

**HOUSING AND REDEVELOPMENT AUTHORITY (HRA)  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The Ramsey HRA conducted a work session on Tuesday, June 7, 2011, in the Lake Itasca Room at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chair Bob Ramsey  
                          Commissioner Randy Backous  
                          Commissioner David Elvig  
                          Commissioner Colin McGlone  
                          Commissioner Jason Tossey  
                          Commissioner Jeff Wise  
                          Vacancy

Also Present:         HRA Executive Director Heidi A. Nelson  
                          City Administrator Kurtis G. Ulrich  
                          Director of Public Works Brian Olson  
                          Senior Planner Tim Gladhill  
                          City Engineer Tim Himmer  
                          IT Manager Dean Busch  
                          Parks Supervisor Mark Riverblood  
                          Management/Planning Intern Patrick Brama  
                          Marketing Manager Darren Lazan

**CALL TO ORDER**

Chairperson Ramsey called the HRA work session to order at 8:08 p.m.

**CITIZEN INPUT**

None

**APPROVE AGENDA**

Motion by Commissioner Backous, seconded by Commissioner Elvig to approve the agenda as presented.

Motion carried. All in favor.

**APPROVE MINUTES**

None

## **HRA BUSINESS**

### **5.1 Discuss Renaming ‘Rhinstone Commons’ to be entitled The Draw**

Parks Supervisor Riverblood stated that mid-summer 2010, City Council adopted a resolution naming the park space on either side of the Rhinstone Bridge, The Draw. One of the parks adjacent to The Draw will have a parking lot that will serve the amphitheater and having one name for the adjoining parks within The COR eliminates confusion and simplifies signage. Therefore, the purpose for this case is to recommend a similar resolution to rename ‘Rhinstone Commons’ The Draw. This will add efficiency and simplicity to the sign construction and siting process, and save costs – while eliminating public confusion.

Consensus of the HRA was to recommend the Council adopt a resolution renaming Rhinstone Commons to The Draw. Staff will place the resolution on a subsequent Council consent agenda.

HRA Executive Director Nelson reported that there are still housekeeping items to take care of. The HRA still holds this land. We constructed improvements and now the HRA would dedicate that to the City. That action will be coming. Signage The Draw, The Draw ball fields, etc. needs to be addressed and will be coming forward as well.

Chairperson Ramsey asked about mowing that area and suggested that be put in the RFP as well.

Mr. Riverblood responded he would do that.

Commissioner McGlone asked if it makes sense to maintain ownership by the HRA; is there any validity in keeping it that way for leverage. If they are private someday, they would do the maintenance.

Development Manager Lazan stated that it really becomes a negative asset.

Commissioner Tossey stated that if it is not maintained by the City, he sees that park as more a detriment and liability.

Commissioner Elvig stated he sees it as a taxing issue and an insurance liability. The City needs to carry that – the HRA would not want to take that on.

City Administrator Ulrich asked do we want to keep this for public purpose. If they can use it to generate revenue there may be some value but we would potentially lose public purpose and loss of control as well as use of that.

Chairperson Ramsey stated it should be kept.

Mr. Lazan suggested to reserve that thought for the municipal plaza.

Director of Public Works Olson asked who would own it after that if it was a private park and commented that he thought we were trying to get out of the development game.

## **5.2 Consider future Earth Work at the Southwest Intersection of Bunker and Ramsey Boulevards to Support Sidewalk Grant Application(s)**

Parks Supervisor Riverblood reported that MnDOT has issued calls for proposals for the “Safe Routes to School” (SRTS) program. City staff has identified several trail and/or sidewalk segments, or gaps that may meet the criteria for funding. He showed an area by the PACT Charter School, which would be an ideal candidate for the SRTS program. Very little grading would need to be done for construction. PACT is supportive of our request for this grant. There is also a portion of missing sidewalk along Bunker Lake Boulevard, west of Ramsey Boulevard, which would connect the townhomes to the west. However, this section would require some storm water improvements and somewhat significant grading in order for any sidewalk improvement to be installed. Staff feels that certain expenditures by the HRA would be prudent if the City’s receives SRTS funding for this proposed sidewalk along Bunker. Mr. Riverblood stated that the SRTS is not likely to fund this specific section of sidewalk due to the significant total costs involved. The cost per foot will not look favorable if a certain number of dollars of grading and storm water expenses are included in the grant application. He continued that leveraging the grant for these improvements to this corner improves both the functioning of this part of The COR’s sidewalk and trail system and the market value of this City-owned parcel (corner of #116 and #56). Mr. Riverblood stated that this is an important visual entrance to The COR and having a finished edge moves the HRA along with the marketing of this parcel and others.

Marketing Manager Lazan stated that by considering doing this, it kind of unburdens this project from a development perspective. Material would be the HRA’s part if we get this grant. The cost would be approximately \$10,000 for us to do it. The grant would cover the trails.

Commissioner Elvig stated he would be in support of spending the \$10,000 to do this.

Chairperson Ramsey commented - so we will not have to mess with this sidewalk again to which staff responded that is correct.

Commissioner Tossey asked who this grant is through to which Mr. Riverblood explained it is Federal dollars.

Consensus of the HRA was to have staff work with the dirt from the Ramsey Raceway and that the HRA is interested in applying for the SRTS grant.

Mr. Riverblood added that staff is still working through the area by the Ramsey Elementary School, and is moving forward with grants that do not require cost participation – free money.

## **5.3. Review of COR Marketing System**

HRA Executive Director Nelson stated she would like to take this opportunity to review the new COR marketing. The pictures we took to the International Shopping Center Conference in Las Vegas will now be in The COR Conference room and will be taken with whenever we do a

display, e.g. Game Fair, Happy Days, etc. Ms. Nelson introduced Ben Harris, Sharp Creative, who is our graphic designer, and stated she would turn this presentation over to Mr. Lazan and Mr. Harris.

Marketing Manager Lazan described some of the marketing changes.

Mr. Harris talked about the marketing documents and why it was necessary to add in other colors and make the materials all comprehensive.

Mr. Lazan updated the HRA on The COR website and that it will be housed at LOGIS. You pay once and then we update the site ourselves. Mr. Lazan stated that the marketing system was approved back in the beginning of the year. He talked about the new marketing books and how they are printed on demand. Electronic ones will be generated for the website. This is all custom marketing – the demographics, etc., and we are able to update the content. He noted this is a great sales piece for this project. He presented and detailed all the pieces of the marketing material. It is ready to go – populate it with updated language – keep a fresh roll out but not recreate it each time.

Mr. Harris stated that the common thread of all this – this whole system is - we are creating shells we continually use but we are able to keep all the information up to date.

Commissioner Backous stated he was impressed with these books.

Commissioner Elvig asked what has been done for sharing this with the rest of Council and staff. Mr. Lazan responded that he needs to be working on that. Ms. Nelson wondered what would be the most efficient way to do that to which Commissioner Elvig suggested an open forum. We will talk about what worked – what didn't . . . Ms. Nelson offered to put that on the work session for the 21<sup>st</sup>.

#### **5.4 Update on Flaherty and Collins Financing – The Residences at The COR Project**

HRA Executive Director Nelson stated that she met with John Hewitt, one of the representatives of the bank that Flaherty & Collins is working with. He came to the City's booth. We demonstrated our commitment and asked them to bring forward their financing. They are working with F & C to make sure the numbers are in order and we talked today about tax numbers and a deal structure.

Chairperson Ramsey stated that we said we want this project to go – the City will not let it fail.

Commissioner Elvig added that we decided to ask them straight up – do you want more money. This is our front yard – when we said we would be there - he seemed to “bite on it”. He seemed to think we could do something – it seemed pretty solid.

Chairperson Ramsey stated we will find out next Tuesday.

HRA Executive Director Nelson stated that the appraisal, which was ordered by the bank, came back very positive and that helps to support the financing position. She informed the HRA that staff would be back in front of them next Tuesday night to discuss the construction financing piece. She added she understands about the financial liability. She talked about paying the debt service with TIF generated from the District and noted that staff will provide that information next Tuesday as well.

Marketing Manager Lazan stated there has been a lot of discussion in and out of this room about this project. We take this very seriously – this is a big risk. He stated he respects the concerns on this. We feel there are benefits to doing this project. There is a sufficient amount of upside but he respects the risks we are bringing forward.

Commissioner Elvig cautioned staff to be careful on how this is messaged to the community and asked about the equity piece.

Mr. Lazan stated that the biggest thing is the equity on the loan payments. It looks like we fund an additional \$4 million. There is value in the product. That adds \$2 million in debt coverage for the loan. The conceptual agreement we have to date is that F & C would bring another \$2 million within 12 months and another million in six more months. He stated we can demonstrate the TIF District is the backstop – it will not get to the residents.

Commissioner Tossey stated we are not the only City that has been giving Special TIF Districts and referred to Lino Lakes and talked about how they defaulted. He stated he cannot support this. He cannot risk what's happening all over the State. He felt Ramsey should not make the same mistake the other cities are making. That money/financing should not be tied up.

Chairperson Ramsey stated that if the project fails, we may have that service debt for a couple of years. We may have to pay a few hundred thousand but someone will come and take us out of that.

Commissioner McGlone commented that HRA's do loan money.

Commissioner Tossey talked about getting the taxpayers out of that. The HRA is the City of Ramsey and ultimately it could be backstopped by taxes of our residents. With TIF – that's tying up our money.

Mr. Lazan stated we are not ready right now but we will be ready next week and will come with a plan to manage that debt. Our projects set up today are set up way different than they were in different economic times. We set this project up to succeed.

Commissioner Elvig suggested looking at what Commissioner Tossey is talking about in the paper (Lino Lakes) and probe into it so we can know what we have done differently and to point out similarities as well.

Mr. Lazan agreed to do that – a bullet point for each.

HRA Executive Director Nelson stated that the difference is the infrastructure – we are issuing construction bonds.

Commissioner Tossey stated that cities did what they were supposed to and we are doing what cities are not supposed to do. He expressed concern about it backfiring.

Chair Ramsey stated that the problem right now is that the banks are not loaning out money.

Commissioner Elvig stated that one fact for him is the owner/equity on this project.

## **6. Executive Director's Report**

**Meeting with Jim Deal.** HRA Executive Director Nelson stated that she and Mr. Lazan met with Jim Deal and Matt Kuker and talked about a 60 foot extension on the parking lot and having an agreement for a permanent easement and a process to share parking. They know they need additional parking; it was a positive meeting.

**North Park.** Ms. Nelson stated the HRA had already received an update relating to North Park.

**COR Letter.** Ms. Nelson talked about the negative letter that was sent to some residents talking about The COR and using The COR logo. She pointed out that The COR logo is copyrighted and this is an infringement on our legal rights of the logo. The challenge is identifying the sender and staff is working on that. In response to that, she stated she had a conversation with Chuck of Himle Horner. He provided some ideas on responding to that letter – a counterpoint to that letter. Staff will use the Ramsey Resident, COR Report and the website to get factual information out to the public. A positive article will be written – staff will work on that over the next few days.

Commissioner Elvig stated that part of him feels we have provided that letter too much attention already.

Commissioner Tossey stated that his concern is not that they used the logo – more criminal would be mail fraud and he did not really think this qualified as mail fraud. He noted we have an attorney and a Police Department – they should determine if this is considered criminal.

### **Meetings and Updates.**

1. Chairperson Ramsey stated there will be a meeting tomorrow with Rachel of Michelle Bachman's office.
2. It was noted there would be a smart board demo in the Lake Itasca Room tomorrow.
3. There is a joint meeting scheduled for the City Council to meet with the Park and Recreation Commission at Central Park on Thursday from 6:30 to 8:00 p.m.
4. The work has started on The Draw parking lot.
5. The question was asked where we are at with the Central Park parking lot improvements. Director of Public Works Olson responded that we still do not have the right of entry forms but we will still try to get that done this year.

**ADJOURNMENT**

Motion by Commissioner Elvig, seconded by Commissioner Tossey to adjourn the meeting.

Motion carried. All in favor.

The HRA work session was adjourned at 9:31 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

*Minutes taken and transcribed by Jo Thieling, City Clerk*