

**City of Ramsey**  
**Agenda**  
**Housing and Redevelopment Authority (HRA)**  
**Regular Session**  
**Tuesday April 10, 2012**  
**Immediately Following City Council Meeting**  
**Council Chambers, 7550 Sunwood Drive NW**

1. **Call to Order**
2. **Citizen Input**
3. **Approve Agenda**
4. **Approve Minutes**
  1. Approve the Following HRA Meeting Minutes:  
  
HRA meeting minutes dated February 6, 2012  
HRA meeting minutes dated February 14, 2012  
HRA meeting minutes dated February 21, 2012
5. **HRA Business**
  1. Approve Grading for the Creation of 5 Lots - Test Plot Development at North Commons
6. **Executive Director's Report**
7. **Commissioner Input**
8. **Adjournment**

**HRA Regular Session**

**4. 1.**

**Meeting Date:** 04/10/2012

**By:** JoAnn Shaw, Community Development

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**Title:**

Approve the Following HRA Meeting Minutes:

HRA meeting minutes dated February 6, 2012

HRA meeting minutes dated February 14, 2012

HRA meeting minutes dated February 21, 2012

**Background:**

n/a

**Funding Source:**

n/a

**Council Action:**

Motion to approve HRA meeting minutes.

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**Attachments**

02/06/12

02/14/12

02/21/12

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**Form Review**

**Inbox**  
Heidi Nelson

Form Started By: JoAnn Shaw

**Reviewed By**  
Heidi Nelson

Final Approval Date: 04/05/2012

**Date**

04/05/2012 03:19 PM

Started On: 04/04/2012 11:03 AM

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

The Housing and Redevelopment Authority conducted a Work Session on Monday, February 6, 2012, in the Lake Itasca Room at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent:                   Commissioner Bob Ramsey

Also Present:                       HRA Executive Director Heidi A. Nelson  
  City Administrator Kurtis G. Ulrich  
  Public Works Director Brian Olson  
  City Attorney William K. Goodrich  
  Development Manager Darren Lazan

**CALL TO ORDER**

Chairperson McGlone called the Work Session of the Housing and Redevelopment Authority to order at 7:56 p.m. He noted that Case #3 would be discussed prior to Case #1.

**TOPICS FOR DISCUSSION**

**Case #3:       Consider Process for Acquisition of Parcel at the Southwest Corner of  
                  Armstrong and 146th**

City Attorney Goodrich noted that Commissioner Wise left the meeting room at 7:57 p.m. for this discussion.

HRA Executive Director Nelson reported that the HRA has directed and authorized the Development Team to approach three property owners on the west side of Armstrong Boulevard to discuss acquisition of their properties as part of the Armstrong Interchange and Sunwood Drive realignment projects. An exhibit was presented highlighting the three properties. These properties, along with the Oasis market site that was acquired previously, represent the majority of the right-of-way north of Highway #10 necessary to construct the above-mentioned projects. She noted that one of the parcels is owned by Councilmember Jeff Wise. She continued that appraisal valuations have been determined and we are in the process of approaching the three owners with offers to purchase either the entire property, or the portions necessary to construct

Armstrong. Ms. Nelson continued that the evaluation method used to assess the two northerly parcels was based on their value as raw land, which was the highest value as determined by the appraiser. She noted that the parcels do have structures on them and one is an operating business, but the value of the land as a development opportunity exceeds that of the structures of business. However, the appraiser determined that the highest value for Mr. Wise's property is in the current structure and business. This makes the negotiations on this parcel a broader discussion than the other two parcels. She pointed out that a third component of Mr. Wise's property would be the cost of relocation, fixtures, etc. The valuation of the building and land were determined by the appraisal and there is likely little room to negotiate that amount. State Statute governs the amount a City can pay for acquisition relative to an appraisal, and the values considered are in a range acceptable not only to the seller, but similar to those contemplated for the sale of land to Mr. Wise for his proposed project in The COR. She noted that it is likely that the valuation agreed to for the acquisition of his parcel will be the same as that used for the sale of property in the COR.

Development Manager Lazan reported that we are opting to do this under the assumption that the HRA is leading this.

Commissioner Elvig inquired why the HRA as opposed to the Council.

Mr. Lazan stated that someone needs to take the lead. The HRA is the most motivated to get it done.

City Administrator Ulrich added that with the redevelopment component of this – future development – this is a classic HRA role.

Commissioner Elvig asked if we are looking for grants for this project.

HRA Executive Director Nelson responded that for the broader part of the project, we are not pursuing a grant.

Commissioner Elvig argued that when it comes to roadways, it would typically be a function of the City Council. If you are saying it is for redevelopment, then we should look at redevelopment grants. He added he is just trying to understand why we are going about it this way. If you are saying it is for redevelopment, he noted he does not see that as part of the case.

Ms. Nelson stated it is a little premature to pursue redevelopment grant money on the west side, as there is a lot to be done there. This is the first step – acquisition of these parcels for the road – then the remnant land.

Mr. Lazan stated that there is a mix of roadway and potential development and someone has to take the lead. The second thought is we have approached these three together – it's a good time for a buyer. We did get preliminary numbers back from the appraiser and we have approached these property owners. We looked at these three but tonight we want to discuss the parcel owned by Mr. Wise - approaching that one is a little more complex.

City Attorney Goodrich reported that staff talked about whether this should be the HRA or the City Council. This same discussion will take place at a City Council meeting as well. The northern parcel is owned by a woman in Iowa. The owner has expressed a concern about the City taking the property but he (Goodrich) feels she will be a reasonable seller. The second parcel is owned by what he believes is a reasonable seller too. One piece of his acquisition will be relocation. The third parcel is the current Wisner Choice Liquors. Mr. Wise is a willing seller and we have some potential with him purchasing another parcel in The COR. Mr. Wise is on the Council and is very much a participant in this project so the perception of a conflict of interest is a big issue and we need to talk about that. The big thing to remember is we have gotten an independent appraisal. Their job is not to represent a client. The amounts they come up with are the amounts we will be offering. He noted there is always some give and take. He stated he, along with Heidi Nelson and Darren Lazan, would be presenting that to Jeff Wise. Mr. Goodrich noted because of Mr. Wise's position on the City Council, there could very well be a perception of conflict of interest and that needs to be taken very seriously. He asked for conversation now with the HRA relating to any concerns about that.

Development Manager Lazan stated that what Mr. Wise's parcel sells for and what he buys a new parcel for will likely be "dirt for dirt" – a kind of equalizing.

Mr. Goodrich continued that there will be two other professionals involved in this, such as Dan Wilson for the relocation portion of it. We will need to get a fixture appraiser too. He noted that since 2006, when we did the eminent domain, the legislature has changed. He stated the new legislature relates to minimum compensation when a property owner is forced to relocate. This law basically requires that, notwithstanding the land/building appraisal amount, the damages paid must compensate the owner with an amount sufficient for the owner to purchase a comparable property in the community. This is a complex statute requirement and there is little guidance. He stated this compensation complicates our issue with this project.

Commissioner Tossey stated he did not think we should be talking about this on a Monday night. Mr. Goodrich has laid out some very compelling points on conflict of interest and he wanted the public to see that.

Mr. Goodrich assured Commissioner Tossey the public would.

Commissioner Tossey continued that he is worried about this not being the normal Tuesday meeting night and that this meeting/discussion is not on camera. He cautioned we need to be very delicate with this.

Attorney Goodrich stated that we have some hesitation about whose acquiring land – the HRA or the City Council. Maybe the HRA for the redevelopment and the City for the right-of-way. Therefore, this discussion will take place at both HRA and City Council.

Chairperson McGlone repeated that when it comes to the regular meeting, the discussion will be on camera.

Commissioner Tossey reiterated this is very delicate and he wants it to happen but he wants to be very transparent.

Chairperson McGlone asked about the time element.

Development Manager Lazan stated we are entering the third week of the four weeks we said we would negotiate – not that we can't change that schedule.

Commissioner Backous expressed agreement with Commissioner Tossey that we need to be very transparent with this. We do not want to treat Mr. Wise any differently than anyone else. If we are doing this to lay out this roadway, we need to be ready with answers.

Mr. Lazan responded that road is done.

Commissioner Backous stated we need to be able to answer questions about price per square foot and explain it all on camera. He did not want anyone to have any questions about if Mr. Wise is being treated better or worse than normal.

Commissioner Strommen also expressed agreement with Commissioner Tossey's transparency statement. We can have some conversation in here but this discussion needs to happen on camera for both the HRA and the City Council. We should have had this discussion at the last HRA meeting on camera. Maybe we have to flex our schedule a little bit. She did not want to tell the public we did this now because of a time crunch. She stated that when they do appraisals for the State, they get three appraisals plus a technical review.

Chairperson McGlone suggested that the seller still has the right to get an appraisal on his own – that the City pays for.

Attorney Goodrich responded that the City would not have to pay for the entire appraisal – it is up to \$500.

Mr. Lazan suggested that maybe if the buyer chooses not to get his or her own appraisal, then we can have a technical review.

Commissioner Strommen stated she would prefer a technical review be done.

Commissioner Tossey stated this is not an attempt to delay. He added that he had a neighbor approach him on this subject. Commissioner Tossey suggested to just do this all out in the open – then we can just say, "Look at TV".

Commissioner Elvig did not understand the urgency and stated his concern was transparency as well.

