

EDA PROJECT UPDATE

From the Economic Development/Marketing Manager

A. Buxton Study Update

At the October EDA meeting I presented a revised Retail Site Analysis (RSA) and the Retail Match List for both Site 1 (167th Avenue/Hwy 47) and Site 2 (The COR). I have attached both lists to this e-mail in case you would like to refer to them again. I asked members if there were specific retailers from the list that they would like to see contacted. Councilmember Wise did suggest adding convenience stores to the retail list.

As part of the contract, the Buxton Group contacts a total of 20 retailers on our behalf (as identified on the match lists). For Site 1, I requested they contact: A&W Drive-In, Aldi, Inc., Arby's Roast Beef, Curves, CVS Pharmacy, Dairy Queen, Dollar Tree, Marshalls, Napa Auto Parts, and Walgreens. For Site 2, I requested they contact: A&W Drive-In, Five Guys, Golf USA, Hobby Lobby, Marshalls, TJ Maxx, True Value Hardware.

In addition, I requested that the Buxton Group undertake a C-Store analysis for five convenience store/gas station concepts—Freedom Valu Centers, Holiday Station, Kwik Trip, PDQ Food Stores, and SuperAmerica. Buxton indicated that Kwik Trip and Holiday Station were good matches at both locations and SuperAmerica was a stretch match for The COR. I have attached the match status for all five and profile reports for the recommended matches. It should be noted that the C-Store analysis was done using a 4 minute drive-time for both sites and not the 12 minute drive-time used for the other retailers.

The Buxton Group mailed letters to the first group of prospect retailers on November 18th and to a second batch of prospects this week. I will be following up with all of the prospects that received the Buxton letter in early December.

B. Status of Minneapolis Manufacturing Company (Bury & Carlson Site)

After a significant amount of activity in the Spring, it has been relatively quiet. I expected that the company's Board of Directors was going to make a final siting decision at its June meeting after considering sites in several states. That has not happened. The company still wants additional capacity, but still has not made its decision. The stalemate continues--management likes Ramsey (they also recently asked about the Molin property again) and ownership continues to check into sites out of state (Ohio or Indiana).

C. Master Plan for Commercial Node at 167th Avenue and St. Francis Blvd

On October 13th Senior Planner Gladhill made a presentation regarding the history of efforts to improve this area, the impetus for creating a master plan, and the proposed plan to achieve the

goals. A strategic goal of the City Council is to explore a master plan for the Rum River Commercial node at 167th Avenue and Hwy 47. Land use scenarios were originally developed in 2004 as part of a proposed Comprehensive Plan Amendment that was ultimately not adopted. Given the need for redevelopment and the strategic goal, staff has proposed a public input process (Open Space Technology or OST) similar to what was used for the development of the 2030 Comp Plan. It was proposed to utilize existing Staff with the assistance from Stantec (formerly Bonestroo), the City's planning consultant.

City Staff presented the proposed work plan for the 167th Master Planning effort that was presented to the EDA at the City Council Work Session on October 25th. Consensus of the City Council was to scale back the effort at this time and focus Staff's efforts on Stakeholder Analysis at this time. Before any public process is begun, a stakeholder analysis of needs and desires of property owners will be evaluated. At that time, it is anticipated to be determined if any additional master planning will be required and at what level (i.e. conceptual street and utility layouts, public participation, etc.). Staff continues to work on a revised work plan, scaled back from the original proposed work plan.

D. Status of Manufacturing Prospect from Greater MSP (Project Delta)

After a significant amount of effort and information provided to intermediary in September, it has been quiet. This is the manufacturing prospect that I identified and provided info regarding three potential locations that would have at least 40 acres of land (Pearson Farms, Outlot B of Hageman Holdings, and Diamonds/Hope Fellowship sites). I expected that we would hear back from Greater MSP regarding potential site visits by the unnamed prospect. That has not happened. As of the third week of November, no additional information to report. The difficulty is that Greater MSP has **not** shared (or been allowed to share) the name of the prospect.

