

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, August 31, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: Councilmember David Jeffrey

Also Present: City Administrator Kurtis G. Ulrich
 HRA Executive Director Heidi A. Nelson
 Development Manager Darren Lazan
 Tom Bray, Briggs & Morgan

CALL TO ORDER

Chairperson Dehen called the special meeting of the Housing and Redevelopment Authority to order at 7:29 p.m.

OPEN FORUM

There was none.

APPROVAL OF AGENDA

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Ramsey, Elvig, McGlone and Wise. Voting No: None. Absent: Commissioner Jeffrey.

HRA BUSINESS

Case #1: Master Declaration / Special Services District

Development Manager Lazan stated the Development Team has discussed the Master Declaration for The COR. A Master Declaration lays out certain controls and functions to be

performed by the association toward the benefit of the members. He noted the existing Master Declaration was established by Ramsey Town Center LLC, and has essentially been dormant for the last several years. To assure clear title for not only the HRA properties, but also for the other property owners in the development, it is essential that this matter be addressed by the effected property owners and some resolution be reached that allows the project to develop without this encumbrance. He stated that Tom Bray of Briggs & Morgan has been invited to offer a view of where we are.

Tom Bray, Briggs & Morgan, stated that the existing Master Declaration was drafted in 2005 by the RTC, LLC, but it does not cover all of the properties in the Ramsey Town Center. It was kind of a patchwork. He was not certain why some parcels were excluded. Three parcels Jim Deal owns which he alleges he owned before the Declaration was signed. If he did own the properties, before, they would not be subject to the Declaration. He added he has no reason to doubt it. There was the concept in the original Declaration that other properties could be added. To add properties at this time would require a vote of 77 percent of the members. He talked about how the vote would be and that the original Board of Directors was appointed by the original RTC, LLC. The Association had limited powers. This Declaration really did not become an issue until the Allina development started. He talked about the Board of Directors and the By-Laws. The Association is not RTC, LLC – the Association was a separate MN nonprofit organization – it was inactive. In any event, the entity exists, the Declaration exists, but the Association does not have any authority – it is not useful. He said the question is what we want to do with this. The next thing is to look at some things the HRA wants to accomplish in The COR and look at the best vehicle to do so – keeping in mind there are no perfect answers for some of the questions. There is the concept of a Special Services District or we could try to do this with a private declaration. He explained some disadvantages to a private declaration. A Special Services District is a better vehicle for providing control. The City determines the level of service and fees. Mr. Bray stated there are a couple of problems – you have to create a percent of property owners and the veto power by a percent could be a problem. Maybe the HRA does not control residential property to prevent a veto. Residential could be a component and he talked about ways to include residential. Tax classification has to be commercial or industrial and he didn't feel there was any way to get this with a residential component. He added the City could determine how to allocate costs any way it wants. You base your charges on net tax capacity, if you use another method, you cannot use tax capacity to enforce it. HRA owns undeveloped land and that's low tax capacity. He stated that next, we will go through the proposed scope of controls and services.

Development Manager Lazan stated that regardless of the method selected, there is a scope of services that can be characterized as above and beyond that, which is normally provided by a city, but not necessarily able to be performed by private property owners within The COR. With regard to access, we have a lot more right-of-way than a normal shopping center. We cannot do signage within the right-of-way as the ordinance sits today; we may be able to amend that. He suggested talking about if the access easements can be a benefit and what's the best avenue to regulate these access drives.

Commissioner McGlone asked could this be set up so as properties are bought they assume they will shovel the walk the distance of their own property – the City would do it while the property is vacant.

Mr. Lazan stated we could put those items into the private agreements as well.

Commissioner Ramsey stated he is concerned about plantings, etc., if they shovel their own. He felt that was a moot point – the City needs to take care of that and charge it back.

Mr. Bray stated that's an area where a Special Services District does not work very well. The City would be providing a service in a private right-of-way. We could look at the ordinance and maybe change it to allow more flexibility with public right-of-way. On small properties, the owners have a Declaration to deal with private drives. It could be dealt with in the Master Development. Dealing with it on a road-by-road basis may be a better idea.

Commissioner Elvig stated that the initial zoning was set up so the buildings would be built to the edge of the right-of-way and we own the sidewalk.

