

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
November 14, 2022**

1. ROLL CALL

President Poppe called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, November 14, 2022.

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

Members absent: Ashlee Mueller and Kenny Nelson.

Staff present: Executive Director Riley Grams, City Attorney Mary Tietjen, and Dan Tienten, Ehlers & Associates.

Others present: Sean Sweeney, Hall Sweeney Properties; Isabel Hall, Hall Sweeney Properties; and Joshua Jamsen, Hall Sweeney Properties.

2. APPROVAL OF AGENDA

**A motion was made by Johnson, seconded by Aho, to approve the Agenda as presented. The motion carried 5-0.**

3. APPROVAL OF MINUTES – OCTOBER 10, 2022

**A motion was made by Stelmach, seconded by Johnson, to approve the minutes of October 10, 2022, as presented. The motion carried 5-0.**

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 5-0.**

7. OLD BUSINESS – None

8. NEW BUSINESS

A. HALL SWEENEY DEVELOPMENT UPDATE AND TIF 2-4 UPDATE – Dan Tienter, Ehlers

Dan Tienter, Senior Financial Specialist with Ehlers & Associates, stated Staff and Ehlers continue to work with the Hall Sweeney development team to negotiate a terms sheet and provide assistance to fund the financing gap in the project. This assistance includes tax increment from the TIF District No. 2-11 and potential grant funding. The developer continues to see increasing construction costs and rising interest rates, which are impacting the financing for the project. Staff and Ehlers are continuing to work with the development team to review the challenges and options. Mr. Tienter stated that they will continue to update the EDA and Council on the status of the project, next steps and timeline. Staff commented further on the progress being made on this project and noted the EDA would be considering a Resolution on December 12 that would remove 23 parcels from TIF District No. 2-4.

Stelmach questioned what would happen if costs continue to increase into 2023. Mr. Tienter stated the developer was pursuing grants to assist with the rise in costs. He reported if costs increase too greatly, the project may not be feasible.

Johnson noted he visited with the developer and architect today via telephone. He asked if the buildings would still be taken down the first of January. Grams indicated this would be contingent upon the successful approval of a development agreement. He stated the only way the developer would take the buildings down is if they have an approved agreement and TIF package in place.

Johnson commented he was still concerned with the traffic at the intersection of 6<sup>th</sup> and Central Avenue. He recommended a semi-four be installed at this intersection.

Mr. Tienter discussed the parcels that could be removed from TIF District 2-4. He described what would be accomplished by removing these parcels by the end of the year. He commented further on how funds would pool for this district and these properties going forward. It was his recommendation that the EDA take action on December 12 to have the parcels removed from TIF District 2-4.

Johnson asked where the \$470,000 was on the EDA's financial statement. Grams reported this funding would be located within the pooled funds for this specific TIF district.

Johnson questioned what happened to the other 23 parcels within this TIF district.

Poppe indicated these properties were all part of the Bell Tower redevelopment district.

Johnson inquired what two parcels would remain in the TIF district. Mr. Tienter reported both properties were part of the NAPA development.

Grams thanked the EDA for their feedback and noted this item would be coming back to the EDA on December 12.

B. REVIEW DRAFT 2023 EDA BUDGET

Grams explained each year, the EDA sets their own fiscal budget for the following year. The budget is usually approved during the last meeting of the year in December. Staff reviewed the proposed EDA budget for next year. The revenue side of the budget is mostly comprised of interest off of EDA held investments. On the expenditure side, we have expenses related to operating EDA meetings (Board compensation, supplies, legal services, minutes, etc.) as well as the I-94 West Chamber of Commerce membership, expenses related to any Board member training/travel, TIF management costs for Ehlers, and the transfer of funds to the City general fund for staff time reimbursement. The EDA should discuss any potential changes to the 2023 budget and direct Staff accordingly. Staff will make any EDA recommended changes and update the budget worksheet as directed. The updated EDA budget will come back to the EDA for final approval at the December 12 EDA meeting.

Johnson requested Staff look into the amount of funds that are sitting in decertified TIF districts that could come out. Grams reported he would discuss this further with Rebecca Kurtz from Ehlers.

Stelmach stated he supported the EDA budget as proposed. He requested Staff log their EDA hours in 2023 for comparison purposes. Grams stated he could have Staff complete this task.

Johnson recommended the membership fee with the I-94 West Chamber of Commerce be covered by the EDA in 2023.

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

Aho encouraged residents to consider attending Small Business Saturday on Saturday, November 26 in downtown Osseo.

10. ADJOURNMENT

**A motion was made by Stelmach, seconded by Aho, to adjourn at 6:34 p.m. The motion carried 5-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*