front foot basis for the existing streetlights in a prior project. The project team this year decided that it is not a commercial area even though it is zoned that way; it is still being used as residential and there is no immediate future indicating that it will change over to commercial. The council policy is that we do not put pedestrian lights on residential streets and those lights will be removed. We have talked with the property owners there and they are fine with the lights being removed and do not want them replaced.

Withers explained the Ehlers figures on the Issue Summary. This explains all the different costs that are included in selling the bonds, plus estimated interest rate of 5.15% plus 2% added on from the city for administrative costs. The money is coming from Jefferson Hwy funds, TIF districts 1 and 2, abatement program in TIF 1 and 2, and abatement program in TIF 2-2, plus amounts coming from sanitary sewer, water main, and storm sewer. Also, the city levy is all handled in the area of the general fund.

Hall asked for the final numbers from the summary. Sid Inman, Ehlers & Associates, confirmed that the total abatement on TIF 1 and 2 is about \$1,298,000 and on TIF 2-2 it is about \$977,000. Hall restated that a little over \$2,000,000 will not have to be assessed. If the city does not use this money and this project is delayed three years, then the \$2,000,000 will have to be assessed back to the property owners. So instead of having \$410 a front foot, they could have a cost of \$900 a front foot.

Hall addressed a question raised regarding Local Government Aid (LGA). Hall advised that legislation is still in session regarding LGA, but it appears LGA may be going away. Hall is working with Rebecca Kurtz, Ehlers & Associates, to have some legislation for TIF districts to be pooled, extended to the maximum length (the excess TIF), then used to off-set city's cost of government which would include the loss of LGA. Then we wouldn't have the abatement process and we would be able to use that money. However, this still needs to go through legislation. The city is expected to receive \$99,000 less this year and \$221,000 less next year. Without LGA, taxes will go up under the governor's proposal. It will appear like the city council is increasing taxes, but it is because of the governor's proposal. For under funded cities like us (around the entire state), the LGA is to be used for operations of city government to off set police, fire, and general government to lower our taxes as we are not a money rich city.

Schreiber questioned if we do this project and lose our LGA money, will that run our EDA and general fund low.

Withers stated there are two main reasons to move ahead with the project. The main reason is because the downtown Central Avenue water main is not sufficient to handle any growth or attract new business to town. The Redevelopment Master Plan says that we want to have growth, with mixed uses downtown, commercial on the main level, and residential on the second. The Comprehensive Master Plan says the same, but we are not able to handle any new building with the water main we have now. Wiley has already started remodeling a building and would like to remodel others, but because there is not enough water capacity on Central Avenue he cannot put in the required sprinkler systems.

The second reason is that we want to attract developers into town. The EDA does not have to have funds in hand in order to do this. This was the old way to doing business of having tax increment projects where the city put down money upfront, we sold bonds, and had costs that we had to incur before we even knew if we had a development. Now we have pay-as-you-go notes, so the developer comes in and puts down a deposit to even have us look at the proposed project. The developer pays us the tax increment and out of that we give him money to finance his development. Nothing is up front – it is only what we have received. The TIF funds being talked about do not totally deplete the EDA's fund. The TIF districts 2-3 thru 2-8 have funds coming in annually and we are retaining 10% of that just to use for administrative costs. It is just those that will expire in three years that we are re-allocating to Central Avenue.

Sid Inman, Ehlers & Associates, clarified that the use of former TIF 2-1 and 2-2 is a new way cities have chosen to use an abatement process. This gives the City control over those funds. He also stated that the problem with not doing this is that your situation continues to deteriorate. The rating agencies look at your overall development and they will clearly look at this project as a positive element. But by deferring this project, you simply raise the cost and you don't solve the situation. And yes, if you want to do Central Avenue, this is a much better way to do it. We recommend it because you reduce the assessments and you have no hit on the general fund. This is most unusual as most cities are funding reconstructions of 20 – 30% from the general fund. Inman stated that an assessment is a levy on the property that means you would be paid before the mortgage would be paid. The water and sewer funds are all being pledged and the council will have to take formal action to do so. The funding sources are in place and all there today.

Inman clarified that only \$480,000 is from the EDA fund. Mayor Hall again stated that the \$2,000,000 will go back to the school district and county if not used.

