

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday May 12, 2011
7:30 am
Lake Itasca Room, 7550 Sunwood Drive NW

1. **Call to Order**
2. **Approve Agenda**
3. **Approve Minutes**
 1. Approve the following EDA meeting minutes:
EDA meeting minutes dated April 14, 2011
4. **EDA Business**
 1. Appointment of Chairperson and Vice Chairperson.
 2. RM Golf Carts Project Update
 3. HRA/EDA Powers and Responsibilities
 4. Staff Project Update
Business Expo- 2011 Recap
Other Projects
 5. The COR Status Report
5. **Member/Staff Input**
6. **Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 05/12/2011

By: JoAnn Shaw, Community Development

Title:

Approve the following EDA meeting minutes:

EDA meeting minutes dated April 14, 2011

Background:

n/a

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

Attachments

EDA 04.14.11

Form Review

Inbox
Aaron Backman

Reviewed By
Aaron Backman

Date
05/06/2011 09:56 AM
Started On: 05/06/2011 09:19 AM

Form Started By: JoAnn Shaw

Final Approval Date: 05/06/2011

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a joint meeting with the City Council on Thursday, April 14, 2011 at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

EDA Members Present: Chairperson Chris Riley
 Member John LeTourneau
 Member Colin McGlone
 Member Wayne Skaff
 Member Jim Steffen
 Member Jeffrey Wise

EDA Members Absent: Member Kristine Williams

Council Members Present: Mayor Bob Ramsey
 Councilmember David Elvig
 Councilmember Colin McGlone (also listed as EDA member)
 Councilmember Jeffrey Wise (also listed as EDA member)

Council Members Absent: Councilmember Randy Backous
 Councilmember David Jeffrey
 Councilmember Jason Tossey

Also Present: Aaron Backman, Economic Development/Marketing Manager
 Kurtis Ulrich, City Administrator
 Heidi Nelson, Deputy City Administrator/Community Development
 Director
 Mike Mulrooney, Economic Development Consultant

CALL TO ORDER

Chairperson Riley called the Economic Development Authority meeting to order at 7:30 a.m.

APPROVE AGENDA

Chairperson Riley requested to add an item to discuss Wells Catering prior to the staff updates.

Motion by Member Skaff, seconded by Member Steffen, to approve the agenda.

Motion carried. Voting Yes: Chairperson Riley, Members Skaff, Steffen, LeTourneau, McGlone, and Wise. Voting No: None. Absent: Williams.

APPROVE MINUTES

Motion by Member Steffen, seconded by Member Skaff, to approve the March 10, 2011, minutes as presented.

Motion carried. Voting Yes: Chairperson Riley, Members Steffen, Skaff, LeTourneau, McGlone, and Wise. Voting No: None. Absent: Williams.

EDA BUSINESS

Wells Catering

Economic Development/Marketing Manager Backman reviewed the recent approvals and financial assistance that the EDA and City Council had approved for Wells Catering. He noted that the projected amount for SAC and WAC fees of \$55,000 was higher than the current cost and noted there would be a savings of approximately \$15,000 to \$20,000 in City assistance to the developer.

George Wells stated that he had received a letter stating that the building permit was being held and questioned what he could do during this process. He noted that his current lease is expiring and he would need to move to the new site soon. He acknowledged outstanding issues between the City and PSD but did not believe those issues should delay the building permit for Wells Catering.

Deputy City Administrator/Community Development Director Nelson stated that she had received the same letter and was drafting a response to Mr. Wells which would be completed later in the day. She explained the outstanding issue with PSD and the parcel regarding the 60 foot swath of land that is City-owned and currently provides access and parking to the site. She noted that the City had offered an interim solution, a signed agreement which would allow for access and parking on the City-owned land for the next six months. She stated that it is not in the best interest of the HRA to not have this agreement signed. She advised that a land use application to provide a curb cut on Sunwood Drive for this parcel had been received in the past week and advised that the Public Works Committee would be reviewing the request at their meeting the following Tuesday. She stated that it is evident that the EDA and Council have supported this restaurant project and advised that staff has been working with Mr. Deal to resolve the issue prior to this point. She hoped this issue would be resolved so that the project could continue to move forward.

Councilmember Wise noted that the Council and staff had been working on this issue for the past 18 months.

Councilmember McGlone believed that the issue would also need to be resolved prior to a certificate of occupancy being granted.

