



Advance Consulting Group, Inc.

Development and Finance Specialists

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April 23, 2012

Kurt Ulrich
City Administrator
City of Ramsey
7550 Sunwood Drive
Ramsey, MN 55303

RE: PROPOSAL FOR EXPANDED LEVEL OF SERVICE

Dear Kurt:

Advance Consulting Group, Inc. (*ACG*) provides economic development services to private and public clients like the City of Ramsey. *ACG* has been a trusted advisor to the City of Ramsey since 1998. We are a full service economic development firm with expertise in: organizational development, preparation of economic development strategies, tax increment financing, grant writing, federal and state loan packaging, public and private financing, and site selection. Due to recent staff changes, the City of Ramsey is in need of an increased level of assistance to accomplish economic development objectives. I present this proposal for your consideration to provide this type of assistance.

Executing a strategy for long-term economic growth requires preparation, coordination and knowledge of what works. Numerous cities and private companies have relied on *ACG* to provide experience and expertise to get the job done.

WHY CLIENTS SELECT ACG

Most economic development projects - whether they be industrial, commercial or residential - require increasingly complex public/private financing partnerships. The availability of financing tools and the regulations that govern them are constantly changing. Our knowledge and understanding of available financing methods, attention to detail and effective communication provide the key to development success.

When you select *ACG* you receive:

- Seasoned and proven senior staff expertise with over 37 years of economic development experience.
- Unbiased, courteous and professional service with no hidden agendas.
- A large and extensive network of highly respected contacts and business leaders who are involved in the development process.
- Cost effective services with satisfaction guaranteed.

ECONOMIC DEVELOPMENT SERVICES

Services provided by *ACG* have helped to generate more than a billion dollars of development. *ACG* has been highly successful when using limited local, state and federal financing incentives to leverage the maximum amount of private financing for projects.

ACG knows what financial incentives can be offered. More importantly, *ACG* knows how to cut through red tape and to prepare creative financial packages that get deals done. *ACG* gets results by working with lenders, government officials, businesses and industry leaders to build a network of business referrals and financing resources. *ACG's* proven approach to economic development involves focusing on and meeting each project's particular needs. It is this approach to problem solving that has placed *ACG* at the forefront of economic development.

In recognition of our accomplishments and ability to successfully execute development strategies, the Economic Development Association of Minnesota presented the principals of *ACG* with its coveted *ECONOMIC DEVELOPER OF THE YEAR* award.

AREAS OF EXPERTISE

- Strategic Planning
- Direct Marketing
- Business Prospecting
- Industrial Park Development
- Tax increment financing
- Securing state and federal grants and loans
- Packaging business loans
- Credit Analysis
- Structuring real estate financing
- Redevelopment

PROFESSIONAL RESUME

Michael J. Mulrooney

Mike Mulrooney is the President of Advance Consulting Group Inc. Mike has over 37 years of experience in economic development, finance and business development. He specializes in assisting development organizations and private businesses with deal structuring and operations management. Mike's background includes serving as Director of the Minnesota Department of Economic Development under two governors. While in this position his accomplishments included founding and establishing Minnesota's first statewide development corporation, establishing Minnesota's first community preparedness program (The Minnesota Star Cities Program), and managing the State's grant and loan programs as well as domestic and international marketing programs.

Mike established ACG after leaving his position with the State of Minnesota. Since then, he has served as a consultant to private companies, numerous state development organizations and cities. Mike has been a consultant to the National Association of State Development Agencies, the National Council for Urban Economic Development, the State of Minnesota, the State of Nebraska, the State of Montana, the State of Nevada, the Metro East Development Partnership, the Anoka County Economic Development Partnership, and the Dakota County Economic Development Partnership to name a few. He has held numerous positions of leadership and responsibility including:

