



EDA MEETING
Thursday, March 24, 2016
6:30 PM
Otsego Prairie Center

Call to Order:

Roll Call:

1. Consider approval of minutes:
 - 1.1 January 25, 2016.
2. Economic and Redevelopment Project Updates.
3. Strategic Planning.
 - 3.1 Economic Development Strategies and Priorities Policy
 - 3.2 2016 Strategic Planning
4. Adjourn.

**EDA MEETING
JANUARY 25, 2016
6:30 PM**

Call to Order: President Stockamp called the EDA meeting to order at 6:30 PM.

Roll Call: President Jessica Stockamp; Commissioners: Vern Heidner, Doug Schroeder and Tom Darkenwald. Lori Johnson, Executive Director and Tami Loff, Secretary. Absent: Commissioner Jason Warehime.

1. Consider approval of the following minutes.

1.1 October 26, 2015 EDA minutes.

Commissioner Heidner motioned to approve. Seconded by Commissioner Darkenwald. All in favor. Motion carried.

2. Annual Meeting Items:

2.1 Election of 2016 Officers.

Commissioner Heidner nominated the following for EDA officers for 2016:

President	Jessica Stockamp
Vice President	Doug Schroeder
Treasurer	Tom Darkenwald
Assistant Treasurer	Jason Warehime
Secretary	Tami Loff

Seconded by Commissioner Schroeder. All in favor. Motion carried.

2.2. Consider Resolution 2016-01 adopting an Official Newspaper.

Commissioner Heidner motioned to approve Resolution 2016-01. Seconded by President Stockamp. All in favor. Motion carried.

2.3 Appoint 2016 Finance Committee Members.

Commissioner Heidner motioned to appoint the following EDA members and the following Otsego residents and business representatives to the 2016 Finance Committee; Michelle Eder, LeRoy Lindenfelser, Dan Scharber, Jason Warehime and Tom Darkenwald. Seconded by Commissioner Darkenwald. All in favor. Motion carried.

3. Other Business:

3.1 Development update.

Executive Director Johnson gave an update on recent activity.

3.2 Call Special meeting for Strategic Planning Worksession.

President Stockamp called a Worksession for March 24, 2016 at 6:30 PM at Prairie Center, 8899 Nashua Avenue NE, Otsego, for Strategic Planning. Seconded by Commissioner Darkenwald. All in favor. Motion carried.

4. Adjourn.

Commissioner Heidner motioned to adjourn. Seconded by Commissioner Darkenwald. All in favor. Motion carried. EDA meeting adjourned at 6:38 PM.

President Jessica Stockamp

**Attest: _____
Tami Loff, Secretary**



MEMORANDUM

TO: Economic Development Authority

FROM: Lori Johnson, Executive Director

DATE: March 15, 2016

SUBJECT: March 24, 2016, EDA Meeting

Project Updates:

At the EDA meeting, we will review recent and upcoming development activity. Several past and upcoming projects have or will receive city financial assistance including tax abatement or tax increment. A summary of the status of tax abatement projects is attached. The City also has assistance available through the Economic Development Loan Fund. To date, no loans have been made from this fund.

Each of the City's financial assistance tools is guided by a policy set by the Council. Applicants must complete and submit the application and application fee before the application will be reviewed. Two TIF applications have been received recently, and it has become apparent that the application fee is not sufficient to cover costs of a TIF application from initial review to final adoption. This could become an issue in the future if a project undergoes review and document drafting but does not proceed. One option to address this matter is to implement a two-tier fee schedule including a fee for preliminary review and a second fee if the applicant chooses to move forward. Although no action is requested from the EDA at this time, it warrants discussion.

Strategic Planning:

Attached is an outline for the strategic planning session portion of the EDA meeting. Below is additional information on two of the agenda items.

Economic Development Policy

At the June 24, 2015, Council meeting, the Council reviewed economic development strategies and provided direction on economic development and redevelopment goals, priorities, and strategies for the City. The Council direction and results of that discussion are spelled out in the

attached draft Economic Development Strategies and Priorities Policy. Following review by the EDA, this policy will be forwarded to the City Council for adoption.

2016 Strategic Plan

Periodically, the City Council and/or EDA review past strategic goals and set priorities and goals for the upcoming year(s). This strategic planning framework directs the focus of city resources, including staff and financial resources, to the goals and strategic action steps that are highest priority to the City. It helps ensure that short-term decisions are made in the context of the long-term vision of the City. As opportunities arise, upon which the Council and EDA must act, understanding the impact each decision will have on the future of the City is vital.

