

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

The Housing and Redevelopment Authority conducted a Work Session meeting on Tuesday, July 17, 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: Deputy City Administrator/Finance Director Diana Lund
 Police Chief James Way
 Public Works Superintendent Grant Riemer
 City Attorney Bill Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the Work Session meeting of the Housing and Redevelopment Authority to order at 5:54 p.m.

2. TOPICS FOR DISCUSSION

2.01: Consider Offer to Purchase Land – Senior Housing (portions may be closed to the public)

Development Manager Lazan reviewed the staff report.

Phil Geese, Edgewood Group, stated he is the founder and owner of this company, which is the largest assisted living provider in the Midwest and the largest housing and services provider in Minnesota. He presented the proposed site plan for senior living, noting it will contain a pharmacy, coffee shop, and fitness center. Mr. Geese stated their offer for the initial site, their preferred site, is \$5/sq. ft. and \$250,000 in service fees to the City. He stated they don't like flat roof designs but can work within the design requirements as long as it does not add a lot of additional costs. Mr. Geese stated they understand this concept will require more brick and upscale look than constructed ten years ago, which Edgewood Group can do. He stated he has not yet completed a new site plan or building elevation but once the site is secured, everything can be "nailed down" in three to four months. Mr. Geese stated Edgewood Group does not need

to secure financing but does have to update the feasibility study. Once the feasibility study is completed, they will complete elevation design and architectural drawings to assure it will work for The COR. Mr. Geese stated they anticipate about 78 residents with one employee per resident and would like to move their regional corporate office from Ham Lake to Ramsey.

Marty Fisher, Premier Commercial Properties representing Edgewood Group, iterated the six points and main attributes of the proposal: 1. Offer at \$5/sq. ft. on the land; 2. No request for TIF; 3. No financing contingency since it will be self financed; 4. Due diligence period is four months predicated on development study that was done earlier and development agreement; 5. Edgewood Group is a well-respected organization with several locations, an educated developer; and, 6. Allowing this project to move forward will create synergy for The COR.

Development Manager Lazan ran a video depicting exterior building elevations of an Edgewood Group project.

Mr. Fisher stated they understand there will be a requirement for updated building materials, which they are willing to address.

Development Manager Lazan noted they have indicated they prefer the initial site and asked if the alternate site is a concern.

Mr. Geese stated the alternate site is at a major corner with signalization so the traffic and noise will be greater. He stated they do not prefer that corner, noting residents would like views and something to do so they prefer the initial site.

Commissioner Elvig asked about the types of care that will be offered.

Mr. Geese stated they provide assisted care and possibly memory care beds as well. He explained there will be physician offices in the buildings so residents can see their doctor without going to the clinic.

Commissioner Elvig asked if the project would offer complete living arrangements with kitchen and bath.

Mr. Geese indicated each unit has a small kitchen but also a common dining room that provides three meals a day. They also offer medication management, bathing, and activities for daily living.

Commissioner Elvig noted the traffic to and from this project will facilitate additional shopping and retail in The COR and asked about the possibilities for future expansion.

Mr. Geese stated they had originally discussed doing one side now and the second side later but think they would develop the entire site, depending on the feasibility study, and it may be more than 72 units. He advised that memory care is becoming a larger component and requires an outside courtyard for those residents to enjoy.

Chairperson McGlone noted the HRA has entertained offers from other developers but some projects have been delayed because they were not as well funded. He stated it is the HRA's objective to consider deals with developers who will build now and not hold the property for a future date.

Mr. Geese stated they have other investment companies as financial partners and use a real estate investment trust to make acquisitions and start the project. He indicated they own eight facilities worth \$30 million and also raise money from the outside, mostly from North Dakota and some from Minnesota. Mr. Geese stated they do not have unlimited access to resources, but it has not been a problem for his company.

Chairperson McGlone noted the initial site is along Lake Ramsey. He asked if they are proposing a two-story project or if there is anything at four stories.

Development Manager Lazan stated the HRA is looking for an urban project with a minimum of two stories. Farther south, the HRA wants to focus three- and four-story buildings but the initial site for this proposal is on the other side of the parkway where two stories would be appropriate.

Mr. Geese stated they prefer two stories and would locate the dining room on the second level. He advised that typically a third level is used for more independent residents but the entire facility is licensed for housing with services. Mr. Geese assured the HRA they would definitely look at a third story because a two-story building with a flat roof does not look that great. In addition, they could locate their corporate offices in the third story.

Development Manager Lazan advised that under Minnesota Statutes, the meeting can move into closed session to discuss acquisition negotiations. He indicated the closed session discussion will relate to the sale of property, 3.5 acres located at the northeast quadrant of Center Street and Ramsey Parkway. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Tossey, seconded by Commissioner Wise, to move to closed session to discuss land purchase negotiations.

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

The HRA meeting moved into a closed session at 6:15 p.m.

The HRA reconvened in open session at 6:41 p.m.

City Attorney Goodrich stated the HRA held discussion and gave direction to staff to negotiate an offer.

2.02: Consider Offer to Purchase Land – Drive-Thru Restaurant (portions may be closed to the public)

Development Manager Lazan reviewed the staff report.

Commissioner Wise recused himself due to a potential conflict of interest and left the meeting room at 6:44 p.m.

City Attorney Goodrich advised that under Minnesota Statutes, the meeting can move into closed session to discuss acquisition negotiations. He indicated closed session discussion will relate to the sale of property to be platted as Lot 4, Block 1, COR 2. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Tossey, seconded by Commissioner Backous, to move to closed session to discuss land purchase negotiations.

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

The HRA meeting moved into a closed session at 6:45 p.m.

The HRA reconvened in open session at 7:05 p.m.

Development Manager Lazan stated the HRA held discussion and provided direction to staff in how to respond to the offer.

2.03: Update on Resolution of Master Declaration Issue

Development Manager Lazan reviewed the staff report.

Informational; no action required.

3. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported he received an e-mail on advanced registration for 2013 International Conference of Shopping Centers (ICSC) to improve booth location.

Commissioner Ramsey reported the City was offered a booth at this year's Anoka County fair, but he is unsure of the cost.

Chairperson McGlone stated he is not interested in the Anoka County fair because it would require additional discussion and the time is too short. He also did not support changing the ICSC arrangement.

The majority of the HRA agreed.

Development Manager Lazan reported the HRA has an application for The COR 3 storm water management before the Lower Rum River Water Management Organization (LRRWMO). He

explained this was previously designed; however, the LRRWMO Third Generation Plan has now been adopted and the new Plan has resulted in a considerable hardship. Development Manager Lazan stated they have been working with the LRRWMO's engineering consultant and its recommendation went from denial to presenting the facts and letting the LRRWMO make the decision.

Commissioner Strommen stated she will represent the HRA's position before the LRRWMO.

4. COMMISSIONER INPUT

None.

5. ADJOURNMENT

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

Motion carried.

The Work Session of the Housing and Redevelopment Authority adjourned at 7:13 p.m.

Respectfully submitted,

Diana Lund
Deputy City Administrator/Finance Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.