

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
August 9, 2021**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:02 p.m., Monday, August 9, 2021.

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

Members absent: Sherry Murdock.

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

Others present: Rebecca Kurtz-Ehlers & Associates and Finance Consultant Gary Groen.

2. APPROVAL OF AGENDA

A motion was made by Vickerman, seconded by Stelmach, to approve the Agenda as presented. The motion carried 6-0.

3. APPROVAL OF MINUTES – JULY 12, 2021

A motion was made by Johnson, seconded by Aho, to approve the minutes of July 12, 2021, as presented. The motion carried 6-0.

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Grams presented the EDA Accounts Payable listing.

Johnson requested clarification regarding the payment that would be made to 5 Central. Rebecca Kurtz, Ehlers & Associates, discussed the payment that would be made in detail with the EDA.

A motion was made by Johnson, seconded by Vickerman, to approve the Accounts Payable. The motion carried 6-0.

7. OLD BUSINESS – None.

8. NEW BUSINESS

A. ANNUAL TAX INCREMENT FINANCING (TIF) OVERVIEW – Rebecca Kurtz and Gary Groen

Rebecca Kurtz, Ehlers & Associates, provided the EDA with a presentation on TIF. She provided a definition of TIF, noted the types of TIF districts, discussed the City's existing TIF Districts and described how TIF works on behalf of the City. She commented on why the EDA should consider aiding projects which were to create and retain jobs, redevelop blighted areas, remediate polluted sites, construct affordable housing, and increase the City's tax base. She further defined the "but for" test and how this must be evaluated for each TIF project, along with defining the terms project area and TIF District. It was noted the City could have redevelopment TIF districts or housing TIF districts and described how increment can be spent from these districts. The common financing options were reviewed with the EDA.

Johnson asked if TIF money can be used to finance electric charging stations. Ms. Kurtz stated she would have to investigate this further to see if this was an option for TIF funds.

Burke questioned what the interfund amount was for TIF 2-8 (Lynde's). Ms. Kurtz reported she would verify this amount and report back to the EDA. She stated it was her understanding this TIF district was nearing maturity.

Johnson inquired how the EDA would be paying off TIF 2-4. Ms. Kurtz explained the increment that came in from the first settlement and the final settlement would be used to make the payment in 2022.

B. BELL TOWER TIF DECISION – Rebecca Kurtz and Gary Groen

Rebecca Kurtz, Ehlers & Associates, explained in October 2000 the Osseo EDA and the City of Osseo established TIF District 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 Broadway Street West. In addition, the District includes the Calico Barn redevelopment and the Cotten's NAPA project. She reported the District has two outstanding obligations. After the bonds are paid in February 2022, the District will remain active until the Pay-As-You-Go Note to Cotten's NAPA is paid. However, since the increment from only two parcels is pledged to Cotten's Note, the EDA has options for the remaining parcels in the TIF District. These options were reviewed in detail with the EDA. It was noted the EDA did not have to take any action at this time.

Grams commented the intent was to provide the EDA with information and action would be considered this fall.

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

Grams thanked Ms. Kurtz for her presentation to the EDA.

Grams reported at the last Council work session the Council chose to put some money aside for an EDA sponsored Small Business Saturday event which would be held on Saturday, November 27. He encouraged the EDA members to consider options for this event.

Johnson commented on an article that was posted in the *Star Tribune* where Osseo was mentioned as one of the only cities in the metro that have no neighborhoods restricted to single-family detached homes.

Stelmach stated he appreciated seeing Osseo businesses open and full of patrons.

10. ADJOURNMENT

A motion was made by Vickerman, seconded by Aho, to adjourn at 7:07 p.m. The motion carried 6-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial