

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

The Housing and Redevelopment Authority conducted a work session meeting on Tuesday, November 1, 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

Members Absent: Commissioner Jeffrey Wise

Also Present: Deputy City Administrator/HRA Exec. Dir. Heidi A. Nelson
 City Administrator Kurtis Ulrich
 Public Works Director Brian Olson
 Economic Development/Marketing Manager Aaron Backman
 Development Manager Darren Lazan
 HRA Legal Counsel Tom Bray, Briggs and Morgan

CALL TO ORDER

Chairperson Elvig called the work session meeting of the Housing and Redevelopment Authority to order at 7:05 p.m.

OPEN FORUM

There was none.

APPROVAL OF AGENDA

Chairperson Elvig suggested moving cases around on the agenda so the closed portion (Case 5.2) would be discussed as the last case.

Motion by Commissioner McGlone, seconded by Commissioner Backous to approve the agenda as amended.

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

APPROVAL OF MINUTES

No minutes to approve as it was a work session. Chairperson Elvig asked that staff revamp the template for the work session agendas as it is not necessary for the formal approvals of the agenda or minutes, nor is it necessary to call out for citizen input.

HRA BUSINESS

5.1. Discuss RTC Master Declaration/Association

Executive Director Nelson noted that HRA Legal Counsel, Tom Bray was present to update the Commissioners on the status of the RTC Master Declaration/Association. She reported that an informal meeting had been held and since then, there has been a meeting with Mr. Deal's attorney. She called on Mr. Bray.

Attorney Bray stated he had met with Ben Halsey, Attorney with the RTC. He stated they compared notes and found areas where there was agreement with the membership and areas where there was not. He referenced a map that was displayed for the HRA this evening. He noted the four parcels identified in blue and stated that in original correspondence, Mr. Deal's position was that these parcels were not owned by RTC at the time of the Master Declaration. Mr. Bray stated that he has since asked for Mr. Deal's position with regard to these four parcels and he has not gotten a response from him yet. Mr. Bray reported that he wanted to check with staff on a couple of parcels. Two will be developed together but will be developed in a way that will be entitled to a membership vote – two parcels have the membership vote – two do not. He explained what qualifies a membership vote. He also described the three categories of membership. He continued that there are four parcels subject to the Master Declaration. The drainage pond does not qualify for membership vote. He noted there is also drainage in the northwest corner. The park is subject to the Master Declaration but not the membership vote. He talked about the RTC 8th, 9th and 10th Additions and that neither the HRA nor PSD is in control of these additions. Mr. Bray was not aware of any active homeowners associations on these parcels. He stated we have 18 known membership votes which includes six votes on the parcels he is not sure of. The HRA has nine, PSD has three, and PSD LLC & Anchor's Away have one, Symphony at Town Center has one, Gable Manor has one, Gable Terrace has one, Anoka County has one and Allina has one. He referred to the map presented to the HRA and talked about doing title work on parcels. He noted that the four parcels shown in blue on the map were all purchased by Jim Deal or another of Mr. Deal's entities; however, the question remains who owned them at the time of the Master Declaration. Mr. Bray stated he broached Mr. Halsey with the idea that if there is not a full agreement with the membership voting rights, does anyone want this association to remain or should it be terminated. Mr. Halsey will discuss that with Mr. Deal. He added he is not sure Mr. Deal would do anything until he knows what is going on with the Special Services District. The HRA is not in a position to impose a Special Services District. Mr. Bray is waiting for feedback from Mr. Halsey. He stated that we have the complaint drafted to get the declaratory judgment – there are significant expenses and there is a lot of title work to be done. Mr. Bray noted a couple of bids were from \$12,000 to \$16,000 and others were at \$20,000. he felt there were some things we could do with cheaper alternatives -

especially where it's Torrens property. With that in mind, the figure could maybe be more like \$10,000 to \$12,000.

Commissioner Ramsey noted it looks like there are 18 votes and we maybe control nine of them. The four parcels in blue are wild cards. It is not known if a homeowners associations will "pop up" or not. The title work will take time. We may want to get that started; we want to be in the position to move forward.

Commissioner McGlone felt it was a stall tactic. We wanted to do everything in our power to make this clear and marketable.

Commissioner Ramsey stated that the benefit to getting this title work going is a value puts us in a position to make a declaration later.

Attorney Bray stated he is not sure it is a stall tactic and added it's very hard for him to get a read on it. He noted he was not trying to pick and raise issues at that meeting.