Mr. Lazan stated that internally, we questioned this process. The urgency is driven by Sunwood Drive. We need this piece of property (referring to the map). We could do it on one but we

wanted to measure willing sellers and come to the HRA with all three parcels and reiterated that the urgency is driven by the Sunwood realignment schedule.

HRA Executive Director Nelson stated that we backed into a construction schedule – spring construction – and she did not think anyone times out in two weeks – but we are backing into a timeline to get to construction.

Commissioner Elvig stated that people will have some angst.

Chairperson McGlone stated this is about a bridge realignment . . . it's not about Jeff Wise.

Commissioner Tossey agreed it is a bigger issue.

Commissioner Elvig stated he is not here to argue the project, but we need to build a case showing we will do a prudent job.

Commissioner Backous commented that we all agree on that. The point is, we are dealing with a separate project and asked to be shown on the map the existing areas already acquired.

Chairperson McGlone stated that the City Council had hired him (McGlone) to do abatement and roof work. He had to enter a bidding process and he had no more information than anyone else bidding. He could not be in the room when it was discussed and all the other Councilmembers had to decide if he was the best bidder and award it to him. He did not view this issue as that much different.

Attorney Goodrich responded that this is a little different – that's a contract issue – this is more of an ethical responsibility with the three of us – meaning Goodrich, Nelson and Lazan.

Commissioner Elvig inquired if Mr. Goodrich would be more comfortable if someone outside the City handled this acquisition.

Mr. Goodrich didn't see where that would make a difference as he, along with Nelson and Lazan would be directing that person anyway. Having that independent appraisal is as indisputable as we can get. We would only go by what the appraisal says. He reiterated there is assurance with having an independent appraisal and he wanted to make sure everyone is okay with that.

Development Manager Lazan stated that we proceed on the land and building valuation. We feel the appraisal is in line with where we believe neighboring appraisals are and we will have equalization in land for land. "Outside the box" is the business valuations. That's where we will bring in someone from the outside; we will handle the land and the building.

City Administrator Ulrich stated that this has come back to the City Council and HRA. If we can get these objective appraisals, along with the other appraisals, we will have them to bring back and have these conflict of interest discussions at these other meetings.

Commissioner Backous inquired how we are handling evaluation on this side of The COR. That will be a question by the public too.

Mr. Lazan talked about the equalizer with regard to the land and stated the previous appraisal numbers will be brought to the HRA and City Council as well.

Commissioner Backous noted we will have to work on narrowing our numbers down.

Chairperson McGlone inquired at what point the numbers go public.

Attorney Goodrich stated that a closed meeting will be held to talk about the numbers. If the HRA/City Council agrees with these numbers and you direct that we enter into a purchase agreement – then they become public.

Chairperson McGlone asked if we will be able to get the numbers public in the manner City Council wants to. We do not want too much going on to be perceived as behind the scenes.

Commissioner Strommen felt that we need to let people know about the process as well – and then the numbers. We need to be transparent all the way.

Commissioner Elvig stated it is land for land – we are not just trying to embellish one to match the other.

Development Manager Lazan stated that without laying out the numbers for the Commission, they are remarkably close.

HRA Executive Director Nelson recommended that if there is a consensus to get the review and appraisal, we can do that and come back on February 14. We could get authorization to do the appraisal and have the discussion of the process on camera on February 28.

City Administrator Ulrich stated that a resolution could be done for the HRA to adopt and for the City Council to adopt that establishes there is potential for conflict of interest and to list the process and that that resolution is separate and distinct from the offer. For example, we recognize a potential for a conflict of interest, this is how we will go through the process to assure there is no conflict of interest, etc.

Mr. Goodrich stated that he is confident we will not have a conflict of interest but our challenge is to show we do not have the appearance of a conflict of interest.

Consensus of the HRA was to do the appraisal and technical review and bring it back to the HRA and City Council on February 14, with a resolution on that one parcel.

Commissioner Backous stated we have to be so careful to ensure that all three parcel owners are treated the same.

Chairperson McGlone stated that everyone has the choice of getting their own appraisal, which we have to pay up to \$5000 for, and if they do not do it, they waive that right.

Mr. Goodrich added that three appraisals are the same person. If we do a review appraisal for Wise and it shows a defect, we will pick that up on the other two as well.

Commissioner Strommen stated that it will all be done by the same appraiser so we will get a benefit of having someone review the methodology. It's a check and balance – and assurance of the appraisal method.

City Administrator Ulrich agreed that review of the appraisal is a good check, especially if there is the possibility of the perception for a conflict of interest. The cost for the review is about \$500 to \$700, which is a fraction of the cost of the appraisal – so it is worth the investment.

