

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
October 10, 2016**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, October 10, 2016.

Members present: Rebecca Doran, Harold E. Johnson, Mark Schulz, Larry Stelmach, and Todd Woods.

Members absent: Duane Poppe and Daniel Spanier.

Staff present: Executive Director Riley Grams, City Planner Nancy Abts, and City Attorney Mary Tietjen.

Others present: None.

2. APPROVAL OF AGENDA

A motion was made by Schulz, seconded by Johnson, to approve the Agenda as presented. The motion carried 5-0.

3. APPROVAL OF MINUTES – SEPTEMBER 12, 2016

A motion was made by Johnson, seconded by Schulz, to approve the minutes of September 12, 2016, as presented. The motion carried 5-0.

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Grams presented the EDA Accounts Payable listing.

A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable. The motion carried 5-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. CONSIDER RE-SUBORDINATE POSITION ON SECOND MORTGAGE ON 600
1ST AVENUE NW

Executive Director Riley Grams stated Osseo residents Dan & Heidi McGee purchased a townhome in the Osseo Urban Townhome project with participation from the Osseo EDA. Many cities with HRA-type boards (in Osseo's case, the EDA) offer home owners loans. Subordination requests are generally granted when the action doesn't harm the EDA financially. The McGee's request, along with the loan particulars, were sent to Kennedy & Graven for review and a recommendation. After reviewing the information, Kennedy & Graven

offered the following opinion. Given that the County HRA provided the funds for the loan, and as long as the County HRA agrees to the subordination, it would not harm the Osseo EDA economically to agree to the subordination.

Woods questioned if the EDA should be prepared for similar requests in the future. Grams anticipated additional requests may be made of the EDA.

Stelmach appreciated the fact that the EDA was assisting townhome owners save close to two percent on their loans given this agreement to a re-subordination.

A motion was made by Stelmach, seconded by Johnson, to approve the re-subordinate position at 600 1st Avenue NW. The motion carried 5-0.

B. CONSIDER STRUCTURAL ANALYSIS PROPOSAL FOR OSSEO SPORTS SITE

Grams explained staff and several EDA members recently met with representatives from Premier Bank in Osseo as well as a potential developer interested in the Osseo Sports site. The verbal proposal was to bring a brewery and/or restaurant business to the site, utilizing the historic building that currently stands there. However, before an official proposal can be submitted to the City (and before any purchase offer can be approved by Premier Bank), the developer would like to know if the building is structurally sound and could withstand rehabilitation to reuse the existing structure. In order to determine that, Premier Bank reached out to several area engineering firms and presented the attached proposal to City staff. The proposal calls for visual observation of the site and the structural elements, and compiling the results into a report. This information will then be used to determine if the existing structure is sound enough for rehabilitation.

Grams indicated the EDA should consider participating in this proposal, which would help aid in redevelopment efforts. Staff has negotiated with Premier Bank and tentatively proposed paying for 50 percent of the proposal cost. The cost of this proposal is \$5,100, so the EDA's participation would be \$2,550. Staff recommended the EDA approve the proposal from VAA, LLC.

Stelmach asked why the bank would be willing to share this information. He was not comfortable with the contract as suggested. Grams explained the bank has been a willing partner and did not want to hang onto the building any longer. The bank was extremely interested in finding a redevelopment opportunity.

Stelmach questioned if staff has had any conversations with the bank about sharing the findings from the structural analysis. Grams stated he had not had a specific conversation but had assumed the information would be shared between the City and the bank.

Johnson agreed the bank would not hold onto this information as they were interested in seeking a potential investor. He explained he recently toured the Osseo Sports building and discussed the history of the site.

Grams indicated the goal of the EDA was to spur redevelopment and he believed that the EDA was doing so by assisting to pay for a portion of the structural analysis for the Osseo Sports building.

Stelmach stated he could only support this request if there was an understanding with the bank that the information would be shared with the City. Grams commented it would not be in the banks best interest to withhold this information.

Doran asked what hardship Premier Bank had that required the EDA to participate in the evaluation of their building. She feared how many additional proposals the bank would be bringing before the EDA for assistance. She expressed concern with the level of investment Premier Bank made in Osseo businesses. She questioned why the EDA would be helping with the analysis when the bank had no hardship. Grams believed that by assisting Premier Bank the EDA was spurring redevelopment in the City.

Johnson discussed the investments Premier Bank has made in Osseo businesses. He noted that the bid submitted by VAA was half the price of a Pinnacle Engineering proposal.

