



AGENDA – REGULAR MEETING
6:00 p.m., May 11, 2020

Economic Development Authority

- 1. ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF MINUTES**
 - A. April 13, 2020
- 4. MATTERS FROM THE FLOOR**

Members of the public can submit comments online at www.DiscoverOsseo.com/virtual-meeting
- 5. PUBLIC HEARING**
- 6. ACCOUNTS PAYABLE**
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
 - A. Discuss Purchase of Residential Property for Larger Development Proposal (600 Central Ave)
- 9. REPORTS OR COMMENTS: Executive Director, President, Members**
- 10. ADJOURNMENT**

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
April 13, 2020**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, April 13, 2020. Due to the COVID-19 pandemic this meeting was held virtually via WebEx.

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.

2. APPROVAL OF AGENDA

A motion was made by Schulz, seconded by Burke, to approve the Agenda as presented. A roll call vote was taken. The motion carried 7-0.

3. APPROVAL OF MINUTES – MARCH 9, 2020

A motion was made by Johnson, seconded by Murdock, to approve the minutes of March 9, 2020, as presented. A roll call vote was taken. The motion carried 7-0.

4. MATTERS FROM THE FLOOR

Executive Director Riley Grams reported Preston Kroska at 601 2nd Avenue NE asked if the frontage road between McDonald's and Lynde's could be piggy-backed on the County Road construction. Mr. Kroska anticipated this would save the City money in engineering and construction fees. Mr. Kroska encouraged the City to fight for these savings. Mr. Kroska recommended Central Avenue sidewalks be patched and sealed as most walks were fine noting this should make the pavers last another 10 years.

Grams stated Mr. Kroska had another comment regarding the difference between an RFP versus an RFB. Mr. Kroska recommended the City investigate the cost difference between hiring a contractor to sweep City streets versus buying and maintaining a new sweeper. Mr. Kroska would like to better understand if the City understood the numbers.

Grams explained Kenny Nelson at 509 3rd Avenue NE asked what the benefit was for the EDA to join the Chamber of Commerce. While Mr. Nelson understood this was a small amount of money, he did not believe now was the time.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Grams presented the EDA Accounts Payable listing.

A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable. A roll call vote was taken. The motion carried 7-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. CONSIDER MEMBERSHIP TO THE I-94 WEST CHAMBER OF COMMERCE

Grams stated Dawn Sperr, President of the I-94 West Chamber of Commerce, made a presentation to the Commissioners at the last EDA meeting showcasing the Chamber's mission, goals, and overall reach within the localized area. Staff has been in contact with Ms. Sperr and asked about membership for the Osseo Economic Development Authority. Staff asked what components of the I-94 West Chamber of Commerce would be particularly attractive to the Osseo EDA. Per Dawn Sperr:

- We invite each city to participate in ribbon cuttings of businesses in their city (always a chance to celebrate with them)
- Education opportunities for city staff to have access and use
- Participate in our State of the Cities event in January
- New website to promote communities and the businesses that are members of the I-94 West Chamber of Commerce
- Connect with businesses in the communities around you. We recognize that many people may live in one community and work in another. Connecting them with the city creates a community of inclusion and stronger communication thereby enhancing the health and wellness of any city. WE can do more together as a region.

Grams explained Ms. Sperr notes that almost every other City or EDA at the Business Building Level. The membership dues for that level is \$350 annually. Staff commented on the presentation from Dawn Sperr to remind the EDA of membership benefits.

Johnson commented the \$350 cost was the annual dues but noted there were also monthly fees for attending the meetings.

Schulz asked what the additional costs would be. Grams reported some meetings offer catered meals and this expense would be paid separately.

Schulz commented he supported the EDA being a member of the Chamber of Commerce. He believed this would be a great way for Osseo to network and create relationships with local businesses.

Stelmach indicated he was willing to try a one-year membership with the new Chamber of Commerce. He understood there may be additional costs, but he was willing to see what the net benefit was to the City of Osseo.

Burke questioned if membership should be delayed given the current Coronavirus pandemic. She explained she supported the EDA joining the Chamber of Commerce but suggested the membership be delayed. Grams commented the EDA would not be able to join until the Chamber of Commerce opened again for business and the City could join at that point.

Stelmach thanked Burke for pointing this out and stated it would benefit Osseo to have a membership with this organization in order to highlight local businesses once the COVID-19 crisis was over.

Aho supported the EDA becoming a member of the I-94 Chamber of Commerce for a year.

Poppe agreed with this recommendation.

Schulz commented the benefit received from this group would be dependent upon how much the EDA puts into the Chamber of Commerce. He stated it would be important for a staff and EDA members to be active in the Chamber.

A motion was made by Stelmach, seconded by Aho, to approve membership with the I-94 West Chamber of Commerce. A roll call vote was taken. The motion carried 7-0.

B. REVIEW EDA BUSINESS SURVEY RESPONSES

City Planner Nancy Abts explained a survey was distributed to businesses listed in the City's business directory. It was available for pick up at the business forum on February 27 and was mailed to all other businesses. The survey could be mailed back to the EDA or completed online. A unique identifier code was 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. The online response option will be able to reach home-based businesses and others not on the directory. The survey was mailed to 210 business addresses. To date, 41 responses have been received with 5 additional surveys returned as undeliverable. This makes the response rate 20 percent—which is a typical response rate for mailed surveys. Summaries of results to date were reviewed with the EDA. It was noted a reminder notice would be sent to businesses that have not yet responded.

Johnson stated he appreciated the responses the City received from the business survey. He feared that some of the questions were too geared to retail businesses and therefore led to less positive responses.

Stelmach commented there was a strong theme of location throughout the business survey. He indicated networking and collaboration were other important themes.

Aho stated Osseo had a diverse business community. She believed the survey was well done and had a wide variety of questions that pertained to all businesses. She appreciated the feedback that was received and understood that people appreciated having businesses in Osseo.

Schulz explained he had received great feedback from the survey. He understood not all questions pertained to each business, but that overall the questions were well done. He stated he was not surprised about the lack of interest in façade improvements. He believed the downtown area was looking good at this time. He indicated Osseo was a great place to own and operate a business and he was looking forward to getting back to work.

Abts stated she would be sending out reminder postcards in hopes of receiving more responses.

C. REVIEW SMALL BUSINESS SUPPORT INFORMATION DURING COVID-19 CRISIS

Grams explained the COVID-19 health pandemic has greatly affected local businesses. He stated many small business owners are struggling to stay afloat due to being shut down or a huge decrease in sales. The State of Minnesota and the Federal Government recognize this and has attempted to provide support for those local businesses impacted by the COVID-19 situation.

Grams reported the Minnesota Department of Employment and Economic Development (DEED) has created an emergency loan program to help Minnesota small business owners that need immediate assistance to meet their families' basic needs during COVID-19 closures. The loan program was created under the Small Business Assistance Executive Order 20-15 announced by Governor Tim Walz on March 23. It is intended to help businesses temporarily closed which stopped onsite customers dining at restaurants and bars and closed an extensive list of other small businesses whose owners may not have adequate cash flow to withstand temporary closures. There is information that explains the loan program in more detail and provides a link to the DEED website to support those businesses.

Grams explained the US Chamber of Commerce has also created an emergency loan program for small businesses impacted by COVID-19. The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses who maintain their payroll during this emergency. Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward. He indicated City staff is here to help any Osseo business who may find themselves struggling during this time. If any business owner has questions or concerns, please ask them to reach out to City staff to assist them.

Johnson explained the I-94 Chamber of Commerce has sent out three mailings discussing these various programs, which was valuable information at this time. He stated Osseo has over 200 businesses at this time and he would like the information provided in the packet to be provided to local business owners. He suggested this information be posted on the City website.

Schulz anticipated that the local small business owners were aware of these programs given the crisis going on at this time.

Stelmach agreed the small business owners were aware of this information and were working hard to apply for the funding. He suggested the City place a message on the gateway sign to direct business owners to the City website.

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

Burke thanked staff for putting together the WebEx meeting.

Stelmach thanked staff for their efforts as well. He encouraged the community to continue to be patient during the COVID-19 crisis.

Johnson reported the State of Minnesota would be reducing pay by 10% for many employees until the end of 2020.

10. ADJOURNMENT

A motion was made by Schulz, seconded by Stelmach, to adjourn at 6:39 p.m. A roll call vote was taken. The motion carried 7-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial



City of Osseo Economic Development Authority Meeting Item

Accounts Payable Listing

5/11/20 EDA

2020

5

Check Name	Comments	Amount
MINUTE MAKER	4/13/20 EDA MTG MINUTES	<u>\$148.00</u>
		\$148.00

EDA MONTH END CASH BALANCE

FUND	DESCRIPTION	DIRECTIONAL			4/13/2020 BALANCE	PROPOSED EXPENSE	5/11/2020 BALANCE
		4/13/2020 BALANCE	SIGNAGE REVENUE	ADJUSTMENTS (+/-)			
801	GENERAL	417,781.71		4,334.69 A	422,116.40	(148.00)	421,968.40
806	TIF 2-5 REALIFE	19,092.49		-	19,092.49		19,092.49
817	TIF 2-4 BELL TOWER	206,546.51		-	206,546.51		206,546.51
819	TIF 2-6 CELTIC CROSSING	62,977.76		-	62,977.76		62,977.76
825	TIF 2-8 LANCOR/LYNDES	28,065.83		-	28,065.83		28,065.83
836	TIF 2-9 5 CENTRAL	(46,644.04)		-	(46,644.04)		(46,644.04)
		687,820.26	0.00	4,334.69	692,154.95	(148.00)	692,006.95
A	JAN INTEREST	171.11					
A	FEB INTEREST	3,987.55					
A	MAR INTEREST	176.03		4,334.69			



Osseo Economic Development Authority Meeting Item

Agenda Item: Discuss Property Acquisition on 600 Block of Central Avenue

Meeting Date: May 11, 2020
Prepared by: Nancy S. Abts, AICP, City Planner

Attachments: Excerpts from Meeting Minutes

Policy Consideration:

The EDA should discuss interest in property acquisition on the 600 block of Central Avenue.

Previous Action or Discussion:

In 2017 and 2018, the EDA decided to pursue property acquisition on the 600 block of Central Avenue. These opportunities have been declined due to lack of available funding for acquisition and potential relocation costs. However, staff has recently been again approached by property owners interested in discussing a willing sale of a property on this block, with the potential of no relocation costs required. Staff agreed to raise this topic at an EDA meeting.

Budget or Other Considerations:

Budget impacts are not known at this time. Prior to the pandemic, estimates of the purchase price were in the \$250-\$300,000 range. Past experience has shown that it is difficult for the City/EDA to acquire grant funding for speculative property acquisition.

The City may also have demolition and/or abatement costs after acquiring the property (which is more likely to receive grant funding), followed by holding costs for the property until a larger redevelopment is possible.

City Goals Met By This Action:

- Foster and promote economic development in the City
- Develop and implement the Comprehensive Plan Update
- Improve the City's aging and deteriorating infrastructure
- Promote a healthy and high quality standard of living

Recommendation/Action Requested:

Staff recommends the EDA discuss their interest in this potential property acquisition and direct staff accordingly.

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.

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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.

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
April 10, 2017**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, April 10, 2017.

Members present: Juliana Hultstrom, Harold E. Johnson, Dan LaRouche, 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.

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B. DISCUSS 600 CENTRAL AVENUE

Abts discussed the potential purchase of the property at 600 Central Avenue and noted the site had been used for small engine repair in the past. She explained the City has not recently acquired property for commercial redevelopment. It was noted housing projects and park expansion have different implications for costs and funding. She explained relocation benefits must be paid to property owners when Minnesota cities buy property. However, these benefits can be voluntarily waived by the seller. Staff noted the Boerboom Park properties cost approximately \$145,000, \$157,000, and \$191,000 each and the sellers of those properties waived relocation benefits.

Abts reported grant programs typically have specific goals for their funds. It can be hard to find grants to buy a property for an unspecified or unknown project. The parcels where Rochon's office building is now located were bought by the EDA in the early 2000s. Those parcels were purchased without outside funding or a clear plan for their future. The Five Central project was able to draw from "housing focused" grant programs. Grants for Five Central included federal Community Development Block Grant (CDBG) money.

Abts explained the Metropolitan Council has funds available for site acquisition with its Livable Communities grants. It was noted these grants are competitive and many other projects could apply. Site acquisition is only one eligible activity. More specific projects might have a better chance of being funded. Staff reported preliminary "concept plans" applications must be submitted by May 4, 2017. She noted the property at 600 Central Avenue may have environmental contamination from an old small engine repair shop. Environmental cleanup and investigation funds are also available. Those grants typically are awarded based on specific plans for jobs- or housing-creation.

Schulz understood this block was in need of renovation. Woods agreed, but stated the EDA may have other priorities to address prior to purchasing this property.

LaRouche asked if there were any identified alternative uses for this property. He questioned if it was wise for the City to invest in this property when no specific use had been identified.

Schulz understood there currently was background within the Comprehensive Plan to support the EDA applying for a grant to purchase this property. Abts stated this was the case.

Johnson requested further information on the Met Council grants. Abts discussed the qualifications within the Livable Communities Program grants being offered by the Met Council.

Schulz believed the EDA had to start some place for this block but was uncertain if the timing was quite right. He said the purchase of the property at 600 Central Avenue could set the tone for future redevelopment but understood more properties would have to be purchased.

Woods agreed and stated it would be better to purchase the property prior to the current owner putting additional funds into the site.

Hultstrom indicated she would like to see the City pursue grant funding for the purchase of the property at 600 Central Avenue. Johnson supported the EDA looking into purchasing other properties on this block as well.

The consensus of the EDA was to direct staff to look into potential grant opportunities and other funding sources for the purchase of the property at 600 Central Avenue.