Discussion ensued relating to having a review of appraisals that are done on The COR property. Commissioner Backous stated that we need to protect ourselves. Mr. Lazan responded that we can order the appraisals on a case by case basis. A comment was made that it could be said that we are adjusting the amounts so the purchase from Wise and the purchase made by Wise are equal.

HRA Executive Director Nelson stated that the appraisal on Mr. Wise's property is setting the value.

Mr. Lazan stated that it is a per foot equation.

Commissioner Backous stated that "x" number of dollars per square foot is a subjective number and he has a concern with that.

Mr. Ulrich suggested that Mr. Wise's bank will require the appraisal. If we are trading this land, we need an objective review of this land's worth.

Commissioner Elvig stated that we are setting the bar for what the value is. He felt that the comps will be much higher on this side.

Chairperson McGlone stated that we struggle with what the land is worth. If we got a deal for "x" number of dollars and we can live with that – then who cares.

Commissioner Backous expressed agreement. He stated he is strictly worried about the perception of conflict of interest and how we protect ourselves. He suggested simplifying the process.

Commissioner Tossey stated that he thought this was the whole point of selling to Osborne; we would not have to deal with this at all. He added he is increasingly more uncomfortable with this proceeding.

Commissioner Elvig stated that we are proceeding as if that deal with Osborne will not take place – it still can – but we cannot stop what we are doing to see if it does. The appraisal has to be done or the roadway work will not happen. He added that we have a great history of the prior appraisals to compare the current appraisals to.

Attorney Goodrich advised that we need to get our appraisals into book form to have a technical review.

## **2. Consider Proposed Restrictive Covenants on HRA Owned Parcels in The COR**

HRA Executive Director Nelson stated that often in developments like The COR, there is a list of uses/users that would be detrimental to the project's vision and character. This varies from project to project, but there are certain uses commonly referred to as "the dirty dozen". She listed the following uses for consideration: a bar or tavern, except in connection with a primary use as a restaurant, an outdoor amusement park or center, (excluding a public community center), a carnival (excluding annual or special events sponsored or run by the City), a disco or other dance hall (excluding a restaurant or bar restaurant with incidental dancing, a funeral parlor/home, a flea market, a massage parlor other than medical facilities and facilities offering spa and massage services and related items and services that is similar in operation to a "Massage Envy", a warehouse or processing or rendering plant, a manufacturing or industrial facility, an establishment selling new or used cars, trailer or mobile homes, the sale or display of pornographic or "adult" materials including but not limited to adult risqué or gag items, pornographic or "adult" live entertainment, or a store selling medicinal marijuana (whether consisting of live plants, seeds, or processed or harvested portions of the marijuana plant) or drug paraphernalia. She noted we can amend the list, but wondered how the HRA felt about the concept.

Chairperson McGlone wanted the list shortened. He felt that we need to get the bar/tavern figured out.

Commissioner Backous asked how often prohibiting pornographic material is challenged. All of these can be challenged in court. He noted that people who buy property here may not want this list in the covenant and wondered if it would make the property less marketable.

Ms. Nelson responded that we have zoning provisions and you cannot zone certain businesses out – you have to have areas within the City where they can locate these types of businesses. We cannot preclude them but we can regulate where they can be.

Development Manager Lazan reported that the industry seems to recognize this dirty dozen so he did not think this will make us less marketable.

Commissioner Elvig agreed that this is fairly common and most landowners appreciate it. He expressed concern about the outdoor amusement part. Maybe we should have some different wording on that as we are trying to promote outdoor things for this area.

The HRA agreed that the bar/tavern and the amusement park portions should be looked at.

Commissioner Strommen cautioned the use of terms like “similar to Massage Envy”.

Ms. Nelson stated that she will come back to the HRA with a final form.

### **3. Consider Restrictive Covenants for the On-Site Sale of Motor Fuels Associated with the Sale of Property at Sunwood and Armstrong Boulevard**

HRA Executive Director Nelson stated that the Development Team has been working with potential buyers of parcels at both Sunwood Drive and Ramsey Boulevard and Sunwood Drive and Armstrong Boulevard for the development and operation of gas/convenience stores. They have asked for consideration of an agreement of exclusivity covering all remaining HRA property if the buyer were to close on both sites and as long as they maintained operation of both sites as a gas/convenience store. Ms. Nelson stated she would like the HRA to consider answers to these two questions: Would the HRA consider this exclusivity over all remaining HRA property if the terms proposed by the buyer were met and does this meet the current and long-term vision of the project. She added that the exclusivity would essentially prevent any additional uses of this type from coming forward in the future and sets the number and locations of this use with the project. She continued that if the Development Team was successful in narrowing the scope of the exclusion to the east and west ends of the project, it would only free the center of the project from an exclusion, and that would likely be considered the least desirable location in the current vision for the project. Ms. Nelson pointed out that the restriction/exclusive currently requested by the buyer has been drafted as an exclusive for “the on-site sale of motor fuels”. Other fuels may be sold such as cylinder exchanges, camping fuels, etc., and would not exclude retailers over 50,000 square feet that sell fuel as an accessory use, such as Costco, etc. Therefore, this would not preclude gas as an accessory use.

