

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, January 24, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 HRA Executive Director Heidi A. Nelson
 Public Works Director Brian Olson
 City Engineer Tim Himmer
 Planning Intern Patrick Brama
 Development Manager Darren Lazan
 City Attorney Bill Goodrich

CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:20 p.m.

CITIZEN INPUT

There was none.

APPROVAL OF AGENDA

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

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

APPROVAL OF MINUTES

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to approve the following minutes:

Regular Meeting Minutes dated November 7, 2011
Work Session Meeting Minutes dated November 15, 2011
Special Meeting Minutes dated November 15, 2011
Regular Meeting Minutes dated December 13, 2011

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

HRA BUSINESS

Case #1: Consider Deviations from the Current Policy on Distribution of Land Sale Proceeds for Potential Funding of the Sunwood Drive Realignment

HRA Executive Director Nelson reviewed the staff report and indicated the City Council had discussed and determined to rely on funding from grant applications, TIF funding, and undesignated reserves. The City Council also indicated that deviating in the policy relating to funding from land sales proceeds would be a last resort to fill the funding gap. The City Council determined to move forward with engineering for the Sunwood Drive realignment, which will be considered again by the City Council once the study is completed.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to postpone indefinitely.

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

EXECUTIVE DIRECTOR'S REPORT

HRA Executive Director Nelson indicated the HRA will not meet on January 31, 2012, and reported on the items that will be considered at the February 14, 2012, meeting. She provided an update on project negotiations and the ICSC Conference. The HRA asked staff to contact Anoka County about the potential for a local conference.

COMMISSIONER INPUT

Commissioner Elvig requested an update on the Toti/Suite Living contract.

Development Manager Lazan stated he had discussion with Toti/Suite Living prior to the January 15, 2012, deadline but did not put an extension together because Toti/Suite Living is exploring closing the property in part and complete the close in the spring, and another option is for an extension to spring. Development Manager Lazan stated he had asked Toti/Suite Living to gather their refreshed financing documents and redo the term sheet. He indicated Toti/Suite Living had moved two other projects out of the way so he is confident they will move forward. Development Manager Lazan stated he will report again at the February 14, 2012, meeting.

Commissioner Elvig stated his understanding that the HRA had remedies in place if they extended but now the deadline is passed and there is no documentation in place.

Development Manager Lazan noted Toti/Suite Living had paid to extend but the deadline is gone so the HRA could notice them it will cancel the contract or bring another tool forward to put Toti/Suite Living back under agreement. He explained the partial closing is in rough form and he will discuss that option again tomorrow with Toti/Suite Living. It would involve a partial payment of half the total sale value up front, close the sale, and the HRA would carry a six-month note that would have to be fulfilled prior to starting construction. That option allows Toti/Suite Living to close with the existing environmental work so they can focus on financing construction.

Commissioner Elvig stated he remains concerned because the deadline was passed and the HRA did not act on it. He noted a contract is in place, has not been met, and been extended four times previously. Commissioner Elvig stated this is an important project and piece of ground and holding it has locked other's ability to come to Ramsey for senior assisted housing. He believed this should be discussed by the HRA on a timely basis; however, it was still not scheduled for discussion.

Commissioner Ramsey asked what the drop-dead date is.

Development Manager Lazan stated it was January 15 but it is not uncommon to let that date go by and get to a decision point. He stated he plans to bring a proposal forward for the HRA's consideration at its February 14, 2012, meeting.

Commissioner Strommen stated she would be willing to meet in special session to respond to real estate negotiations. She indicated she is also concerned the deadline was January 15 and the HRA is not meeting again for a month from that date. She stated the HRA needs to be able to respond.

Commissioner Tossey concurred that discussion needs to occur and a contract should mean something. He stated the HRA needs to consider if it is willing to let it go on and on and he believed holding that discussion a month beyond the drop dead date is too long.

Commissioner Ramsey stated he is also concerned that is too long but noted this perspective purchaser has paid a significant amount of money for the extensions and that is not refundable. Commissioner Ramsey agreed the HRA needed to make sure it holds contracts to a higher value but he believed Toti/Suite Living was committed because it has paid \$110,000 in non-refundable fees.

Chairperson McGlone concurred the HRA was at a point of concern, noting Toti/Suite Living had passed contract deadlines four times.

Development Manager Lazen clarified that the other times staff had prepared and presented an extension before the deadline.

Chairperson McGlone noted this is the first HRA meeting since the expiration on January 15 and asked whether that date needs to lapse before the HRA can take action and decide if it wants to continue further or prepare documents to cancel.

City Attorney Goodrich advised that often the date of closing passes by and the HRA's remedy is to prepare a cancelation, serve it on Toti/Suite Living, and then Toti/Suite Living has 30 days to perform or not perform.

Chairperson McGlone stated he had no problem calling a special meeting.

Commissioner Ramsey stated we all want to assure we keep our "eye on the ball."

Development Manager Lazan stated the reason he did not bring it forward tonight is Toti/Suite Living introduced the complexity of a close with 50% and he wants to vet that option before presenting it to the HRA. Development Manager Lazan indicated he has told Toti/Suite Living that an extension would be a substantial fee and nonrefundable because of the high cost for the HRA to bring in another developer to meet the 2012 closure.

Commissioner Elvig stated he knows the buyer has been putting up funds but his concern remains with the process and he wants the HRA to be informed when coming to a closing date or a deadline that is not met. Commissioner Elvig suggested the HRA be informed ten days in advance.

Commissioner Tossey agreed and suggested Development Manager Lazan provide weekly updates and calendar with contract deadlines and expected closing.

The HRA agreed with this suggestion.

Development Manager Lazan stated he had brought up Toti/Suite Living during the last HRA meeting and indicated they were discussing extension terms.

Commissioner Elvig took exception to that statement, noting he had asked Development Manager Lazan several weeks ago for an update and Mr. Lazan had said he hadn't gotten that information yet and wanted it before the end of the extension.

ADJOURNMENT

Motion by Commissioner Backous, seconded by Commissioner Tossey, to close the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:38 p.m.

Respectfully submitted,

Heidi A. Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.