- President, Central Minnesota Development Company
- Board of Directors, Central Minnesota Development Company
- EDAM Foundation Board of Directors
- Minnesota Economic Development Foundation Vice Chairman,
- Minnesota Industrial Development Association Board of Directors
- President, Minnesota Industrial Development Association
- President, Business Development Services, Inc.
- Board of Directors, Mid America Economic Development Council
- Board of Directors, Thin Film Technology Corporation
- Board of Directors, Air Cure, Inc.
- Board of Directors, Metro North Chamber of Commerce

PROPOSED SCOPE OF SERVICES

ADVISOR TO CITY OF RAMSEY EDA AND STAFF

ACG proposes to serve as a continuing advisor to the City of Ramsey, its EDA, and city staff. In this capacity, we would assist with the ongoing design and implementation of a strategic plan for economic development.

IMPLEMENTATION OF STRATEGIC PLAN AND WORK PROGRAM

Ramsey is a dynamic and continually changing community. To deal with this change requires an effective plan of action or “strategic plan”. The Ramsey EDA has established an economic development plan however it now lacks one of the most important elements, the manpower and expertise to accomplish it. The basic elements of every economic development plan should include:

- An understanding of what the strengths and weaknesses are for the community (assessment phase).
- A sense of what the community desires to be (vision, goals and priorities).
- Milestones to determine the progress of the community (objectives).
- Clear and effective means for achieving the objectives (strategic actions)
- Knowing when the community has arrived (evaluation and adjustment).

As simple as the basic concepts of strategic planning appear, far too frequently they are improperly or ineffectively used. The staff at ACG has years of experience working with communities to design strategic plans with realistic strategies that can achieve desired outcomes. To position Ramsey for economic growth the community needs to determine 3 things. First, where are you now? Second, what you want to be and finally, how you are going to get there.

If job creation and expansion of tax base are immediate concerns, Ramsey’s economic development program needs to focus on a few key elements:

- Business Retention and Expansion
- Business Recruitment
- Redevelopment and Revitalization
- Special Projects

BUSINESS RETENTION AND EXPANSION

A good Business Retention and Expansion Program makes local businesses more competitive by evaluating and addressing some of their key needs and concerns. The program monitors changing marketplace dynamics so that policy makers and community leaders can make decisions that can decrease threats or enhance opportunities, and enhance community economic growth.

Why Business Retention and Expansion?

- Current businesses form the city's existing economic base.
- Current businesses provide the jobs and tax base for local and state entities.
- Existing businesses create new jobs at a faster rate.

How is the program implemented?

We recommend that the program be implemented by using the time and talent of EDA members and other volunteers. Steps to a successful program include:

- **Identification of businesses and industry to be contacted.**
- **Schedule a site visit**
The BR&E visitation team will use a specially-designed questionnaire to obtain information on the needs of each business, issues it may be facing, and its future plans.
- **Participate in follow-up visits**
Community Development staff and EDA members will conduct regular on-site surveys to continue to evaluate the needs of the business and address its concerns.
- **Provide data for action plan**
The EDA will develop an economic development action plan to address opportunities and obstacles that surface through the visitation program as well as many other initiatives. This plan will outline the most pressing issues identified by the business community.
- **Appreciation Event**
The EDA will hold at least one business appreciation event annually. The event will promote networking through business education sessions

BUSINESS RECRUITMENT

To date ACG has successfully recruited over 30 companies to the City of Ramsey. With sites still available for development work remains. ACG is connected to the development community which greatly improves the identification of business prospects. Responding to prospects in a timely and professional manner is a key to our success.

Our efforts to assist businesses include responding to inquiries and RFP's, identifying sites, providing access to capital, reviewing available incentive programs, introducing employee hiring and training programs, providing research information, and offering other assistance as needed.

REDEVELOPMENT AND REVITALIZATION

The Redevelopment Program focuses on redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. ACG has assisted the City of Ramsey with many redevelopment projects including Business Park 95 and the Sunfish Business Park to name a few. This effort has resulted in the creation of new industrial parks that have a significant impact on the city's tax base. Redevelopment opportunities remain including the Highway 10 corridor and 167th Ave. - Highway 47 intersection.

