

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, January 18, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:                   Chairperson David Jeffrey  
  Commissioner David Elvig  
  Commissioner Colin McGlone  
  Commissioner Bob Ramsey  
  Commissioner Jason Tossey  
  Commissioner Jeffrey Wise

Members Absent:                   Commissioner Randy Backous.

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

**CALL TO ORDER**

Chairperson Jeffrey called the special meeting of the Housing and Redevelopment Authority to order at 4:02 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF AGENDA**

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

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

**APPROVAL OF MINUTES**

Motion by Commissioner Ramsey, seconded by Commissioner McGlone to approve the following HRA Meeting Minutes:

- 1) Tuesday, August 31, 2010

- 2) Tuesday, September 7, 2010
- 3) Tuesday, October 5, 2010
- 4) Tuesday, December 14, 2010

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

## **HRA BUSINESS**

### **Case #6.1: Consider Scope of Special Services District for The COR at Ramsey**

HRA Executive Director Nelson stated that the Development Management Team has been working on a scope of services for maintenance and operations via a Special Services District (SSD) for The COR. This past summer, we dealt with some of the declarations of the old Master Declaration; we have a significant role in that association. Some things happened with Jim Deal over that but not much has happened since then. Our goal is to establish a SSD and minimize or abandon the master association that was established by the master developer. She noted the HRA is a majority-voting member of the master association and Jim Deal has membership in the association commensurate with his land holdings within the association boundaries.

Development Manager Lazan stated that the HRA, as owner and master developer of the majority of developable land within The COR, has initiated the organization and preparation of an ordinance establishing a SSD. The SSD will manage and fund the maintenance and operations of the project above and beyond that ordinarily provided by the City. He described the district boundaries as the commercial properties located south of Ramsey Parkway, between Armstrong and Ramsey Boulevards, and including the proposed west 50 retail. The SSD the City adopts will only impose charges on property, or portions of properties within this boundary. Commercial properties would pay, residential properties would not. Payment is based on net tax capacity. This does not operate in an association. A civic or municipal operation sets the budget in the beginning of the year. This District would cover these services above what the City normally provides.

Commissioner Elvig inquired about member properties being an advisory committee and asked how the HRA would get tagged if it is about assessments of land. We will have to have some special qualifications of our level of payment.

Mr. Lazan stated we will not include advisory committees for now but we will ask Solomon and Deal about the budget, etc.

Discussion ensued relating to the cost based on net tax capacity.

Mr. Lazan noted there is some raw land and for that, we will use the baseline we used for TIF. Theoretically, there is very little cost in the first few years. The idea of a Master Declaration is a nightmare. This gives the City a chance to define community and this is how we will assess it. Net tax capacity seems to be the cleanest way.

Commissioner Wise suggested that certain properties will get much more benefit than others (e.g. with snow removal – you will have to have some areas for snow) to which Commissioner Ramsey agreed.

Mr. Lazan stated that it would never be 100 percent equitable. He pointed out the areas to be included – up to Armstrong and when Armstrong moves, we will pick up those other properties. He noted that in the end, it averages out. One concept we did not include are sub-districts. Maybe we can weight them by benefit. This is above and beyond parking use and maintenance agreements (PUMA).

Commissioner McGlone asked about the cost of PUMA to which Mr. Lazan replied the City will take care of it and will assess the cost. Commissioner McGlone inquired why the City would want to do the PUMA. Mr. Lazan responded that whoever takes care of the Special Services District manages PUMA as well.

Director of Public Works Olson stated that we would have to contract that out eventually because we cannot get to the third and fourth level of the ramp. That contract will be paid for by the PUMA.

Mr. Lazan referred back to the proposed scope of services. He categorized the initial services provided into three areas of operations – Property Management, Maintenance, and Signage. He noted that Property Management would include someone who would take care of property inspection and oversight of services, all assessments and accounting, security, and space programming. This person could be internal or external. With regard to maintenance, this would include all of the things that are not normally done for maintenance (e.g. potted plants, benches, trash receptacles, sidewalk sweeping, lawn care, ground maintenance, etc.) Upkeep of vacant properties would be included in this as well.