Inman was asked to explain how tax abatement works in general, about the process and what that money is. Inman explained that tax abatement was a piece of legislation that was created by Representative Ron Abrahms who was an anti – TIF person. His idea was if taxing jurisdictions wanted to give up their money they should be able to vote yes or no. Each taxing jurisdiction can vote as to whether they want to give up their portion of taxes. Because of that, the law is very liberal. There are very few restrictions compared to the TIF. The theory is that the city council of Osseo agrees to abate these taxes.

Inman stated that at the current time the tax abatements will be pledged to these bonds, as an irrevocable pledge, but to the extent that we can demonstrate there is sufficient cash flow for the bonds, we can redirect the abatement in the future. He also pointed out that in 20 years, the values of those properties, taxes and numbers would go up so this bond issue may not go out more than 15 years. The cash flows would increase and we would normally pay the bonds off early.

Bruce Wiley said he hears repeatedly how we can do the project, yet some want to delay it. If we delay, we miss the one-time window to capture the \$2 million. There would be a very high cost to the poor decision making we made in 1988 and to not replace the water main when it was exposed. We have shortchanged ourselves in this community because of that one decision in 1988. The city has passed up many development opportunities over the years because we do not have the infrastructure to support the development. What would the true cost be of sitting back and waiting 1, 2 or 3 years and the ramifications in dollars and cents of delaying this. Inman responded with the amount \$480,000, \$1,298,000 and \$977,000. Once the tax increments become taxes and flow into the system, then they become part of the whole general fund and it is almost impossible to unwind them at that point. So you need to act on the tax increment soon, then the tax abatement soon after that.

Withers addressed an email that was received referencing the street lighting off Central Avenue that we are spending \$30,000/year to save \$37,000/year. We are saving \$7,000, which does not include any built in cost increases in the 20-year period. This is the city's portion of the project, not the assessment portion.

Spanier asked why the savings is not going back to the assessed property owners. Withers stated that this is the city's portion of the project, not the assessed portion. He also stated that council could vote to have different percentages for city and property owners, but then you are setting precedence for the future. Spanier believes that \$7,000 should go back to the project – specifically “lighting”. Mayor Hall advised this could be voted on.

Withers addressed the question of what the property owners are saying about the 50% assessment. It is up to the property owners to come up with where they are getting their financing from and paid from their own funds. The city's plan is to sell a bond for the entire project and concentrating on how the city's portion is being paid.

Withers explained that this is his 5th downtown project he has been involved in; Anoka, Princeton, Excelsior, St. Croix Falls, and now Osseo. There are always one to two points brought up by the downtown businesses, scared that they will lose customers, lose profit and go out-of-business. This has not happened to anyone in the other four projects. Withers stated Marcus Thomas said the same, in that it has not happened in projects he has been involved with. Part of the reason for that is the way the project is managed or handled. From what I have heard regarding the 1988 project, it was not handled well for a number of different reasons. One of the main things we will be looking for with the contractor is their experience in working with downtown projects. We want a contractor who is used to 26 people looking over his shoulder all day and knows how to work with business people wanting to know what is going at the same time and one who can get the project done on time. The second part of this is that a member of the community stated they don't want Central Avenue shut down because it will take traffic away and that is what businesses thrives on. There is not a community in the state who has had a bypass go around their community that has had that reality happen. What happens is that the people who don't want to shop in town and stop for every red light going through will go around town. You will have less traffic on the street, but you won't have any fewer customers. Because those people who still want to come to Osseo and shop will still drive down the main street or drive down 1st Avenue because we have construction.

Wiley also addressed the question of what will happen to downtown Osseo. Wiley was here in 1988 and has been here his entire life. In 1988 they were selling tractors and irrigation pipes and that remained after Central Avenue was redone. With the streetscape project at that time, even though we were lacking water main, several buildings have been built (getting their water off 1st Avenue) and Real Life had to tap into both 1st Avenue and Central Avenue to get enough water. But there was resurgence in activity in the downtown area. Businesses and tenants share of this new project will be between \$250,000 and \$300,000 over the next 20 year. “I wouldn't be positive if I didn't believe this would be the best for Osseo. Not just for me, but for everyone on the street.” We can all improve our business, increase profits, and customer counts if we can simply attract decent business people to town that have a workable business model. Osseo has a long history of catering to businesses that don't have a good base or background in business and they last for only a short time. You can drive out poor businesses by having a cheap rent structure and constant turn over. Or what I see happening and am experiencing right now is the surrounding communities have rents in the \$30 range for retail space. In Osseo, we see \$15 – \$18. We can do so much better, but we must have the infrastructure.

Wiley stated there is a difference of opinion among those in this room and the city. I think we have an opportunity to attract those businesses from downtown Maple Grove who have done the math or they are unable to pay the \$30 a foot. We have the attraction of having a rental structure that is half of that. Wiley believes if we create the environment to succeed in downtown Osseo, you won't see an empty building. But if we make the decision to go backwards, and not do it right, then we are doomed for failure.

Withers referencing back on his experience stated this project is what Osseo needs to move forward. It is what attracts new customers and what attracts new businesses to the town. Withers stated that Mark Lynde shared with him he will be putting together ads for his grand opening that will be on Channel 12. When he was talking to the people at Channel 12 he was explaining where his business was. They had no idea. He explained it was on Hwy 81 just as you get into town. They asked if it was anywhere near those two new buildings going up? People are attracted to new buildings - that is what they notice. People will be attracted to a new Central Avenue, new buildings and streetscapes.

Hall stated that back in 1992 the storefronts were empty. After this all got rolling again, it improved. The storefronts were filled and there were businesses actually waiting to come here. During construction will have some down time, but knowing that I am bringing a proposal to the city council about bringing a car show to town (opposite the weekends of Anoka). We will plan small at first, maybe 50 to 100 cars. Anoka's last car show last year drew in 1,000 cars. That equated to 5,000 extra people in Anoka - those people came back to shop during the week. We can prosper during and after construction, Continue to expand on new ideas after this and look to the future. We cannot change what happened yesterday, but can make a difference tomorrow.

Kleven asked if there was an approximate assessed cost on the project for Central Avenue. Marcus responded with a cost of \$410 per foot for the complete project. He also confirmed by waiting 3 to 5 years and with the reduced revenues and increased construction costs, the cost per foot would be close to \$1,000 per foot.

Withers stated we are looking at strengthening the business district, also looking at changing the Osseo Business Association and what they are involved in. They now have a Marketing and Promotions Committee. They have a new calendar with events through out the year that they are sponsoring and increased traffic into downtown. Also design guideline grants, increased up to \$10,000 (was \$5,000 maximum). - Paying people to fix up their storefront properties. There are a number of things going on to help the businesses.

City Planner Jeffrey Dahl stated the city has applied for a grant through Hennepin County Transportation Department asking for over \$600,000. None of our decisions for the project are based on receiving this money; however, we hope to get some assistance and should find out in some time in April. This would help reduce the burden on the city and property owners. These funds wouldn't be available until later in the project - 2010. Dahl advised this is one-time grant would be applied to the project as a whole.

Melanie Larsen-Sinouthasy questioned if the bids come in above the estimated \$410 per foot, is the city prepared to take from another part of this budget or would the entire project be increased. Withers stated there is a 10% contingency plan built in, but would prefer to save for during construction.

Dahl replied to a question of how many other cities have applied for the grant money. There is \$2,000,000 available and they have received grant requests totally \$8,000,000.

Mayor Hall referenced back to the 1988 project which cost about \$165 a front foot. If you believe it has gone up 3 times the cost that would have been \$480. This is less than real cost of 1988. The project then had the entire street torn up. This project is planned in two stages: from Cty Rd 30 to 3rd street, and from 3rd Street to Cty Rd 81. We will still have traffic moving through town with signs and barricades directing people on how to get into businesses. Mayor Hall believes it is a reality that we need to do this project. If the city continues to wait, we will not be able to afford to assess another \$2.4 mil or \$2.5 mil on this business community costing them the \$1,000 front foot versus the current \$410 front foot.

Kleven stated at the last open house there was a very extensive map of how the signage would go for detouring the traffic. The map showed a large amount of signage that will assure the businesses that the traffic will flow through town and not shut people out.

Menth questioned if there is money set aside for the other city streets, as they are also in need of repair. Withers stated that again, those street funds are not being touched for this project. This project will actually help increase the tax base. Mayor Hall explained that in a situation a few years ago, 8 out of 88 properties voted "no" on having their alleys redone. And because they waited, they will soon have dirt alleys.

Mayor Hall asked Withers if the fire hydrant in front of Olympia Café on Central Avenue can be used? Withers stated that testing on the hydrants was done last week. They opened the hydrant at 3rd and Central, which shot out at about 4'. The other hydrant opened was a 4th and Central that shot out about 15' to 18'. Those were then shut down and went over and tested the one on 1st Avenue East. This was a different loop and a different size pipe. That one shot all the way across the street and up on the curb and boulevard on the other side. Both the Chief and Assistant Chief said that the hydrant at 3rd and Central is as good as shut down. They do not consider that a hydrant for fire fighting. If there were a fire call on Central Avenue, a truck from Brooklyn Park or Maple Grove will have to respond with our automatic mutual aid call. They will need to pump water from the truck on 1st Avenue to one of our Osseo trucks on Central Avenue in order to fight the fire.

