

**FOR IMMEDIATE RELEASE**  
March 18, 2009

Contact: Kurt Ulrich  
City Administrator  
763-433-9845  
kulrich@ci.ramsey.mn.us

**CITY OF RAMSEY SETTLES LAWSUIT AND PLANS  
TO PURCHASE RAMSEY TOWN CENTER PROPERTY**  
*Actions will free up project for future development, protect taxpayers*

RAMSEY, Minn. — The Ramsey City Council has authorized settlement of the protracted litigation involving the Ramsey Town Center project, and the purchase of 150 acres of undeveloped property to free it from foreclosure, protect the city's infrastructure investments and position the project for additional private development.

Ramsey Town Center, since its inception, has been a private development, but the project stalled in 2006 after the death and bankruptcy of its owner and developer. Since that time, the undeveloped portion of the 322-acre mixed-use development has moved into foreclosure involving 25 banks. Due to the complexity of the foreclosure, it has been difficult to attract new developers into the project.

"Regardless of the past history of this project, our citizens expect us to change its course and position this important section of our city for a successful future," said Mayor Bob Ramsey. "With the city's action, we ensure there is opportunity for private entities to develop our Town Center and protect the city's previous investments."

The city plans to purchase the 150 acres for \$6.75 million. The current lenders would then pay \$1.35 million owed in back taxes, interest and penalties to the city, county and school district. In addition, the city plans to utilize \$1.5 million in proceeds from a previous letter of credit for the development. The cost of the transaction is a fraction of the current mortgage amount of \$35 million. The city will finance the purchase through internal borrowing, allowing it to complete the purchase without accumulating additional debt or strapping city finances.

In return, the city will receive a clear and marketable title to the 150 acres. The council's action also will:

- Result in a settlement that ends litigation between the city and lead bank
- Allow the community to recoup back taxes, interest and penalties, and avoid forfeiture of future taxes starting in 2010
- Free the property for private development
- Allow the city to re-shape future development of Town Center in a manner that is market-driven and meets community needs
- Accelerate the opportunity to grow the tax base
- Protect the community's infrastructure investments

"The city council's decision to buy the remaining parcels of Ramsey Town Center is a smart investment," said Ramsey City Council Member David Elvig. "It's a buyer's market and this property is a great value. We need to protect the investments the city and its regional partners have already made in the project."

- More -

Planning for the Ramsey Town Center began with significant citizen and business input in 2003. The Ramsey Town Center was envisioned as the community's centerpiece, bringing together residential, retail, light industry, schools, civic and office space. The project has enjoyed several early successes, including PACT Charter School, Coborn's and other retail, Midwest Medical Examiner's Office, life cycle housing and a city park. The Ramsey Municipal Center was constructed in the development, as well as a public transportation center, providing bus and eventually commuter rail service for residents of Ramsey and surrounding communities. Tax revenues have been expanded by nearly \$1 million as a result of the development thus far.

Ramsey City Administrator Kurt Ulrich said that after careful examination, the city concluded it is in the best position to redirect the course of the Ramsey Town Center at this time.

"In its current situation, this property doesn't benefit the city or its residents — and in fact, it puts our community at risk," Ulrich said. "Buying this property will allow us to put our community's vision back on the map, move forward in a way that best meets our needs and build a better future for the entire region."