

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
September 12, 2022**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, September 12, 2022.

Members present: Teresa Aho, Harold E. Johnson, Ashlee Mueller, Kenny Nelson, Duane Poppe, and Larry Stelmach.

Members absent: Deanna Burke.

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

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES – AUGUST 8, 2022

**A motion was made by Mueller, seconded by Johnson, to approve the minutes of August 8, 2022, 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.

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

7. OLD BUSINESS – None

8. NEW BUSINESS

A. OSSEO URBAN TOWNHOME UPDATE – Mary Tietjen, City Attorney

City Attorney Tietjen provided the EDA with an update on the Osseo Urban Townhomes. She stated in 2003 the Hennepin County HRA provided the EDA with a loan in the amount of \$190,000 to assist with the development of 15 townhome units. She reported the length of this loan was 30 years. She indicated the loan documents and the payback period has come into question. She reported Sherry Murdock recently sold her unit and there was question as to who was entitled to the payoff funds. She stated she was working with a real estate attorney to address this matter and would provide the EDA with a more detailed memorandum at the October meeting.

Johnson questioned how many of the units still have their original owner. City Attorney Tietjen explained three units still had the original owner. She reiterated that she would have more information regarding these townhome units for the EDA in October.

Johnson asked if the City could take action against the closing companies because they have not acted properly. City Attorney Tietjen stated perhaps this could occur, but without proper documentation, it would be difficult for the City to take action. Grams commented on the two refinances that the City was aware of.

Johnson was of the opinion the County had mishandled this program and he did not believe it was the EDA's responsibility to pay back these funds.

Poppe commented he recalled the Council discussing this matter in 2010 or 2011. City Attorney Tietjen stated she would look into this further.

Stelmach asked if action was required on the Murdock sale. City Attorney Tietjen explained she has been in contact with the County.

Stelmach questioned if the City's legal fees would be paid by the County because the City has done their due diligence. City Attorney Tietjen stated this was a good question, but noted the default rule was that each party pays their own legal fees.

Nelson inquired what the \$190,000 was used for. City Attorney Tietjen reported the \$190,000 was used to assist with the construction of the 15 townhome units.

Johnson thanked City Attorney Tietjen for all of her work on this matter.

B. UPDATE ON HALL SWEENEY APARTMENT PROJECT

Grams stated the developers, Hall Sweeney, for the proposed apartment project located on the 600 block of Central Ave are continuing to make progress towards the final approvals for the development. Staff has met with the developer and their architects and engineers, over the course of the last few months to produce an acceptable development proposal to the City. In late August, the developer officially submitted site plans and development concept plans to

the City. Staff has been busy reviewing those plans and communicating with the developer throughout the review process.

Grams explained the next step is for the site and concept plans to go to the Planning Commission at their September 19, 2022, meeting for consideration. The Planning Commission will be charged with reviewing the plans for general site improvements and other zoning related issues. The Planning Commission would then be expected to provide a recommendation for approval or denial to the City Council. The Council would then review the plans at their September 26, 2022, meeting for final approval of the development.

Grams reported the EDA will be charged with considering and approving the creation of a TIF district to support the development as well as approving the final development agreement between the EDA and the developer that would spell out the specifics of the TIF agreement. Early next week, a letter drafted by Ehlers will be sent to the County Commissioner giving notice of a potential redevelopment TIF district. Staff and Ehlers will continue to review the proposed TIF documents provided by the developer as the City moves forward towards the creation of the new district and development agreement. At the October 10, 2022, meeting, the EDA will consider a Resolution adopting the plans in connection with the creation of the TIF district and consider an Interfund Loan Resolution. The Council would then hold the official public hearing at the October 24, 2022, meeting on the creation of the TIF district and considers a Resolution approving the official plans.

Grams indicated the EDA would next consider the draft development agreement between the EDA and the developer at the November 14, 2022, meeting. Assuming that is approved by the EDA, the Council would consider the final approvals of the development agreement by the end of the year, which would be the final approval step for the EDA and City. From there, the developer has indicated that they would prefer to demo the buildings on the site immediately so that the site is prepped and ready for construction to begin as soon as the frost allows in 2023. The total construction timeframe is expected to take about 12 to 14 months, which would put construction completion and occupancy sometime in the spring of 2024.

Aho asked what buildings would be demolished. Grams discussed what buildings would be demolished in order to complete this project.

Nelson commented there may be an alleyway easement on one of these properties. Grams stated he would look into this further.

Johnson discussed potential grant opportunities for this project and encouraged Staff to speak with the applicant regarding this matter.

Stelmach stated he was excited to see this project moving forward.

Johnson explained he was impressed by the applicant and by the presentation they made to the City. Grams agreed stating this was a great applicant that had a good working relationship with their architect and engineers.

Johnson questioned if the applicant understood the relocation requirements. He reported he did not want the EDA getting involved in this. Grams reported the EDA would not have to be involved in this process because a private entity would be purchasing the properties.

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

Grams thanked all of the EDA members that attended Lions Roar.

City Attorney Tietjen stated she enjoyed participating in the 5K at Lions Roar.

Aho agreed Lions Roar was a great weekend for the community.

Mueller thanked the Osseo Lions for another great Lions Roar.

Johnson stated he appreciated how many people come back to Osseo for Lions Roar.

10. ADJOURNMENT

**A motion was made by Mueller, seconded by Aho, to adjourn at 6:41 p.m. The motion carried 6-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*