

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

The Housing and Redevelopment Authority conducted a Special Session meeting on Tuesday, November 15, 2011, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:                   Chairperson David Elvig  
  Commissioner Randy Backous  
  Commissioner Colin McGlone  
  Commissioner Bob Ramsey  
  Commissioner Sarah Strommen  
  Commissioner Jason Tossey  
  Commissioner Jeffrey Wise

Members Absent:                   None

Also Present:                       HRA Executive Director Heidi A. Nelson  
  City Administrator Kurtis G. Ulrich  
  Public Works Director Brian Olson  
  City Engineer Tim Himmer  
  Development Manager Darren Lazan

**CALL TO ORDER**

Chairperson Elvig called the special meeting of the Housing and Redevelopment Authority to order at 9:32 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF AGENDA**

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

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

**APPROVAL OF MINUTES**

None.

## **HRA BUSINESS**

### **Case #1: Consider Parking Easement Agreement with Ramsey Professional Center LLC (PSD)**

HRA Executive Director Nelson and Development Manager Lazan presented the staff report.

Commissioner Ramsey clarified that Mr. Deal has never provided proof of ownership over the 60-foot strip of land.

Development Manager Lazan stated the ownership was subject to a mortgage and the lead bank foreclosed and took possession. He agreed that Mr. Deal has not provided evidence of fee title and staff could trace that paperwork.

Commissioner Ramsey stated he is not opposed to the parking easement agreement but would not be interested in supporting it until Mr. Deal addresses the master declaration issues.

Commissioner McGlone stated his agreement, noting the HRA had granted access off Sunwood Drive yet Mr. Deal has not been willing to resolve the master declaration issue.

Commissioner Strommen stated her perspective that the parking easement agreement and master declaration are two separate issues, noting Mr. Deal had stepped up and been an early investor by constructing several buildings when the City badly needed it. In addition, there had been a lot of title issues with this property and if this is another one, Mr. Deal may be a victim of that. Commissioner Strommen stated she is willing to move forward on the easement agreement and consider the other issue separately.

Commissioner Tossey stated it is known that Ramsey's taxpayers paid for this 60 feet. The HRA has dealt in good faith with Mr. Deal and is willing to offer this easement, but would like to see that same good faith in return on the other issues. He agreed they are separate issues but sometimes it takes leverage, which Mr. Deal has also been using.

Commissioner Ramsey stated this is purely a business deal and the HRA is giving but not receiving.

Commissioner Strommen stated her objection to linking any of the issues. She noted Mr. Deal has put improvements on this property, it is being used as parking, and she supports approval of the parking easement agreement and continuing to work on the other issue.

Commissioner Wise noted the master declaration has not been resolved for over two years and if the HRA were a private development company, it would use leverage.

Development Manager Lazan reviewed past negotiations to resolve the property titles and Mr. Deal's decision to not deal with all of the issues at one time or to resolve the master declaration until the HRA answers his questions on the Special Service District (SSD.)

Commissioner Backous noted there should be a paper trail if Mr. Deal owned this property and he could be asked to show that proof. Commissioner Backous stated his preference to consider “cooperation” rather than “leverage” to show the HRA realizes the need to provide an easement and is willing to resolve that issue and then ask Mr. Deal to cooperate by resolving the master declaration issues.

Commissioner Wise noted if this was a private development, there would be no deal and you would have to pay for the 60 feet. He stated the HRA is offering a good faith effort to make it right and Mr. Deal should be required to show paperwork that he owned this property.

Development Manager Lazan advised that this property was clearly foreclosed by the bank because Mr. Deal did not satisfy the mortgage. The HRA now has title of the property. He assured the HRA that the parking easement agreement is a very reasonable offer and in everyone’s best interest to resolve the issue. Development Manager Lazan stated staff can indicate to Mr. Deal that the documents have been drafted but the HRA needs his cooperation on the master declaration issue.

Commissioner Tossey stated he attended a meeting with Mr. Deal and when the mater declaration issue was brought up, Mr. Deal said he didn’t want to discuss it, showing no urgency to get it resolved. Commissioner Tossey stated he would like to see the same urgency from Mr. Deal to resolve the declaration issue that the HRA has to resolve the easement issue. He stated it should not be forgotten that the HRA owns this property.

Commissioner Ramsey stated the temporary easement is expiring on this property and asked if another temporary easement will be needed if the parking easement agreement is postponed.

Development Manager Lazan indicated the temporary easement expires today. He noted that originally, Mr. Deal could not access his property but another access has now been created.

Commissioner Ramsey asked who has liability of the property.

City Administrator Ulrich stated there is currently a shared liability but if the easement expires, it becomes a public parking lot so the City would bear a greater portion of liability.

Chairperson Elvig noted that Mr. Deal has not promised anything that he has not followed through with. He stated he does not want to damage the good relationship that has been fostered but understands the master declaration needs to be resolved.

Commissioner Wise suggested approaching Mr. Deal to give the City a timeline on when he can resolve the master declaration.

Development Manager Lazan suggested approving the parking easement and asking Mr. Deal for a timeline when he will resolve the master declaration issue.

Commissioner Wise stated that option may ease tension between the City and Mr. Deal.

