

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

The Housing and Redevelopment Authority conducted a special meeting on Tuesday, March 16, 2010, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:           Chairperson John Dehen  
                                  Commissioner David Elvig  
                                  Commissioner David Jeffrey  
                                  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  
                                  Public Works Director Brian Olson  
                                  City Engineer Tim Himmer  
                                  Planning Manager Amber Miller  
                                  Finance Officer Diana Lund  
                                  City Attorney Bill Goodrich  
                                  Darren Lazan, Landform

**CALL TO ORDER**

Chairperson Dehen called the regular meeting of the Housing and Redevelopment Authority to order at 6:00 p.m.

**OPEN FORUM**

There was none.

**APPROVAL OF AGENDA**

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

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

## **APPROVAL OF MINUTES**

Motion by Commissioner Look, seconded by Commissioner Ramsey, to approve the Special Meeting Minutes dated Tuesday, February 9, 2010 and Tuesday, February 23, 2010, as submitted.

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

## **HRA BUSINESS**

### **Case #1: Update on Master Planning for Ramsey Town Center -- East End**

Darren Lazan, Landform, reviewed the staff report.

The Commission discussed the Ramsey Town Center update and made their recommendations and suggestions.

It was the Commission's consensus was for Mr. Lazan to continue to work on the master plan as well as signage designs and locations.

### **Case #2: Authorize Contract for Next Steps in Branding & Marketing Material Development Process for Ramsey Town Center**

Deputy City Administrator Nelson reviewed the staff report.

Commissioner Jeffrey expressed concern regarding the timeline. He was unsure if there would be sufficient time to get everything ready for ICSC.

Commissioner McGlone expressed concern about the subcontractor's clause in the Agreement. He asked for further clarification.

Chairperson Dehen expressed concern about the costs increasing and it not ending at \$22,000.

Commissioner Elvig responded there would be more costs than \$22,000 and it would depend on how far the HRA wanted it to go. He stated it was important to have a nice product that went out.

Commissioner Look expressed concern that \$15,000 was being spent on items he believed they already had.

Mr. Lazan stated he was concerned about Vyway as he had not seen this company's work as being innovative and he did not believe Vyway understood the real estate market. He believed the HRA needed to guide Vyway's work and engage VyWay to do what the HRA was looking for.

It was the HRA's consensus to form a sub-committee of the HRA of Commissioners Elvig, Look, and Wise to go through the branding process.

Motion by Commissioner Ramsey, seconded by Commissioner Look, to authorize contract with VyWay in an amount of \$22,000 to proceed with brand and marketing material development for Ramsey Town Center after review by the City Attorney and to set up a sub-Committee of the HRA to go through the branding process.

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

Motion by Commissioner Jeffrey, seconded by Councilmember Look to elect Mayor Ramsey as the alternate to the sub-committee.

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

The HRA moved Case #3 to the end of the agenda.

**Case #4: Review Ramsey Town Center Business Plan and Real Estate Negotiations**

City Attorney Goodrich noted that this meeting can move into closed session to discuss real estate negotiations in the Ramsey Town Center.

Darren Lazan, Landform, noted the HRA will be discussing real estate negotiations for the parcel adjacent in the NE quadrant from the existing municipal property; the property adjacent to the NW side of the roundabout; the existing parcel on the north side of East Meandering Park; the Parcel north of the existing ramp; and the parcel SW quadrant of Sunwood and Ramsey Boulevard.

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

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

The Special HRA meeting moved into a closed session at 7:46 p.m.

The closed session ended at 9:10 p.m.

Commissioner Ramsey recommended a sub-committee of the HRA be formed to look at the Town Center proposals.

Chairperson Dehen believed a sub-committee would just be one more bureaucracy to deal with and everyone on the HRA had to understand the proposals anyway.

Chairperson Dehen recessed the special meeting at 9:15 p.m. and reconvened the meeting at 9:20 p.m.

**Case #3. Consider Contract for Development Management Services for Ramsey Town Center**

Darren Lazan, Landform, presented the contract for Development Management Services for Ramsey Town Center.

City Attorney Goodrich asked if they had any objections on liability insurance.

Mr. Lazan responded he would not have any objection.

City Attorney Goodrich asked if Landform would hold the City harmless as an independent contractor.

Mr. Lazan responded they would.

City Attorney Goodrich asked if Landform would hold the City harmless on its work.

Mr. Lazan responded he believed this would be okay, but he would like to discuss this further with the Mr. Goodrich.

City Attorney Goodrich asked if Landform would pay for their own attorney's fees.

Mr. Lazan responded they would.

City Attorney Goodrich inquired about Mr. Lazan's fees.

Mr. Lazan noted he needed to clarify B.3, Incentive Based Development Fees section.

City Attorney Goodrich asked if there has been no development in 2010, would there be any payback.

Mr. Lazan responded there was no payback clause in the contract.

Mr. Lazan stated he would modify the termination clause to add termination with 30-day notice for no cause.

Commissioner Jeffrey asked if Mr. Lazan has billed \$15,000 per month.

Mr. Lazan responded he has come close to billing \$15,000 per month.

Commissioner Jeffrey noted \$300,000 was three full-time people who could work on this and approving \$300,000 concerned him because he was not sure the City would get \$300,000 worth.

Commissioner Elvig stated he was concerned about the hot sheet and he wanted some way to agree as to what went on the hot sheet. He wanted to ensure what was being put on the hot sheet was a quality and quantifiable meeting. He indicated he had a concern about conflicts of interest. He had concerns about termination of the contract.

