

Positioning Ramsey Town Center for the Future

March 17, 2009



The Community's Initial Vision:

- 322-acre, award-winning mixed-use development along U.S. Hwy. 10
- Housing, commercial, retail, office and civic development
- Goods and services that meet residents' needs
- Job and tax base expansion
- Pedestrian, family and transit friendly



Implementing the Initial Vision:

- Sought input from residents and businesses
- Created master development plan to protect the community's vision
- Owned by private developer — not the city
- Funded most infrastructure investments with grants, outside funding
- Protected community's overall investment

Ramsey Town Center Successes:

- PACT Charter School with 540 students
- 223 units of life cycle housing
- Coborn's grocery store, other retail and commercial space
- City park, municipal center and transit hub
- Nearly \$12 million in infrastructure investments with no outstanding debt
- \$1 million in expanded tax revenue



Challenges Since 2006:

- Developer death and bankruptcy
- 150 acres trapped in foreclosure
- Currently owned by group of 25 banks
- Multiple buyers and projects have come and gone

Potential Risks:

- Loss of nearly \$1.5 million in back taxes, interest and penalties
- Potential loss of future tax revenue
- No guarantee community needs will be met
- Poor economy = few potential buyers
- Ramsey may miss out on economic recovery

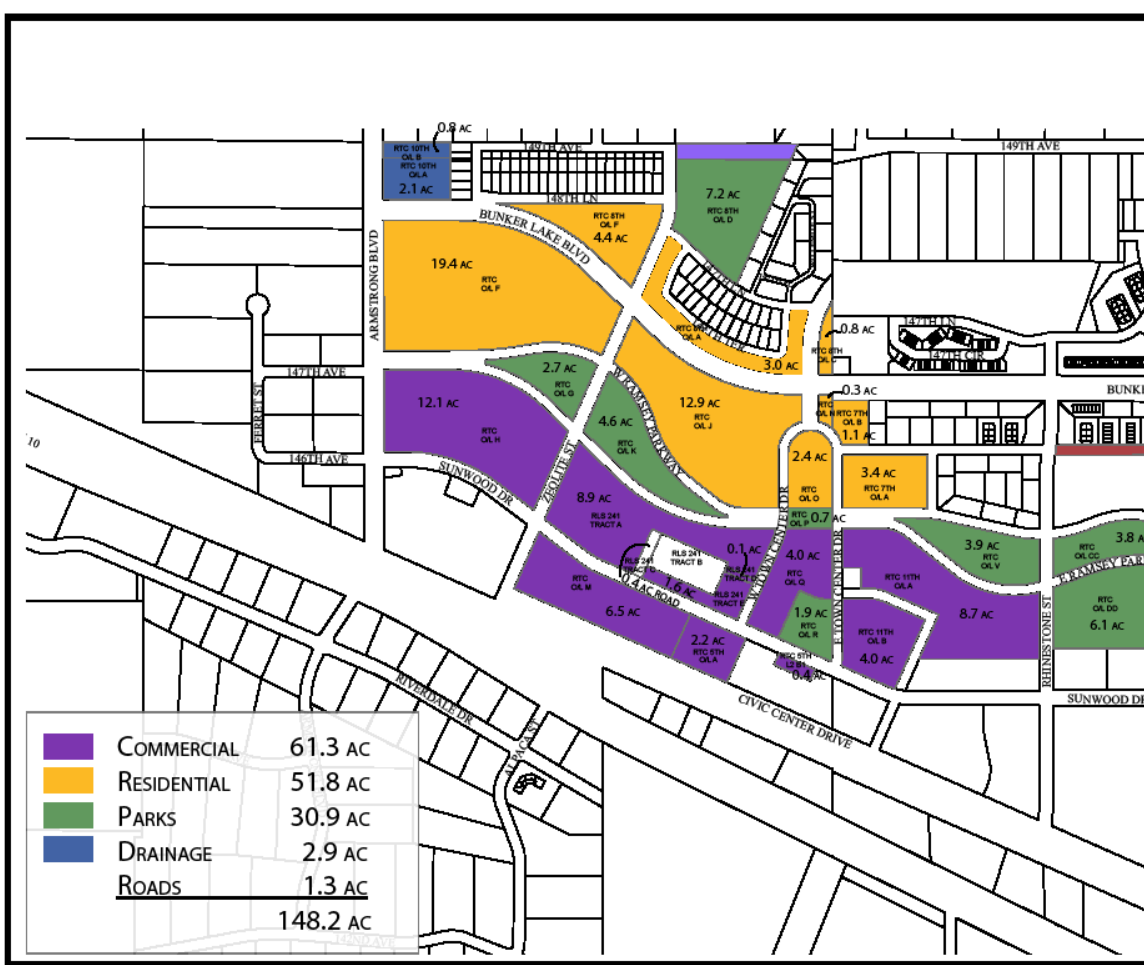
**Regardless of the past,
city action at this time
creates the greatest
opportunity to maximize
future private development.**

Tonight's Proposed Action:

- Settlement of litigation
- City purchase of 148.2 undeveloped acres
- Cost of \$6.75 million
(current mortgage value: \$35 million)
- Secure marketable title
- Internal fund transfer
- Foreclosure sale: March 20, 2009;
Closing: June 26, 2009



Properties to be Acquired by City



A Good Investment:

**Gross City
Purchase Price**

\$6.75 million

**Lenders Repay
Back Taxes
to City, County, Schools**

(\$1.35 million)

**Proceeds of Previous
Letter of Credit**

(\$1.5 million)

Positioning for the Future:

- Frees property for private development
- Payment of back taxes, interest and penalties
- Builds tax base and reduces need for future tax increases
- Protects community's investment to date
- Investment in Ramsey's future

Questions and Discussion