Chairperson Elvig suggested that if the HRA has half the membership votes, now is a wonderful time to have this drawn up. We were trying to reach out and not look contentious. It's time to move forward. He inquired what the goal is for this evening.

Executive Director Nelson stated we just wanted to share this with the HRA and get feedback. The complaint is prepared, the title work is being done and we can move forward with the litigation.

Chairperson Elvig inquired who would be funding the title work.

Ms. Nelson responded that we would have the option to try to do that cooperatively. We feel we are better positioned to try to correct this on our own.

Mr. Bray added that we would spend more time talking about sharing costs and that might be more contentious than talking about terminating the Master Declaration.

Chairperson Elvig stated he is in favor of going ahead and funding it and getting this moving.

Commissioner Ramsey inquired how long it would take to get the title work done to which Mr. Bray replied about three weeks. Chairperson Elvig inquired how long might it take for the judgment to which Mr. Bray responded he did not know for sure but it's at least three to four months before you get a hearing.

Ms. Nelson reported that we had visited this issue some time ago. There are costs to do the title work but there is still cost to the litigation piece.

Mr. Bray suggested about a \$25,000 to \$30,000 cost.

Ms. Nelson stated that given the HRA budget for legal fees, we will be outside of that. We will get the title piece done and come back to the HRA.

Commissioner Ramsey stated that previously we said let's move forward and we delayed that because we thought we could work together. Now we have incurred more costs. Let's get the title work done and get the declaration moving forward.

Development Manager Lazan stated that we have three Letters of Intent and one more building subject to this Master Declaration. We are keying these up for spring closings.

Commissioner McGlone asked if there is anything stopping us in advance of the title work.

It was noted that the authorization was as soon as the title work is back; this is work that needs to be done. Staff had been directed to move forward with the work on the declatory action.

Executive Director Nelson stated that the HRA already approved the declatory action and that she can bring back a ratification of that direction. She just wanted the HRA to understand this will be on the fund balance side.

Attorney Bray stated that the other issue we need to be aware of is some sort of educational process with the homeowners associations.

5.3 Consider Purchase of Tax Forfeit Parcel at North Commons

Development Manager Lazan noted that the staff report was incorrect with regard to the statement "At a previous meeting of the HRA, direction was given to table discussion of the option to develop up to six single family parcels on the west side of the property known as North Commons". The direction was to forego development of five to seven parcels within North Commons – the west side of North Commons. Revenue was to be dedicated to advance funding of the park. Originally, it was thought the development of these parcels would generate revenues that could be contributed to the improvement of the park. When a preliminary pro-forma was developed, it was determined that the cost of providing services and the development fees associated with the project left basically no revenue that could be used for park improvements. He went through the pro-forma and stated it did not make sense to preserve this piece. He stated there is a current request to purchase this parcel and there are a couple of options. We could acquire the whole piece for parkland for approximately \$300 to \$500, we could acquire the park portion for \$300 to \$500 and the developable portion for \$15,000, keeping the option to develop the property for future consideration, or we could do nothing and let the property go to tax forfeit. If we do nothing, it could be subject to acquisition by the public - only the 90' strip. The rest of the park is not subject to this. He stated he would like to be able to close the file on this County work and is looking for direction on how to proceed.

Commissioner Ramsey commented on the small amount of money \$300 to \$500 and said let's just do it. He wondered if it is currently in our Comp Plan as parkland, how someone could develop it if they purchase it; however, that is a moot point if we just purchase it.

Commissioner McGlone stated he had spoken with Commissioner Wise and he (Wise) is against the purchase of this property and suggested letting it go tax forfeit. Commissioner McGlone stated he agrees with Mr. Wise. He feels that is not dedicated parkland. He stated we do not need any more parkland and, in fact, he hoped we would have less parkland. He reiterated he has no desire to purchase that for any price and have it dedicated as parkland.

Commissioner Tossey noted it is in the Comp Plan as parkland. He stated this land could be restricted to just parkland. Most of it is wetland so it will not be developed anyway. Three hundred dollars is not really significant. As citizens age, you tend to have parks that do not get used. In this case, it's such a small portion and small amount of money, he does not have a problem with it.

Commissioner Ramsey suggested the piece could be purchased and made marketable. He stated for \$300, just clear it up and be done with it.

Commissioner McGlone stated a portion is developable so why not allow someone to purchase it. Most of us want to be out of the developing business. Let's just leave it alone. Maybe in eight to ten years, the State will just give it to us.

Development Manager Lazan stated that \$15,500 is the cost to preserve the right to develop it. His argument is if you have a developable piece of property surrounded by wetland and parks, someone can sweep in and get this parcel. However, if the idea is that we do not want houses here, why are we doing that.

Commissioner Strommen expressed her agreement with Commissioner Ramsey. She felt the simplest, least expensive way to do that is to purchase it for parkland. That way you do not have to deal with what someone might do with it.

Consensus was to proceed with the purchase of the tax forfeit parcel in North Commons.

5.4 Update on Sunwood Realignment

Development Manager Lazan stated that work has continued on the feasibility of the realignment of Sunwood Drive to its permanent intersection with Armstrong Boulevard. Potential development interest on HRA property south and west of the new alignment has necessitated consideration of this work and the effort to establish the alignment and consider this project. He reviewed from the staff report that the intersection location contemplated by the current development plan does not align with the current 147th alignment, nor does the current right-of-way for West Ramsey Parkway. He reported that there has been considerable discussion on the proposed Armstrong/Sunwood intersection and the best way to phase these improvements with the Armstrong Interchange. He presented a map to the HRA and detailed what the colors on the map were. He stated that Sunwood is a hard urban-edged character of the street and merges into a retail area where the sidewalks are pulled out a ways. This alignment contemplates only as it is today – that's the current status. He stated that staff will be having a discussion with Solomon. He talked about better access – better right in – right out and additional parking. He stated that is all the chips in the mix right now.

Commissioner Ramsey noted that the alignment is fine but asked why the raised medians.

Development Manager Lazan responded this is typical roundabout spacing.

Commissioner Ramsey asked why concrete – paint is much cheaper and easier to plow around.

Mr. Lazan stated that creating hard channelization is the way for the roundabout, however, we can relook at that. One unique component to this roundabout is a lane to the right to prevent traffic backup.

Commissioner McGlone felt that the area would be problematic – a plowing nightmare.

Mr. Lazan stated we will do a blow-up of this and walk through it.

Commissioner Tossey stated he will never be supportive with any roundabout plan. He talked about social engineering and stated this is ludicrous.

Commissioner Ramsey pointed out that roundabouts are starting to become more common and noted that the ones he has driven on are efficient. He expressed his support of this but added that Mr. Lazan needs to show us that scale so we can see how big it is. This makes sense because you can get many more trucks on it.

Chairperson Elvig talked about the efficient roundabouts he's driven on as well. When we talked about a big box development in the area, they were talking about 700 cars an hour just for that retail establishment. You are talking about a lot of volume.

Mr. Lazan stated that the interior component can be widened. We can go to a two-lane but we are designing for 30 years build-out. He noted that he understands the concerns and talked about a T-intersection but stated that the roundabout is really the only way to go.

Commissioner McGlone stated he is not against roundabouts.

Commissioner Tossey stated to go ahead and build the roundabout but he guaranteed that in 10 years, you will be putting in a T-intersection. He felt this is a waste of money. He asked why the thought is that traffic will be backed up so far. People will figure out ways to get in and out.

Commissioner Ramsey stated it's the County and everyone saying you cannot stack traffic there.

Commissioner Backous stated he had no problems with roundabouts – he feels they are efficient and convenient. He added he would rather have this than a stop sign or stop lights.

Chairperson Elvig stated he is concerned about stacking in the parking lot like at Kohl's in Riverdale. If everyone is funneling out of one place to leave – that's an issue.

Discussion ensued about poor traffic patterns in other areas.

Mr. Lazan reiterated the pluses again - the parking and maybe having more signage. He talked about a couple different alignments and added that this can be discussed in more detail. Tonight the hope is to “get the nod” to go meet with them.

Chairperson Elvig noted the area would be big enough for pedestrian traffic but wondered about squads and ambulances.

Commissioner Ramsey stated that if we create a pedestrian underpass or something along those lines, we would want it to be as wide as possible.

Mr. Lazan agreed that was a good suggestion. Mr. Lazan continued that if we look at the work necessary to facilitate this, you will note this alignment for the new Sunwood is not on center with 147th. We want to leave ample space for big retail. He talked about the impacts as well. We have three parcels that come into question with what we have drawn up. We could proceed with the appraisal and get the title work but does it make sense to acquire these ahead of the County project. Should we start these discussions now. He stated he would like to discuss this now before there are businesses there. He talked about getting the basics for the offer and sitting down and having a discussion. If they are not willing sellers or the cost is too great, we do not have to do anything right now.

Commissioner McGlone suggested before we go through all this, it may be prudent to see if we have a willing seller. If there are two willing sellers, etc. for the two parcels, we could put the third on the back burner. We would like to talk about acquisition ahead of the roadway – if we don’t get a good feel - we can wait until the roadway comes in. He inquired if there are any grants available.

Director of Public Works Olson stated that any grant we have tried to apply for is nowhere near the price of the roadway improvement. We would have to have other funds. He believed reimbursement for the two north parcels would be difficult to justify from a grant perspective.

Chairperson Elvig asked do we get credit for acquiring these properties.

Mr. Olson replied not on the north two but for transportation takings, they will be absolutely necessary. We are acquiring more than we need from a transportation perspective but we will need to get the whole piece if we want to have it in that alignment. A brief discussion ensued relating to accesses. Mr. Olson continued that the northerly parcel “wanted to be bought” and he really supports moving forward with that appraisal.

Chairperson Elvig suggested they may not want to keep the property if it’s been chopped up like this.

Mr. Olson stated that there’s a chance they can come back and try to sue for each of the accesses or change of access.

Commissioner Strommen stated that this makes all the sense in the world – getting the Armstrong project off the ground is huge. She agrees we should get ahead of the game and there is no point in asking if they are willing sellers if we do not know what to offer.

Commissioner Ramsey expressed agreement. He mentioned funding in TIF 14.

Development Manager Lazan stated that you will create developable remnants when the roadway is done and suggested there may be revenue from that.

Director of Public Works Olson stated that the \$1.7 million the County would provide for the rail improvements could go toward this as well.

HRA Executive Director Nelson stated that once we get down the road with appraisals, we will come back with the funding proposal, which could be a combination of TIF 14 and the sale of the parcel. At that point we should know what the cost estimate for the project is.

Consensus was that staff proceed with the appraisals, put together a strategy, and bring back to the HRA for consideration.

5.2 Consider Offer to Purchase Property – Sunwood/Ramsey and Sunwood/Armstrong (Portions may be closed to the public)

Development Manager Lazan stated that the development team has received an offer to purchase property at both the southwest corner of Sunwood/Ramsey and the southeast corner of Sunwood/Armstrong. He noted the meeting was advertised as portions closed and he requested the meeting be closed at this time. It was noted that this closed portion of the meeting will be tape-recorded and the recording will be kept for eight years, according to State Statute

Motion by Commissioner Ramsey and seconded by Commissioner McGlone to close this portion of the HRA work session.

Motion carried. All voted in favor. The HRA work session moved into closed session.

The meeting was reopened to the public at 8:37 p.m.

Development Manager Lazan reported that the closed session discussion was about pursuing the sale of two parcels and how they might be developed. The direction was to continue negotiations.

Executive Director's Report

HRA Executive Director Nelson reported on the events scheduled for the month of November:

- Veterans Day Festivities which include a Ceremony at PACT Charter School in the a.m. and the grand opening ceremony/event for the Veteran's Clinic in the afternoon.
- She noted a COR report was done for QCTV.

- The Ramsey Rail Stop is scheduled for November 16. Ms. Nelson detailed some of the planned events for the day.
- Ms. Nelson passed out the new marketing piece for the Armstrong Interchange.
- She noted the tenant panels on the pylon sign on Highway #10 should be on within the next couple of days.
- Toti: Development Manager Lazan reported that they did not close on November 1 and that they contacted him prior and updated him on the funding. They are working on a price for the extension for the four to six weeks. They are willing to pay \$15,000 for a few more weeks. He stated they have brand new funding commitments and they do not want to wait until spring for groundbreaking. Commissioner Ramsey commented on the extension money – it's basically free money and he is fine with that.
- Ms. Nelson stated that with regard to Flaherty and Collins – staff is hoping to get the documents executed within the next couple of weeks. Commissioner Ramsey questioned when they plan to close – Mr. Lazan replied spring.
- Rail Station – Ms. Nelson reported that the plan is to commence construction in February – complete construction in October – and the train will be running November 16, 2012. There is on-going discussion regarding the fare. Chairperson Elvig inquired about extending the bus service. City Administrator Ulrich responded they will be here next week to talk about this.

ADJOURNMENT

Motion by Commissioner Ramsey and seconded by Commissioner Backous to adjourn the meeting.

Motion carried. All present voted in favor. The work session of the HRA adjourned at 8:48 p.m.

Respectfully submitted,

Heidi A. Nelson
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Minutes drafted by Jo Thieling, City Clerk