Mr. Lazan stated his intent would be to present proposed development to the HRA and to get the HRA's opinions. He noted he was not a broker and he would not load up developments. He indicated he lived here and he wanted the developments to work. He stated with conflict of interest there was a give and take. He noted he wanted to leverage his relationships and people trusted him, but at the same time, he understood the conflict concern.

Mr. Lazan left the room for HRA discussion.

City Administrator Ulrich summarized the budgeting for the proposed contract.

Commissioner Elvig stated he wanted further information with respect to a marketing budget, a legal budget, etc. He stated he wanted Mr. Lazan to draft a business plan and structure.

Commissioner Wise noted the City could not hire a professional developer for \$100,000 per year. He expressed concern about the fees Mr. Lazan would receive on a large chunk of land.

Chairperson Dehen did not believe Mr. Lazan was qualified to be a development manager and he did not feel comfortable with him and the conflicts he has seen. He believed the contract was over reaching. He expressed concern that Mr. Goodrich had not been consulted on the contract and had not reviewed it prior to today. He believed the contract was heavily one-sided and there was no downside.

Commissioner Ramsey noted Mr. Lazan had not been pre-selected and other companies had been interviewed and the HRA had chosen Mr. Lazan. He noted the HRA was advancing Landform.

Chairperson Dehen agreed the HRA was advancing Landform, but there was no guarantee.

Commissioner Ramsey stated the HRA was wasting their time on this contract when the HRA needed to decide if they were even going to do anything right now.

Commissioner Look stated the issue was the \$120,000. He stated if Landform brings a deal in the door where the HRA pays out \$200,000 on a fee and \$120,000 goes towards that deal. He believed what was at risk was the development manager's reputation. He believed the HRA should give Landform one year to perform.

Commissioner Look stated a new master plan would take time and that had to be set in motion so developments knew the City had a plan in place.

Commissioner McGlone noted if the HRA had to hire a realtor to sell the property, he would get a realtor's fee and would do very little marketing. He did not believe a former developer hired as a staff person for the City would work and the quality would not be there. He was not necessarily disappointed in the work that had been done so far by Landform. He believed one of the advantages with the current team was their understanding of this project.

City Attorney Goodrich believed if the City could cancel the contract "not for cause" was something that had to be put in the contract and would be a big advantage. He stated the hot list was also an important item.

City Administrator Ulrich did not believe the contract could be approved this evening due to changes that Landform had agreed to be made and the recommended changes made by the City Attorney. He asked if staff should proceed with the contract.

Chairperson Dehen stated he would not be in favor of the contract as he wanted to market the property and get rid of it. He indicated he was concerned about the hot list and the VA and Sands being on it when those proposals had been brought forward before Landform was involved. He expressed concern that the HRA would pay a fee on a possible community center. He did not like the idea of a development manager at this time when there were no developments and he believed staff could handle the developments that came to the City.

Commissioner Elvig stated master planning is an extremely difficult concept with a lot of facets and work involved. He believed this needed a master developer. He wanted a portion of the land to be held and developed by the HRA. He expressed concern if they went forward on this, the HRA could not get "weak in the knees". He noted if the HRA went down this path, this would not be the end of the money that would be spent. He believed there was an opportunity for the City to put in a good development. He believed Mr. Lazan had good contacts, a good reputation, and was a hard worker, but he did not like it when Mr. Lazan "bashed" the staff and that needed to be worked on. He stated he was not concerned about the contract dollars as he believed Mr. Lazan would work hard for those dollars.

Chairperson Dehen expressed concern about exclusivity. He inquired about commissioner percentages.

Deputy City Administrator Nelson responded she had researched the commission issue and the contract was in the ballpark. She noted though that she could not find an exact apples to apples comparison.

City Attorney Goodrich asked if the HRA should exclude the VA, Sands, Flaherty and Collins, Amphitheater, and Community Center in the contract.

Commissioner Ramsey stated the amphitheater should come out. With respect to the VA, the HRA would need to hire someone anyway so that should remain in. Flaherty and Collins was Landform's contact so that should remain in and the Community Center and Sands should also stay in.

City Administrator Ulrich stated Sands was a deal that had come to the City and it would have been here regardless if Landform was here or not, so if a fee was to be paid, it should be less.

Commissioner Look stated he had a concern they were paying Landform for a deal on land that Landform did nothing on. He stated he wanted to see the contract not allow for "double dipping" when the HRA recommended someone use Landform.

City Attorney Goodrich responded Mr. Lazan had addressed that and if that was a deal breaker, that person could use another development manager.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to authorize the dollars, compensation, the structure of the contract with input from staff and the City Attorney, taking Sands out and the amphitheater out, with no conversations from Councilmembers regarding the contract with Mr. Lazan.

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

#### **COMMITTEE REPORTS**

None.

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

None.

#### **COMMISSIONER INPUT**

None.

#### **ADJOURNMENT**

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

Motion carried.

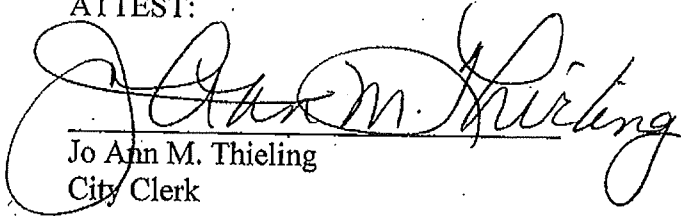
The special meeting of the Housing and Redevelopment Authority adjourned at 11:00 p.m.

Respectfully submitted,



Kurtis G. Ulrich  
HRA Executive Director

ATTEST:



Jo Ann M. Thieling  
City Clerk

Drafted by Kathy Altman  
*TimeSaver Off Site Secretarial, Inc.*