

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
December 11, 2017**

1. ROLL CALL

Vice President Mark Schulz called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, December 11, 2017.

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

Members absent: Todd Woods.

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 – NOVEMBER 13, 2017

A motion was made by Johnson, seconded by Hultstrom, to approve the minutes of November 13, 2017, as presented. The motion carried 6-0.

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 Hultstrom, seconded by Johnson, to approve the Accounts Payable. The motion carried 6-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. APPOINT COMMITTEE TO REVIEW NORTH CENTRAL REDEVELOPMENT PROPOSALS

City Planner Nancy Abts stated the EDA has discussed potential redevelopments for the 600 block of Central Avenue East. To better understand market interest, the City requested proposals from local developers. The Beard Group and Lunski, Inc., both submitted proposals.

Abts explained the responses are private until the City has negotiated any agreement with a selected developer. Staff suggest the EDA appoint a committee to review the proposals. The committee can make a recommendation to the group. EDA President Todd Woods has volunteered to serve on the committee, alongside City staff. One or two other EDA members could also be part of the group.

Hultstrom volunteered to serve on this committee.

Johnson stated he would also serve on this committee. He asked if the committee would be meeting during the day or in the evening hours. Grams explained staff would make themselves available for the committee.

Poppe indicated he was willing to serve on this committee, but would remove his name from consideration in order to keep the committee at three EDA members.

A motion was made by Stelmach, seconded by Schulz, to authorize a committee comprised of President Woods and EDA members Harold Johnson and Juliana Hultstrom to review and make a recommendation on the RFP responses. The motion carried 6-0.

B. DISCUSS 609 1ST AVENUE NW (OSSEO URBAN TOWNHOMES)

City Attorney Mary Tietjen explained this is a follow-up item to the discussion that was raised at the November EDA meeting. She stated in August 2017 City staff received notice of a foreclosure sale relating to the property at 609 1st Avenue NW. The mortgagee, Midwest Minnesota Community Development Corporation, was foreclosing on its first mortgage, recorded against the property on October 25, 2004. The Osseo EDA and the Hennepin County HRA hold a second mortgage on the property, recorded on October 24, 2004, in the amount of \$70,000. That mortgage is subordinate to the MMCDC mortgage.

City Attorney Tietjen reported a sheriff's sale was scheduled on October 24, 2017, at 11 a.m. Upon request by Teri Portinen, City Finance Officer, Ms. Tietjen followed up to determine where the sale occurred. Staff could find no record of it. Staff received confirmation from the attorney's office for the foreclosing entity that the sale had been canceled. The law firm also sent an email to Riley Grams on November 21, 2017, confirming the same. When a foreclosure is stopped, there is nothing that is physically recorded, so the City does not have any additional details about the matter. However, it is reasonable to assume that the property owner may have made the payments to stop the foreclosure process.

Johnson requested the EDA review the loan schedules for these properties at a future meeting. Grams stated he would report back to the EDA at the February 2018 meeting

C. APPROVE 2018 ECONOMIC DEVELOPMENT AUTHORITY BUDGET

Grams stated the EDA should consider and approve an operating budget for the following year. The final draft of the 2018 EDA budget includes suggested changes per the EDA members from the November EDA meeting. If approved, staff will work within this budget for the 2018 calendar year.

Johnson asked if the electric service for the Gateway Sign should be paid by the EDA given the fact all of the income from the sign was going to the City. Grams explained the EDA had discussed the operating costs for the sign in the past and he recommended the \$3,000 expense be considered a transfer to the City for these costs. He stated he preferred to have all of the costs be covered by one "house."

Schulz questioned how much revenue was generated by the Gateway Sign. He supported the City covering the expenses for the sign through these incoming revenues. Grams stated through mid-November the City had collected \$3,550 and the City had budgeted \$5,000 for the year.

Stelmach was pleased the Gateway Sign was generating income. He supported the electrical expenses being covered by the revenues from the sign.

Schulz suggested a fund also be created for the Gateway Sign to cover any future expenses for repairs.

Hultstrom supported this recommendation.

Johnson stated if the EDA were to pay for this expense, he would want to see an ad running for the Osseo EDA.

A motion was made by Hultstrom, seconded by Stelmach, to approve the 2018 Osseo Economic Development Authority Budget, less the \$3,000 Gateway Sign expense. The motion carried 6-0.

D. APPROVE 2018 ECONOMIC DEVELOPMENT AUTHORITY MEETING SCHEDULE

Grams stated the EDA should consider and approve a meeting schedule for 2018. The schedule remains unchanged from previous years, with EDA meetings being held on the second Monday of every month beginning at 6 p.m. in the Council Chambers at City Hall. The EDA may also schedule work sessions throughout the year. If the EDA is to hold a work session, the EDA should approve the meeting date/time ahead of the proposed date so staff could publically post the meeting.

A motion was made by Stelmach, seconded by Hultstrom, to approve the 2018 Osseo Economic Development Authority meeting schedule. The motion carried 6-0.

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

Grams thanked the EDA members for their service to the community. He explained the EDA would be reviewing a project spreadsheet in January.

Abts reported Ehlers would be holding a seminar on February 1 and 2 at the Earle Brown Conference Center. Those EDA members interested in attending were encouraged to speak with staff.

City Attorney Tietjen reported on Monday, January 8, 2018, she would be inviting a bond attorney to provide a presentation to the EDA board on economic development powers and authority.

Hultstrom stated she was grateful to have served on the Northwest Hennepin Human Services Advisory Commission in 2017 and to be serving on the EDA.

Johnson explained Northwest Hennepin Human Services Council would be holding its final meeting next week. He asked when the North Central Redevelopment Committee would be meeting. Grams anticipated this group would be meeting shortly after the holidays.

10. ADJOURNMENT

A motion was made by Stelmach, seconded by Johnson, to adjourn at 6:31 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.