

**City of Ramsey**  
**Agenda**  
**Housing and Redevelopment Authority (HRA)**  
**Regular Session**  
**Tuesday January 11, 2011**

**Immediately following CC Meeting**  
**Council Chambers 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Roll Call**
- 3. Citizen Input**
- 4. Approve Agenda**
- 5. Approve Minutes**
- 6. HRA Business**
  1. Consider Waiving/Not Waiving Statutory Tort Limits
  2. Consider agreement with the Lower Rum River Water Management Organization (LRRWMO) related to the transfer of permit responsibilities for the existing RTC wetland mitigation plan
- 7. Committee Reports**
- 8. Executive Director's Report**
- 9. Commissioner Input**
- 10. Adjournment**

**Date: 01/11/2011**

**By:** Jo Thieling  
Administrative Services

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**Information**

**Title:**

Consider Waiving/Not Waiving Statutory Tort Limits

**Background:**

The City of Ramsey annually renews its property, casualty and liability insurance coverage with the League of Minnesota Cities. As part of this renewal process, the HRA is required to pass a resolution waiving or not waiving the statutory tort limits for its liability coverage. A form is required to be filed for the City and HRA.

Attached is the Liability Coverage Waiver Form that is required to be signed after HRA approval of a resolution indicating whether the City chooses to waive or not waive the statutory tort limits. If the HRA were to waive the statutory limits, additional insurance would need to be purchased by the City to cover the increased liability. This increased liability has not currently been budgeted for, nor has the City waived the tort limits in the past.

If the HRA was to consider waiving the tort limits and purchasing additional insurance coverage, staff would request rates for the increased coverage for 2011 and bring them back for consideration at a future regularly scheduled meet of the HRA along with budget considerations.

**Recommendation:**

Staff recommends that the HRA adopt the resolution not waiving the Statutory Tort Limits for Liability Coverage.

MN state liability limits are \$500,000/\$1,500,000.

**Funding Source:**

N/A

**Council Action:**

Adopt Resolution #HRA-11-01-XXX Not Waiving the Statutory Tort Limits for League of Minnesota Cities Insurance3 rust Liability Coverage for the City of Ramsey.

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**Attachments**

Liability Coverage Waiver Form

Resolution Not Waive Tort Limits

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 01/06/2011

**Reviewed By**

Kurt Ulrich

**Date**

01/06/2011 12:12 PM

Started On: 01/05/2011 04:03 PM

**SECTION I: LIABILITY COVERAGE WAIVER FORM**

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

- *If the city does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000. on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.
- *If the city waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.
- *If the city waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

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City of Ramsey accepts liability coverage limits of \$ \_\_\_\_\_ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting \_\_\_\_\_

Signature \_\_\_\_\_ Position \_\_\_\_\_

*Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044*

Commissioner introduced the following resolution and moved for its adoption:

**RESOLUTION #HRA-11-01-XXX**

**RESOLUTION NOT TO WAIVE STATUTORY TORT LIMITS FOR LMCIT LIABILITY COVERAGE**

**WHEREAS**, city staff has reviewed the impacts of waiving and not-waiving statutory tort limits for liability insurance with the League of Minnesota Cities Insurance Trust; and

**WHEREAS**, the HRA has determined it is in the best interest of the City to not waive the statutory tort limits for liability insurance with LMCIT.

**NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA:**

- 1) That the HRA of the City of Ramsey does not waive the statutory tort limits for LMCIT liability coverage.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey HRA this the 11<sup>th</sup> day of January, 2011.

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Chairperson David Jeffrey

**ATTEST:**

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HRA Executive Director Heidi A. Nelson

**Date: 01/11/2011****By:** Tim Himmer  
Engineering/Public Works

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**Information****Title:**

Consider agreement with the Lower Rum River Water Management Organization (LRRWMO) related to the transfer of permit responsibilities for the existing RTC wetland mitigation plan

**Background:**

Ramsey Town Center LLC had a wetland mitigation plan approved by the LRRWMO in October of 2005. That plan allowed for 4.05 acres of wetland impacts in Ramsey Town Center (RTC), requiring 8.10 acres of mitigation; portions of which have been implemented to date. The HRA is now the master developer of the COR (formerly RTC), and staff has been working with our consultant URS and the LRRWMO for the past year to bring the project wetland impacts into compliance with the approved plan. Attached is a map illustrating the locations of three wetland mitigation areas that were originally proposed to be created or enhanced to satisfy the requirements of the original permitted impacts.