Commissioner Ramsey stated with regard to property management – events – he can see some of that but wondered how you manage that with all the other property owners. Mr. Lazan stated that the properties all benefit from this. HRA is the predominant property owner requesting this ordinance so whatever the HRA does not want in this scope, that needs to be said.

Commissioner Ramsey stated he would not feel comfortable putting something like this in there to have all other property owners bearing that cost.

Director of Public Works Olson stated that could come to the City Council or the HRA at the time the budget is set.

Commissioner Ramsey stated that as far as events, he did not agree with that necessarily.

Mr. Lazan gave the background of why that was included. Right now, the City pays for all the special events, advertising, etc. This will be a way the City will get some of this back – charging it to the District. Every property owner benefits because of increased activity and awareness of the area.

Chairperson Jeffrey inquired would the SDD also raise revenue to which Mr. Lazan replied yes, maybe venues would completely cover themselves.

Mr. Olson stated that just today he was talking to Mark Riverblood about the Concert in the Park series. He's looking at catering, etc.; however, last year we backstopped Wells Catering.

Commissioner McGlone stated that Cubby's came and it was a rain out and they were not backstopped. He added he is not in favor of cushioning Mr. Wells. He stated he would move we do not backstop anyone.

Commissioner Tossey inquired if the amphitheater would be in the Special Services District to which Mr. Lazan replied we have extended the boundaries to include parks.

Mr. Lazan continued with Signage. He talked about developing signs and the different types of signs. We will be coordinating with tenants about what's allowed and what is not plus other potential issues. He proceeded to review the budget line by line. He noted it is a very crude initial budget.

Mr. Lazan was asked how he came up with these numbers to which he replied he estimated the costs and divided it over the number of properties. He added this is the budget we would like to use to approach Solomon and Mr. Deal.

Commissioner Wise stated there have been discussions about using the reader board as a revenue generator.

Ms. Nelson explained that staff has yet to deliver policy documents on these signs. It's a community billboard but we could sell advertising; however, that's a policy question this board needs to work through.

Commissioner Ramsey asked about the capital costs for signage.

Mr. Lazan replied that the City owns that and it's funded through the HRA. That will be spelled out in the ordinance.

Commissioner Ramsey talked more about snow removal – snow melting. If the City does the whole thing – we have to buy the equipment. If it's contracted out – then the contractor buys the equipment.

Mr. Lazan stated that a percentage could be charged back to the SDD.

Commissioner Elvig stated we want to get this done but he felt there would be a lot of pushback. They will have some questions about what's in it for them. This is a baseline of what we need with talking points and a wish list. This needs to be done in stages and he asked if there have been any discussions about this.

Mr. Lazan responded that we have had some talks. There will be a full-time staff of 15 people for example. We can talk though these items but until it's developed, we have not done that.

Commissioner Elvig stated he is just thinking about how we get them to buy into it today.

Ms. Nelson stated we will have to focus on the delivery – there has to be some guaranteed delivery.

Mr. Lazan reported that the biggest challenge he has heard so far is “will you do it – because I do not want to pay you and then pay someone else to do it”.

Discussion ensued relating to snow removal and maintenance in general. Commissioner Ramsey stated for example - we get big box retail, etc., and it snows like this year – we do not want to end up with a 50 foot mound of snow. Who manages the disputes between the property owners. Mr. Lazan stated we would manage who does what. We can control how we want maintenance taken care of. We can set the level of service for the year. Commissioner McGlone commented that we need to have something with teeth in it about dumping snow, etc.

Chairperson Jeffrey asked what more Mr. Lazan needed from the HRA – or did he have enough direction to refine this.

Mr. Lazan stated he will finalize this and present a draft ordinance to the City Council.

HRA Executive Director Nelson stated this is only to legally establish/create this entity. It does not cover the budget, etc. We wanted to get HRA's reaction to this concept. We need to meet with Jim Deal. We need to go with the structure established and if it's okay, we will draft the ordinance. The HRA needs to be the petitioning property owner. The action might be to prepare a draft ordinance to petition the ordinance.

Chairperson Jeffrey asked that when staff starts visiting with property owners, could they give the HRA a “heads up”. Ms. Nelson replied it will probably be in the next couple of weeks.

Commissioner Elvig asked if we could start looking at geothermal. The snow removal savings would be great. Mr. Lazan inquired if he is talking about ground source heat to which Commissioner Elvig replied yes. Commissioner Ramsey stated we need to generate that heat. Commissioner McGlone mentioned solar heat. Commissioner Ramsey commented on the cost to maintain this.

**Case #6.2: Consider TOTI Holdings LLC – Suite Living Purchase Agreement Amendment**

HRA Executive Director Nelson stated that this case addresses a number of items. TOTI Holdings, LLC has exercised its right to extend its due diligence period to the end of March. The purchase price is reduced due to the size being reduced slightly through the platting process.

Mr. Lazan stated that the amendments cover the two items Ms. Nelson mentioned as well as memorializing others. He noted that included in the amendments is that the HRA agrees that it will not subject the property either to the terms of the existing Master Declaration or to any replacement Master Declaration prior to closing without TOTI's consent. He noted that the HRA intends to pursue a Special Services District (SDD) rather than a replacement Master Declaration. With respect to the SDD, the City is preparing the draft ordinance, but the HRA is asking TOTI to waive this contingency based on the HRA's representation and warranty that, regardless of the form of the ordinance the City adopts, the ordinance will not subject the property to any fees or charges except for commercial or industrial use. Back to them extending the due diligence period to March 31, that does not affect the closing date. He added that these are very routine amendments and are well recorded.

Commissioner Elvig inquired if we have any handle on how they are doing financially.

Mr. Lazan stated they say well – they just closed on a different property. When they asked to exercise the extension, he reiterated the concern that they are still on track.

Ms. Nelson stated that we continue with them – there are other folks in line to keep them in line – First Phoenix.

Commissioner Elvig asked if staff has talked to First Phoenix about other areas in the City.

Ms. Nelson stated we have not really done that yet. We want to get this taken care of now and will do that at a later time. We are a ways out for that.

Commissioner McGlone stated that this is a market driven business – if the market says a 90-place facility – he assumed that meant over the entire area of the City.

Ms. Nelson stated we will stay focused on this deal.

Motion by Commissioner Elvig, seconded by Commissioner Wise to approve and execute the revised purchase agreement with TOTI Holdings LLC.

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

### **Case #6.3 Update on New COR Signs**

HRA Executive Director Nelson stated staff has been working on getting the new COR signs underway. She presented an update of the signs and stated that she wanted the HRA to see the plans before they get too far. We had \$105,000 budgeted; however, some things have changed as we have moved forward. The entire project is now about \$7,000 over budget but we could make some amendments to landscaping, etc. to cover that \$7,000. We do not need a decision now – we will come back later and ask if the HRA would like to cut back on the landscaping, etc. as we progress.

Mr. Lazan presented pictures of the signs as well as descriptions of the materials, etc.

Commissioner Elvig asked to rehab the Armstrong pylon sign so that the top sign fits together with the lower as he felt that would look better.

Mr. Lazan offered he would find out the cost of that rehab.

Commissioner Ramsey stated he would agree with the rehab except that hopefully in a couple of years these signs will be gone.

Chairperson Jeffrey suggested that Mr. Lazan could inquire about the cost and report back.

During the description of the monument sign, the question was asked where it is controlled from to which Mr. Lazan replied from the reception desk.

Commissioner Elvig suggested trimming on the top so you do not lose the light in the skyline.

Mr. Lazan stated he would look into that.

Ms. Nelson reported no action is needed. She just wanted to make sure the HRA is aware of what's happening.

#### **COMMITTEE REPORTS**

None.

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

None

#### **COMMISSIONER INPUT**

None

#### **ADJOURNMENT**

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 5:04 p.m.

Respectfully submitted,

---

Heidi Nelson  
HRA Executive Director

ATTEST:

---

Jo Ann M. Thieling  
City Clerk

Drafted by Jo Thieling, City Clerk