E. Water Main Project for Commercial Strip Mall at 167th Avenue

At the October 13th meeting I discussed the extension of the City's water main to the commercial property located at 5900 167th Avenue and owned by Joel Buttenhoff. As Mr. Buttenhoff explained to the EDA members his largest tenant will have to move if the current Interim Use Permit expires and a fire suppression system is not installed. His proposal was that he would be willing to pay the cost of sprinkling as required by code and the connection to the City water main if the City would pay for a water main extension 750 feet along 167th Avenue. The construction costs for the City portion was approximately \$180,000. The consensus of the EDA members was that the water connection should be on the southwest side rather than extending the water main on the north. The connection distance for the owner was 220 feet vs. 390 feet (excluding the City's water main)

A week after the October EDA meeting Mr. Buttenhoff appealed to the EDA to reconsider his proposal (See attached letter). He learned that tying into the City's water service as part of his fire suppression project would make him subject to trunk fees (\$50,000) and lateral fees (\$9,000) regardless of what direction it came from. The difference for the EDA is that we could

potentially assist the owner if the project was along 167th, but not from behind the building. As a response I did suggest another alternative option (See attached site map). In exchange for the owner putting in the fire suppression system and his connection to the City's water main, the City could consider extending and paying for the water main 300 feet on the south side of 167th Avenue (\$61,000) and paying for about two-thirds of the trunk/lateral fees (\$37,000). Under this scenario Mr. Buttenhoff would be responsible for about \$22,000 in fees. The owner indicated that he would not agree to the revised proposal if he had to pay any of the connection fees, and that he would either install a fire suppression system using a 18,000 gallon tank system or he would appeal for an extension of the Interim Use Permit. Mr. Buttenhoff is still evaluating the costs associated with a tank system. On November 3rd the Planning Commission recommended approval of a nine-month extension of the IUP pertaining to Hope Fellowship. Subsequently on November 22, 2011 the City Council approved the nine-month extension of the IUP. Both the building owner and the tenant were present at the City Council meeting. Mr. Buttenhoff indicated to me before and after the meeting that he would be installing the fire suppression system using the tank system.

F. Status of Data Center Company

On October 24th I participated in a follow-up meeting with a representative of a data center company from Iowa that is interested in expanding to the City of Ramsey. During the summer I showed the representative four possible locations for a DC in Ramsey. The current location that the representative likes the best is the old municipal center campus. There are several advantages with the 20 acre site, including a major Connexus substation located adjacent to the property. The company is considering nine locations nationwide to place two new DCs with an estimated investment of \$10 to \$20+ million. The other locations are in Illinois, Virginia, Idaho, etc. The company is currently building a facility in Duluth. The representative of the data center company visited Ramsey on 11/22/11 and had an initial meeting with Connexus Energy. According to Duane Arens, the meeting was positive.

G. Lease & Fire Suppression System for 6701 Hwy 10

In July of 2011, the United Methodist Church of Anoka approached myself regarding leasing the western portion of the office space at 6701 Hwy 10, a city-owned property. The Anoka church is interested in creating a new satellite church called Northern Light Church. After the church provided a letter of intent to lease the office area, I began negotiations regarding the 4,800 sq. ft. of space (Youth First is on the east side of the building). Since there is a change of use of the property that entails assembly activities, the city's building code requires the installation of a fire suppression system. This proposed project would provide fire safety for both sides of the office area, but does not cover the cold storage area of the building.

In addition to the proposed fire suppression system, the project entails the installation of a six inch water main alongside the east side and into the building. Adding the cost of the sprinkler system with the water main option, the total project cost to the City was assumed to be

approximately \$90,000. Staff negotiations with the church resulted in a four-year lease that is expected to generate over \$106,000 in revenue. Both the construction project and the lease were approved by the City Council at the October 11th Council Meeting. To guarantee lease payments, the church has deposited \$100,000 into a joint account at Village Bank that will be used solely for monthly lease payments. Fire sprinkler plans were submitted to the City for plan review on October 24th. Construction on the fire safety improvements started the week of October 31st. The fire safety improvements were largely completed the week of Thanksgiving. Electrical and monitoring system work remains to be completed. The tenant, Northern Light Church, has begun painting walls and other activities in their space.