John Cochran asked if when running the test, were 2 fire hydrants opened at the same time? Withers stated that there was only a slight drop in pressures when the 2nd was opened. Cochran stated that Fire Chief Lynde and Public Works Director Korfiatis have talked that the city has pretty good water pressure. However, it is not the water pressure, it is the volume. When you open multiple hydrants, you are not going to get good water pressure. That is the main problem with the 6" main compared to the 10" or 12" they are discussing. Even with high water pressure, you cannot get the volume of water necessary to fight a fire.

Kleven asked what the average storefront footage is. Marcus advised the average is about 60 feet at \$410 /front foot for 20 years, \$24,600 (total assessment). The total front footage on Central Avenue is just less than 4,200 feet.

Inman stated the amount of the abatement and the tax increment is a little over half of the principal (not interest) of the entire bond issue, so you are servicing over half of your debt with those two sources (approximately \$2.9 million).

Wiley stated he did the monthly calculations for the proposed assessment at 7% interest. For example, Kopper Kettle, the grand total rent is just shy of \$4,000 mo. (includes building, property tax and insurance on the building) By adding the assessment at 7%, it amounts to about \$165 month. The assessment that was levied in 1988, people complained for a year and then forget about it. If you are an owner occupant, it is an added fixed cost that you have to deal with. For your information, the cost of doing business in Maple Grove is up two or three times the cost of doing business in Osseo. Maple Grove has Common Area Maintenance charges. You will notice that when you shop, you don't crawl over a two-foot high snow bank to get to the store. Wiley ran an experiment on the snow removal for the entire block with Kopper Kettle where he provided through one vendor the snow removal services on the sidewalk for the entire winter. They received many questions and compliments. In any community that is a normal part of business, but not in Osseo. We can be smarter about this by providing a better product to the people who want to shop in downtown Osseo, and it may actually save money.

Withers stated the 1988 project that was mentioned many times tonight was a 20-year assessment. The last payments were made last year in 2008 so 2009 is a "free year". They should be taking advantage of 2009 and 2010 and put money away. The cost of doing business is going down this year and next due to the assessments. However, you cannot think that you will not upgrade. The utilities last more than 20 years, but you may have other projects to do. Most of the cities current utilities are 80 years old. Schreiber – what is causing those water mains to plug up? How many times have those hydrants being flushed? Marcus stated that additional flushing was recommended the first couple of years we had Maple Grove water.

Dorothy Clarke stated that it seems we all feel we need to do something. She believes that bad decisions have been made over the past years, but having a positive attitude and insisting on things being done right will be an improvement. This should be paying for itself, more or less. We have good stores like Dean's and many unique stores that keep us on the map.

Withers stated this project was first brought up last July because things are getting worn and deteriorating. So instead of the continual decline with the number of rents, businesses and customers, we must do something to turn this around. The major input is to the change the cities infrastructure, to change the streetscapes and the streets and utilities. This will turn it around and grow – it is about the image.

Hall asked Marcus why we were going with the 10" versus 12" and what is additional cost. Marcus advised that the water main size is built on the Downtown Master Re-development plan with the multi-story structures. The 10" handles that very well; to increase beyond that would be too conservative as this should be everything we would need. The cost would be another \$20,000. The primary feeds will be coming from the north and south. Our Maple Grove connections are at the northwest corner and southwest corner of the city. Currently have an 8" line coming down from West Broadway into Jefferson that will ultimately hook in there.

Schreiber asked when would Cty Rd 30 be done with the water main? Withers received within the last few weeks they are proposing to complete Cty Rd 30 east of 169 in 2011 along with the intersection. Nothing was stated as to when the west side would be done.

Withers stated that next Monday, March 23, at 7:00 pm. is the Public Hearing on the Side Street Lighting Project. Getting the plans and specs for the Central Avenue and Side Street Lighting Project from the engineer will follow this up.

3. **ADJOURNMENT**

Major Hall thanked everyone for attending and adjourned the special joint City Council, Economic Development Authority, and Planning Commission meeting at 9:30 p.m.

Respectfully submitted,

Dawn Tessman
Recording Secretary