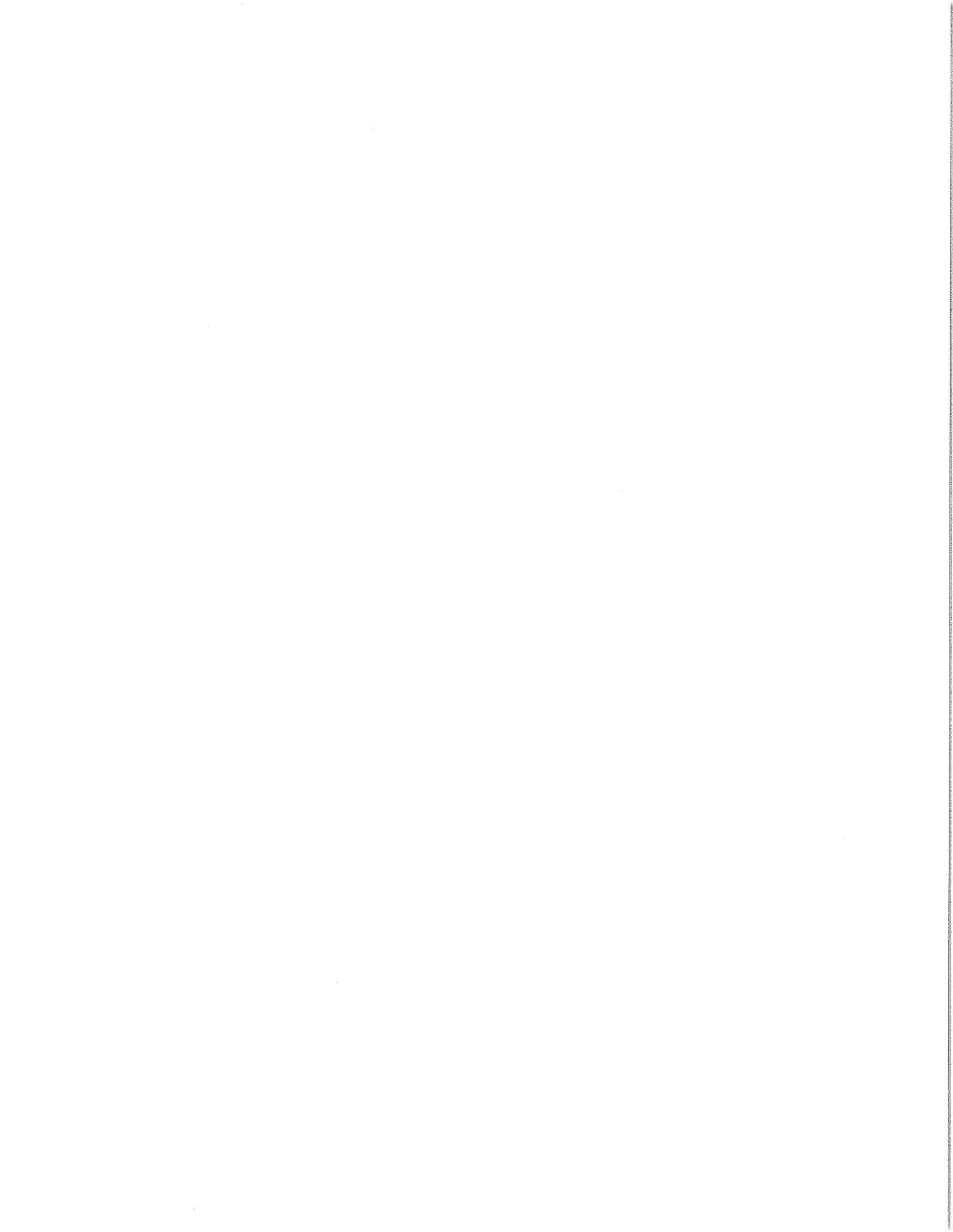
In a growing city such as Otsego, needs and priorities can change over time, thus it is important to review existing strategic goals and priorities and realign them, if needed, to reflect the values and desires of the community. Attached is a brief summary of goals and priorities identified at previous strategic planning meetings. Additionally, attached is a list of goals included in the Comprehensive Plan; these goals will serve as a starting point for this year's strategic planning discussion.