The Charter School Wetland and the NW Wetland have been graded to establish wetland hydrology, but still require vegetation management and monitoring before they can be accepted as mitigation. The WNW wetland, which was created as a mitigation area during the construction of Bunker Lake Boulevard (orange hatched area), was proposed to be expanded and enhanced under the original permit and was to remain on the site as part of the greenway corridor through the development. With the evolution of the COR it is anticipated that this western portion of the site will be re-guided and utilized for a big box type of use, and include the establishment of a larger water feature/lake.

Based upon HRA direction in February of 2010 staff was to negotiate a revised permit with the LRRWMO to include implementation of a vegetative establishment and monitoring plan for the Charter School and NW Wetlands, and the purchase 105,602 S.F. of off-site wetland banking credits in lieu of creating the WNW mitigation area enhancements (thereby opening up additional developable land in the NW corner of the COR).

**Observations:**

On June 1, 2010 the HRA directed staff to finalize the process of revising the mitigation permit with the LRRWMO, and concurrently investigate the option of calling on the bond from the previous development team that secured the original permit. The revised permit was accepted by the LRRWMO in September and correspondence was exchanged with the bonding company beginning in October. Staff met with representatives of the bonding company in December and negotiated a settlement agreement of \$59,000 to perform the on-site mitigation work from the original permit; the NW and Classroom wetlands. The City will be required to purchase the off-site banking credits, which was completed prior to the end of the 2010 calendar year (in the amount of \$50,609.76). Attached is a summary of the estimated costs to complete the revised permit requirements that the HRA will be assuming.

If the HRA agrees with this approach the attached agreement will be presented at the January 20, 2011 LRRWMO board meeting for final approval. Once approved staff can begin the design and construction process for the existing on-site mitigations areas that are already substantially completed. Following construction activities the required five year monitoring period would begin; including annual reports, final accounting, restrictive covenants, and as-built plans showing conformance to the approved permit. Staff would like the ability to negotiate an amendment to the existing contract with URS in an amount not to exceed \$25,000 for the preparation of plans and specifications, bidding assistance, and all required monitoring to complete this project. Once the plans are finalized they will be brought back to the HRA for approval and authorization to solicit quotes for the implementation.

One item of note from the LRRWMO negotiations on the amended permit is the fact that the Technical Evaluation Panel (TEP) was not supportive of allowing impacts to the existing WNW wetland without a plan in place showing that these impacts were necessary. The HRA requested the ability to fill the existing WNW wetland under this amended permit to allow for greater flexibility in development scenarios and clear the entire westerly area of the COR of potential future impacts. The TEP could not arbitrarily approve wetland impacts without proving that such impacts are unavoidable. They did agree, however, that this existing WNW wetland is of low quality and they would not be opposed to future impacts if a development scenario could demonstrate the required Wetland Conservation Act (WCA) rules were followed. This means that a permit will be required in the future if a specific development proposal comes forward that would impact the WNW wetland area. Any potential future impact that would require a permit could be mitigated by purchasing banking credits, minimizing proposed impacts under a development proposal, or incorporating mitigation into the west side vision of the COR. This item will need to be addressed at a later date when the western portion of the COR is more defined, a development proposal comes forward for this area, and impacts are shown to be unavoidable. If a new permit is required it would involve additional effort beyond the scope of services planned for resolving the existing outstanding permit we are currently discussing.

**Recommendation:**

Staff recommends acceptance of the settlement and wetland replacement agreements, and requests authorization to negotiate an amended contract with URS in an amount not to exceed \$25,000 for design and monitoring services under the terms of the revised wetland mitigation permit that the HRA will be assuming.

**Funding Source:**

Funding for these proposed wetland actions are included in the future land sales budget for the COR.