Mr. Lazan noted the accesses we are talking about are the drives. The sidewalk is not an issue – the issue is – can we have private drives. He talked about the best route being a private agreement and hiring snow removal.

Mr. Bray talked about parking – public parking is done better through a Special Services District – not under an Owners Association.

Commissioner Ramsey asked if Special Services Districts are based on taxable value to which Mr. Bray replied no – it's one way to allocate cost but in this ordinance, you can allocate it anyway.

Commissioner Ramsey expressed concern that the City is then forced to become a collection agency.

Discussion ensued about net tax capacity and City Hall – we are not susceptible to charges – can we be in a position to veto.

Commissioner Wise asked if we are talking about one Special Services District for the COR.

Mr. Lazan stated that it would basically be everything south of the park on this side and all 590 acres of the shopping center/retail area.

Commissioner Elvig asked what discussions we have had with Jim Deal and what parts he is on board with or against.

City Administrator Ulrich stated that the last discussion with Mr. Deal, he said to figure out what we want to do and locate where we want our services and bring it to the table and try to come up with an agreement.

Mr. Lazan stated our list is probably heavier than Mr. Deal would like. But this list is made up because of who will change out banners, etc.

Commissioner Ramsey felt it's important to keep this discussion of what the City needs and what The COR needs to have. What Mr. Deal wants is important later but for now, we need to know what's important to keep The COR rolling.

Mr. Bray stated, with regard to signage, landscape and hardscape - this is the area where a Special Services District is more what we are looking for. These are things a Master Association can do but then all things will be figured out by the Association. You are going after a unified COR development so you want the level of control you get with a Special Services District. With regard to maintenance, that's been kind of covered. It's best done again with a Special Services District.

Commissioner McGlone asked could we include Sunwood in with this even if it's an MSA road.

Mr. Bray stated that maintenance is done Citywide. Programming – you need control again so a Special Services District is better. When you work on the ordinance for a Special Services District, you will have to find a way to finance this programming so we don't scare people away. Maybe we need to say the Special Services District will collect a not to exceed amount to give buyers comfort.

Commissioner McGlone stated he is concerned about programming of public parks – because we are public, we have to be fair. How do we get out of that whole deal.

Commissioner Ramsey thought we maybe could not get out of it.

HRA Executive Director Nelson suggested we could think about handing that off to the Ramsey Foundation.

Mr. Lazan talked about there will be some point in time when the City Council will not have a say in The COR.

Mr. Bray stated there is a distinction between an Association and a Special Services District – that's only if there are Private Declarations.

Ms. Nelson stated that's why we are leaning the other way.

Mr. Bray referred to uses and operations and design review – they are functions you typically see in most Declarations but the City can address these in the ordinance. Would your buyer want and expect a Master Declaration that would have some of this authority – that could be something Mr. Deal may want to do. The City will still have the ability to have its control. We have to make sure the Master Association cannot block what the buyers are doing. We can talk to Mr. Deal about this. The City does not really need to push that.

Development Manager Lazan talked about cleaning up the Association already there.

Mr. Bray stated the City can address its intents through a Special Services District – like maybe it says lots who share driveways will share parking – most projects of this size have some of this. He felt there is some benefit to having your own control as well as City control.

Commissioner Elvig talked about the Architectural Review Board to which Ms. Nelson commented they are more strict.

Mr. Lazan asked should the Special Services District be used as an entity as a means to assess initial costs and maintenance or just maintenance.

Commissioner Ramsey stated that it's obvious a Special Services District makes the most sense to him but his concern is how we would collect.

Mr. Lazan stated that if it's based on taxes then we are covered. If it's based on parcels, etc., we are on our own.

Chairperson Dehen stated the City has to direct its own destiny. It appears you are making a recommendation of a Special Services District with some tweaking on some of it. He asked how long it will take to create this document and how much money will it cost.

Mr. Bray responded it would be drafting an ordinance for sure but he did not know if he could put a number on it. It could be an expensive process but it would be easier to know once we know where Jim Deal stands on this. He suggested the next step would be to talk to Mr. Deal and to get some sort of conceptual agreement.