SPECIAL PROJECTS

From time to time special projects surface that need economic development expertise. Examples include site acquisition for the relocation of Armstrong Blvd and the Cor. Services for these types of projects will be provided on an as needed basis at the request of the City Administrator.

Account Representative

Mike Mulrooney, owner of ACG, would be assigned to the City of Ramsey account. Mike will be available to provide services on an as needed basis.

Public Sector References

CITY OF NORTH ST. PAUL – Mike currently serves as Economic Development Consultant to the City of North St. Paul. Recent accomplishments include the redevelopment of a 1-block area into a 72 unit senior housing project and 19 unit town home project, the redevelopment of an automotive service site into the new City Hall, the redevelopment of a fast food site into a new medical clinic and the redevelopment of a former grocery store site into a modern office building. Additional projects are currently in the planning stages.

References

Wally Wysopal
City Manager
City of North St. Paul
2400 Margaret St.
Ramsey, MN 55109
651-747-2421

CITY OF WOODBURY – Mike served as the Economic Development Consultant to the City of Woodbury for 23 years. During that time Woodbury experienced unprecedented growth and development. Mike is pleased to have played a role in the development of the community. During his service to Woodbury the city was the recipient of over \$380 million in new commercial and industrial development. Notable achievements that Mike help to implement for the community include:

- The creation of the Woodbury Growth Fund – a unique local revolving loan fund involving the community and a major insurance provider.
- The acquisition and build out of the Carver Lake Business Park.
- The build out of the Woodbury Commerce Center.
- The attraction of State Farm Insurance.
- The development of the Lake Road Interchange
- The achievement of Star City status for the City of Woodbury
- The creation of the Woodbury EDA and ongoing staff support.

- The attraction and location of many companies and projects including Service Ideas, Miller Printing, Duratec, Medical Concepts, Rivertown Trading, Llewellyn, Absolute Investments, Harvey Vogel Manufacturing and Quarry Ridge.

References

Dwight Picha
 Director of Community Development
 City of Woodbury
 8301 Valley Creek Road
 Woodbury, MN 55125
 651-714-3530

Janelle Schmitz
 Economic Development Coordinator
 City of Woodbury
 8301 Valley Creek Road
 Woodbury, MN 55125
 651-714-3534

CITY OF HOWARD LAKE – ACG obtained grant funding from the state of Minnesota to assist with the financing of a major employer in the community. As the loan proceeds were repaid, a revolving loan fund was established called the Howard Lake Voyager Fund. This financing tool is now being used to undertake downtown redevelopment in the community.

References

Kelly Hinnenkamp
 City Administrator
 City Hall
 625 8th Avenue
 PO Box 736
 Howard Lake, MN 55349
 320-543-3670

STATE OF MINNESOTA

Mark Lofthus
 Director of Business Development
 Minnesota Department of Employment and Economic Development
 1st National Bank Building
 332 Minnesota Street, Suite E-200
 Saint Paul, MN, 55101-1351
 651-259-7440

Conflicts of Interest

The principals of ACG pride themselves on maintaining the highest ethical standards and code of conduct. We do not now nor will we in the future have any conflicts of interest in the City of Ramsey.

Research Capabilities

We currently maintain an economic development research library with “best practices” data dating back to 1975. Perhaps more important is the practical knowledge gained over the last 30 years of practice. Our experience translates into performance and results for the clients we serve.

Fee for Services

We offer two payment options for our services:

Our hourly billing rate is \$165 per hour plus “out of pocket” expenses. “Out of Pocket” expenses such as travel will be billed at cost. Travel will be billed at the IRS approved mileage rate in force at the time the service is provided. All hourly billing rates are based on one hour increments of time.

A second option is a monthly retainer of \$3,750 plus expenses. This option provides up to 28 hours of service at a 20% discount off the normal hourly rate. This is the preferred option for most communities who desire an effective economic development program with a defined budget.