Development Manager Lazan stated that the Development Team will have discussion with the buyer along the way. Our first inclination is to get that done and include as small an area as possible. He asked if the HRA wants to keep their options open, the team will go back and negotiate a smaller area.

Commissioner Wise stated that there is already a track record of quite a few of these developments. He stated he is a fan of giving some exclusivities but felt it should be based on population or something like that.

Chairperson McGlone stated that the buyer is hoping for exclusivity within Ramsey and Armstrong Boulevards, inside The COR – and only on HRA owned land. He felt that by granting that, we would not be really prohibiting development or getting in the way of other businesses. It’s a negotiating factor and he was excited about being able to sell two lots at once.

Commissioner Elvig stated he is not really in favor of agreeing to their conditions without getting something in return – like the bank that paid another \$500,000 for that condition. We have enough controls through the Conditional Use Permit process.

Mr. Lazan stated that is your role as a City – you have controls with conditions. The other role you have is the assurance you give to the buyer. He added that they are paying more per foot than the previous offer – and proposing twice the amount of square footage.

Commissioner Elvig stated that he is just suggesting it's an opportunity to get something for it.

Chairperson McGlone stated that if we get 10 cents and we sell twice the property in one deal, he is open to it. We are not excluding gasoline sales – it is still allowed as an accessory, etc. and he agrees with that.

Commissioner Strommen suggested having conversations about tools we want to use for negotiating. She stated she is not interested in having more gas stations in the middle of The COR. If this user goes out of business, it will allow another user in.

Development Manager Lazan stated that they do not get the exclusivity deal until they get both sites built and this agreement is only with Kwik Trip.

Commissioner Backous stated this would get it on the tax rolls, get it off our backs, and better deals will come the more we get built up. He expressed his support for it.

Commissioner Tossey stated he, too, is fine with it.

Consensus of the HRA was to finalize an exclusive agreement for Kwik Trip for motor fuels.

## **EXECUTIVE DIRECTOR'S REPORT**

HRA Executive Director Nelson reported that at the February 14 HRA meeting, she will have a case for the acquisition of property on the west side of Armstrong and a Master Declaration Resolution for review and adoption. She added that Tom Bray would be present.

Development Manager Lazan reported on Toti. There have been discussions in the last week – they are aware we need to resolve this in short order or bring the property back on the market. They will close with a note back or a fairly steep, non-refundable extension fee. They prefer to close and do a note back. Mr. Lazan stated he hoped to have that on the agenda for next Tuesday as well. Mr. Lazan stated that with regard to Flaherty and Collins, we are down to the “last of the last” issues. They are on schedule and the bonding component will come forward in late February.

HRA Executive Director Nelson stated that the Ramsey Rail Station groundbreaking is tentatively scheduled for late afternoon, Tuesday, March 27. She will provide details as they become available.

## **COMMISSIONER INPUT**

Commissioner Wise inquired if there have been any more discussions with the Solomon property.

Development Manager Lazan replied that Ryan Cronk is in town this week and a number of discussions have been set up. We will be meeting with them tomorrow.

City Administrator Ulrich announced that Metropolitan Council Representative Reynoso would be in town on Monday, February 13, and a 9:00 a.m. meeting has been scheduled with him. Discussions will include the Armstrong Interchange and the Ramsey Rail Station groundbreaking.

**ADJOURNMENT**

Motion by Commissioner Tossey, seconded by Commissioner Wise to adjourn the Work Session meeting of the Housing and Redevelopment Authority.

Motion carried. All present in favor.

The Work Session meeting of the Housing and Redevelopment Authority adjourned at 9:23 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 Jo Thieling, City Clerk, City of Ramsey*

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, February 14, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:                   Chairperson Colin McGlone  
  Commissioner Randy Backous  
  Commissioner David Elvig  
  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  
  Planning Intern Patrick Brama  
  City Attorney Bill Goodrich  
  Development Manager Darren Lazan

**CALL TO ORDER**

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 9:57 p.m.

**CITIZEN INPUT**

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

**APPROVAL OF MINUTES**

None.

## **HRA BUSINESS**

**Case #1: Adopt Resolution #12-02-001 Adopting the 2012 Housing & Redevelopment Authority Budget and Adopt Resolution #12-02-002 Amending the 2011 Housing & Redevelopment Authority Budget**

Finance Officer Lund reviewed the staff report.

Motion by Chairperson McGlone, seconded by Commissioner Ramsey, to adopt Resolution #HRA-12-02-001 Adopting the 2012 Housing & Redevelopment Authority Budget and adopt Resolution #HRA-12-02-002 Amending the 2011 Housing & Redevelopment Authority Operating Budget.

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

**Case #2: Consider Resolution #HRA 12-02-003 Regarding Process for Acquisition of Parcel owned by M & W Holdings – Jeff Wise (14590 Armstrong Boulevard NW)**

Commissioner Wise recused himself due to a conflict of interest and left the Council Chambers at 10:00 p.m.

HRA Executive Director Nelson reviewed the staff report and read the resolution in full.

Motion by Commissioner Ramsey, seconded by Chairperson McGlone, to adopt Resolution #12-02-003 Defining Process for Acquisition of Parcel Owned by M & W Holdings Company LLC – Jeff Wise (14590 Armstrong Boulevard NW), amended as follows: remove the ninth WHEREAS paragraph; and, add a new tenth WHEREAS paragraph: “WHEREAS, the acquisition of the property at 14590 Armstrong Boulevard will facilitate the relocation of this business as required by State Law for minimum compensation.

Further discussion: Chairperson McGlone indicated the amendment to this resolution was based on thorough discussion by the City Council to assure transparency.

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

Commissioner Wise returned to the Council Chambers at 10:06 p.m.

**Case #3: Consider Memorandum of Intent Regarding Resolution of the Master Declaration/Association**

HRA Executive Director Nelson reviewed the staff report.

The HRA commended the Development Team and staff on resolving this extremely complicated and sensitive issue.

Motion by Chairperson McGlone, seconded by Commissioner Elvig, to approve the Memorandum of Intent for the resolution to the Master Declaration.

Further discussion: HRA Executive Director Nelson addressed the HRA's questions relating to remedies for other properties under the Master Declaration. With regard to residential homeowner's associations, Development Manager Lazan indicated they would be invited to the Board meeting and could request to be removed from the Master Declaration, if desired. It was noted the primary focus of the Master Declaration is Mr. Deal's commercial properties along Sunwood Drive. Development Manager Lazan advised that based on staff's best efforts to research title work and documentation, the exhibit presented identified all HRA parcels under the Master Declaration.

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

#### **EXECUTIVE DIRECTOR'S REPORT**

HRA Executive Director Nelson and Development Manager Lazan provided updates on activities of the Development Team, ongoing negotiations, and upcoming agenda considerations.

It was indicated an HRA Work Session will be held on February 21, 2012, and a Regular Meeting on February 28, 2012.

#### **COMMISSIONER INPUT**

None.

#### **ADJOURNMENT**

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 10:21 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.*

**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, February 21, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:                   Chairperson Colin McGlone  
  Commissioner Randy Backous  
  Commissioner David Elvig  
  Commissioner Jason Tossey  
  Commissioner Jeffrey Wise

Members Absent:                   Commissioner Bob Ramsey  
  Commissioner Sarah Strommen

Also Present:                      City Administrator Kurtis G. Ulrich  
  HRA Executive Director Heidi A. Nelson  
  Development Manager Darren Lazan  
  Planning Intern Patrick Brama

**CALL TO ORDER**

Chairperson McGlone called the special meeting of the Housing and Redevelopment Authority to order at 8:53 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF AGENDA**

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

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

**APPROVAL OF MINUTES**

None.

**HRA BUSINESS**

### **Case #1: Consider Fifth Amendment to Purchase Agreement – Suite Living**

Development Manager Lazan reviewed the staff report to consider a fifth amendment to a purchase agreement with TOTI Holdings, LLC, Suite Living (TOTI) to extend the proposed closing date of February 15, 2012. TOTI proposes closing on the property in March with a \$20,000 extension fee and one-half the purchase price due, and the remainder on a six-month note payable to the HRA before construction can commence.

Commissioner Elvig commented the City was out paced by Anoka. He stated this project needs to move forward or risk losing the City's demographic. He stated the City and TOTI would share the land purchase.

Development Manager Lazan replied TOTI would get title to the property. He stated if they are unable to obtain further funding, TOTI would forfeit the property and the City would take the property back. He stated there is a benefit in moving forward.

Commissioner Elvig stated he has not heard of a situation like this and asked if the City's demographic is stable. He also asked if this project approach is acceptable to the City Attorney.

Chairperson McGlone replied he does not see the need to consult the City Attorney on this issue.

HRA Executive Director Nelson stated the documents were drafted by Tom Bray and stated if TOTI is unable to pay off the note and move forward, the title is surrendered to the City.

Development Manager Lazan stated the market is stable. He indicated TOTI has also been watching Lord of Life and noted Stoney River has 83 member beds. He stated the agreement needs to be executed by March 1.

Motion by Chairperson McGlone, seconded by Commissioner Elvig, to approve the proposed amendment to the purchase agreement and direct the Executive Director to execute the document upon receipt of the extension fee and prepare a notice of termination of March 1, 2012.

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

### **Case #2: Consider 2012 ICSC ReCON Attendance and Budget**

HRA Executive Director Nelson reviewed the staff report for the HRA to attend and exhibit at the 2012 ICSC ReCON conference. She stated the conference is good for networking with real estate professionals, retailers and developers from throughout the country. She stated the marketing materials used for the conference are stocked and ready to be shipped. A commitment is needed soon in order to reserve booth space.

Development Manager Lazan agreed it is an important conference for the HRA to participate in.

Commissioner Wise agreed the convention is important for the HRA and a presence is important, but HRA should scale back the cost.

Commissioner Tossey stated the City should save the money and not attend.

Commissioner Backous stated attending the convention is worthwhile but if the expense schedule on meals and entertainment gets out to the public, it would be a hard sell.

Development Manager Lazan replied the per diem is based on the past two year's expenses and could be cut back.

Commissioner Backous stated the expenses need to be cut back because they seem high.

Chairperson McGlone stated this is a long-term investment and he favors being as frugal as possible. He suggested not having a booth and sending more people to cover the floor.

Commissioner Backous asked if the conference allows people to attend and not have a booth.

Development Manager Lazan replied about 15% of the companies have booths, others just send staff.

City Administrator Ulrich stated the first year, the HRA shared a booth with Buxton.

Development Manager Lazan stated the booth size would be 20 x 10 and the HRA had approached Osborne about sharing a booth.

Commissioner Elvig felt the last budget to cut is marketing. He agreed with cutting back expenses, but not cutting booth space because it may look cheap. He believed having a booth is critical, noting the HRA already has the marketing materials. He does not agree with partnering with Osborne.

Development Manager Lazan stated the booth rental is \$1,800.

Chairperson McGlone asked about attendees sharing rooms.

HRA Executive Director Nelson replied this is not an option.

Commissioner Elvig stated last year's room cost was \$49.

Chairperson McGlone stated he would advocate for more personnel attending.

Commissioner Wise stated image is what attracts people and it would be foolish not to go.

Commissioner Elvig stated it would be beneficial to have a couple more booths.

Commissioner Wise stated last year was his first year attending. He suggested Commissioner Tossey attend the convention.

Commissioner Tossey replied you are using the public's money to go to Las Vegas.

Chairperson McGlone stated attending the convention is still work and he would advocate for more booths.

Commissioner Elvig stated he would advocate for more attendees.

Development Manager Lazan asked if three staff and two Commissioners should attend the convention.

Commissioner Backous stated he was not a fan of the convention last year but he now sees the value in the convention and looks at it as marketing.

Commissioner Tossey stated the City does not need to attend this event, thinking it has not proven to be money well spent.

Commissioner Backous replied you never know who you will meet at this convention.

Commissioner Elvig stated advertising needs to keep going and the HRA needs to stay in the public's eye.

Chairperson McGlone believed the marketing effort at the convention was worthwhile.

HRA Executive Director Nelson stated the money is budgeted for HRA and she is seeking approval to make the arrangements.

Chairperson McGlone and Commissioner Wise indicated they were open to attending, Commissioner Backous passed on attending, and Commissioner Elvig asked to be second choice if someone cannot attend.

Development Manager Lazan stated he will budget for two Commissioners and three staff to attend and cut the per diem.

Commissioner Wise stated he did not take the per diem last year and paid \$400 out of his own pocket.

Chairperson McGlone stated he did not spend over the per diem last year.

Commissioner Elvig stated flexibility on expenses is important because you don't know what you are going to run into.

The consensus of the HRA was to have two Commissioners and three staff attend the 2012 ICSC ReCon Conference.

## **EXECUTIVE DIRECTOR'S REPORT**

HRA Executive Director Nelson reported on the following:

- A conference call with Tom Bray today and another is scheduled for the morning. HRA should have something on the agenda for February 28.
- Senate realignment discussion will be in a closed session on February 28.
- City's Alternative Urban Area Review (AUAR) is expired and needs to be updated within six to nine months.
- North Gate will discussed at the February 28 Work Session or may be moved to March.
- Kwik Trip deal went away for the corner of Armstrong and Sunwood. Development Manager Lazan replied Kwik Trip wants to talk more to the City in 2013. HRA Executive Director Nelson stated they want exclusivity on site control.

## **COMMISSIONER INPUT**

None.

## **ADJOURNMENT**

Motion by Commissioner Wise, seconded by Commissioner Tossey, to close the Special Session meeting of the Housing and Redevelopment Authority.

Motion carried.

The special meeting of the Housing and Redevelopment Authority adjourned at 9:46 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 Linda Dahlquist  
*TimeSaver Off Site Secretarial, Inc.*

## HRA Regular Session

5. 1.

**Meeting Date:** 04/10/2012

**By:** Mark Riverblood, Engineering/Public Works

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### **Title:**

Approve Grading for the Creation of 5 Lots - Test Plot Development at North Commons

### **Background:**

As the Housing and Redevelopment Authority members will recall, the proposal to move forward with the development of North Commons included the creation of 5 lots to the west side of the park along Zeolite Street. These lot locations are also the site of the test plots to ascertain the value and direction of the City's topsoil specification - which remains a question that emerged through the 2011-12 development cost study process.

On February 28th, 2012, the HRA directed staff to proceed with the various elements of the park, the topsoil 'experiment' and grading for the lot creation. Staff subsequently issued a Request for Quotation for hauling, earthwork and the placement of topsoil (sans the topsoil for the 4 test plots, which will be done as part of the irrigation RFP). The RFQ was divided up into differing line item quotes to identify what amount of the work to be performed was attributable to the lot creation, and what costs should be assigned to the park.

Four (4) quotes were received on April 4th, 2012 for all of the earthwork and low sum total quote was for \$28,000 for the cost associated with the lots and \$4,000 for the balance of the park work. (The highest quote was \$149,690.)

The Topsoil importation and spreading for the lots and park was \$14,400 (*not* including the 'specialty' topsoil associated with the test plots, which will be determined as part of the irrigation RFP). Based upon the area, approximately 10% or \$1,400 of topsoil hauling and would be an associated lot creation expense, and the rest of the \$14,400 (\$13,000) is attributable to the park's construction.

Additionally, there are two other services that need to be ordered before or concurrent with this grading and hauling activity, and that is wetland delineation at \$350, and soil boring and testing for the fill and compaction of the 5 lots at a range estimated to be between \$800 and \$1,200 dollars. The wetland delineation may be considered 50% associated with the lots, the other half the park. Similarly, the silt fence and MPCA permit of \$2,470 may be considered a shared expense between the two land development endeavors. The boring and testing is solely a pad-ready lot expense.

### **Notification:**

### **Observations:**

The purpose of this case is to primarily to address the earthwork for the creation of the five lots to be sold for single family homes, and provide the grading and application of topsoil for the larger park space. Staff is in the process of determining the costs for the various other aspects of the test plots and North Commons' development as eluded to above, and these elements will go before City Council later this spring.

The investments this case discusses are summarized below:

### **Development of the 5 lots**

\$28,000 hauling, grading

\$1,400 topsoil

\$1,200 soil boring and testing

\$175 Wetland delineation  
\$1,270 silt fence and permit  
\$250 seeding estimate (non-test areas)  
\$1,000 contingency  
**\$33,295 TOTAL**

**Earthwork for North Commons**

\$4,000 hauling and grading  
\$13,000 topsoil  
\$175 Wetland delineation  
\$1,270 silt fence and permit  
\$2,250 seeding estimate (park areas)  
\$1,000 contingency  
**\$21,695 TOTAL**

Funding for the single family lots to be sold is proposed to come from the COR Revolving Fund, which has a balance of \$72,500 from the formulaic assignment of the first installment of land sales to the Flaherty & Collins' project. (First payment received of \$250,000 @ .29%) It should be noted that before, or at the conclusion of the topsoil testing project in the end of October 2012, the lots can be listed with a broker, and the proceeds paid back to the COR Revolving Fund at the time the lots are sold, (meanwhile the HRA can embark upon the process to plat these lots).

Funding for the earthwork associated with the park is proposed to be from the Park Trust Fund, and would be authorized by City Council following HRA approval of the creation of the 5 lots as outlined above.

**Recommendation:**

**Funding Source:**

The earthwork for the 5 lots to be created for sale would be funded by the COR Revolving Fund in the amount of \$33,295.

The grading, hauling and topsoil spreading for North Commons would be funded by the Park Trust Fund in the amount of \$21,695.

**Council Action:**

Motion to approve earthwork for the 5 lots to be created from the COR Revolving Fund in the amount of \$33,295.

Motion to recommend City Council approve the grading, hauling and topsoil spreading for North Commons concurrent with the lot grading, and funded by the Park Trust Fund in the amount of \$21,695.

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**Form Review**

**Inbox**

**Reviewed By**

**Date**

Brian Olson

Brian Olson

04/05/2012 01:50 PM

Heidi Nelson

Heidi Nelson

04/05/2012 03:19 PM

Kurt Ulrich

Kurt Ulrich

04/05/2012 04:24 PM

Form Started By: Mark Riverblood

Started On: 04/04/2012 10:26 AM

Final Approval Date: 04/05/2012