

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Work Session
Tuesday May 3, 2011
Immediately following the City Council Work Session
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
- 5. HRA Business**
 1. Consider Flaherty and Collins Financing Options (portions may be closed to the public)
 2. Review Current Development Dashboard
- 6. Executive Director's Report**
- 7. Commissioner Input**
- 8. Adjournment**

HRA Work Session**5. 1.****Meeting Date:** 05/03/2011**By:** Darren Lazan, Housing &
Redevelopment Authority**Title:**

Consider Flaherty and Collins Financing Options (portions may be closed to the public)

Background:

In December of 2010, The HRA approved the real estate deal with Flaherty and Collins for the sale of land immediately west and north of the parking structure and proposed addition. Since that time, F&C has been working to secure their construction financing to commence in late June as scheduled. In early April, the HRA approved an amendment to the original agreements that extended their contingency for financing to May 15th, and their closing date to the end of June.

At the April 19th worksession, the HRA received an update on that progress from David Flaherty, and discussed the challenges with obtaining the financing necessary to commence construction as planned, and the challenges with coordinating the ramp addition in the absence of the simultaneous start of the apartments.

As a result of the discussion, the development team was directed to pursue options for the HRA to assist in the financing of the project and to present those potential solutions at a future meeting.

Observations:

The development team has met with the HRA's legal counsel and financial consultants on several occasions over the last two weeks. There have also been several meetings with both F&C and their lender PNC. The development team has assembled a potential solution to the financing challenges, and would like to review that with the HRA for input on both the policy decisions surrounding this solution, and potential deal points that would need to be renegotiated with F&C.

Items to discuss include:

- Review current deal structure
- Review financing challenges
- Consider examples of similar projects
- Discuss current market conditions as they relate to projects in The COR
- Discuss potential solution for this project

Depending on the direction provided, the HRA will need to consider the structure of a second amendment to the documents to provide the time necessary to modify the deal and commencement of the project.

Recommendation:

The development team recommends the HRA consider the above topics and provide direction as to proceeding with this project.

Funding Source:

N/A

Council Action:

Provide consensus direction to the development team as to a potential funding solution for the Flaherty and Collins project, and if appropriate, direct staff to prepare a detailed proposal for consideration at a future regular HRA meeting

Form Review

Inbox
Heidi Nelson

Form Started By: Darren Lazan

Reviewed By
Heidi Nelson

Final Approval Date: 04/28/2011

Date
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Started On: 04/28/2011 08:05 AM

HRA Work Session

5. 2.

Meeting Date: 05/03/2011

By: Darren Lazan, Housing &
Redevelopment Authority

Title:

Review Current Development Dashboard

Background:

As outlined in the new Development Management contract approved in March of this year, the development team will present the current draft of the Development Dashboard which is the baseline financial pro-forma for the project. This document tracks all the current and projected project costs, as well as the projected land sale proceeds for the entire 150 acre project. As your development management team, we use this document to evaluate potential development scenarios and project potential revenues and project performance for those scenarios.

The Financial Dashboard will be reviewed with the HRA at the meeting.

Recommendation:

The development team recommends the HRA consider the strategy currently outlined in the development dashboard and provide direction for both future reviews of the dashboard and potential strategies to explore.

Funding Source:

N/A

Council Action:

N/A

Form Review

Inbox
Heidi Nelson

Reviewed By
Heidi Nelson

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