City of Osageo
Property Taxes
Tax Abatements

Revised: March 9, 2016

Description	Maturity Date	Maximum Abatement	Remaining Abatement	Projections							Remaining Abatement	
				2016	2017	2018	2019	2020	2021	2022		
Boondox	12/31/2015	10,600.00	-	-	-	-	-	-	-	-	-	-
Gateway North - 2nd Addition	12/31/2017	160,000.00	63,613.48	14,932.00	15,230.64	-	-	-	-	-	-	33,450.84
Gateway North - 3rd Addition	12/31/2022	340,000.00	340,000.00	62,286.00	63,525.60	64,796.11	66,092.03	67,413.87	15,892.38	-	-	(0.00)
Family Speech & Therapy Services	12/31/2019	25,000.00	17,532.84	4,721.00	4,815.42	4,911.73	3,084.69	-	-	-	-	0.00



City of Otsego
Economic Development Strategies and Priorities Policy
June 24, 2015 City Council Meeting
Adopted March __, 2016

This Economic Development Strategies and Priorities Policy (Policy) is in place to ensure that the City's limited economic development resources are used to achieve the City's highest priority economic development goals. The Council must consider each request for assistance in the context of this Policy. The Policy may be amended by the Council at any time and should be reviewed periodically to realign the Policy with changes in City development, priorities, economic and financial conditions, and applicable laws. The City Council has complete discretion to determine if a project will receive City assistance, the type of assistance and the amount of assistance. The City Council may vary from this Policy in the event that a unique development opportunity is presented that does not fall into the established criteria but that the City Council determines will provide benefit to the City and its residents.

City Identified Priority Projects:

After thorough review of current conditions and development of the City and after examining long term City goals, the City Council identified high priority projects and initiatives that

- Enhance the City as a whole
- Provide jobs to residents
- Create tax base to sustain a reasonable tax rate that will support the ongoing, necessary core services along with the amenities the residents desire.

High Priority Projects and Initiatives may be considered for City assistance/incentives if eligible and available and if the Council believes the project would not occur without such assistance. The City Council in its sole discretion will determine if a project will receive City assistance and the amount of such assistance.

Medium Priority Projects and Initiatives are important to the development of the City and to enhancing the community but are typically not eligible for City assistance. In rare cases the Council may determine that a project warrants assistance because of an unusual circumstance exists that prohibits the development from occurring and the project has benefit to the City.

Low Priority Projects and Initiatives are projects or initiatives that the City Council has determined are of such nature that that other assistance is readily available in the community and the project or initiative does not provide benefits justifying City assistance, such as the need for redevelopment.

The City Council has identified the following as development priorities and initiatives:

1. High Priority Projects and Initiatives
 - a. Projects that bring jobs with substantial pay to employ residents

- b. Projects that increase the City tax base
 - c. Creating and assisting with the creation of shovel ready sites for targeted future development
 - d. Manufacturing development
 - e. Office and professional development
 - f. Senior housing development with amenities typical of senior housing
2. Medium Priority Projects and Initiatives
 - a. Warehouse development
 - b. Retail development
 3. Low Priority Projects and Initiatives
 - a. Low to Moderate Income Housing
 - b. Multifamily Housing
 - c. Redevelopment

City Assistance:

State laws and City Policy allow for several forms of City assistance to projects that meet certain eligibility criteria. Incentives to attract certain types of projects, jobs, or development include:

1. Tax Abatement
2. Tax Increment Financing (TIF)
3. Economic Development Loan
4. Assessment of SAC/WAC fees
5. Support of grant and loan fund applications to other government entities or non-profit organizations

All assistance must comply with the provisions of the City's Business Subsidy Policy.

All TIF shall be pay as you go only with the exception of City infrastructure that may be funded through bonds.

The City will consider the merits of each project before determining if it meets the City's long term objectives and is eligible for and worthy of assistance. Generally, Tax Abatement and TIF assistance are reserved for High Priority Projects and Initiatives. Both High Priority Projects and Initiatives and Medium Priority Projects and Initiatives are eligible for Economic Development Loan, assessment, and grant support assistance.

Additional criteria may apply to projects requesting City assistance including but not limited to the following:

1. Assistance to manufacturing projects is dependent upon the new jobs meeting wage criteria as determined by the Council
2. Redevelopment of blighted low income housing may qualify for assistance as determined by the City Council

3. Land write down will be considered only for properties in the flood plain where fill is required to make the site buildable
4. The City may impose additional development requirements including but not limited to higher building design standards
5. The City may require a minimum value assessment agreement

Assistance for public infrastructure to serve the development will be considered under the following circumstances:

1. The project is a High Priority Project and Initiative
2. The street is identified as a Collector street; local streets are not eligible
3. It is needed to create shovel ready development sites

City assistance to a project will be determined based on at least one or more of the following factors:

1. A maximum percent of the project cost
2. A maximum number of years of TIF or Tax Abatement assistance
3. A maximum per type of project
4. By the location of the project
5. By the number and wages of jobs created
6. By the market value created
7. If it is a High Priority Project and Initiative

The above Policy shall serve as a general guide for administering financial assistance to economic development projects. The City Council shall interpret the policy and determine its applicability to each individual project. The Policy may be amended or changed from time to time by majority vote of a quorum of the City Council.

The Policy is a general guide for evaluating proposals and not a rule or ordinance, and is subject to change. Parties seeking assistance should understand that it is only a general guide for evaluation and does not provide applicant with any assurance that the City can or will provide requested assistance, even if the proposal appears to meet the criteria established within the Policy. Applicants present requests to the City at their own risk and expense, and the City accepts no liability of any nature by receiving and evaluating the proposal.

Economic Development Strategic Planning
March 24, 2016

2016 Strategic Planning Agenda:

1. Review Existing Strategic Goals
2. Review Comprehensive Plan Goals
 - a. Reaffirm and develop strategic action plan to implement; or,
 - b. Eliminate
3. Identify and discuss new strategic goals
 - a. Goal
 - b. Strategic Action Plan
 - i. Resources needed
 - ii. Timeframe
 - iii. Responsible department/person

City Strategic Goals

2012 - Current

- Goal No. 1: Expand the City's commercial-industrial tax base
Goal No. 2: Assess the efficiency and effectiveness of City services
Goal No. 3: Review Public Safety Services
Goal No. 4: Define and manage the City's image and identity

Economic Development Strategic Goals

2014

- Goal No. 1: Implement a City marketing plan
Goal No. 2: Ensure high speed broadband infrastructure is available, particularly to commercial property

2015:

Review of 2014 Goals -

- Goal No 1 was reaffirmed. An advertisement was placed DEED's national site selector marketing magazine.
- Goal No. 2 was addressed. Research indicated that the majority of the City has high-speed access and for that reason, the City was not eligible for State Broadband grants.

City Council Economic Development Strategies Work Session

- Economic Development Policy City Council discussion resulted in policy direction and draft policy document for Council review and adoption.

2012 Comprehensive Plan Goals: (Items in *italics* are comments and are not part of the Comprehensive Plan)

- Life cycle housing
 - *Senior housing with senior amenities identified as a high priority in the Economic Development Strategies and Priorities Policy*
- Greenway corridors/Conservancy Areas
 - *Trail system connections*
- Tree preservation
 - *Tree City?*
- “Support public transit, para-transit, carpooling ...” (page 36)
 - Park and ride facilities on TH101 and I-94
 - Support transit and para-transit
- Pursue establishment of a local post office (page 40)
- Establish a sense of community (page 55) “The City will also continue efforts to establish a local post office and zip code and to have City identification/directional signage installed along I-94 and TH 10.”
 - *The Council previously discussed the possibility of City display signage near the intersection of County Roads 39 and 42.*
- Preserve the “rural character” of the community (page 56)
- “...the City will give a high priority to allocation of resources to sustain existing businesses and industry and also attracting new opportunities.” (page 57)
 - *Implement a Business Retention and Expansion Program?*
- Heritage Preservation Sites (page 87)
 - Otsego Cemetery
 - Swenson Farm barns (within the Mississippi Pines development)

Other:

- Transportation Infrastructure
 - 85th Street extension
 - Nashua to 70th (identified in Comp Plan as a future industrial area) (CP pages 85, 93, and 105)
 - Quaday south of CR37 (development driven)
 - Kadler Interchange (identified in Comp Plan as a future industrial area) (CP pages 84, 93, and 104)
- Need for shovel ready industrial sites
 - Level of participation with property owners/developers