



AGENDA – REGULAR MEETING
6:00 p.m., December 9, 2019

Economic Development Authority

- 1. ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF MINUTES**
 - A. November 12, 2019
- 4. MATTERS FROM THE FLOOR**
- 5. PUBLIC HEARING**
- 6. ACCOUNTS PAYABLE**
- 7. OLD BUSINESS**
 - A. Approve 2020 Economic Development Authority Budget
- 8. NEW BUSINESS**
 - A. Approve Public Parking Signs for First Avenue Commons Parking Lot
 - B. Approve Subordination Agreement for Townhouse on 1st Avenue NW
 - C. Discuss Business Expansion & Retention Initiatives for 2020
 - D. Review 2020 EDA Meeting Schedule
- 9. REPORTS OR COMMENTS: Executive Director, President, Members**
- 10. ADJOURNMENT**

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
November 12, 2019**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Tuesday, November 12, 2019.

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.

Others present: James Kelly.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES – OCTOBER 14, 2019

A motion was made by Johnson, seconded by Aho, to approve the minutes of October 14, 2019, 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 Stelmach, to approve the Accounts Payable. The motion carried 7-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. SMALL BUSINESS SATURDAY IN OSSEO (Saturday, November 30)

Grams stated Small Business Saturday is coming to the City of Osseo on Saturday, November 30. He explained Kerstin Schulz and EDA Commissioner Teresa Aho are promoting Osseo Small Business Saturday, which focuses on customers patronizing their small local shops instead of larger big box retail or online shops. Small Business Saturday is a national event that occurs on the Saturday after Thanksgiving that supports small local businesses.

Grams indicated local Osseo businesses are participating and hosting various events that day between 10 a.m. and 2 p.m. There will be a number of specials, sales, giveaways, gifts with purchases, samples, and various workshops hosted by local Osseo based businesses.

Aho reviewed the thirteen businesses that would be participating in this event and invited residents of Osseo to participate in Small Business Saturday. She explained a stamp card would be available for this event and those that visit all participating businesses would be entered in a grand prize drawing.

Grams reported this event would be promoted on social media and the City's gateway sign.

Schulz encouraged the EDA members to share this event on social media. He stated he was proud of the fact the central business corridor was coming together for this event.

Grams questioned if there was something the EDA could do in the future to further support Small Business Saturday.

Poppe suggested the City consider offering childcare at the Community Center to allow residents to shop on Small Business Saturday.

B. DISCUSS 2020 OSSEO EDA BUDGET

Grams stated each year the EDA sets its fiscal budget for the following year. The budget is usually approved during the last meeting of the year in December. The EDA should discuss any potential changes to the 2020 budget and direct staff accordingly. Staff will make any EDA recommended changes and update the budget worksheet accordingly. The updated EDA budget will come back to the EDA for final approval at the December 9 EDA meeting.

Grams explained staff also plans on having a short discussion at the December EDA meeting to see if there are other projects (outside of larger developments that we've talked about previously) the EDA has in mind for 2020. If some of those potential projects will result in the EDA expending funds, it makes sense to alert staff of those projects now so that they might be included into the final budget recommendation going to the EDA at the December meeting.

Johnson recommended the City investigate economic development grant opportunities with Hennepin County. He stated he was working with the County to have a representative present at a future EDA meeting to discuss this topic further. Grams anticipated this would occur in December.

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

Burke reported she saw the EDA advertisement at the Yellow Tree Theatre brochure and stated it was well done.

Stelmach encouraged the EDA members to consider assisting in hanging lights in downtown Osseo on Saturday, November 16, from 9 a.m. to 1 p.m.

Schulz commented Minidazzle will be held on Friday, December 6. He invited all residents to attend this wonderful community event.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Burke, to adjourn at 6:22 p.m. The motion carried 6-1 (Schulz opposed).

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.



City of Osseo Economic Development Authority Meeting Item

Accounts Payable Listing

12/9/19 EDA

2019

12

Check Name	Comments	Amount
KENNEDY & GRAVEN, CHARTERED	10/14/19 EDA MTG	\$213.78
KENNEDY & GRAVEN, CHARTERED	OCT 2019 LEGAL SVC-TOWNHOME LOAN PROGRAM	\$359.92
RITEWAY BUSINESS FORMS	EDA CHECK STOCK REFILL	\$159.25
TIMESAVER OFF SITE SECRETARIAL	11/12/19 EDA MTG MINUTES	<u>\$145.00</u>
		\$8,392.96

EDA MONTH END CASH BALANCE

FUND	DESCRIPTION	DIRECTIONAL			12/9/2019 BALANCE	PROPOSED EXPENSE	12/9/2019 BALANCE
		11/12/2019 BALANCE	SIGNAGE REVENUE	ADJUSTMENTS (+/-)			
801	GENERAL	473,423.33			473,423.33	769.28	474,192.61
806	TIF 2-5 REALIFE	15,217.22			15,217.22		15,217.22
817	TIF 2-4 BELL TOWER	258,697.90			258,697.90		258,697.90
819	TIF 2-6 CELTIC CROSSING	61,639.28			61,639.28		61,639.28
825	TIF 2-8 LANCOR/LYNDES	21,809.97			21,809.97		21,809.97
836	TIF 2-9 5 CENTRAL	65,553.17			65,553.17		65,553.17
		896,340.87	0.00	0.00	896,340.87	769.28	897,110.15



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Approve 2020 EDA Budget

Meeting Date: December 9, 2019

Prepared by: Riley Grams, City Administrator

Attachments: Proposed Final 2020 EDA Budget

Policy Consideration:

Consider approving the attached proposed final 2020 Economic Development Authority budget.

Background:

Each year the EDA must approved its annual operating budget at the last meeting of the year. The EDA discussed the 2020 budget at their [November 12, 2019 meeting](#). Those recommendations have been incorporated into this budget.

Items of note on the budget:

Board Compensation: Board Members receive \$15 per meeting.

Legal Services: The budget for Legal Services was reduced for 2020 as a result of more accurate billing.

Transfers to City General Fund: This is the annual \$40,000 that is transferred to the City to cover the cost of Staff time dedicated to the EDA (includes Staff time, time with the annual audit for the EDA, and Finance consultant time (Gary Groen)). This is \$5,000 less than in previous years.

Other Professional Services: The EDA pays for the annual TIF management by Ehlers, and new this year is up to \$4,000 for local business expansion and retention initiatives in 2020. Staff will present some new ideas about this topic later in the meeting.

Property Taxes: The budget includes funds to pay off the remaining special assessments on the EDA owned parking lot on 1st Ave NW. The specials are from the 2010 Central Ave project, which included the side street lighting project for this parcel.

Previous Action or Discussion:

The EDA discussed the 2020 budget at their [November 12, 2019 meeting](#).

Options:

The Economic Development Authority may choose to:

1. Approve the 2020 Economic Development Budget;
2. Approve the 2020 Economic Development Budget, with noted changes/as amended;
3. Deny approval of the 2020 Economic Development Budget;
4. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the Economic Development Authority choose option 1) Approve the 2020 Economic Development Budget.

City of Osseo Economic Development Authority (EDA)

2020 Operating Budget

								2020 PROPOSED BUDGET	
Account Number	Account Description	2016 Actual	2017 Actual	2018 Actual	2019 Budget	YTD	2019 (over)/under	Amount	Description
REVENUE									
801-36210	Interest Earned on Investments	\$ 7,105	\$ 6,421	\$ 9,645	\$ 3,000	\$ 24,280	\$ (21,280)	\$ 5,000	
801-36235	Business Way Signage		\$ 150	\$ 152	\$ 500	\$ -	\$ 500	\$ 250	
	Hennepin County Grant		\$ 2,500	\$ -	\$ -		\$ -	\$ -	
	Total Revenue	\$ 7,105	\$ 9,071	\$ 9,797	\$ 3,500	\$ 24,280	\$ (20,780)	\$ 5,250	
EXPENDITURES									
801-71000-106	Board Compensation	\$ 375	\$ 435	\$ 483	\$ 1,260	\$ 15	\$ 1,245	\$ 1,260	7 paid Board members (\$15/mtg)
801-71000-125	FICA	\$ 29	\$ 33	\$ 33	\$ 96	\$ 1	\$ 95	\$ 104	7.65%
801-71000-211	Operations	\$ 2,060	\$ 1,059	\$ 52	\$ 500	\$ 4,043	\$ (3,543)	\$ 200	Supplies
801-71000-255	Dues/Memberships	\$ 1,464	\$ 1,069	\$ 1,069	\$ -	\$ -	\$ -	\$ -	North Hennepin Chamber disbanded 12/31/18
801-71000-260	Meetings/Travel/Seminars	\$ 195	\$ 797	\$ 1,492	\$ 2,000	\$ 307	\$ 1,693	\$ 2,000	Ehlers Conference (\$255/person) + travel
801-71000-304	Legal Services	\$ 2,211	\$ 3,956	\$ 12,660	\$ 5,000	\$ 2,080	\$ 2,920	\$ 3,000	12 mtgs (\$150) -
801-71000-307	Recording Services	\$ 977	\$ 2,117	\$ 1,703	\$ 1,750	\$ 1,669	\$ 81	\$ 2,100	Meeting recording (Minutes/Broadcasting)
801-71000-310	Other Professional Services	\$ 12,956	\$ 16,424	\$ 8,213	\$ 15,000	\$ 7,934	\$ 7,066	\$ 20,000	Ehlers TIF management & Business Initiative Program
801-71000-351	Printing/Publishing	\$ -	\$ 354	\$ 284	\$ 500	\$ 275	\$ 225	\$ 500	Newsletter/Annual Disclosure
801-71000-399	Property Taxes	\$ 201	\$ 6,705	\$ 188	\$ 225	\$ 182	\$ 43	\$ 1,049	Pay off assessment on EDA parking lot
801-71000-720	Transfer to City General Fund (101)	\$ 35,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ 40,000	Reimb. to City for staff time, audit, consulting (REDUCED)
	Other Gateway Sign Donation		\$ 61,848	\$ -	\$ -		\$ -	\$ -	
	Total Expenditures	\$ 55,467	\$ 139,798	\$ 71,178	\$ 71,331	\$ 16,506	\$ 54,825	\$ 70,213	
Net Increase/(decrease) in Fund Balance		\$ (48,363)	\$ (130,727)	\$ (61,381)	\$ (67,831)	\$ 7,774	\$ (75,605)	\$ (64,963)	
Fund Balance, January 1		\$ 713,278	\$ 665,975	\$ 535,248	\$ 473,867	\$ 473,867		\$ 481,641	
Fund Balance, December 31		\$ 665,975	\$ 535,248	\$ 473,867	\$ 406,036	\$ 481,641		\$ 416,678	

UPDATED: 11/6/19 RG



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Approve Public Parking Signs for First Ave Commons Parking Lot

Meeting Date: December 9, 2019

Prepared by: Riley Grams, Executive Director

Attachments: Picture of Public Parking Signs
Map Showing Sign Locations

Policy Consideration:

Consider approving the purchase of additional public parking signs for the public parking lot located behind the First Ave Commons building.

Background:

The City Council recently approved a public parking agreement with the owner of the First Ave Commons building (located at 233 First Ave NE) at their November 25 meeting. The agreement calls for the lot to be open and available to all general public parking in exchange for the City providing snow removal services.

In order to direct people and customers to park in that lot, the EDA should consider approving some additional signage. The EDA has approved these blue “Public Parking” signs in the past to help direct people to available lots. See the attached picture. The signs are attached to the decorative light poles on Central Ave at the intersections and pointed towards the available parking lot.

Staff recommends a total of four blue pointed signs. They would be located at the intersection of Central Ave and 3rd Street NE as well as the alley entrance off of 3rd Street NE, and at the corner of 3rd Street NE and 1st Ave NE. Additionally, Staff recommends adding two signs at the entrance to the parking lot (one off the alley and one off of 1st Ave NE) stating the lot is for general public parking and also for snow emergency parking.

Each blue public parking sign costs \$95 from Signco. The lot entrance signs are approximately \$200 each, depending on overall sign and wording. Staff recommends that the EDA approve an expenditure of no more than \$800 to create, purchase, and install the public parking signs.

Budget or Other Considerations:

The cost will come from the EDA General Fund.

City Goals Met By This Action:

Foster and promote economic development in the City

Options:

The Economic Development Authority may choose to:

1. Approve the cost of the public parking signs as stated;
2. Approve the cost of the public parking signs as stated, with noted changes/as amended;
3. Deny the signs;
4. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the Economic Development Authority choose option 1) Approve the cost of the public parking signs as stated.

Next Step:

Staff will work with the sign vendor to order the signs. When they are shipped to the City, Public Works will install the signs.

2nd Street NE

Public Parking

Vintage Studio

Phone Guys



Hennepin County Property Map

Date: 12/5/2019



PARCEL ID: 1811921230198

OWNER NAME: First Avenue Commons Llc

PARCEL ADDRESS: 233 1st Ave N E, Osseo MN 55369

PARCEL AREA: 0.71 acres, 31,115 sq ft

A-T-B: Abstract

SALE PRICE: \$375,000

SALE DATA: 06/2011

SALE CODE: Excluded From Ratio Studies

ASSESSED 2018, PAYABLE 2019

PROPERTY TYPE: Commercial-Non Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$111,000

TAX TOTAL: \$4,486.98

ASSESSED 2019, PAYABLE 2020

PROPERTY TYPE: Commercial-non Preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$124,000

Comments:

● = Blue public parking sign

★ = Lot entrance sign

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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COUNTY 2019



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Consider Subordinate Position on 606 1st Avenue NW

Meeting Date: December 9, 2019

Prepared by: Riley Grams, EDA Executive Director

Attachments: Subordination Agreement

Policy Consideration:

Consider a subordinate position to Bell Bank on a refinance by Sherry Murdock, 606 1st Avenue NW.

Background:

Osseo resident Sherry Murdock purchased a townhome in the Osseo Urban Townhome project with participation from the Osseo EDA. Most, if not all, of subordination requests are granted, provided the action doesn't harm the EDA financially. Ms. Murdock's request was sent to city attorneys with Kennedy Graven for a recommendation.

Kennedy Graven has stated previously:

If the EDA Board chooses to subordinate, Ms. Murdock is still required to pay both her primary home loan mortgage and the EDA loan, along with any other obligations she has secured by liens against her home. If Ms. Murdock ran into financial trouble and there was a foreclosure by the primary home loan bank, the EDA's mortgage would most likely not be paid and the EDA's mortgage would be terminated. Ms. Murdock would still have a contractual obligation to pay the loan but the EDA would have no security for the repayment of the loan. However, the possibility of the EDA loan being paid after foreclosure is slim. On the other hand, it appears that Ms. Murdock wants the subordination in order to get a better rate on her primary home loan, which would put her on better financial ground. A subordination will cause a default or an acceleration of the promissory note or the mortgage so no amendments need to be made to those documents if the EDA Board decides to subordinate. The loan is owed both to the EDA and to Hennepin County HRA (it appears the County HRA gave the money to the EDA to make the loan). So, in addition to the EDA, Ms. Murdock will need the Hennepin County HRA to agree to the subordination as well. Given that the County HRA provided the funds for the loan, and as long as the County HRA agrees to the subordination, it would not harm the Osseo EDA economically to agree to the subordination.

Options:

The Economic Development Authority may choose to:

1. Approve the subordination to Bell Bank for property located at 606 1st Avenue NW;
2. Deny subordination to Bell Bank for 606 1st Avenue NW;
3. Table action on this item for more information.

Recommendation/Action Requested:

Staff recommends the Economic Development Authority choose option 1) Approve the subordination to Bell Bank for property located at 606 1st Avenue NW.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the “**Agreement**”) is made as of this ___ day of November, 2019, between Bell Bank, FDIC # 19581, a bank (the “**Lender**”), and Osseo Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, whose principal address is 415 Central Avenue, Osseo MN 55369 (“**Osseo EDA**”), and Hennepin County Housing and Redevelopment Authority, a public body corporate and politic under Minnesota laws, whose address is 417 North Fifth Street, Suite 320, Minneapolis, Minnesota, 55401 (“**HCHRA**”) (together with Osseo EDA the “**Authority**”) (Each referred to herein as a “**Party**” or collectively the “**Parties**”).

RECITALS

WHEREAS, Sherry Jo Murdock, an individual residing at 606 First Avenue N.W., Osseo MN 55369 (the “**Debtor**” or “**Mortgagor**”), received certain financial assistance from the Lender and the Authority;

WHEREAS, the Lender and the Authority have all properly taken and secured a mortgage as collateral for their respective loans related to the certain real property as described in **Exhibit A** (the “**Property**”).

WHEREAS, the Lender has secured its interest in the loan documents entitled First Mortgage and attached hereto as **Exhibit B**;

WHEREAS, the Authority has secured its interest in the loan documents entitled Second Mortgage and attached hereto as **Exhibit C**;

WHEREAS, the Debtor has subsequently contacted the Lender regarding refinancing its First Mortgage executed on the Property;

WHEREAS, as a condition to the refinancing of the First Mortgage, the Lender requires that a subordination agreement be entered;

WHEREAS, based upon the agreement between the Lender and the Authority, the Authority wishes to subordinate its interest in the Property pursuant to the terms of this Agreement to allow Debtor to refinance.

NOW, THEREFORE, in consideration of the foregoing the Parties hereto represent, warrant and agree as follows:

1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. Subordination. The Parties hereby agree that the rights of the Authority under its loan documents with Debtor entitled Second Mortgage dated August 2, 2004 shall remain subordinate and subject to liens, rights and security interests created by the Lender’s First Mortgage and rights, remedies and interests included within the Lender’s subsequent refinancing agreement

with Debtor attached hereto as **Exhibit D**. The subordination provided in this Agreement shall be limited to the subordination of the Authority's security interest in the Property. Notwithstanding anything herein to the contrary, this Agreement shall in no way limit any of the Authority's rights and remedies under the Second Mortgage.

3. Notice of Default. The Parties agree to use commercially reasonable efforts to notify one another of the occurrence of any event of default by Debtor under any of the applicable loan documents.

4. Collection and Liquidation Efforts. In the event that either applicable loan document is declared in default; the Parties agree to cooperate in liquidating and/or selling the Property. Lender agrees (a) to accept cash, certified funds or a U.S. Treasury check(s) in connection with any purchase of Lender's note or any foreclosure or liquidation bid by the Authority; (b) to provide the Authority with the loan payment status, loan payment history, and an itemized payoff statement of the Lender's loan; (c) to provide the Authority with copies of any appraisals, environmental investigations, or title examinations or searches of the Property conducted by or for Lender; and (d) to provide any other information about Debtor or the Lender's loan requested by the Authority in writing.

5. No Assumption. Nothing herein shall be interpreted as creating any rights or duties of assumption among the Parties with respect to any loan documents entered into with the Debtor.

6. Governing Law and Venue. This Agreement is made in and shall be construed in accordance with the laws of the State of Minnesota including all matters of construction, validity, performance, and enforcement. Any action brought by any Party hereto shall be brought in a venue determined by Osseo EDA.

7. Successors. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

8. Severability. The unenforceability or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

9. Notice. Any notices and other communications permitted or required by the provisions of this Agreement shall be in writing and shall be deemed to have been properly given or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage, or delivery by reputable private carrier and addresses as set forth herein.

If to the Lender:

with a copy to:

If to Osseo EDA:

Osseo Economic Development Authority
Attention: Riley Grams, Executive Director
415 Central Avenue
Osseo, MN 55369

with a copy to:

Mary D. Tietjen
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

If to HCHRA:

with a copy to:

10. No Implied Third-Party Beneficiaries. Except to the extent stated in this Agreement, this Agreement does not modify or affect otherwise any other agreement that either party may have with third parties, including but not limited to, Debtor. This Agreement also does not grant any right, benefit, priority, or interest to any third parties, including but not limited to, Debtor.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

**OSSEO ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____

Riley Grams

Its: Executive Director

By: _____

Duane Poppe

Its: EDA President

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of November, 2019, by Riley Grams and Duane Poppe, the Executive Director and EDA President, respectively, of the Osseo Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, on behalf of such public body.

Notary Public

**HENNEPIN COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

By: _____
[insert name]

Its: _____

By: _____
[insert name]

Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of November, 2019,
by _____ and _____, the _____ and _____, respectively,
of the Hennepin County Housing and Redevelopment Authority, a public body corporate and
politic under Minnesota laws, on behalf of such public body.

Notary Public

This document drafted by:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

Exhibit A
The Legal Description of the Property

Unit No. 10, Common Interest Community Number 1242, a condominium, Osseo Urban Townhomes, Hennepin County, Minnesota

Exhibit B
The First Mortgage

Exhibit C
The Second Mortgage

Exhibit D
The Refinancing Agreement



Osseo Economic Development Authority Meeting Item

Agenda Item: Discuss Business Retention & Expansion Initiatives for 2020

Meeting Date: December 9, 2019

Prepared by: Nancy S. Abts, AICP, City Planner

Attachments: IEDC article on Business Retention & Expansion

Policy Consideration:

Discuss Business Retention & Expansion Initiative for 2020.

Previous Action or Discussion:

The proposed 2020 EDA Budget includes expenses of \$3,000 to support Business Retention & Expansion strategies.

Background:

In July, I attended the Minnesota Economic Development Foundation's *Basic Economic Development Course*. Content was presented by a variety of economic development practitioners from throughout the Midwest. Introductory sections of the course included an overview of economic development strategies.

One of my "take-aways" from the course was the opportunity for Osseo to expand its Business Retention and Expansion (BR&E) efforts. Business Retention and Expansion programs focus on building relationships with existing firms. The work encourages investment in the local economy. This includes, for example, assisting with expansions, regulations or permitting, grant opportunities, etc. BR&E is a key component of economic development—up to 80 percent of a community's job growth comes from existing firms. (Conservative estimates say at least 40 percent.) Although this happens in Osseo informally, our efforts can be enhanced by dedicating resources & attention to this work in 2020. Below are my suggestions for what this work might look like & resources needed.

Item	When	Approximate Cost
Direct mail survey + reminder postcard to ~230 businesses / commercial entities	February 2020	\$300
8 Business visits – Staff time to conduct	2 per quarter	<i>Covered by EDA transfer to City</i>
2 Catered Breakfast Business Forums: Spring & Fall @ 50 attendees each (15 EDA-Council-Staff, 35 Business)	February & October	\$1,200
Vouchers for Gateway Sign, to use as incentive for business participation		<i>EDA could request waiver from City</i>
Technical assistance from contracted staff (e.g., WSB, Ehlers, Metro West) for grant applications, permitting, etc.	As needed to respond to requests	\$1,500
EDA Business newsletter – Staff time to create/coordinate		<i>Covered by EDA transfer to City</i>

Information gathered through the BR&E program can help the EDA identify how the business community views Osseo's strengths and weaknesses. Documented business needs can help serve as a basis for grant applications (e.g., Hennepin County's Business District Initiative or Corridor Planning Program, environmental cleanup programs), particularly because the BR&E program may help proactively identify needs so that applications can be prepared in advance.

The EDA might want to select smaller working group(s)/subcommittee(s) to help work on different aspects of BR&E. Members Schulz and Aho have helped with developing the EDA's e-newsletter. Other work could include reviewing the survey and helping to distribute it and follow up with businesses, and planning for the business forums.

City Goals Met By This Action:

Foster and promote economic development in the City

Increase communication with citizens and encourage citizen engagement

Recommendation/Action Requested:

Staff request the EDA discuss the Business Retention and Expansion initiatives for 2020 and provide suggestions and direction as needed.

The EDA may wish to select working group members to assist with the BR&E initiatives.

Establishing a business retention and expansion program

Louise Anderson, IEDC

Business retention and expansion is the foundation of effective economic development. It makes little sense to invest time and resources to recruit new businesses while losing others due to lack of attention to changing needs or emerging obstacles. An effective retention and expansion program is based on accurate knowledge of the business community and constant communication. The program should be prepared to help businesses with expansion of current sites and facilities, assistance in identifying and preparing sites for expansions that require relocation, and assistance with regulations and permits related to planning, zoning and building.

A business retention program is time and labor intensive, and requires building and maintaining good relationships with existing businesses. The city should begin by creating a database of existing businesses, and determining the kinds of businesses toward which it will target its efforts.

A strong BRE program has several components.

- **Visitation.** Visitation programs are particularly helpful in identifying at-risk companies, or those that are considering closing or relocating. Visits are centered on an interview with the firm's president or other lead staff to learn how the public sector might help the firm. The interview would include questions about the firm's plans for expansion or relocation. After the interview, follow-up would include a letter or telephone call to the firm responding to issues raised in the interview. The city may want to target living-wage firms, medium-sized firms, firms in certain neighborhoods, or firms in industries targeted for expansion or attraction.
- **Surveys.** Periodically, a BRE program should survey existing businesses to better understand current and projected needs. Surveys also demonstrate the city's commitment to business and provide a regular reminder that the city's ears are open to problem-solving. Such surveys would help the city stay abreast of business concerns and trends in areas such as transportation, workforce development, regulatory issues and public safety.
- **Clearinghouse.** Numerous organizations in West Palm Beach provide startup and technical assistance to businesses. Some provide classes, some provide one-to-one consulting and others prepare specific plans, with charges ranging from market-rate to free. However, there appears to be no one repository for that information. Entrepreneurs and small business owners would benefit from a directory, web site, and ombudsman function to relay such information: where to take classes on starting a business, where to get advice on creating a business plan, how to find technical assistance specifically for financing, and how to get an occupational license or appropriate building permits. The clearinghouse should have an outreach function that markets its service and the services of other business assistance organizations, reaching out to nascent entrepreneurs who have an idea for a business but no idea where to start.

An additional function of the clearinghouse could be to create a comprehensive calendar of activities. Events posted could include business roundtables, networking lunches, meetings of the chamber of commerce, minority business groups, economic development organizations, local banks, SBDCs, and community college programs. This information can be mailed to targeted businesses, advertised in local business publications and over the radio, posted at local libraries and community centers and on the Internet.

- **Networking.** Business “after hours” receptions and mayor/council member breakfasts show businesses that the city values them and provides opportunities for networking, in addition to giving them the opportunity to discuss their concerns and ideas with local elected officials.

Successful business retention and expansion programs have been housed in three different areas:

- local government,
- private organizations (i.e., Chambers of Commerce), and
- public-private partnership organizations.

Case Study: Greenville, South Carolina’s Business Linkages

The City of Greenville has worked diligently to establish a seamless link with the private sector. It is more than just building relationships—it is understanding and appreciating the importance and challenge of doing business in the city.

The Economic Development Department uses a number of approaches, including the following:

- A member of the Economic Development staff is assigned as liaison for every major development project, ensuring a single point of contact to deal with all municipal and developmental issues.
- Staff meets regularly with business and property owner associations to see first-hand their issues and concerns, and to develop revitalization, stabilization and marketing plans.
- The Economic Development Director and City Manager make regular visits to key city businesses, just to let them know that they are appreciated and important.
- Businesses are regularly included in special task forces to tailor programs and strategies for effectiveness and support. Recent examples include a downtown farmers’ market, a tourism strategy and downtown retail strategy. The recommendations from these task forces are almost always adopted by the city.
- Mail surveys have been used to determine satisfaction with city services, potential barriers to business success and expansion, etc. **Any business that indicates an issue is visited by Economic Development staff.**
- **All new businesses are sent welcome notes with contact information.**

No matter what approaches are used, the following is essential:

- **The key is responsiveness. The city can’t just listen to problems; it must be prepared to act.**
- Understand and genuinely appreciate the business community and its contribution to the economic viability of the community. **Recognize that existing businesses have the most significant impact on job opportunities and future job growth.**
- Remove the bureaucratic barriers to doing business—serve as the link between the business and myriad regulatory agencies.
- Listen—the best business retention program is dictated by the particular business. **There is no one-size-fits-all,** so be flexible.

Case Study: Business Retention & Expansion in Gahanna, Ohio

The City of Gahanna, Ohio lies just outside of Columbus, Ohio. With a population of 33,000 people, Gahanna competes for business and industry development with 12 other suburban cities and Ohio’s largest city, Columbus. Competition between cities can be cutthroat, so retaining business is a

fundamental aspect of local economic development activity. Over the past five years, Gahanna has successfully created a business retention and expansion program that seeks at-risk companies and addresses needs on a case-by-case basis. The city's BRE program also builds connections and partnerships to provide extended services to businesses and industry.

The Gahanna Department of Development is responsible for retaining and expanding business in the community. The department runs a program that surveys existing businesses and responds quickly to needs and issues. The survey, sent annually to over 800 businesses, consists of key questions that measure a company's health and happiness in the city. Questions range from employment and ownership status to expectation for expansion or relocation. The city also asks businesses to rate city services and efforts to assist businesses.

The city's response to survey results is key. In 2001, over 25 percent of businesses that were surveyed responded, giving the department an overwhelming amount of information. Forty businesses were considering expansion or relocation over the next year and would be interested in discussing options with city officials. The department responded to the 40 businesses by having high-level staff call each business to better understand their needs and assess the severity of risk that the company might leave the community. Companies were then prioritized by needs and risk. Higher-risk businesses were given on-site visitation by development staff and lower-risk businesses were directed to other appropriate staff to help with their needs. The city responded to each of the 40 businesses personally.

Another aspect of the Gahanna BRE program is creating connections with partners and service providers. Development staff initiated an Industrial Roundtable to help address specific needs in an industrial district. The roundtable meets quarterly and conducts informative sessions on concerns that emerged from the survey. For example, on September 11, 2001 it took over two hours to evacuate one of the major employers of the industrial district due to traffic problems and lack of communication and coordination. With city support, the roundtable presented experts from the state and local emergency management departments to explain procedures for evacuation and disaster recovery. The city also is working with businesses in the industrial district to establish a comprehensive plan for disasters or emergencies.

The city has developed other relationships and partnerships with the Chamber of Commerce, utility providers, the Ohio State University, local fiber optics providers, downtown business associations, events organizations and the local school district. These partnerships result in business services that competing municipalities don't provide, such as high-tech capabilities, workforce development assistance and joint marketing efforts. If the city cannot provide the services a business needs, it directs them to a partner who can help.

The city's BRE program is clearly paying off. In 2001, a major employer responded through the survey that it may be forced to look elsewhere to accommodate expansion plans. Not wanting to lose over 500 employees and risk an abandoned 500,000 square foot facility, the development staff quickly met with the business and was able to locate expansion space within the industrial district. Through its strategic partnerships, the city also provided the necessary technology infrastructure to accommodate the business. These efforts saved jobs and helped create more opportunity for the business to grow and prosper in the community.



City of Osseo Economic Development Authority Meeting Item

Agenda Item: Review 2020 EDA Meeting Schedule

Meeting Date: December 9, 2019

Prepared by: Riley Grams, Executive Director

Attachments: None

Background:

Here are the scheduled meetings for the Osseo Economic Development Authority for 2020 (please note that all EDA meetings will begin at 6:00 PM and be held in the Council Chambers at Osseo City Hall, unless otherwise noted):

Monday, January 13, 2020
Monday, February 10, 2020
Monday, March 9, 2020
Monday, April 13, 2020
Monday, May 11, 2020
Monday, June 8, 2020
Monday, July 13, 2020
Monday, August 10, 2020
Monday, September 14, 2020
Monday, October 12, 2020
Monday, November 9, 2020
Monday, December 14, 2020

Commissioner Murdock's seat is the only open seat in 2020. If she wishes to re-apply for another term, she will need to submit a letter of interest to Mayor Poppe for Council review (which she has already done).

As always, the Commission will elect EDA Officers as well at the January meeting. Elections for the following positions will be conducted: EDA President, EDA Vice-President, EDA Secretary, EDA Treasurer, EDA Assistant Treasurer, and EDA Executive Director.

Recommendation/Action Requested:

No formal motion is necessary at the December 9 meeting. This is simply information for EDA members to consider ahead of the first meeting in January 2020.