

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted an EDA meeting on Thursday, October 13, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Chris Riley
 Member John LeTourneau
 Member Colin McGlone
 Member Wayne Skaff
 Member Kristine Williams (arrived at 7:33 and left at 9:40)
 Member Jeff Wise (left at 9:40)

Members Absent: Member Jim Steffen

Also Present: Aaron Backman, Economic Development/Marketing Manager
 Kurt Ulrich, City Administrator
 Heidi Nelson, Deputy City Administrator/Community Development Director
 Randy Backous, City Council Alternate Member
 Brian Olson, Public Works Director
 Tim Gladhill, Senior Planner
 Mike Mulrooney, EDA Consultant
 Tina Goodroad, Planning Consultant
 Joel Buttenhoff, Commercial Property Owner
 Mick Kaehler, Building Official (arrived at 9:01 a.m.)

CALL TO ORDER

Chairperson Riley called the Economic Development Authority meeting to order at 7:30 a.m.

APPROVE AGENDA

Motion by Member LeTourneau, seconded by Member Skaff, to approve the agenda with the addition of Case 1A "Discuss Policy for a Franchise Fee"

Motion carried. Voting Yes: Chairperson Riley, Members, LeTourneau, Skaff, McGlone, and Wise. Voting No: None. Absent: Members Steffen and Williams.

APPROVE MINUTES

Motion by Member Skaff, seconded by Member LeTourneau, to approve the August 25, 2011 minutes as presented.

Motion carried. Voting Yes: Chairperson Riley, Members Skaff, LeTourneau, McGlone, and Wise. Voting No: None. Absent: Members Steffen and Williams.

EDA BUSINESS

Case #1 Update Buxton Study Retail Analysis

Economic Development/Marketing Manager Backman presented the Staff Report that discussed the Buxton Study Retail Site Analysis (RSA) Update, the Retail Match List and related Operation Status of Potential Retailers. The report assumes a primary drive-time trade area of 12 minutes, delineates the household profile of the customers for both retail sites (167th Ave/Hwy 47 and The COR), and the surplus/leakage levels for 11 major and 49 minor store types.

Member McGlone stated that he thinks the Board needs to be cautious on how to use this report. He thinks a three minute drive time in a local neighborhood area seems more reasonable.

Economic Development/Marketing Manager Backman stated that the RSA study used a 12 minute drive-time for both sites. However while 12 minutes may work for site number two (The COR), three to six minutes for site number one (167th & Hwy 47) may be better. Also, The COR could draw people from farther out than the 12 minutes (ex. medical clinic services).

Deputy City Administrator/Community Development Director Nelson stated that the Buxton Study was not intended to be a market study, but a psycho demographic study, looking at who lives here, who spends money here. It was to help narrow our sights as to who would fit and survive here. She would like the EDA board to look back as to why we did the Buxton Study before it be considered inadequate and useless. It helps us to focus our efforts and target who we are, the study has helped in the COR.

Economic Development/Marketing Manager Backman stated no action is required by the Board, however, if there are specific retailers on the list they would like pursued, members should let Mr. Backman know.

Member Wise stated he didn't see any convenience stores on the retail list. They are traffic generators and might be places to start or add to the list. Mr. Backman stated he will make that suggestion to Buxton.

Case #1A Discuss Potential of a Franchise Fee

City Administrator Ulrich presented the staff report that updated the members on the potential enactment of a City franchise fee on natural gas and electricity bills for businesses and residents in order to cover the cost of road maintenance and replacement. He explained that the City Charter states that residents can petition out of road improvement projects with 51% opposing any proposed assessments. The City pays hundreds of thousands of dollars on feasibility studies; the project is opposed, and then not done. The City needs to look at a better way to get projects completed because the road funding problem does not go away.

Public Works Director Olson stated there is approximately 140 miles of local roadways, most of which were built from 1975 – 1980. Roadways have a 40 year life span, so the City will have some funding hurdles coming in 2015. He discussed a public communication plan for road funding.

Public Works Director Olson continued by stating the impact if the City does nothing is that the road reconstruction is assessed 100% to the adjacent property owners. A 2.5 acre parcel would be assessed approximately \$27,000. He continued that there are three options:

1. Do nothing and assess the adjacent property owners
2. Put on the property tax levy
3. Franchise fee

Discussion ensued among the Commissioners regarding the franchise fee.

This was for information purposes and no action was taken by the EDA.

Case #2: Consider Master Plan Timeline for Commercial Node at 167th Avenue and Saint Francis Boulevard

Senior Planner Gladhill presented the Staff Report that described the history of the area, the impetus for creating a master plan, and the proposed plan to achieve the goals.

Member McGlone asked who will participate in the process. According to Senior Planner Gladhill the intention is to involve residential and business stakeholders in the area.

Senior Planner Gladhill stated a direct mailing will be sent out to a determined radius, and it will be advertised in the Ramsey Resident. The public process will kick off in January of 2012.

Member LeTourneau stated he thinks this is incredible and can't wait to see the process begin. He has a concern that property owners might not be in agreement with the plan, like as in 2004.

Senior Planner Gladhill stated in 2003-2004 rumors and fears filtered through the area, and this time the first step will be to get with property owners one-on-one and get their feedback. We need to make sure we have land use that is flexible and set up this area for success based on what the property owners want.

Chairperson Riley stated that he recommends EDA members take part in this process.

Case #3: Water Main Project to Service Commercial Strip Mall at 167th Avenue

Economic Development/Marketing Manager Backman presented the Staff Report that discussed the extension of the City's water main to the commercial property located at 5900 167th Avenue NW.

Joel Butenhoff, owner of the strip mall at 5900 167th Avenue NW, stated his company has invested over two million dollars in acquiring and renovating the commercial center. The property has its challenges, but he is not running from it. Hope Fellowship, his largest tenant, has been in the building for three years, but will have to move if the current Interim Use Permit expires and a fire suppression system is not installed. If he loses the church as a tenant there would be a real financial challenge for the property. He added that he is committed to resolving this issue.

Economic Development/Marketing Manager Backman stated that on September 26th Mr. Butenhoff provided a written proposal to the EDA. Under his option, if the City would pay for a water main

extension along 167th Avenue to his property, he would pay the cost of sprinkling that portion of the building as required by code and the connection to the city water main. Mr. Butenhoff estimated his costs for a fire suppression system and water main connection could range from \$100,000 to \$125,000. If the City extended a 12" water main along 167th Avenue for about 750 feet the construction costs was approximately \$180,000. The EDA Fund and Water Utility Fund could be used to pay for the City's portion of the project. The City's new water line could serve other commercial properties in this commercial node and facilitate redevelopment efforts in the area.

Member McGlone questioned the need for the water main extension along 167th Avenue. He pointed out the existing water main along Quicksilver Street was a closer connection for Mr. Butenhoff than 167th Avenue. And it would not require a large City investment.

Public Works Director Olson pointed out that connecting to the southwest would not serve other commercial uses and would not begin a loop back to the City's water tower. He indicated that a portion of the trunk permit fees for the project would be retained by the City if the extension is along 167th Avenue.

Discussion ensued regarding the location of the City water main connection to the building. Members discussed the proposed 750 foot extension on the south side of 167th Avenue, the most effective connection for future use and for the current fire suppression need, the possible extension of the Interim Use Permit to Hope Fellowship, and the building code adopted by ordinance. Also, members discussed the cost involved to extend water, including that the trunk fees collected for the southwest side connection going entirely to the bank.

If the City extends the water main, Mr. Butenhoff would connect the building to the north.

Consensus was that the connection should be on the southwest side rather than extending the water main to the north.

Case #4: COR Status Report

Deputy City Administrator/Community Development Director Nelson presented the Staff Report that discussed the activity in the COR.

The VA Clinic grand opening will take place on November 11, 2011 at 1:00 p.m. The PACT Charter School will start the day with a program to honor veterans at 8:00 a.m. It is expected to be a highly attended event with local media coverage.

A rail announcement event is being planned for November 16, 2011.

MEMBER INPUT

Economic Development/Marketing Manager Backman reminded members of the business tours on Monday, October 17, 2011, Green Valley Greenhouse at 3:00 p.m. and Life Fitness at 4:30 p.m.

Members discussed a date for the EDA business networking event and it was determined that it will take place on December 1, 2011.

ADJOURNMENT

Motion by Member Skaff, seconded by Member LeTourneau, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Riley, Members Skaff, LeTourneau, and McGlone.
Voting No: None. Absent: Members Steffen, Williams and Wise.

The regular meeting of the Economic Development Authority adjourned at 9:45 a.m.

Respectfully submitted,

Aaron Backman
Economic Development/Marketing Manager

ATTEST:

JoAnn Shaw
Planning Division Secretary