**Council Action:**

Motion to approve the settlement and wetland replacement agreements, and authorization to negotiate an amended contract with URS in an amount not to exceed \$25,000 for design and monitoring services under the terms of the revised wetland mitigation permit that the HRA will be assuming.

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**Attachments**

Originally permitted mitigation areas

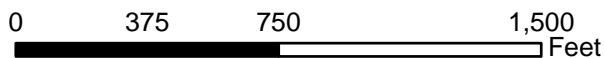
Estimated summary of costs

Draft replacement agreement

Draft settlement agreement

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Brian Olson	Brian Olson	01/06/2011 11:15 AM
Heidi Nelson	Heidi Nelson	01/06/2011 03:04 PM
Kurt Ulrich	Jo Thieling	01/06/2011 03:31 PM
Form Started By: Tim Himmer		Started On: 01/05/2011 12:53 PM
Final Approval Date: 01/06/2011		



- Impacted Wetland\*
- Pre-Existing Mitigation Wetland\*\*
- Mitigation Wetland\*\*
- Existing Wetland\*\*

\*Development Allowed

\*\*No Development Allowed

## Alternative A - Ramsey Town Center

### Follow Original Replacement Plan

**EXHIBIT C**  
**RTC WETLAND MITIGATION PERMIT IMPLEMENTATION COSTS**

**NW Wetland**

Design	\$ 2,000.00
Minor grading & vegetative removal	\$ 2,000.00
Approved BWSR vegetative establishment	\$ 5,500.00
Mulching/Erosion Control	\$ 3,500.00
Maintenance (3 years minimum)	\$ 4,000.00
Required monitoring & reporting (5 years required)	\$ 5,000.00
As-builts	\$ 1,000.00
Subtotal	<b>\$ 23,000.00</b>

**Charter School Wetland**

Design	\$ 3,000.00
Minor grading & vegetative removal	\$ 3,000.00
Approved BWSR vegetative establishment	\$ 17,000.00
Maintenance (3 years minimum)	\$ 5,000.00
Required monitoring & reporting (5 years required)	\$ 6,000.00
As-builts	\$ 1,000.00
Subtotal	<b>\$ 35,000.00</b>

**BANKING CREDIT PURCHASE** **\$ 50,600.00**

***TOTAL OUTSTANDING OBLIGATION*** **\$ 108,600.00**

## **WETLAND REPLACEMENT AGREEMENT**

This Agreement is made as of the \_\_\_ day of \_\_\_\_\_, 2011, by and between the City of Ramsey, Minnesota, a Minnesota municipal corporation (the “City”), and the Lower Rum River Watershed Management Organization, a Minnesota watershed management organization and joint powers agreement (“LRRWMO”).

### **1. BACKGROUND**

- 1.1. The City is the owner of the Ramsey Town Center development site (“RTC Property”) in the City of Ramsey.
- 1.2. A previous developer of the RTC Property secured approval of a wetland replacement plan for mitigation and replacement of wetlands that were to be impacted by development of the RTC Property. The developer of the RTC Property, or its agent, provided a performance bond from the Travelers Casualty & Surety Company of America (“Travelers”) to assure performance of the developer’s obligations under the approved wetland replacement plan.
- 1.3. The developer defaulted without completing its obligations under the wetland replacement plan and the City has taken title to the RTC Property.
- 1.4. The City wishes to make the RTC Property available for orderly development and has submitted to the LRRWMO an amended wetland replacement plan for the RTC Property entitled RAMSEY TOWN CENTER WETLAND MITIGATION PLAN (hereinafter the “Wetland Mitigation Plan”).
- 1.5. The City submitted the Wetland Mitigation Plan to the LRRWMO, which approved the Plan on September 18, 2010, as Permit No. 03-07.
- 1.6. The City is willing to assume responsibility for completion of the Wetland Mitigation Plan. Compliance with the Plan includes both purchase of wetland replacement credits (which the City has already completed at a cost of \$50,609.76) and the establishment of wetlands.
- 1.7. The City has negotiated with Travelers for payment on the original bond. Travelers is willing to pay to the LRRWMO a cash payment in the amount of \$59,000 (the “Bond Settlement”) in exchange for a release by the LRRWMO of all claims on the bond.
- 1.8. The City has requested the LRRWMO to make the proceeds of the Bond Settlement available to the City for the work of restoring and establishing wetlands in accordance with the Wetland Mitigation Plan. The LRRWMO is willing to make such funds available on the following terms.