Chairperson Riley explained that while it was important to the EDA to have a local business expressing this concern he was unsure if there was anything the EDA could do in this situation.

Deputy City Administrator/Community Development Director Nelson advised that PSD has proposed a solution to the problem, with the proposed access off of Sunwood Drive, which would be addressed by the City the following Tuesday.

City Administrator Ulrich hoped to have resolution soon. He confirmed that the Public Works Committee would be reviewing the application on April 19th and noted that the Council could review the item as early as April 26th. He questioned the timeline for Wells Catering.

George Wells stated that he did not have a firm timeline but noted that construction would take approximately three months and the project was slated to begin three weeks ago.

Deputy City Administrator/Community Development Director Nelson confirmed that if the curb cut and parking were approved, the parking lot could be constructed while the building improvements were taking place, which would not delay the project any further.

Councilmember McGlone confirmed that throughout this process parking has been an issue.

City Administrator Ulrich noted that there were many issues with PSD but advised that if this issue were resolved the building permit could be issued.

Motion by Member LeTourneau seconded by Member Skaff, to recommend to City Council that the Wells Catering/PSD access and parking review be fast tracked, with an attempt to split the Wells Catering building permit away from the issues with PSD.

Motion carried. Voting Yes: Chairperson Riley, Members LeTourneau, Skaff, McGlone, Steffen, and Wise. Voting No: None. Absent: Williams.

Case #1: STAFF UPDATE

Business Expo

Economic Development/Marketing Manager Backman presented the Staff Report. He noted that 100 percent of the booths had been filled and a waiting list had been started. He advised that marketing had begun and postcards would soon be mailed to residents, an insert will also be included with the utility billing. The event will be held from 9:00 a.m. to 2:00 p.m. on Saturday, April 30th at the Fountains of Ramsey.

Minneapolis Manufacturing Company

Economic Development/Marketing Manager Backman presented the Staff Report. He provided an update on the project and noted that although other sites are being considered for the project, Ramsey is still in the running. He explained that sites, such as Indiana and Ohio, were being

considered to possibly save on shipping costs. He noted that this project is moving more slowly than originally forecasted, but staff is still working on the item.

Councilmember Wise questioned the timeline for the project.

Economic Development/Marketing Manager Backman advised that the company had wanted to be in place by August or September but noted that the earliest at this time would be November. He thought it would be more realistic for the construction to begin this summer and be completed next spring.

Councilmember Wise suggested that the City propose to store equipment for the company in Ramsey for the time being.

Multi-Source Manufacturing

Economic Development/Marketing Manager Backman presented the Staff Report. He noted that this project was moving forward and advised that Multi-Source Manufacturing had closed on the building on December 29th. He explained that the building is being renovated and the company has pulled several permits in the past two weeks. He stated that the original goal was for the company to be in place, with 85 employees, in April but noted that the timeline had been shifted to June. He also advised that Connexus had saved the company additional funds with energy credits the company was unaware of.

Councilmember Elvig suggested that this project be used as an example with Minneapolis Manufacturing Company.

Economic Development/Marketing Manager Backman advised that Multi-Source has already prepared for a phase two addition and incorporated additional parking into the site now.

Former Diamonds Property

Economic Development/Marketing Manager Backman presented the Staff Report. He reported that a purchase agreement had been signed at the end of March and noted that the buyer was going through due diligence at this time. He advised that PSD expects to close on the purchase of land in the next two weeks and would then pull permits to renovate the existing structure. He explained that negotiations had begun with PACT Charter School for the school to use the site for their online education and for sports activities.

Other

Economic Development/Marketing Manager Backman provided an update on RM Golf Carts, located near the border of Anoka on Highway 10. He explained that the existing business location does not have visibility and the owner would also need additional space. He stated that he had toured different locations in the City with the business owner and advised that the owner was interested in the former Easy Tractor site. He explained that the building is in rough

condition but advised that the business owner would be willing to make improvements. He noted that negotiations are still occurring.

Councilmember McGlone commented that would also put another property back onto the tax roll for the City.

Councilmember Wise confirmed that the Public Works department is currently using that building for storage.

Economic Development/Marketing Manager Backman advised that the Public Works Director stated that the equipment could be moved to another location, should the building be leased.

Deputy City Administrator/Community Development Director Nelson and Member LeTourneau left the meeting at 8:30 a.m.

Case #2: JOINT EDA/CITY COUNCIL GENERAL DISCUSSIONS

Economic Development/Marketing Manager Backman explained that at the March meeting it had been decided that it would be beneficial for the EDA and the Council to conduct a joint meeting to review the 2011 work plan for the EDA. He advised that a draft work plan had been created in January and had been revised based on staff and Member input. He noted that some items were listed as guidelines and the remaining were ranked by priority.

Discussion occurred regarding the redevelopment of the 167th Avenue area including possible tenants and the best method to attract that type of redevelopment.

Councilmember McGlone commented that there is an overlap on some issues between the Council, HRA and EDA and believed that there should be better communication between the three groups.

Chairperson Riley acknowledged that although there are shared Members on the three Boards and minutes are provided for all meetings, there had been a breakdown in communication.

Councilmember Elvig suggested that staff develop guidelines and tools available to each Board.

City Administrator Ulrich agreed that it would be beneficial to specify the responsibilities and roles of each group. He advised that an EDA report could be given to the HRA and vice versa, or the liaison or staff member could provide an update.

Mayor Ramsey believed things were going well and confirmed that he would like to see more effort on the area of 167th and 47. He believed that the club homes, built in Champlin, could be successful in that area.

MEMBER/STAFF UPDATE

None.

ADJOURNMENT

Motion by Member Skaff, seconded by Member Steffen, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Riley, Members McGlone, Skaff, Steffen, and Wise.
Voting No: None. Absent: LeTourneau and Williams.

The regular meeting of the Economic Development Authority adjourned at 9:05 a.m.

Respectfully submitted,

Aaron Backman
Economic Development/Marketing Manager

ATTEST:

JoAnn Shaw
Planning Division Secretary

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA)

4. 1.

Meeting Date: 05/12/2011

By: JoAnn Shaw, Community Development

Title:

Appointment of Chairperson and Vice Chairperson.

Background:

Each year the Commissions and Boards appoint officers. Currently, Chris Riley serves as Chairperson and Wayne Skaff serves as the Vice Chairperson.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

Motion to appoint _____ as Chairperson of the Economic Development Authority.

-and-

Motion to appoint _____ as Vice Chairperson of the Economic Development Authority.

Form Review

Inbox	Reviewed By	Date
Aaron Backman	JoAnn Shaw	05/06/2011 09:36 AM
JoAnn Shaw (Originator)	JoAnn Shaw	05/06/2011 09:39 AM
Aaron Backman	Aaron Backman	05/06/2011 09:56 AM
Form Started By: JoAnn Shaw		Started On: 05/06/2011 09:24 AM
	Final Approval Date: 05/06/2011	

Economic Development Authority (EDA)

4. 2.

Meeting Date: 05/12/2011

By: Aaron Backman, Administrative Services

Title:

RM Golf Carts Project Update

Background:

During the past two months the City has been working with RM Golf Carts, a small Ramsey business that has outgrown its current location at 6080 Highway 10. To retain the business in Ramsey, the Economic Development/Marketing Manager reviewed several potential locations with the business owner, Mark Kaufman. Mr. Kaufman also considered other building locations in several communities in the north Metro. Ultimately, he made a proposal to lease the City-owned building at 7039 Hwy 10 (known as the former EZ Tractor site).

RM Golf Carts will relocate to the new location and will pay for any leasehold improvements to the existing building. The existing 3,100 sq. ft. building has been gutted by previous owners (Public Works has removed all city equipment that was stored in the building.) At its April 26th meeting the Economic Development/Marketing Manager presented the project to the City Council. City Council approved the proposed five-year lease of the property to RM Golf Carts. The tenant will pay the City \$1,050 per month in the first year (starting June 1, 2011), \$1,250 per month in the second year, and \$1,500 per month thereafter. The Economic Development/Marketing Manger has been working with the business and the City Attorney regarding the specifics of the lease agreement and as of May 6, 2011 the agreement was executed by the business owner.

The owner of RM Golf Carts expects to expand his business in the new location, increase his sales, and hire 2 additional people in the next two years. Mr. Kaufman has not requested any financial assistance from the EDA.

Observations:

Funding Source:

No EDA funds are being requested.

Staff Recommendation:

N/A

EDA Action:

N/A. Informational.

Attachments

Proposed RM Golf Carts Location

Form Review

Inbox
Aaron Backman (Originator)
Form Started By: Aaron Backman

Reviewed By
Aaron Backman

Final Approval Date: 05/06/2011

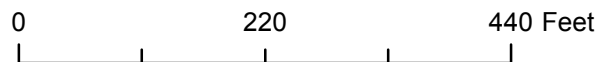
Date
05/06/2011 04:28 PM
Started On: 05/06/2011 04:05 PM



7039 Highway 10 NW
Proposed Location for
RM Golf Carts

Legend

-  Site
-  Parcels



Economic Development Authority (EDA)

4.3.

Meeting Date: 05/12/2011

By: Aaron Backman, Administrative Services

Title:

HRA/EDA Powers and Responsibilities

Background:

At the joint City Council-EDA meeting on April 14, 2011, the City Administrator brought up the idea of having a comparison of powers and responsibilities between the Ramsey Housing & Redevelopment Authority (HRA) and the Ramsey Economic Development Authority (EDA).

Cities have authority to aid and cooperate in the planning, construction, or operation of economic development, and housing and redevelopment projects. These can be done through various government organizations. The predominant method of delivering and administering housing and redevelopment programs in Minnesota is through a legal public entity, accountable to city government. Since 1947 a city in Minnesota may establish this public agency, often a Housing and Redevelopment Authority (HRA) (MN Stat. 460.001 to 469.047), of which there are more than 230 in Minnesota. An HRA is a public corporation with power to undertake certain types of housing and redevelopment or renewal activities. While state legislation conveys authority for HRAs in each City, it is up to the City Council to formally establish an HRA before it can do business and use its powers. Frequently HRAs are the affordable housing entity that provides decent and safe rental housing for eligible low-income families, the elderly and persons with disabilities. HRA activities can lead to reinvestment in commercial neighborhoods through acquisition, demolition and rehabilitation.

In 1986 the Minnesota Legislative passed legislation (MN Stat. 469.090 to 469.1082) authorizing cities to establish formal Economic Development Authorities (EDAs) to promote local economic growth. An EDA is a legal entity created by a City to facilitate a well-rounded development program by taking advantage of some of the port authority powers and all of the HRA powers. By combining these powers, community leaders are able to create flexible business assistance and development programs. EDAs are allowed to buy and sell property, make loans and grants to businesses, provide loan guarantees and to sell bonds.

Attached is a comparison between the two bodies in terms of purposes, governing body, and activities.

Observations:

Funding Source:

Informational document.

Staff Recommendation:

It is recommended that this information be provided to the Ramsey City Council.

EDA Action:

Move to provide this information to the Ramsey City Council.

Attachments

[EDA-HRA Comparison](#)

Form Review

Inbox

Aaron Backman (Originator)

Reviewed By

Aaron Backman

Date

05/06/2011 03:48 PM

Form Started By: Aaron Backman

Started On: 05/06/2011 03:20 PM

Final Approval Date: 05/06/2011

COMPARISON OF HRA AND EDA ENTITIES IN MINNESOTA

Cities have authority to aid and cooperate in the planning, construction, or operation of economic development, and housing and redevelopment projects. These can be done through various government organizations. The predominant method of delivering and administering housing and redevelopment programs in Minnesota is through a legal public entity, accountable to city government. Since 1947 a city in Minnesota may establish this public agency, often a Housing and Redevelopment Authority (HRA) (MN Stat. 460.001 to 469.047), of which there are more than 230 in Minnesota. An HRA is a public corporation with power to undertake certain types of housing and redevelopment or renewal activities. While state legislation conveys authority for HRAs in each City, it is up to the City Council to formally establish an HRA before it can do business and use its powers. Frequently HRAs are the affordable housing entity that provides decent and safe rental housing for eligible low-income families, the elderly and persons with disabilities. HRA activities can lead to reinvestment in commercial neighborhoods through acquisition, demolition and rehabilitation.

In 1986 the Minnesota Legislative passed legislation (MN Stat. 469.090 to 469.1082) authorizing cities to establish formal Economic Development Authorities (EDAs) to promote local economic growth. An EDA is a legal entity created by a City to facilitate a well-rounded development program by taking advantage of some of the port authority powers and all of the HRA powers. By combining these powers, community leaders are able to create flexible business assistance and development programs. EDAs are allowed to buy and sell property, make loans and grants to businesses, provide loan guarantees and to sell bonds.

Housing Redevelopment Authorities

An HRA is responsible for determining blighted land areas and for preventing the spread of blight, including substandard building structures. A blighted area is one with buildings and areas that are detrimental to the health, safety and welfare of the community. The HRA may then provide for improvements or redevelopment of these areas through a redevelopment plan.

An HRA's main area of operation is housing program development. HRAs are primarily concerned with family rehabilitation, housing redevelopment, public housing and rent assistance. The area of operation of a city HRA is the corporate limits of the City.

Governing Body:

Activities are controlled by a board of commissioners. An HRA consists of five

Economic Development Authorities

The overall purpose of an EDA is to promote economic development within an economic development district. EDAs may exercise their own powers which are similar to port authority powers, powers of a HRA, and the powers of cities in connection with development districts and municipal industrial development activities. An EDA is authorized to make a loan to a business, a for-profit or nonprofit organization, or an individual. The loan's purpose must contribute to economic or industrial development. EDAs have the ability to used pooled bond reserving. EDAs can acquire property and facilities but cannot issue debt without an election.

Governing Body:

EDA is created through an enabling resolution written and approved by City Council.

commissioners who are residents of the city. The Mayor appoints and the Council approves the members who serve five-year, staggered terms. City Councilmembers often serve on the HRA. The entire membership of an HRA may consist of councilmembers. Approval for any project through the approval of a redevelopment plan, must be granted by the City Council.

An HRA is independent of the local government. Approval of the redevelopment plan for the proposed project is needed, however, by the governmental unit in order to proceed. HRA does not have the power to levy and collect taxes or special assessments, except with respect to certain redevelopment projects.

Activities:

1. May establish a redevelopment project for the elimination and prevention of blighted areas.
2. Acquire real or personal property for activities related to projects. May sell its lands and properties to private or public parties.
3. May provide for the administration of a commercial building loan program to preserve small-sized buildings in its district.
4. May sell real or personal property, including the use of eminent domain, for project-related purposes.
5. May act as federal government agent in carrying out provisions of Municipal Housing and Redevelopment Act.
6. May exercise the powers granted to redevelopment agencies under Minn. Stat. §§469.152 to 469.1651
7. Provide relocation payments and assistance in accordance with federal guidelines.
8. May employ staff and an executive director.

The City Council can choose to serve as the EDA Board of Commissioners or create a board composed of a cross-section of the community.

EDAs have a board consisting of 3, 5, or 7 commissioners appointed by the Mayor with the approval of City Council. Board members serve for six-year terms. The board may also consist entirely of City Council members.

The City Council may control the activities of the EDA by limiting its powers under the enabling resolution and through the annual approval of the EDA budget.

Activities:

1. Acquire property for creation of development district that is tax exempt.
2. Sell or lease land whether by private or public means.
3. Carry out EDA law to develop and improve land within the district. The EDA may make any necessary arrangements to make land suitable for development.
4. Exercise eminent domain.
5. Enter into contracts for the purpose of economic development.
6. Purchase all materials needed to carry out development.
7. May make loans to a business, a for-profit or nonprofit organization, or an individual. The loan must be for an authorized purpose.
8. Engage in research to determine factors of specified development projects.
9. Act as a limited partner in contracts with additional parties.
10. May employ staff and an executive director.

Economic Development Authority (EDA)

4. 4.

Meeting Date: 05/12/2011

By: JoAnn Shaw, Community Development

Title:

Staff Project Update
Business Expo- 2011 Recap
Other Projects

Background:

Staff will present a verbal update at the meeting.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

Form Review

Inbox
Aaron Backman

Reviewed By
Aaron Backman

Date
05/06/2011 04:33 PM
Started On: 05/06/2011 04:31 PM

Form Started By: JoAnn Shaw

Final Approval Date: 05/06/2011

Economic Development Authority (EDA)

4. 5.

Meeting Date: 05/12/2011

By: JoAnn Shaw, Community Development

Title:

The COR Status Report

Background:

Deputy City Administrator/Community Development Director Heidi Nelson will present an update at the EDA meeting.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

Form Review

Inbox
Aaron Backman

Reviewed By
Aaron Backman

Date
05/06/2011 09:55 AM
Started On: 05/06/2011 09:33 AM

Form Started By: JoAnn Shaw

Final Approval Date: 05/06/2011