

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, August 13, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: Commissioner Randy Backous

Also Present: HRA Executive Director Kurtis G. Ulrich
 Public Works Superintendent Grant Riemer
 Administrative Analyst Patrick Brama
 City Attorney Bill Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:02 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

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

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

4. APPROVAL OF MINUTES

4.01: Approve the following HRA Meeting Minutes:

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the following minutes:

1. HRA Special Session – June 5, 2012
2. HRA Regular Session – June 12, 2012
3. HRA Regular Session – June 26, 2012
4. HRA Regular Session – July 10, 2012
5. HRA Work Session – July 17, 2012

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

Commissioner Elvig left the meeting at 8:03 p.m.

5. HRA BUSINESS

5.01: Consider Public Trail Easement – Armstrong Boulevard

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the public trail easement depicted in the exhibit and direct the Development Team to prepare both temporary and permanent easements and record as necessary to construct the proposed trail.

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

Commissioner Elvig returned to the meeting at 8:05 p.m.

5.02: Consider Award of Construction Project – North Commons

Development Manager Lazan reviewed the staff report.

HRA Executive Director Ulrich advised there were challenges from the high bidder related to the bidding process.

City Attorney Goodrich reviewed the bidding process used, in accordance with statute requirements, and advised there had been one typographical error referencing a project that had nothing to do with the bid. He noted all bidders had the same information and once the error was recognized, an addendum was sent to all bidders who acknowledged receipt of the addendum. City Attorney Goodrich stated 15 plans were taken; however, only three bids were submitted and were \$100,000 higher than the engineer's estimate. He advised the HRA can reject any and all bids but that action may have timing consequences. With regard to the challenge, he explained the high bidder complained about the eight options that could be bid, but he did not find that to be a valid challenge since all components of the project were required to be bid. One contractor bid on three components, one bid on five components, and the high bidder bid on all eight

components. City Attorney Goodrich stated the high bidder made reference to collusion in the letter received but there is no evidence of that occurring so he did not find that to be a legitimate argument. City Attorney Goodrich recommended the HRA proceed unless it wants to discuss why 15 contractors picked up bid plans and only three submitted a bid or why the engineer's estimate is \$100,000 under the lowest bid. Another option before the HRA is to determine whether it would serve the public by re-bidding.

Development Manager Lazan provided an overview of the North Commons bidding process.

The HRA discussed whether the estimated pricing of \$40,000/lot was reasonable.

Development Manager Lazan agreed it is tough to speculate on the market but higher prices were paid when the market was in a better place and \$35,000 to \$40,000 is indicative of where interest is being shown.

The HRA discussed the timing of the project and whether the tight timeline resulted in fewer and higher bids. It was noted that the engineer's estimate had been used in the proforma to get to a break even point. Several Commissioners indicated the HRA is taking on a lot of risk, including borrowing from the City, when compared to the anticipated return.

Development Manager Lazan noted that due to the need to extend utilities to this property after-the-fact, this project would not survive in the private market. It had been discussed that the HRA was a good body to take on this project to complete the neighborhood.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to reject all bids for the construction of North Commons and direct staff to schedule a future discussion on timing of the project.

Further discussion: Commissioner Tossey stated support to reject bids, rebid in the spring, and then move the project forward. Development Manager Lazan raised the option of repackaging the project with a new schedule for a spring/early summer completion. Chairperson McGlone stated support for such an amendment, noting the contractors that Development Manager Lazan spoke with after the fact indicated the time schedule was burdensome and late in the season. He felt the HRA may get more bids by lifting the deadline.

Commissioner Elvig offered a friendly amendment to keep the process moving forward and direct staff to repackage bids for project construction in the spring/early summer.

Commissioner Ramsey and Commissioner Tossey accepted the friendly amendment.

The HRA indicated support for using Storm Water Utility Funds, if appropriate.

HRA Executive Director Ulrich noted the HRA may be jeopardizing the \$45,000 purchase agreement on one lot and will have to renegotiate.

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

5.03: Discuss Use of Anoka Country HRA Fund Balance

HRA Executive Director Ulrich reviewed the staff report and answered questions of the HRA.

The HRA discussed whether Anoka County HRA funds could be used by the Ramsey HRA towards property acquisition or development costs, possibly reducing the City's HRA levy.

HRA Executive Director Ulrich stated it is likely but the City would have to specifically identify use of the money for housing purposes.

Development Manager Lazan stated the City has a number of projects for Anoka County HRA funds, noting there are two housing projects under consideration including a senior project with the burden of off-site improvements.

Several Commissioners indicated support to consider this option and possibly lower the Ramsey HRA levy. It was suggested that the HRA budget be reviewed to determine the needs and whether that can occur.

Informational; no action required.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan and HRA Executive Director Ulrich provided updates on purchase agreement negotiations and potential for a virtual library near the municipal parking lot. Development Manager Lazan indicated he will provide a proposal for replacement of damaged walkway sections next to the Flaherty and Collins site.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:57 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.