2. AGREEMENT

- 2.1. The City will complete all work of the Wetland Mitigation Plan in compliance with all requirements of the Minnesota Wetland Conservation Act (Minn. Stat. §§ 103G.221 – 103G.2372).
- 2.2. Upon receipt from the City of documentation that is acceptable to the LRRWMO of money spent or obligations incurred by the City for the design, engineering, observation, construction and monitoring of the wetland work under the Wetland Mitigation Plan, and a request for reimbursement therefor, the LRRWMO will pay such amounts, as they are received, to the City, up to a total amount of \$59,000.
- 2.3. The City understands and agrees that it is obligated to complete the work under the Wetland Conservation Act and the Wetland Mitigation Plan on the RTC Property even if the cost of such work exceeds \$59,000.
- 2.4. Upon satisfactory completion of all obligations of the City under Wetland Mitigation Plan and the Wetland Conservation Act, including final monitoring and establishment of all wetlands, the LRRWMO will pay to the City any funds remaining of the \$59,000 Bond Settlement.

IN WITNESS WHEREOF, the parties hereto, by their authorized representatives, have set their hands as of the day and date first above written.

CITY OF RAMSEY

By: \_\_\_\_\_  
Its Mayor

And by: \_\_\_\_\_  
Its Clerk

LOWER RUM RIVER WATERSHED  
MANAGEMENT ORGANIZATION

By: \_\_\_\_\_  
Its Chair

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") dated as of December \_\_\_\_, 2010, is by and between Lower Rum River Watershed Management Organization ("LRRWMO"), 2015 First Avenue, Anoka, MN 55303, and The Travelers Casualty & Surety Company of America ("Travelers").

### RECITALS

1. LRRWMO is a governmental organization tasked with, among other things, the issuance of wetland mitigation permits for work performed in and around the City of Ramsey.
2. LRRWMO issued Wetland Mitigation Permit No. 2003-07 (the "Permit") for the Ramsey Town Center Project (the "Project") to create approximately 4.05 acres of jurisdictional wetlands per a Wetland Permit & Banking Plan Application dated June, 2004. As a condition precedent to issuing the Permit, LRRWMO required the posting of an acceptable surety bond.
3. Travelers, as surety, issued Surety Bond No. 375104423448 (the "Bond") to LRRWMO, as obligee, on behalf of Glenn Rehbein Excavating, Inc. (the "Principal").
4. LRRWMO alleges that the Principal failed to complete work required under the Permit and has submitted a claim against Travelers under the Bond.
5. The parties wish to fully and finally settle and resolve any and all claims relating to or arising out of the Permit and the Bond according to the terms of this Agreement.

### AGREEMENTS

Therefore, in consideration of the mutual promises herein, and other good and valuable consideration, the parties agree as follows:

1. Payment. Within thirty (30) days of the date of this Agreement, Travelers shall deliver to LRRWMO a check payable to the order of LRRWMO in the agreed-upon amount of Fifty-Nine Thousand Dollars (\$59,000.00).
2. Release. In exchange for the above-referenced settlement payment, LRRWMO, for itself and its successors, assigns, members, and partners, hereby fully and finally releases and discharges Travelers and Travelers' officers, employees, successors, assigns and Principal from any and all claims, losses, liability, costs, expenses, claims for attorneys' or engineers' fees, actions, causes of action, of whatever kind or nature, relating to or arising out of the Project, the Permit and the Bond, including but not limited to any performance, maintenance or warranty obligations. LRRWMO further agrees to return the original Bond to Travelers in exchange for the settlement payment.

3. Counsel. The parties have been advised by counsel of their own choosing with respect to the negotiation and execution of this Agreement.
4. Governing Law. This Agreement shall be construed according to Minnesota law.

Lower Rum River Watershed Management  
Organization

The Travelers Casualty & Surety Company of  
America

By \_\_\_\_\_  
Its Chairman

By \_\_\_\_\_  
Its \_\_\_\_\_