

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
October 12, 2020**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, October 12, 2020. Due to the COVID-19 pandemic this meeting was held virtually.

Members present: Teresa Aho, Deanna Burke, Harold E. Johnson, Duane Poppe, and Larry Stelmach.

Members absent: Sherry Murdock and Mark Schulz.

Staff present: Executive Director Riley Grams and City Attorney Mary Tietjen.

Others present: Rebecca Kurtz-Ehlers.

2. APPROVAL OF AGENDA

A motion was made by Stelmach, seconded by Aho, to approve the Agenda as presented. A roll call vote was taken. The motion carried 5-0.

3. APPROVAL OF MINUTES – SEPTEMBER 14, 2020

A motion was made by Johnson, seconded by Aho, to approve the minutes of September 14, 2020, as presented. A roll call vote was taken. The motion carried 5-0.

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. A roll call vote was taken. The motion carried 5-0.

7. OLD BUSINESS

A. UPDATE ON EDA COVID-19 SMALL BUSINESS

Grams stated the Osseo EDA COVID-19 Small Business Grant Program has now closed as all the available funding has been requested and disbursed. In total, 51 applications were submitted, reviewed, and approved by the Review Committee, totaling \$149,743.01. The program was created using available CARES Act funds and went directly to local small businesses to help during this difficult on-going pandemic. While the program has now been completed, there is still hope that Congress may pass a second CARES Act to bring additional

funds to local governments with the idea of further funding similar programs. Staff will continue to monitor news from Washington for any potential funding.

8. NEW BUSINESS

A. DISCUSS BELL TOWER TIF DISTRICT – Rebecca Kurtz, Ehlers

Grams explained staff has been discussing the Bell Tower TIF District and the options for the properties within the TIF District. He explained Rebecca Kurtz with Ehlers & Associates was in attendance to discuss this item.

Rebecca Kurtz, Ehlers & Associates, stated in October 2000 the Osseo EDA and the City established TIF District No. 2-4 to assist with the removal of a contaminated auto salvage yard to provide space to expand the commercial area of the downtown. Redevelopment efforts have resulted in the development of a 53,600 square foot office building and a 65,000 square foot office/warehouse building at 101 and 201 Broadway Street West. In addition, the District includes the Calico barn redevelopment and the Cotton's NAPA project. She reported the District has two outstanding obligations. These obligations were described in detail with the EDA. It was noted after the bonds are paid in February 2022, the District will remain active until the pay-as-you-go note to Cotton's NAPA is paid. However, since the increment from only two parcels is pledged to Cotton's note, the EDA has options for the remaining parcels within the TIF District. These three options were detailed for the EDA.

Johnson requested further information regarding the properties that are involved in this TIF District. Ms. Kurtz reported this TIF District was complicated. It includes the Bell Tower development, (former) Calico Barn, Cotton's NAPA, the North Clinic building, 101 Broadway Street East and 109 Broadway Street East.

Johnson questioned if the Bell Tower development included two buildings. Ms. Kurtz reported both buildings within the Bell Tower development were included in the TIF District.

Johnson discussed how the TIF District would be impacted if 109 Broadway Street East were removed. Ms. Kurtz commented this impact would not go into effect until 2022.

Stelmach reported the property at 101 Broadway Street was half parking lot and half grass.

Johnson asked if TIF was paid out to the Wiley development. Ms. Kurtz explained a pay as you go note was approved in 2014. She indicated nothing was paid out to the building that was not completed.

Johnson commented the EDA would need to think about how it can use the qualified TIF funds for another redevelopment project.

Grams asked if parcels can be removed from a TIF District at any time. Mr. Kurtz reported this was allowed.

B. REMOVE PROPERTY FROM TIF DISTRICT – 109 BROADWAY STREET EAST (Resolution)

Rebecca Kurtz, Ehlers & Associates, explained the City has reviewed a request to rezone the property located at 109 Broadway Street East for single-family housing. Increment generated from this parcel is not pledged to the existing obligations. Therefore, the EDA may remove it

from the TIF District, so the City receives the benefit of the increase in tax base after the development. It was noted since TIF District 2-4 was established the tax capacity of the parcel has increased from \$1,180 to \$2,020. This is due to inflationary increases. Since the tax capacity has increased, the parcel can be removed from the TIF district by resolution. It was noted a public hearing is not required.

Stelmach stated he supported removing this property from the TIF District.

Poppe agreed.

Johnson recommended the City Engineer investigate the drainage for this property. Grams explained Lee Gustafson with WSB was aware of this concern.

A motion was made by Stelmach, seconded by Johnson, to adopt EDA Resolution No. 2020-2 Approving the Elimination of Parcels from Tax Increment Financing District No. 2-4 within Municipal Development District No. 2 in the City of Osseo. A roll call vote was taken. The motion carried 5-0.

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

Johnson thanked Ms. Kurtz for her assistance on the City's TIF Districts.

Poppe reported the Two Scoops Ice Cream Shop would be opening for business on Friday, October 23.

10. ADJOURNMENT

A motion was made by Stelmach, seconded by Johnson, to adjourn at 6:38 p.m. A roll call vote was taken. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial