

November 3, 2011

Re: Property located at SW corner of 167th and 47

City of Ramsey Planning Commission:

I apologize for not being in attendance this evening however my daughters HS volleyball team is attempting to qualify for the state tournament in Bloomington concurrent with tonight's meeting.

By way of background my partner and I purchased the property in August of 2007 at arguably the height of the commercial real estate market. Since then we have made a considerable investment in the property which includes a new roof, façade on the canopy, landscaping, lawn sprinkler system as well significant interior improvements. In what has become the most challenging real estate market of my 20 year career we have continued to invest capital into this property.

Leasing activity at this property is nearly nonexistent. The evidence of this is clear as you look at other properties at this corner. We have and continue to be extremely aggressive in an attempt to attract any new tenants. It is not uncommon for us to incur significant tenant improvement costs, free rent and lease rates lower than most warehouse space. In some occasions our effective returns only allow us to cover the buildings operating expenses. Like many others we have had significant carrying costs and our equity wiped out. I share this not to complain, we purchased the property and we must deal with these challenges.

In my 20 years in this business I have never requested any TIF or any other form of assistance from any city, state or other municipality. Frankly I don't agree with it.

The property is 30,000sf constructed of concrete block, steel roof deck and poured concrete floor. The width of the building is 72' from front to back with 6 exits at the front of the building and 8 exists at the rear of the building. It is my opinion that this property does not represent a life hazard to any occupant. Hope Fellowships only real assembly occurs for a few hours per week on Sunday mornings. As a comment each of my five children have or currently attend a school in my community (built in 2001) that is not sprinkled and was not required to be sprinkled.

The potential costs of sprinkling Hope Fellowship Church are cost prohibitive. I was told the hook up fee alone (to connect at the SW corner of our property) would be \$60,000. In addition we would have to incur the cost of bringing the water to the building and sprinkling the premises which would total an

additional \$60,000. We are also exploring the cost of storing water tanks on the premises and installing our own pumps and fire system however the costs are comparable.

Based on the lease rates the church is able to pay it would take all rent collected for the next two and one-half years to pay for this new sprinkler system which leaves no money for property taxes, building insurance, lawn care or to pay the mortgage. For this reason I am asking the city to forgo the sprinkler requirement for this property.

I am asking the City officials of Ramsey to use common sense on this issue. The question that needs to be asked is, Is there a life hazard in this building if it remains unsprinkled ? And if so at what financial cost do you force private industry to pay for it? Is the city better off by having another vacant building at the corner of 167th and 47?

As you can tell I am tired and frustrated with much of this city process I am forced to deal with on a day to day basis. I very much appreciate your consideration on this matter and would be happy to discuss it further with any of you. I can be reached at my office at 952-368-9009 or my cell 612-723-7760.

Sincerely,

Joel Bутtenhoff