Schulz believed there was only value in offering assistance to Premier Bank if the information gathered was provided in full to the EDA. He thanked Grams for bringing this item forward, but did not believe it was the EDA's responsibility to cover the expense for this project given the fact the bank owns this property. He understood there was no hardship on Premier Bank's behalf, but indicated he would support the structural analysis cost sharing in order to learn more about the building.

Doran questioned how long the findings from the structural analysis report would be good for. Grams was uncertain as to what the outcomes from the report would be and did not know how long the findings would be valid. He anticipated the information would be valid for longer than a year.

Schulz appreciated the concerns that have been voiced by the EDA. He suggested that if the matter were to proceed the Executive Director would seek answers from Premier Bank prior to this item moving forward. He requested staff also review all three proposals prior to this item proceeding.

Grams asked if he should review the proposals and report back to the EDA. Schulz supported Grams reviewing the proposals and using his discretion to select the best vendor.

Grams explained that once the structural analysis of the Osseo Sports building was complete, it may assist the property owner in applying for historical grants given the age of the structure. He indicated the report would also assist the City in focusing on if the building could be saved or if it would need to be demolished.

A motion was made by Woods, seconded by Schulz, to approve a proposal for the structural analysis report at the Osseo Sports redevelopment site at a cost not to exceed \$5,000 directing staff to review all three proposals and contingent upon the City receiving a copy of the full report prior to making payment to Premier Bank. The motion carried 4-1 (Doran opposed).

C. CONSIDER ENVIRONMENTAL ANALYSIS PROPOSAL FOR OSSEO SPORTS SITE

Grams reported one of the major concerns with the redevelopment of the Osseo Sports site is the unknown environmental impacts after a long history of multiple uses. Getting a better understanding of the environmental impacts of the site will help facilitate future redevelopment as it would take that question off the board for any perspective buyer. The environmental report may also open up potential clean up grants (if necessary) through the State and help clean the site for future redevelopment. This report will give an extensive look into what environmental concerns currently exist and what remediation might be required.

Grams explained Premier Bank obtained two different quotes for the site from The Javelin Group, Inc. The first is a Phase I assessment, which includes a cursory level review of the site

for environmental impacts. The cost of this proposal is \$1,600. The second quote is for a Phase II assessment. This includes probing into the ground around the site to a depth of 30 feet to obtain soil samples. Additionally, groundwater samples will be collected for analysis. The assessment also includes sub-slab vapor points for analysis. The cost of this proposal is \$6,838.75.

Grams stated the EDA should consider participating in these proposals, which would help aid in redevelopment. Staff has negotiated with Premier Bank and tentatively agreed to pay for 50 percent of the proposed cost. The EDA's participation for the Phase I assessment is \$800, and for the Phase II assessment it is \$3,419.37 (combined total for both Phases is \$4,219.37). Staff recommended the EDA approve the proposal from The Javelin Group, Inc., for Phases I and II environmental site assessment for the Osseo Sports Site.

Schulz asked how findings within Phase I would be addressed prior to Phase II being completed. Grams explained this would depend on what the findings were. He recommended the structural analysis move forward at this time and that the environmental analysis be reconsidered by the EDA in November.

Schulz supported this recommendation.

A motion was made by Schulz, seconded by Stelmach, to table action on the proposal from The Javelin Group for Phases I and II environmental analysis reports at the Osseo Sports redevelopment site to the December EDA meeting. The motion carried 5-0.

D. DISCUSS TEMPORARY SIGN PERMIT CODE REVISIONS

City Planner Nancy Abts explained currently temporary sign permits are allowed for business proprietors at their place of business. Each permit is valid for ten days. Businesses are allowed two temporary sign permits in a twelve-month period. These restrictions are meant to limit the temporary signs displayed in the City, to make sure that the signs really are "temporary," and preserve an attractive environment. Abts felt these restrictions prevent businesses from promoting multiple seasonal sales by using temporary signs.

Abts reported this restriction is seen as a problem for business owners. In addition, there are other problems with the current sign code. Most of the code was adopted in 1994, and only small portions of the code have been updated since then—recently, to allow the EDA's downtown directional signage program and sandwich board signs. Osseo's sign code does not include all current practices and protections for ensuring free speech, and it could also be updated to consider more and different types of signs. Staff requested the EDA discuss how staff should proceed with this item or consider the potential of a Sign Code subcommittee.

Schulz said he was willing to serve on a Sign Code subcommittee and recommended the meetings be held in the evening hours. He looked forward to the Sign Code being tightened up in order to remove the ambiguity within the existing code.

Woods was willing to volunteer his time on a Sign Code subcommittee, as well.

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

Woods discussed the recent homecoming events that were held at Osseo High School and thanked all those that were involved in planning this wonderful community event.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Stelmach, to adjourn at 6:55 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.