

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
November 13, 2018**

1. ROLL CALL

President Juliana Hultstrom called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Tuesday, November 13, 2018.

Members present: Charles Flynn, Juliana Hultstrom, Harold E. Johnson, Sherry Murdock, Duane Poppe, Mark Schulz, and Larry Stelmach.

Members absent: None.

Staff present: Executive Director Riley Grams, City Planner Nancy Abts, and City Attorney Gina Fiorini.

Others present: Rebecca Kurtz-Ehlers & Associates.

2. APPROVAL OF AGENDA

**A motion was made by Johnson, seconded by Murdock, to approve the Agenda as presented. The motion carried 7-0.**

3. APPROVAL OF MINUTES – OCTOBER 8, 2018

**A motion was made by Johnson, seconded by Stelmach, to approve the minutes of October 8, 2018, as presented. The motion carried 7-0.**

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 Murdock, seconded by Flynn, to approve the Accounts Payable. The motion carried 7-0.**

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. DISCUSS AMENDMENTS TO 5 CENTRAL TIF DEVELOPMENT AGREEMENT

Executive Director Riley Grams stated the 5 Central Apartments property has been sold to Magellan Investments. Marc Swerdlow from Magellan asked about amending the existing TIF Agreement with the City/EDA.

Grams reported staff worked closely with Rebecca Kurtz, Ehlers & Associates, over the past weeks to develop a few negotiation points that would greatly benefit the City and EDA. Those points were conveyed to Magellan and Magellan agreed in principal to the negotiated items. This is a discussion item only and is meant to generate questions or comments from the EDA

members that Ms. Kurtz can answer. The EDA should consider the items and direct staff to amend the TIF Agreement. Staff will bring the final documents to the December 10 EDA meeting for review and approval.

Rebecca Kurtz discussed a memo she prepared for the EDA that outlined the negotiated points and explained the benefits to the EDA and City. She commented on the bonds that were issued for this project noting the remaining balance was \$470,000. She explained the minimum market value for these units was higher than originally anticipated. She reviewed the proposed amendments to the agreement and the pay-as-you-go note. She estimated the EDA would retain 10% in administrative fees, which totaled \$37,850 annually.

Murdock asked if the proposed adjustments were based on 100% occupancy of the building. Ms. Kurtz stated the City does not look at the occupancy rate but rather the tax market value and taxes being paid on the property.

Stelmach thanked Ms. Kurtz for her thorough review of this item.

Poppe requested further information on the administrative fee that would be retained by the City. Ms. Kurtz explained per state statute municipalities could retain 10% for the administration of a TIF District.

Johnson requested background information on the petition that has been filed by the seller. Ms. Kurtz stated she did not have much information on this but understood the seller had filed tax petitions in order to reduce the market value for the property. She reported the concern was the minimum market value had been set and quickly increased which impacted the taxes payable. She stated Hennepin County could take up to three years to settle this matter. She indicated if there was a reduction, that it would be small in nature. Further discussion ensued regarding how the City would handle the situation if an overpayment was made.

Grams stated the City would know more about this situation once Hennepin County makes a determination on the petition. He reported a good thing the City has on its side was the sale price of this property.

Ms. Kurtz commented this item would be back for EDA consideration on December 10.

## B. DISCUSS UPDATING EDA BYLAWS

Grams explained EDA Commissioners Stelmach and Schulz had requested that the EDA review the bylaws for any potential updates. It was noted the EDA Bylaws were last amended in January 2012. They outline the Authority and its powers, the makeup of the Board, the officers and positions, rules for running meetings, as well as other miscellaneous items. If there are any suggested changes, staff will draft the bylaws with those changes and bring them back to the December 10 EDA meeting for approval.

Schulz commented he requested this item be on the agenda given the fact EDA President Hultstrom was elected to the City Council. He reported in 2019 no one would be qualified to serve as the President, given that the current bylaws state the President cannot be a Councilmember. He reviewed several language changes within the bylaws with the EDA and requested changes. He commented on how the bylaws have to coincide with City Ordinance. He stated he would forward his notes and the proposed changes to the bylaws to staff.

Stelmach stated he wanted this item discussed as well in order for the EDA to remain transparent.

Murdock expressed concern with the language at the bottom of Article 3, Section 1. She recommended this section be reviewed closer to remove any conflict.

Johnson recommended the duties of the treasurer and secretary be clarified within the bylaws. He recommended Teri Portinen not be listed as any position within the EDA.

Hultstrom suggested the terms also be clarified within the document.

The EDA discussed who could serve as the President. The EDA recommended the language be amended to read the President could be any member of the Authority.

Staff was directed to revise the bylaws and report back to the EDA in December.

C. DISCUSS 2019 EDA BUDGET

Grams explained each year the EDA sets its own fiscal budget for the following year. The budget is usually approved during the last meeting of the year in December. Staff commented on the proposed 2019 EDA budget. The Board should discuss potential changes to the 2019 budget and direct staff accordingly. The updated EDA budget would come back for final approval at the December 10 EDA meeting.

Schulz suggested the group further discuss Board compensation to ensure the EDA was not in violation of its own Ordinance.

Stelmach asked how quickly this matter could be addressed. Grams explained this item could be reviewed by staff this week.

Hultstrom recommended the EDA attorney fees be reevaluated for 2019. Grams commented he could discuss this matter with City Attorney Mary Tietjen. He reported this line item could be slightly inflated for the coming year.

Johnson requested further information on the payoff of the beautification/flower fund.

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

Grams congratulated the newly elected City Councilmembers Larry Stelmach and Juliana Hultstrom, along with Mayor Duane Poppe.

Johnson updated the EDA on a property being redeveloped by the school district on the border of Osseo and Maple Grove.

Schulz thanked Mayor Poppe for his work on the border property near the school district.

Hultstrom explained she attended a Minnesota DEED Conference in St. Cloud in early November with Councilmember Johnson. She thanked Councilmember Johnson for scheduling a bus tour of Osseo properties to be held on Tuesday, November 20.

10. ADJOURNMENT

**A motion was made by Johnson, seconded by Murdock, to adjourn at 7:15 p.m. The motion carried 7-0.**

Respectfully submitted,  
Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*