Chairperson Dehen asked if Mr. Bray means only Mr. Deal, or should Coborn's, etc. be included.

Mr. Bray clarified that he means all property owners.

Mr. Lazan added that doing nothing is not really an option. We need to act and do something, even if it's to destroy the old Master Declaration.

Commissioner Elvig inquired if we would be sharing some of the costs of drafting this ordinance with other property owners to which Mr. Bray replied that would be a challenge.

Commissioner Ramsey asked if we would have the majority.

Mr. Bray replied that the HRA is the majority of the members but not the Association. He was not sure if it's a majority or a plurality – you need 75 percent of the membership – you control the documents. He added the other timing issue is there are pending sales.

Mr. Lazan summarized that it sounds like a Special Services District is the way to go.

HRA Executive Director Nelson stated we do have some issues in our zoning code that affect this area. In the next month or so, we will have to deal with how we get that piece of zoning code revised.

Case #2: Adopt Resolution Approving Proposed 2011 HRA Levy

Finance Officer Lund stated that each taxing authority must adopt a proposed budget for payable 2011 and certify its proposed property tax levy for payable 2011 to the County Auditor by September 15. She noted that for budget year 2010, the HRA adopted a maximum levy of \$410,124. For year 2011, staff is proposing a maximum levy of \$368,549. A taxpayer home valued at \$200,000 would be paying \$37 toward the levy. Ms. Lund explained the majority of the levy would be used for ongoing costs associated with The COR project area. Annually, the levy has also been responsible for approximately \$56,000 of maintenance costs related to the parking ramp maintenance agreement. Ms. Lund continued that due to the costs associated with The COR project, the proposed levy would not meet the proposed expenditures. It is proposed that the HRA will need to draw from the prior year fund balance and/or cash generated from future land sales to meet expenses. At year-end, 2010, it is estimated that the fund balance of the HRA will be \$640,000, at year-end 2011, the fund balance is estimated at \$453,000.

Motion by Commissioner Ramsey and seconded by Commissioner Wise to adopt Resolution #HRA-10-08-006 Establishing an HRA Property Tax Levy Payable in 2011 under Minnesota Statutes Chapter 469.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Wise, Elvig, Look, and McGlone. Voting No: None. Absent: Commissioners Jeffrey.

Finance Officer Lund reported that the budget piece comes back in December.

Ms. Nelson talked about the budgeting process and asked for some feedback to be able to bring the budget back in December.

Discussion ensued relating to the budget. Commissioner Elvig expressed concern about the \$12 million – RTC land. Mr. Ulrich stated that would be taken out of the final budget.

Case #3: COR Project Signage

Development Manager Lazan stated that currently, the only identification signage on The COR property is the sign at Sunwood and Ramsey and that is not in good condition. He talked about the importance of providing adequate contact information to potential buyers and residents. The development team would like to construct a number of informational signs and entry monuments on the project site which would dress up the corners of the property, provide relevant sale or leasing contact information, identify the entry points to the project, support the brand identity and promote the project, and welcome and promote new business/residential projects. The three categories of signs contemplated in the proposal are real estate signs, rehab pylons and new community pylons and described the plan for each.

In talking about the new community pylon, HRA Executive Director Nelson stated it's an effort to bring identity to the Ramsey Municipal Center and the Anoka County License.

Chairperson Dehen asked do they have any final obligations.

Ms. Nelson responded they are committed to put signage on the ramp.

Commissioner Ramsey asked would they agree to just being on the pylon sign and not on the ramp.

Ms. Nelson offered to talk to them about that again.

Mr. Lazan stated that he got pricing from three vendors and he is asking for budget approval reflective of one of them.

Chairperson Dehen stated he has been an advocate of getting a for-sale sign on this property.

Mr. Lazan clarified it will say "for sale or lease".

Chairperson Dehen added he did not want the signage to be as expensive as it is but it is definitely something he has been asking for.

Commissioner McGlone asked where the dollar value falls in our bidding policy to which Ms. Nelson responded we are under that \$100,000 mark and three quotes are sufficient.

Mr. Lazan stated he would like the HRA to pick a vendor and set a budget.

Commissioner Elvig questioned if this is "grand" enough. He was thinking of something billboard size.

