

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
February 10, 2020**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, February 10, 2020.

Members present: Teresa Aho, Deanna Burke, 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 Mary Tietjen.

Others present: Preston Kroska and Kenny Nelson.

2. APPROVAL OF AGENDA

A motion was made by Stelmach, seconded by Schulz, to approve the Agenda as presented. The motion carried 7-0.

3. APPROVAL OF MINUTES – JANUARY 13, 2020

A motion was made by Stelmach, seconded by Aho, to approve the minutes of January 13, 2020, as presented. The motion carried 7-0.

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Executive Director Riley Grams presented the EDA Accounts Payable listing.

A motion was made by Johnson, seconded by Schulz, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. HENNEPIN COUNTY CONSOLIDATED PLAN HOUSING PROGRAMS PRESENTATION –
Tonja West-Hafner

Grams stated Tonja West-Hafner, Program Analysis Supervisor with the Hennepin County Housing Development and Finance Department, was on hand to present information regarding the Hennepin County Consolidated Plan Housing Programs. The draft 2019 Annual

Action Plan for Hennepin County Consortium was completed in April 2019. This plan identifies the use of the estimated funding through three Federal programs: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG).

Tonja West-Hafner, Hennepin County, introduced herself to the EDA. She explained she was in the middle of a five year planning process. She commented further on the consolidated planning process and reported the timeline for this plan would run from 2020 through 2024. She explained Hennepin County was growing in population, particularly its seniors. She discussed the importance of residents filling out the 2020 census. She described how rental rates were rising faster than incomes and noted Hennepin County did not have enough affordable housing units. She reviewed the comments the County received from the public at three different listening sessions stating affordable housing, homelessness, homeownership, and neighborhood revitalization were all areas of concern. She then discussed how the County was being directed to prioritize its spending and what public services to provide.

Ms. West-Hafner commented on the Federal block grants that were available from HUD through the CDBG program to create affordable housing for low income households. She reviewed several photos of rehabilitation and conversion projects that transformed vacant buildings into low income housing. She noted the County was allocated \$2.97 million in CDBG funds for 2019. The allocations for 2019 were reviewed in further detail with the EDA.

Johnson commented on the expense renters must pay for applications and apartment deposits. Ms. West-Hafner reported the County was working with landlords to try and address these fees.

Johnson questioned how block grant funds can be used to assist with keeping a property affordable. Ms. West-Hafner explained that block grants can be awarded to assist with rehabbing an existing property, but that the additional costs and requirements associated with using federal funding must be weighed against the overall benefit of receiving grant funds.

Grams asked if funds were available to assist with code enforcement initiatives. Ms. West-Hafner reported funds were available to assist with code inspection/enforcement efforts but that certain criteria must be met. She commented that fewer cities were using CDBG funds for this use.

Stelmach inquired if funds were available for youth and senior activities. Ms. West-Hafner reported funds were available but the City would have to increase the service they were providing or provide a completely new activity for youth and seniors. She described the youth and senior activities that have been sponsored by the County.

Poppe thanked Ms. West-Hafner for her presentation to the EDA.

B. APPROVE BUSINESS SURVEY AND INCENTIVES

City Planner Nancy Abts explained this survey will be distributed to businesses listed in the City's business directory. The survey will also be available for pick up at the business forum on February 27. The survey can be mailed back to the EDA or completed online. A unique identifier code will be added to all printed surveys and entered online to track responses. This way, reminder post cards will not be sent to those who have completed the survey by the end

of March. The online response option will reach home-based businesses and others not in the directory.

Abts reported an expected response rate for mailed surveys is around 20 percent. Reminder postcards for non-responders can increase responses around 5 percent. Providing incentives for returning the survey and allowing online responses also increase response rates. Staff suggests providing a free gateway sign message as an incentive for businesses that return the survey. The EDA could make this recommendation for City Council approval. Commissioner Burke also suggested drawing from the list of survey responses to create a “business of the month” feature at future EDA meetings. This would be an opportunity to highlight lesser-known Osseo-based businesses.

Schulz stated he supported the proposed survey. He commented his only concern was with the incentive program. He feared this would set a precedent that the Council has been good about protecting. He suggested the EDA cover the fee for any messages that are offered for the gateway sign.

Murdock agreed with this suggestion.

Johnson commented the EDA has never been reimbursed for the amount put into the gateway sign. Grams indicated the EDA covered the funding gap and was not supposed to be reimbursed for the sign expense.

Schulz recommended the EDA put a certain amount of money toward the gateway sign fee incentive and that waivers not be approved for certain businesses.

A motion was made by Murdock, seconded by Burke, to direct staff to proceed with the business survey and that the City Council decides on the funding for the incentives.

Schulz stated the Council cannot commit the EDA to paying certain expenses. He stated if this motion were approved, action could be delayed by the Council which meant the survey would then be delayed.

Johnson suggested one business (that has completed the business survey) per month be drawn and allowed to have a free message on the gateway sign for one week. He estimated this would cost the EDA \$1,000 for the remainder of 2020.

A motion amendment was made by Murdock, seconded by Burke, to direct staff to proceed with the business survey and that the EDA provide a total of \$1,000 to sponsor the incentive program with one business drawn per month and allowed to have a free one-week message on the gateway sign. The amended motion carried 7-0.

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

A. EDA BUSINESS BREAKFAST WOULD BE HELD ON THURSDAY, FEBRUARY 27TH

Abts stated the EDA Business Breakfast would be held on Thursday, February 27, at 7:30 a.m. at the Community Center.

Abts commented on the Ehlers conference she attended last week where Fortune 500 companies in the metro area were discussed.

10. ADJOURNMENT

A motion was made by Stelmach, seconded by Johnson, to adjourn at 7:03 p.m. The motion carried 7-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial