

Osakis Economic Development Authority
Meeting Minutes – September 25th, 2023 – 4:00 PM
City Hall – 14 Nokomis Street East

Roll Call –

Present: Bonnie Schultz, Randy Anderson, Dave Zerr, Tonya Danielson, Ryan Peterson (arrived 4:12 p.m.)

Absent: Dan Wessel, Justin Dahlheimer, Stephanie Finnegan

Others Present: Lynnette Swenstad (left 4:18 p.m.), Mike Helwig, Joe Niehaus, Twyla Myrin, Lance Spychalla, Angela Jacobson (arrived 4:18 p.m.)

Meeting called to order by Dave Zerr at 4:00 p.m.

Motion by Anderson, seconded by Danielson, to approve the agenda as presented with the addition of Gambling Organization donations for Economic Growth and West Central Communities Action Affordable Housing. Motion Carried Absent: Wessel, Dahlheimer, Finnegan

Motion by Danielson, seconded by Anderson, to approve the general consent items, bills, treasurer's report, and August 28, 2023 meeting minutes. Motion Carried Absent: Wessel, Dahlheimer, Finnegan

Danielson asked about the \$5,000 from the county. These funds will be for 2024.

West Central Communities Action / Affordable Housing

Joe Niehaus was present to discuss affordable housing:

- MN Department of Corrections learn the construction trade to work on the houses.
- Organized due to rising housing costs and a former employee partnered with West Central Communities Affordable Housing.
- They are able to produce affordable housing with a subsidy of \$50,000 to \$60,000.
- Build 5 to 6 houses per year.

Zerr asked – how can we get this going in Osakis.

Niehaus explained that homes are purchased, fixed and sold. With a CLT the land is leased and the house is owned.

Income limits:

- One person - \$52,600
- Two people - \$60,100
- Three people - \$67,600

Zerr mentioned that we have about 18 lots in town and wants to know how to advertise for this program.

Niehaus said people call them and get on their list. Also on their website.

Peterson – looking to set up a foundation for the Olson funds to have an effective way for a down payment for homes.

The Greater MN Housing program has been used. Peterson stated that Justin Dahlheimer wanted to avoid land trusts.

Niehaus said it takes the crew about 33 days to construct a slab on grade home. There is more interest in other areas other than Alexandria.

Discussed what can be done for housing and \$25,000 grant from the EDA.

WCI will generate communication to see if there is interest for Osakis – ad in the local paper.

Gambling Funds: Zerr talked about how the EDA started to acquire and purchase land. The Industrial Park land was purchased by the EDA.

Funding business opportunities from the OEDC money put in West Central. The EDA could get self-funding by taxing but would rather not tax.

Osakis Lake Association – Kevin stated:

- Gambling for 15 months.
- Net receipts of \$435,000
- Located at Head of the Lakes Resort, Osakis Country Club and Bowling Barn & Grill
- If the city charged 3% (\$4,200) would get from the OLA.
- Donation of 75% for the lakes use (\$72,700).
- Donation of 25% to community. Donated \$2,500 for the police computer.

Net funds from other organizations:

- VFW \$853,000
- Nelson Community \$563,000
- Veterans Brigade (all locations) 1.1 million

Ask for a percentage each year to help with funding.

Each organization will bring back information to the board – Peterson offered to explain more to each if needed.

Lots for Sale: The EDA received an offer for Lot 2 from Margaret and Daniel Senn in the amount of \$25,000.

Motion by Peterson, seconded by Schultz, to approve to accept the offer for Lot 2 from Margaret and Daniel Senn in the amount of \$25,000. Motion Carried Absent: Wessel, Dahlheimer, Finnegan

Grocery Store: Twyla Myrin was in attendance and is working on opening a grocery store:

- Purchase the equipment – leasing the building with an option to buy from Paul Hartmann.
- Repairs are need for the flooring and ceiling tiles.
- Department of Ag – will help with walk in freezer and flooring.
- 3 year option buy out from Hartmann.

Motion by Peterson, seconded by Danielson, to approve EDA loan funds in the amount of \$15,000 and \$15,000 from West Central as a forgivable five year loan, prorated each year. Motion Carried Absent: Wessel, Dahlheimer, Finnegan

EDA will revisit if more gap financing is needed for funding to help the grocery store project move forward.

Rollie Walsh: Zerr will discuss with Walsh selling of his land.

Carl Kvale: No updates.

Olson Funds: Dahlheimer not present.

Hotel/Motel: Tabled until January.

Award Board: EDA will review application next month.

Motion by Peterson, seconded by Anderson, to adjourn the meeting at 5:30 p.m. Motion Carried Absent: Wessel, Dahlheimer, Finnegan

Angela A. Jacobson – City Clerk/ Treasurer