Mr. Lazan stated that would have to go through the Planning Commission.

Chairperson Dehen stated he was concerned about the control of it.

Mr. Lazan stated that we have not considered any income from other squares – there are some opportunities to cover some of these costs.

Chairperson Dehen stated he likes the idea of getting it grander – but doesn't like the idea of spending so much more money.

Commissioner McGlone stated he would like to see something so we already have an argument that we are collecting money.

Commissioner Elvig stated he would like to see the motion to say \$150,000 contingent on finding \$60,000 in private enterprise – using it as an income revenue stream.

Mr. Ulrich stated that a private deal may take time to put together. He added that the most expensive piece is a full-color reader board. It would be nice to get the license center identity.

Commissioner Elvig asked can we look at the EDA now. The HRA bank is up to \$90,000 and the EDA would be an additional \$60,000.

Commissioner Ramsey asked if this couldn't be designed to where we will be building – a size now and then add to it later.

Mr. Lazan stated we could maybe look at expanding the reader board. He stated he is already getting “pounded” for the size now.

Ms. Nelson stated that one of our concerns was “leaping over the billboard cliff”. We need to be thoughtful about how big we get out there. We are trying to keep it in the realm of what's been done out there and this isn't necessarily forever. We viewed this as a ten to 15 year investment. It could be forever but if we go that big to look like a billboard, we have to be ready to answer to that.

Motion by Commissioner Ramsey and seconded by Commissioner Elvig to establish a budget of \$90,000 to construct the signage and work with Demark.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, McGlone, and Wise. Voting No: None. Absent: Commissioner Jeffrey. Abstain: Commissioner Look as he knows Demark.

A brief discussion ensued relating to the landscaping.

Motion by Commissioner Elvig and seconded by Commissioner Ramsey to have a four-color reader board in an amount not to exceed \$15,000.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Elvig, Ramsey, McGlone and Wise. Voting No: None. Absent: Commissioner Jeffrey. Abstain: Commissioner Look.

Case #4: Review COR Marketing and Communications Plan

HRA Executive Director Nelson stated there are a couple of marketing pieces coming forward real soon – articles for the Anoka Area Chamber Magazine, *The Real Estate Journal*, the Minnesota Shopping Centers Association newsletter, and the upcoming edition of the *Ramsey Resident*. She presented The COR Marketing and Communications Plan and stated this is sort of our “bible” on how we move forward with our marketing plans. There are email blasts, face book, twitter, and the website along with resident education with booths at Game Fair and Happy Days.

Chairperson Dehen asked what all this is costing.

Ms. Nelson stated that we are under Himle Horner but Mr. Lazan and she will pretty much be doing this work. She stated we are making sure we are staying relevant – we have formulated our plan and we are using that plan going forward.

Chairperson Dehen felt that face book, twitter, etc. is all a lot of “mumbo jumbo”.

Commissioner Elvig felt that all of these are infinitely important. He did not see anything that outlines marketing partners – can we identify some strong marketing partners.

Commissioner McGlone asked about a State Fair booth.

Ms. Nelson talked about a COR booth at Happy Days. We are down about \$8,000 in sponsorship from last year. We have cut about \$4,000 off some events and she was concerned we will be short by about \$,4000. Some money will be coming in from the carnival and the teen dance, but she didn't know how much. She wondered if The COR wanted to do a sponsorship of the main stage.

Commissioner Ramsey stated that if no one does it, then we will do it because we will pay for it anyway.

Mr. Lazan stated that we could leave space on the banner of the main stage and add smaller sponsorship names on the bottom.

Ms. Nelson asked again if there is a desire to have the COR sponsor a piece of it.

Commissioner Ramsey stated he did not see any reason why not if we are paying for it anyway; however, he expressed concern of the public perception of continuing to spend money to market The COR.

Commissioner McGlone suggested to exhaust everything first and then have a COR be a sponsor as a last resort. He suggested offering booths to candidates – State, County, and Local.

Consensus was to bring this conversation back to a work session.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

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

Motion carried.

The special meeting of the Housing and Redevelopment Authority adjourned at 9:30 p.m.

Respectfully submitted,

Heidi A. Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Jo Thieling, City Clerks