

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, December 14, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 HRA Executive Director Heidi A. Nelson
 Public Works Director Brian Olson
 Planning Manager Amber Miller
 Finance Director Dianna Lund
 Fire Chief Dean Kaplan
 City Attorney Bill Goodrich
 Councilmember Elect Jason Tossey
 Councilmember Elect Randy Backus
 Development Manager Darren Lazan
 Consultant Stacie Kvilvang
 City Attorney from Briggs & Morgan

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 11:12 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

Motion by Commissioner Look, seconded by Commissioner Jeffrey, to approve the following minutes:

Special Meeting Minutes dated September 21, 2010

Special Meeting Minutes dated October 12, 2010
Special Meeting Minutes dated October 19, 2010
Special Meeting Minutes dated November 9, 2010
Special Meeting Minutes dated November 23, 2010

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

APPROVAL OF AGENDA

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

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

HRA BUSINESS

Case #1: Approve Purchase Agreement for Suite Living at The COR – Lot 4, Block 1, COR ONE

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen opened the public hearing at 11:15 p.m.

There were no comments at the public hearing.

Motion by Commissioner Jeffrey, seconded by Commissioner McGlone, to close the public hearing.

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

The public hearing was closed at 11:16 p.m.

Motion by Commissioner Look, seconded by Commissioner Elvig, to ratify the prior execution of the purchase agreement effective September 15, 2010.

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

Case #2: Adopt Purchase Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen opened the public hearing at 11:22 p.m.

There were no comments made at the public hearing.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to close the public hearing.

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

The public hearing was closed at 11:23 p.m.

Development Manager Lazan and Consultant Stacie Kvilvang summarized the project timeline, the significant meetings, parking, property acquisition, purchase agreement, City's obligation, development fees, minimum assessment agreement, TIF, City loan, and how risk was mitigated.

Commissioner Elvig asked how much of the portion of the subsidy equity was the true cash.

David Flaherty, Flaherty & Collins, explained what the banks would be looking for in order to base the loan off of. He indicated most loans were based on what income would come in from the project.

Commissioner McGlone questioned the way the subsidy was calculated.

City Administrator Ulrich responded there were many ways to calculate subsidies.

Chairperson Dehen stated he was opposed to the project given the amount of the subsidies. He believed if a project could not proceed on its own, it should not go in. He stated he was personally upset with Flaherty & Collins that they had not informed the Council about two of their projects going into bankruptcy. He believed the Council should have been informed about this information in advance of it being reported by the media. He stated he was concerned that a person involved in Landform was an owner in this project. He questioned whether this was secondary gain.

Commissioner Jeffrey stated he was concerned about the perceived conflict with Landform being involved in the project as an owner also. He stated he could not in good conscious support the project at this time.

Development Manager Lazan stated when Landform had submitted the proposal for a possible development, they had disclosed there was a possibility about self-development. He stated a document had also been handed out at both a Council meeting and worksession that Landform was involved in self-development.

Chairperson Dehen stated he had no idea about Landform being involved.

Mayor Ramsey stated he knew about this and that was the reason HRA Executive Director Nelson got more involved in this.

Commissioner Jeffrey stated when he had asked for more information as to Landform's involvement, he had not received anything until tonight's workshop meeting.

Commissioner Wise stated the City should not play developer because in the real world deals were done by relationships and he did not have a problem with the development. With respect to subsidies, he noted the City Hall was subsidized and the return to the City for City Hall was nothing. He indicated a development as large as this one did not go on its own.

Chairperson Dehen stated he was not anti-development, but when was enough going to be enough.

Commissioner Ramsey stated the reality was that the HRA worked on a pro-forma and numbers did not lie. He stated he did not have an issue with this and he did not believe there was a conflict.

Commissioner Elvig stated he was comforted with the equity Flaherty was putting into the project. He asked if more retail could be worked into the development. He stated he wished he would have received a pro-forma as he had requested. He stated he did not want this project to be undercapitalized. He wanted assurances Flaherty had sufficient capital to complete the project. He questioned the management of the project. He noted he had concerns about the dashboard. He stated the group had to do better in the future. He asked Mr. Flaherty if he had sufficient funding or did he need more.

Mr. Flaherty noted he had not received the financing yet, but the City did not need to do anything until he had the funds. He stated they were not going to rule anyone out for financing. He stated he would also like to have more retail in the project, but retail right now was not doing much of anything right now. He indicated retail needed to see sufficient people in the area to support it before they would be willing to put a retail store in. He noted it was their intent to come back with phases, which would attract retail into the area.

Commissioner Look stated he was not concerned about the perceived conflict. He stated if Mr. Flaherty went bankrupt on the property, there was still a future for that property. He stated this project added people, viability, and ridership for the rail, which was what the Council wanted for this area. He believed this project would bring in further development. He believed the merits of the case satisfied the City's goals and visions. He stated it should not be the HRA's concern as to who was financing the project.

Motion by Commissioner Ramsey, seconded by Commissioner McGlone, to approve the Purchase Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE.

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

Case #3: Approve Development Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE

HRA Executive Director Nelson reviewed the staff report.

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the Development Agreement for The Residence at The COR – Lot 3, Block 1, COR ONE.

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

Case #4: Approve Development Management Fee - The Residence at The COR

HRA Executive Director Nelson reviewed the staff report.

Chairperson Dehen stated he had concerns with the relationship and the fees, but Council had agreed to do this. He expressed concern about the vagueness of this and he did not see where this should have been negotiated. He encouraged the new Council figure out a formula on how something like this should be dealt with.

Development Manager Lazan stated staff worked very hard on this to come up with a formula and this was a difficult project to deal with. He stated he had fronted many costs also to ensure this deal went through. He noted he was still carrying \$170,000 of project costs and he had eleven Landform staff members working on the project over the past 14 months. He requested the \$80,000 be guaranteed.

City Administrator Ulrich stated the intent of this development was to spur other development and he would work with Landform on the \$80,000.00.

Chairperson Dehen stated he would vote against this because he had consistently voted against the project and he disagreed with the Development Contract.

HRA Executive Director Nelson stated there had been a lot of discussion regarding this and she proposed the \$80,000 be paid back at the next land sale transaction or at the end of the contract date.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the Development Management Fee - The Residence at The COR and to negotiate the \$80,000 with Landform.

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

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 1:00 a.m., December 15, 2010.

Respectfully submitted,

Heidi Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.