

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
February 12, 2018**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, February 12, 2018.

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

Members absent: None.

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 Stelmach, seconded by Hultstrom, to approve the Agenda as presented. The motion carried 6-0.

3. APPROVAL OF MINUTES – JANUARY 8, 2018

A motion was made by Stelmach, seconded by Schulz, to approve the minutes of January 8, 2018, as presented. The motion carried 6-0.

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 Schulz, seconded by Stelmach, to approve the Accounts Payable. The motion carried 6-0.

7. OLD BUSINESS

A. DISCUSS REVIEW OF NORTH CENTRAL REDEVELOPMENT PROPOSALS

City Planner Nancy Abts stated the EDA issued an RFP for developer interest in the “North Central” Redevelopment project in August 2017. Proposals were due in October. At the December 2017 meeting, the EDA appointed a committee consisting of President Woods and EDA members Johnson and Hultstrom to review the responses to the RFP.

Abts explained the committee met with City staff on February 5 to review the confidential proposals. The committee reviewed the guidelines presented in the original RFP and brought up several questions about the redevelopment process. Once staff has researched answers to

committee members' questions, the group will reconvene to further review the proposals. The group proposed setting a regular meeting to review progress on the redevelopment project.

Woods thanked staff for the report and stated he was looking forward to the next committee meeting.

Hultstrom agreed and stated she was looking forward to reviewing the proposal in further detail at a future meeting.

Johnson commented he looked forward to hearing back from staff regarding the questions posed at the committee meeting.

8. NEW BUSINESS

A. DISCUSS INTENT TO PURCHASE PROPERTY

Abts stated the property owner of 624 Central Avenue has considered relocating out of state and has approached the City about selling his property. Abts provided the EDA with a draft Letter of Intent to support a grant application for property acquisition. The Letter of Intent and ultimate purchase are contingent on City Council/EDA approval. Staff has identified some funding streams that may be able to assist with this property purchase. The EDA should discuss whether it is willing to sign on to the Letter of Intent, and, if so, with what conditions.

Abts reported staff suggests agreeing to purchase the property at a price up to the amount requested in the Letter of Intent, but basing the actual purchase offer on the property's appraised value. Staff also suggests approving the purchase contingent on receiving grant funding.

Stelmach asked if signing this letter would improve the City's chance to receive a grant from Hennepin County. Abts reported this was the case and noted the Letter of Intent was non-binding.

Schulz commented it would be difficult for the City to acquire these properties without skin in the game. He stated if a 10% match was provided, this would benefit the redevelopment of this property. He believed the proposed purchase price was high. He stated he looked forward to hearing from staff after the site was appraised. He explained the EDA may have a difficult time acquiring all of the properties it needs for a reasonable price over the next ten years in order to complete the North Central Redevelopment project. He discussed the amount of money spent on the 5 Central project and noted the value of the site now. He indicated he supported the EDA moving forward with the non-binding Letter of Intent.

Johnson requested further information regarding the grants available through Hennepin County. Abts discussed the Hennepin County Transit Oriented Grant opportunity. She noted it would benefit the EDA to have a specific site in mind for the project on the grant application.

Johnson asked what the next step was for the purchase of this property. Grams reported the property would be appraised. After the appraisal was completed, the City would begin negotiating with the seller. City Attorney Mary Tietjen explained an appraisal was not legally required but was part of due diligence and was quite common.

Schulz stated relocation costs may also have to be considered by the EDA, which could be expensive for this property. City Attorney Tietjen stated she did not have enough information from the businesses to determine if they were subject to relocation fees. She recommended the EDA work with a relocation consultant.

Stelmach asked if grant funding required payment of relocation expenses. Abts stated the grant did not specify. City Attorney Tietjen reported relocation expenses were governed by State Statute.

Woods commented the seller has made it clear to the City that he would like to relocate out of state.

Poppe explained if the EDA was to purchase this property, the tenants could remain onsite until the City was ready to redevelop the site.

Schulz stated this was the case but noted the EDA would be responsible for paying property taxes on this property until it was redeveloped.

Poppe anticipated the rent paid by the tenants would cover the property taxes.

Johnson discussed the length of time it took to acquire the properties for the 5 Central Apartments redevelopment and stated he was in favor of purchase the property at 624 Central Avenue in order to spur future redevelopment.

Schulz asked what changes staff was proposing to the Letter of Intent. Abts stated she would like the letter amended to reflect this was contingent approval on grant funds and that an appraisal would be completed to assist the EDA in finalizing a purchase price. Grams suggested the language also be strengthened to ensure the EDA could get out of the purchase if grant funding was not available.

Schulz suggested this item be tabled to March in order to allow staff time to revise the Letter of Intent and to allow time for an appraisal to be completed. Grams reported staff was interested in learning if the EDA wanted to move forward with a Letter of Intent and to see if the group would support a 10% match.

Woods asked if staff required EDA consensus or a vote on this item. Abts requested the EDA vote on this matter.

City Attorney Tietjen encouraged the EDA to add any conditions to the Letter of Intent at this time, such as the EDA can cancel the Letter of Intent at any time.

Poppe recommended conditions for the Letter of Intent, including that the seller waive relocation fees and that a satisfactory review of the leases should be completed.

A motion was made by Hultstrom, seconded by Stelmach, to approve signing the Letter of Intent to purchase the property at 624 Central Avenue, for an amount subject to the property's appraised value, noting the EDA can cancel the Letter of Intent at any time at its discretion, the seller would waive relocation fees, a satisfactory review of the leases shall be completed, and contingent on receiving sufficient grant funding to supplement a 10% match from the EDA. The motion carried 6-0.

B. DISCUSS EDA SPRING OPENER EVENT

Stelmach provided the EDA with information on the proposed Food Truck Spring Opener for 2018. Dates being proposed for the event were June 2 or 3 from 12 noon to 6 p.m. or 7 p.m. He noted trucks would show up for the event around 10 a.m. for prep. He explained he would be communicating with Duffy's about an event afterwards. He indicated the Minnesota Food Truck Association was on board. He stated a local business "passport" idea and potential raffle

was being proposed. He hoped downtown businesses would provide outdoor seating, and the hope was to have eight to ten-foot trucks at the event.

Woods stated he would work to line up family-oriented entertainment for early in the day and adults in later hours. He suggested the Fire and Police Departments hold an Open House in conjunction with this event. In addition, he proposed Dee Bonn run a booth for the City in order to talk about the City sponsored exercise programs. He requested the City consider waiving the transient merchant fee for the food trucks. He proposed the Three Rivers Park District and School District also have booths at the event.

Stelmach commented on the footprint for the event noting it would be slightly larger than was proposed for last year. He recommended the event be highlighted on the Gateway Sign.

Woods stated the local restaurants may also consider having a catering truck or booth in order to highlight their main dishes. He explained a beer vendor was being sought for the event and he would be speaking with Yellow Tree Theater to see if they would be interested in putting on a performance as part of the event.

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

Abts stated she attended an Ehlers conference on economic development earlier this month and thanked the EDA for allowing her to attend this event.

Johnson commented on the Bottineau rail line being proposed for Osseo and Brooklyn Park.

Hultstrom thanked the EDA for the opportunity to attend the Ehlers conference.

Woods stated he also attended the Ehlers conference and reported the keynote speaker was phenomenal.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Stelmach, to adjourn at 6:51 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.