Development Manager Lazan advised that Mr. Deal has been cooperative in drafting the easement agreement and staff can now say the HRA wants to move in an expeditious manner to resolve the master declaration issue.

Commissioner Ramsey stated that point has already been made yet the HRA still had to spend \$100,000.

Commissioner McGlone stated the HRA had treated Mr. Deal as a partner since the beginning yet he has not been willing to cooperate.

Motion by Commissioner Ramsey, seconded by Commissioner McGlone, to postpone consideration of the parking easement agreement with Ramsey Professional Center LLC indefinitely.

Further discussion: Chairperson Elvig stated his preference to move forward and use the parking easement agreement as leverage. Commissioner Tossey supported a postponement but noted the temporary easement expires today. City Administrator Ulrich advised the expiration presents no bigger liability than with the City's parking ramp or public street. However, if Mr. Deal abandons maintenance the City would have to assume that responsibility. HRA Executive Director Nelson explained if the easement expires, it would be no different than the condition that existed prior to having the temporary easement. She noted Mr. Deal has access from Sunwood Drive; however, may be short on the parking requirement. It was noted that Mr. Deal has indicated he is unwilling to make any declaration until he finds out what is happening on the SSD. At its December meeting, the HRA will be considering the SSD's scope, budget, and level of maintenance in public rights-of-way. Commissioner Ramsey felt nothing can be done until the HRA knows who has voting rights in the master declaration. Chairperson Elvig again stated his support to move the parking easement agreement forward as a tool for negotiating. Commissioner Ramsey stated the two attorneys involved can decide who has majority vote instead of requiring the HRA to go before a judge. Chairperson Elvig asked whether Mr. Deal is aware that the HRA is asking for his opinion. Development Manager Lazan stated there are several different issues and Mr. Deal is saying he is unwilling to resolve the master declaration, until the HRA spells out the SSD. However, the HRA currently has a motion on the floor to postpone the parking easement agreement, though all have indicated they agree with it. Commissioner McGlone felt that Mr. Deal could easily give the HRA voting rights in the association, which Attorney Tom Bray of Briggs and Morgan has made clear to Mr. Deal. Commissioner Strommen stated there are a lot of aspects to this conversation and trying to talk about them together confuses the issue. She noted Mr. Deal is tying the master declaration to the SSD and the HRA is tying the parking easement agreement and the master declaration together. Commissioner Strommen urged the HRA to start working through the issues in which agreement can be reached to foster a partnership, then to work on issues that are currently not agreed upon. Commissioner Ramsey stated he is unsure why Mr. Deal does not "kill" the master declaration and decide to not participate in the SSD. Commissioner Backous stated his intent to oppose the motion and preference to give Mr. Deal an opportunity to work with the City. Chairperson Elvig stated support for staff's proposal because it gives staff a stronger position in which to negotiate. Commissioner Tossey stated he agrees to a certain extent and wants to resolve this issue; however, the City has tried to do so but there seems to be little urgency on PSD's part to resolve

the master declaration. He asked whether consideration of approval could be contingent upon resolution of the master declaration issue. If so, he would support that motion. Commissioner Ramsey clarified that no one is opposed to this easement deal but he is opposed to approving without getting the master declaration resolved. Development Manager Lazan stated such a motion would be to approve the amendment as prepared and drafted and to direct staff to execute upon resolution of the master declaration issue.

Commissioner Ramsey withdrew his motion to postpone indefinitely.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the amendment as drafted and to direct staff to execute contingent on resolution of the master declaration issue.

Further discussion: Commissioner McGlone stated he cannot support the motion unless it includes a date.

Commissioners Ramsey and Wise accepted a friendly amendment to include a 60-day deadline.

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

**Case #2: Consider Counter-Offers for Parcels at SW Quadrant of Sunwood and Ramsey Boulevard**

This item was rescheduled to a Closed Session meeting.

**EXECUTIVE DIRECTOR'S REPORT**

HRA Executive Director Nelson reported on the successful VA Clinic opening and positive coverage and events planned for the November 16, 2011, inaugural train stop at Ramsey's Station.

Development Manager Lazan reported on the \$80,000 nonrefundable extension fees received from Toti/Suite Living for the past year, as discussed at the Work Session. He expects the extension documents will be received next week. He indicated Toti/Suite Living intends to close on the property this year and be under construction during the winter season. Development Manager Lazan stated Toti/Suite Living took the suggestion to blanket the site to allow construction during the winter season, which will necessitate some change to the agreement. He reported Toti/Suite Living investment group wants 12 units so a fourth floor may be constructed. If that occurs, an amendment and extension of the site plan will be needed.

City Administrator Ulrich announced the November 21, 2011, meeting with Mn/DOT to discuss a Highway 10 issue and use of RALF funds. He indicated staff will raise the interchange issue at that meeting.

**COMMISSIONER INPUT**

Commissioner Ramsey indicated he will not be attendance at the next Council meeting due to a work commitment.

**ADJOURNMENT**

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to close the Special Meeting of the Housing and Redevelopment Authority.

Motion carried.

The Special Meeting of the Housing and Redevelopment Authority adjourned at 10:23 p.m.

Respectfully submitted,

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Heidi A. Nelson  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Carla Wirth  
*TimeSaver Off Site Secretarial, Inc.*