

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, December 15, 2009, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson John Dehen
 Commissioner David Elvig
 Commissioner David Jeffrey (arrived at 6:00 p.m.)
 Commissioner Matt Look
 Commissioner Colin McGlone
 Commissioner Bob Ramsey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: City Administrator Kurtis G. Ulrich
 Deputy City Administrator Heidi A. Nelson
 Planning Manager Amber Miller
 City Attorney Bill Goodrich (arrived at 8:00 p.m.)
 Darren Lazan, Landform

CALL TO ORDER

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 5:27 p.m.

OPEN FORUM

There was none.

APPROVAL OF MINUTES

None.

APPROVAL OF AGENDA

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

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Look, Wise, Elvig, McGlone, and Ramsey. Voting No: None. Absent: Councilmember Jeffrey.

HRA BUSINESS

Case #1: Conduct Interviews of the Respondents to the Request for Qualifications RFQ for Development Services for Town Center

Planning Manager Miller reviewed the staff report.

Patrick Hart, Solomon Real Estate, introduced Steven Johnson of Solomon and Daniel Parks of Westwood Professional Services.

Steven Johnson, Solomon Real Estate, summarized who Solomon Real Estate Group was and what type of products Solomon has done. He noted Solomon offered the full range of development. He highlighted Southwest Station in Eden Prairie; Park Place Promenade in Brooklyn Park; Windsor Plaza in Eden Prairie, and Plymouth Marketplace in Plymouth, as some of Solomon's developments. He summarized the services Westwood Professional Services would perform.

Chairperson Dehen stated he was not sold on the idea of a development management company as there would be a black hole in his opinion. He stated his idea was to take this property and get rid of it. He indicated his concern was how the City would contain price.

Mr. Johnson responded Solomon would work with the City and Solomon would have a contract with the City that would specifically address these issues. He stated it was not Solomon's intention to develop the entire area, but to use Solomon's contacts and act as a conduit between the developer and the City. He noted everything would be done with the Council's approval.

Chairperson Dehen asked what Solomon Real Estate could do that the City staff could not do.

Mr. Hart responded this was not a normal market or situation. He stated Solomon had a lot of contacts in the industry that staff would not have. He stated Solomon's contacts would be a huge benefit to the City.

Chairperson Dehen stated he wanted more information on how Solomon would market the property.

Mr. Johnson responded he attended ICSC every year and he would have a different result in talking to retailers than the City would because he was a developer and he had the contacts that the City would not have. He stated the City would get the benefit of having a developer and talking to the retailers on a level that they would understand and appreciate.

Commissioner Elvig stated his concern was how Solomon would market this.

Mr. Johnson responded Solomon would add an addition onto their website. He stated he would also contact the residential developers with a plan as to how Solomon would make them successful in a down market. With respect to retail, he could easily pick up the phone to certain retailers to regenerate interest. With respect to office, he would target people who were strong in

the office market who were dealing with the large end user. He indicated he was also on various Boards and worked on programs through these Boards as well.

Mr. Hart stated people know who Solomon is and Solomon did not need to market themselves and that has value for the City.

Commissioner Wise stated he was concerned about the transportation issues and the location of Highway 10 and the railroad tracks. He believed this needed to be fixed one way or another. He asked what Solomon could bring to this to find funding.

Mr. Johnson responded Solomon had worked closely with MnDOT and Counties in the past and Solomon had experience in working with issues such as this. He believed the train stop was a big plus for this area.

Commissioner Jeffrey arrived at 6:00 p.m.

Darren Lazan, Landform, introduced Skip Greeby and Michael Greeby, of Greeby Companies, and Ryan Cronk of Cronk RE, LLC.

Mr. Lazan presented what he believed the project was and where the project should go. He indicated the next steps would be to organize, political lobbying, and development management.

Michael Greeby stated whatever developer the City decided on needed to be able to take this to the next step. He stated Greeby Companies wanted to take this to the next level and with the proper organization structure, this could be accomplished.

Mr. Lazan summarized the team strengths including local presence, national reach, depth of resources, and service-based approach.

Skip Greeby stated Greeby Companies needed to convince the City to retain them for this project. He stated a couple of reasons why is that Greeby Companies has gotten to know a lot of City staff and Council over the past few years and from a local and national view, Greeby would be able to tap resources from developers as well as giving the City visibility of the project. He stated Greeby would be able to promote the project on the national stage, which was a great advantage for the City.

Chairperson Dehen stated he was not sold on the developer management concept because it created another layer. He asked what this team would bring over and above what the staff could accomplish. He asked if the advantage was the contacts Landform had. He asked if there was anything else in the marketing aspect over and above these contacts.

Mr. Lazan responded the City staff was very talented and energetic. He believed contacts was a big advantage, but he also believed Landform brought a deeper and broader understanding of the deal, and development, as well as an understanding of what would fit into Town Center.

Commissioner Wise stated transportation was a concern for him. He asked what contacts had Landform worked with in the past.

Mr. Lazan responded Landform understood the importance of this issue. He stated Landform had contacts with the local Senator and Landform also had a lot of resources that could be used.

Commissioner Ramsey stated what he liked about this team was the ability the team had to juggle a lot of pieces and keep it all organized.

Michael Greeby noted the team not only has contacts, but the team has developed relationships and those relationships over the years have developed trust, which gets things done.

Emmett Corsey, Forest City, introduced Jim Richardson, VP for Commercial Development.

Mr. Corsey reviewed the background of Forest City. He summarized some of Forest City's developments including the New York Times Building in New York City; University Park at MIT in Cambridge, Massachusetts; Sky 55 in Chicago, Illinois; Victoria Gardens in Rancho Cucamonga, California; Westfield San Francisco Centre in San Francisco, California; and Short Pump Town Center in Richmond, Virginia.

Mr. Corsey noted many of Forest City's developments were near or sat on top of transit (rail) stations.

Commissioner Elvig expressed concern that this project was not big enough for Forest City and Forest City did not know the local flavor.

Mr. Corsey stated the first thing Forest City would do would be to find out the City's vision. He noted Forest City had done smaller projects that have been successful.

Commissioner Elvig asked what sparked Forest City's interest in this project.

Mr. Richardson stated Forest City was looking at doing a project in Chaska and wanted to do other developments in the Twin Cities as well. He indicated the City had a great opportunity with the railroad track and the light rail.

Mr. Corsey stated if certain expertise were needed, Forest City could obtain them. He indicated Forest City had studied this area for 8 years and eventually Forest City would be in a development in Minnesota. He stated Forest City has done a lot of development with the major retailers and has a good reputation among those retailers.

Mr. Richardson summarized Forest City's development philosophy and key players within Forest City. He summarized the project approach broken down into phases.

Commissioner Wise asked what Forest City brought to the table with respect to transportation. He asked if Forest City had dealt with transit authorities.

Mr. Corsey responded Forest City had underwritten some of the largest grants in the Country for transportation issues. He stated Forest City could lobby also and that was the reason Forest City's main office was in Washington DC.

Jim Prost, Principal of Basile Baumann Prost Cole Associates, introduced Jim McComb, President, MGL.

Mr. Prost summarized the team and experience, the project goals and issues, the approach Basile Baumann Prost Cole Associates would use, and specialized understanding.

Mr. Prost noted Basile were not developers, but worked with various developer entities. He presented developments Basile was involved in including developments in Raleigh-Durham, North Carolina; Fairfax County Government Center in Fairfax, Virginia; Owings Mills Metro Center in Owings Mills, Maryland; TOD/Economic & Market Impact Study in Denver, Colorado; Bridgeport, Connecticut; Development Management Services in Long Branch, New Jersey.

Mr. McComb summarized the project's goals and objectives.

Mr. Prost stated the City had good planning and Basile's would work with the City on how to work with a developer, the financial opportunities, the market strategies, etc. He stated one of Basile's specialties was commuter rail projects and Basile had done many commuter rail projects in the past also.

Mr. Prost stated Basile had worked with the VA in the past. He summarized the marketing approach Basile would use including databases, developer's forums, press releases, placements in targeted publications, and target outreach to regional and national developers. He indicated Basile would be dedicated to work with the City and the City's values. He noted Basile was a consulting firm and worked on a fee basis. He presented the top ten reasons the City should select Basile.

Case #2: Presentation of Letter of Intent from Sand Companies and Site Proposal (portions of this discussion may be closed to the public)

Jamie Thelen, Sand Companies, presented a potential new construction, work-force rental housing project.

Commissioner Wise asked whom the housing market was for.

Mr. Thelen responded it would be workforce housing for the first phase. He indicated it was too soon to determine what type of housing would be in the second phase.

Commissioner Ramsey asked if the City was looking for more density in this location than this proposal was bringing in and if they were looking at a higher end project.

Chairperson Dehen stated he thought the workforce housing was going to be out farther, if at all. He thought the plan was to bring in more market rate driven housing in this area.

Planning Manager Miller stated this project met the density for the area. She noted there was workforce housing right in front of the ramp, so she did not know where the thought was that there would not be workforce housing. She noted the tenants would be required to have a job, so these were not low-income housing.

Mr. Thelen noted this was not a Section 8 project. He indicated the rent was set and there was no other subsidy.

Chairperson Dehen asked how the purchase agreement was arrived at.

City Administrator Ulrich responded the proposal came from the developer with staff's direction to the developer that there were key issues that had to be addressed.

Chairperson Dehen stated his concern was a complex located by a park and this was a highly desirable location.

Commissioner Elvig asked if Mr. Thelen could look at doing the first building as the second building.

Chairperson Dehen asked what the options were.

City Administrator Ulrich stated TIF would put the City in partnership with the developer. He indicated this would be a partnership that would need to be negotiated. He noted the developer would have a certain cap rate the developer would need to achieve.

Commissioner Ramsey stated he needed further information regarding the TIF financing before he could make any decisions.

Planning Manager Miller stated if this project was workforce housing, the City had a workforce housing where TIF was not used. She indicated it might make sense to decertify that TIF and use this project for the TIF financing. She indicated this would relocate the TIF.

Commissioner Elvig asked if both phases would be TIF.

Mr. Thelen responded he was proposing both buildings as TIF. He noted the TIF would help to build the market rate phase.

Commissioner Elvig asked if the City could put a physical dollar amount cap on the TIF. He agreed the City should decertify the existing TIF district.

Mr. Thelen stated funding was coming up from the County and if his Letter of Intent were accepted, he would like to apply for the funding. He believed he could get up to \$300,000 from Anoka County.

Mr. Lazan stated he did not believe the HRA was in a position to approve the letter of intent right now because the City needed further information.

City Administrator Ulrich recommended staff work on the Letter of Intent and come back to the HRA.

Chairperson Dehen stated he was concerned about the Flaherty and Collins connection. He asked if there was a concern from staff's perspective regarding proceeding with this tonight.

City Administrator Ulrich stated staff had a concern regarding the TIF and spelling out the district and the 90 percent.

Commissioner Jeffrey left the meeting at 8:37 p.m.

Commissioner Elvig stated he did not have a problem with workforce housing.

City Administrator Ulrich recommended the specifics on tax increment be taken out of the LOI.

Motion by Councilmember Elvig, seconded by Commissioner Ramsey, to authorize staff to enter into a Letter of Intent changing the language in 7E to "mutually agreed upon TIF terms".

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Elvig, Ramsey, Look, McGlone and Wise. Voting No: None. Absent: Commissioner Jeffrey.

City Administrator Ulrich moved Case #3 to the end of the agenda.

Case #4: Consider Memorandum of Understanding J.E. Dunn Construction

City Administrator Ulrich reviewed the staff report.

City Attorney Goodrich noted that this meeting can move into closed session to discuss land prices for the land west of the ramp.

Motion by Commissioner Dehen, seconded by Commissioner Wise, to move to closed session.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Wise, Elvig, Look, McGlone, and Ramsey. Voting No: None. Absent: Commissioner Jeffrey.

The Special HRA meeting moved into a closed session at 8:53 p.m.

The closed session was adjourned at 9:04 p.m.

The special HRA meeting was reconvened at 9:04 p.m.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the Memorandum of Understanding with JE Dunn for the Ramsey VA Clinic, subject to consideration of revised language to incorporate a commitment from the builder/owner of the project.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Wise, Elvig, Look, and McGlone. Voting No: None. Absent: Commissioner Jeffrey.

Case #5: Amend Contract Regarding VA Proposal - Landform

City Administrator Ulrich reviewed the staff report.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to allocate additional dollars to retain Landform as a consultant on the VA Clinic project, through submittal and selection, as needed. The amount of this allocation is to be based upon the consultants estimated hours to complete the project.

Further discussion: Chairperson Dehen asked why Landform was exceeding the contract. City Administrator Ulrich responded this was a new phase and additional hours were needed. Chairperson Dehen stated he did not understand how Landform could be working for J.E. Dunn and yet represent the City's interests. Commissioner McGlone stated every entity was really working for the City so he did not see any conflict. Chairperson Dehen expressed concern that Landform was not being accountable for the services they have incurred and all the invoice had was a list of hours. City Administrator Ulrich stated in his opinion now was not the time to pull players from this project and there were many pieces trying to be coordinated. Commissioner Look stated who J.E. Dunn hired was not any of the City's concern and if Landform was the expertise J.E. Dunn needed, then J.E. Dunn should hire them. He did not believe Landform would double bill the City for services.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Elvig, Ramsey, Look, McGlone, and Wise. Voting No: Commissioner Jeffrey.

Case #6: Discuss Land Acquisition within Ramsey Town Center Area (Closed to the Public)

City Attorney Goodrich noted that this meeting can move into closed session to discuss purchase of property on the south side of Highway 10 in the vicinity of Town Center.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to move to closed session.

Motion carried. Voting Yes: Chairperson Dehen and Commissioners Elvig, Look, McGlone, Ramsey and Wise. Voting No: None. Absent: Commissioner Jeffrey.

The Special HRA meeting moved into a closed session at 9:20 p.m.

The closed session ended at 9:57 p.m.

The HRA special meeting was reconvened at 9:57 p.m.

Case #3: Consider Proposal of Consulting Services The Banker LLC

City Administrator Ulrich recommended postponing this item indefinitely.

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to table this item indefinitely.

Motion carried. Voting Yes: Chairperson Dehen, Commissioners Ramsey, Elvig, Look, McGlone, and Wise. Voting No: Commissioner Jeffrey.

Continuation of Case #1 Discussion:

Commissioner Wise believed all of the Development Management Services were very capable, but Basile, Baumann, et al, did not seem to fit what the City wanted.

Commissioner Elvig believed McComb might be too conservative. He believed Landform had a leg up and Solomon was an excellent group as well as being a very respected group locally. However, he believed Forest City could do a lot for the City and could bring a lot of depth in.

Commissioner McGlone stated he liked Landform and Forest City. He believed both brought national recognition and, in Landform's case, international recognition. He advocated first for Landform and second for Forest City.

Commissioner Look stated he also liked Forest City and Forest City represented themselves better than the other businesses. However, he also liked Landform and Landform knew the development. He did not think the HRA should give this to one developer only.

Commissioner Ramsey stated he liked Landform. He did not believe Forest City presented anything unique.

Chairperson Dehen stated he was not in favor of having a development manager at all. He indicated he wanted the City to sell the land and quit pouring money into businesses that promised to find developers for the City. He stated he was not interested in paying for these services and if someone brought something to the City, the City could pay them on a contingent basis. He asked what Landform had delivered. He indicated he was not happy with Landform. He stated he wanted to see itemized bills from Landform. He noted he liked Forest City, but he questioned whether a development manager was needed.

Commissioner Elvig stated the issue he had with Landform was that Landform had strong ties to some Councilmembers and he wanted Landform to deal with staff and not Council directly. He liked Commissioner Look's suggestion to have two companies involved, but he was not sure how that would work. He liked the fact that Forest City had a strong political arm in Washington, DC.

City Administrator Ulrich believed staff had worked out any issues with Landform. He strongly believed only one development business should be in charge.

The HRA's consensus was to direct staff to outline options and come back to the HRA at the next meeting.

COMMITTEE REPORTS

None.

EXECUTIVE DIRECTOR'S REPORT

None.

COMMISSIONER INPUT

None.

ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to close the special meeting of the Housing and Redevelopment Authority.

Motion carried.

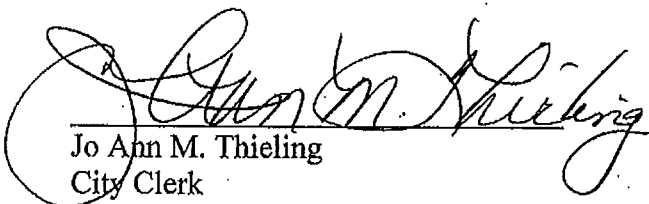
The special meeting of the Housing and Redevelopment Authority adjourned at 10:55 p.m.

Respectfully submitted,



Kurtis G. Ulrich
HRA Executive Director

ATTEST:



Jo Ann M. Thieling
City Clerk

Drafted by Kathy Altman
TimeSaver Off Site Secretarial, Inc.