

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
June 11, 2018**

1. ROLL CALL

President Juliana Hultstrom called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, June 11, 2018.

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

Members absent: None.

Staff present: City Clerk LeAnn Larson and City Attorney Mary Tietjen.

Others present: Charles Flynn.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES – MAY 14, 2018

A motion was made by Stelmach, seconded by Johnson, to approve the minutes of May 14, 2018, as presented. The motion carried 6-0.

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Clerk Larson presented the EDA Accounts Payable listing.

A motion was made by Stelmach, seconded by Johnson, to approve the Accounts Payable. The motion carried 6-0.

7. OLD BUSINESS

A. NORTH CENTRAL REDEVELOPMENT UPDATE

Larson stated at the May 14 EDA meeting the Commissioners heard information regarding the development process for the North Central Redevelopment area from Financial Consultant Rebecca Kurtz (Ehlers) and both Mary Tietjen and Doug Shaftal (Kennedy & Graven). Larson commented the EDA ran out of time for further discussion on this topic, and tabled discussion and any action on this item to this EDA meeting. EDA members have had several weeks now to contemplate next steps of this development project. Per Executive Director Riley Gram's memo to the EDA members, there are four options for the Commissioners to consider and Gram's was seeking direction on possible next steps.

Per the staff memo:

Option 1: Staff has approached Chris Rains about an option to purchase his property (located at 624 Central Avenue). Mr. Rains has reached out to staff and explained that he would be willing to enter into a purchase agreement with a closing date of May 2019. There would have to be several contingencies attached to the purchase agreement, much like the original Letter of Intent to purchase the property. The biggest contingency would be successful awarding of grants funds to purchase the property. If the EDA feels this is a worthwhile endeavor, it can direct staff to begin negotiating such a document with Mr. Rains.

Option 2: Another option would be to seek developers who are willing to take on most, if not all, of the risk associated with the project, including, but not limited to, property acquisition, relocation, and demo/clean up. That means the developer would likely seek TIF assistance to recoup their costs. If a project were to happen here, TIF would be needed.

Option 3: Another option would be to acquire properties on that half block as they became available for purchase. The EDA would then consider each opportunity and make a decision at that time, rather than attempting to buy all of the properties at one time. This way we would be working with willing sellers. This option increases the timeframe for the project.

Option 4: The last option would be scrap plans for this project and focus the EDA's efforts elsewhere in the City with a different development opportunity or with a completely different focus to strengthen Osseo development opportunities.

Stelmach stated he appreciated the fact the EDA was considering how to properly redevelop this area. He indicated he was not interested in spending down all of the City's money in the bank but rather would support the City pursuing assistance from outside groups (Option 2).

Schulz agreed the EDA did not have enough available funds to proceed with a development without completely exhausting all resources. He suggested the EDA work with a developer to see if they were interested in working to redevelop this area of the City. He commented another option would be for the City to bond for the project. While he understood Mr. Rains was eager to take action on this, Schulz did not support the City moving forward with a Purchase Agreement until the EDA had a better understanding on the financing. He recommended the EDA revisit this item in 60 to 90 days when key staff members would be present.

Stelmach supported the EDA delaying action on this item as well until Executive Director Grams was back.

Johnson stated he supported staff going forward with negotiations with Mr. Rains as noted in Option 1.

Hultstrom commented she had a business friend from North Dakota who may be interested in this redevelopment.

Stelmach encouraged Hultstrom to invite representatives from this company to Osseo.

A motion was made by Johnson, seconded by Hultstrom, to direct staff to continue negotiating a Purchase Agreement with Chris Rains.

Murdock asked if there would be an expense to extend the Purchase Agreement. Hultstrom reported the EDA did not have that answer at this time.

Poppe clarified a Purchase Agreement was not in place at this time. He stated until the EDA had more information, it would be difficult for this item to move forward.

Stelmach stated he spoke with Mr. Rains on the phone today and he did not believe there was any sense of urgency on Rains' behalf. He recommended this item be tabled at this time. He requested the President call the question.

The motion failed 3-3 (Murdock, Schulz and Stelmach opposed).

A motion was made by Stelmach, seconded by Schulz, to table action on the North Central Redevelopment to the July EDA meeting. The motion carried 6-0.

8. NEW BUSINESS – None.

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

Hultstrom noted that on May 15 she attended the North Metro Development Meeting that Osseo hosted with Brooklyn Park, Brooklyn Center, and Maple Grove. She explained that on May 21 she attended a community forum on affordable housing.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Murdock, to adjourn at 6:28 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.