

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, April 19, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:                   Vice Chairperson Bob Ramsey  
  Commissioner Randy Backous  
  Commissioner David Elvig  
  Commissioner Colin McGlone  
  Commissioner Jason Tossey

Members Absent:                   Chairperson David Jeffrey  
  Commissioner Jeffrey Wise

Also Present:                      City Administrator Kurtis G. Ulrich  
  Executive Director Heidi A. Nelson  
  Public Works Director Brian Olson  
  Development Manager Darren Lazan

**CALL TO ORDER**

Vice Chair Ramsey called the special meeting of the Housing and Redevelopment Authority to order at 8:50 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF MINUTES**

None.

**APPROVAL OF AGENDA**

Motion by Commissioner Elvig, seconded by Commissioner McGlone, to approve the agenda as submitted.

Motion carried. Voting Yes: Vice Chair Ramsey, Commissioners Elvig, McGlone, Backous, Tossey, and Wise. Voting No: None. Absent: Chairperson Jeffrey and Commissioner Wise.

## **HRA BUSINESS**

### **Case #1: Update on Financing for The Residence at the COR – Flaherty and Collins**

Deputy City Administrator Nelson reviewed the staff report.

Development Manager Lazan reviewed the history of the project. He noted the latest extension pushed the project to a June start. However, the hard loan may be able to slide, and the struggle for financing continues.

David Flaherty, Flaherty and Collins, stated he is still excited about this deal. He said they have been working on financing for 1.5 years. He reviewed the projects they have done in the past, and noted they are doing well. He stated when discussions first began regarding this project; it was well received because it is on a train stop. The fact that the train stop is not here is an issue to deal with. While there still seems to be some excitement, there are discouraging and frustrating speed bumps. He noted there is a concern whether this market can absorb that many units. He said they have worked harder to get construction financing on this deal than any other. His company has offered to put in \$1 million of its money to expedite the search for financing. If loans cannot be paid, he will be at risk of losing everything personally. He emphasized his belief in this project.

Development Manager Lazan pointed out a lot of options have been considered and exercised. It is a question now of how urgent it is that this starts in June. He requested opinions on the project.

Commissioner Backous expressed concern regarding the idea that the City should be credited for being on the rail stop. He questioned whether anyone would want to spend a lot on a luxury apartment next to the train due to the noise.

Mr. Flaherty stated being on a rail stop is universally thought of as a good thing as gas prices go up and population grows. This would be the only project of theirs in the metro area where the tenant could walk out of their apartment under a covering to the rail stop. He said their construction of the building would keep the sound of the train out.

Executive Director Nelson clarified the June 30 date on the TIF legislation provided the greatest flexibility. If it turns out that has to be the deadline, those involved believe it can be reached.

Mr. Flaherty indicated they have a set of rules to follow if they have to close by June 30. If it is not June 30, and the TIF and the ramp are still in motion, the next threshold is whether it can still be started this year. If that doesn't happen, they may look at starting a year from now. He stated the longer the wait, the lesser amount of financing help they would need. However, if they have to wait until next year, he could not say for sure it would get done. He stated if the TIF, ramp or rail were lost, it would mean their project would be lost.

Public Works Director Olson stated there are no guarantees with the rail station, but the City is working toward it. He noted the project cannot be delayed later than June 28 without enduring \$300,000 or more in winter construction.

Commissioner Elvig asked if Mr. Flaherty is confident he can raise the equity.

Mr. Flaherty replied he knows that if he does have a deal, he can raise the equity. He said he is a little unsure of the lenders because of how they have responded so far.

Commissioner Backous stated his concern of building a bigger ramp than is needed. He said he would rather have a purpose for it first. He preferred to not take a chance of building the ramp without this project.

Commissioner Ramsey explained the addition will be constructed so something can be added to it, whether that is Flaherty Collins or something different. He stated he is almost sure the train station will happen.

Public Works Director Olson stated the schedule was to authorize and advertise for bids in May and to open the bids June 21. It was decided that along with this schedule, the financing would be in place by June 1. If the State funds do not come in by June 1, that dictates how the funding will come in. He asked if this provides enough comfort to move forward with the ramp, as long as it was definite that the funding would be available.

Mayor Ramsey pointed out the legislature will be finished by then, so the City will know the outcome by then. He stated the City does have a good chance for the CTIF funds if the State funds are not available.

Commissioner Elvig pointed out Ramsey has the second highest ridership on the train, and there are no residences along the way and no train stop.

Commissioner Tossey stated he would not put out bids for the ramp unless there is funding.

Councilmember McGlone stated everything is interrelated including the train stop, the ramp, and the developers. This is the fastest growing corridor in the State already. There will be more developers waiting to build. He stated the City needs to find a way to keep the momentum going.

Councilmember Backous stated he would feel more comfortable about the parking ramp if there was funding for the train.

Public Works Director Olson pointed out almost half the ramp would be allocated to transit use.

Councilmember Tossey stated he would still disagree. He noted he would be willing to explore the building of a train stop, but he felt the ridership wouldn't be high enough to warrant the ramp. There is empty space in there now. He explained without Flaherty and Collins taking up some of the need for it, he cannot be ok with funding it.

City Administrator Ulrich emphasized the point that the City has an obligation to businesses to allocate some spaces to them, and the Committee needs to decide what money it wants to use. This is likely the first ramp of having possibly up to three.

Consensus was reached to allow staff to explore options in building onto the ramp.

### **Case #2: Discuss Northstar Corridor Transit-Oriented Development Tour**

Executive Director Nelson reviewed the staff report.

Development Manager Lazan noted the City will be participating in this tour. He requested direction on whether The COR could be a sponsor of this event on May 5.

Ms. Nelson explained the cost is \$300. She noted it would be best if Council and/or Committee members could participate at the event. She explained if anyone wanted to participate, they would be at the (future) train stop in Ramsey and then go to the Friendly Buffalo in Big Lake for a reception.

Mayor Ramsey and Councilmembers McGlone and Elvig agreed to take part.

Consensus was reached to have The COR move ahead with sponsorship.

### **COMMITTEE REPORTS**

None.

### **EXECUTIVE DIRECTOR'S REPORT**

City Administrator Ulrich reported there was a meeting on the Game Fair. Agreement was reached to explore options for promotion of the Game Fair.

### **COMMISSIONER INPUT**

None.

### **ADJOURNMENT**

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to adjourn the special meeting of the Housing and Redevelopment Authority.

Motion carried.

The special meeting of the Housing and Redevelopment Authority adjourned at 10:43 p.m.

Respectfully submitted,

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Heidi A. Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Chris Moksnes  
*TimeSaver Off Site Secretarial, Inc.*