

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

The Housing and Redevelopment Authority conducted a Work Session meeting on Tuesday, September 4, 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 Jeffrey Wise

Members Absent: Commissioner Jason Tossey

Also Present: HRA Executive Director Kurtis Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 Development Manager Darren Lazan
 Landform Project Principal and Planner Kendra Lindahl

1. CALL TO ORDER

Chairperson McGlone called the Work Session meeting of the Housing and Redevelopment Authority to order at 6:53 p.m.

2. TOPICS FOR DISCUSSION

2.01: 2013 HRA Budget and Levy

Finance Director Lund presented the 2013 HRA budget and levy.

Commissioner Strommen asked when the HRA uses the City Attorney and when it uses other legal firms such as Briggs & Morgan.

Development Manager Lazan explained that Landform had proposed the City broaden its use of legal firms to include rates that are more effective. He reviewed the legal firms used for past purchases.

Commissioner Ramsey noted the HRA spent over \$125,000 to clear the Master Declaration.

Development Manager Lazan advised that a lot of documents have been drafted over the past two months that will be recorded so more legal bills will be received.

Finance Director Lund continued presentation of the HRA expenditures, noting \$20,000 had been budgeted for the International Council of Shopping Centers (ICSC).

Development Manager Lazan stated he thinks that \$15,000 is a decent placeholder for ICSC.

Commissioner Backous noted this account is just travel so there will also be marketing and printing costs under the marketing budget.

Finance Director Lund stated it had been budgeted at \$20,000 and recommended it be changed to \$7,000.

Development Manager Lazan indicated the total for ICSC was \$14,000 including printing.

Commissioner Ramsey reviewed the reduction in the 2013 professional services budget.

Finance Director Lund explained it depends on what happens with the Development Manager contract and if it will be paid based on what is sold.

Commissioner Ramsey asked who will do all the work Landform is currently doing if only \$86,500 is budgeted.

Commissioner Backous supported the Development Manager contract being commission based like a real estate agent. He stated he knows the Development Manager has done a lot of work, covered by the administration fee, but everything is supposed to be cleaned up by now.

HRA Executive Director Ulrich stated there is also an alternative to fund with land proceeds received, which will be additional revenues beyond the levy. He indicated the City can renegotiate the contract to support services with land proceeds, noting the fund balances can be a back up.

Development Manager Lazan pointed out that zero revenue is recognized in the budget. He stated he would like to prepare a proposed budget and work plan from a business prospective. He asked the HRA what it wants to accomplish and explained there is ability to reduce the levy and operate on land sale proceeds, with the fund balance as a backup. Development Manager Lazan indicated this is a business and \$1 million net proceeds are coming in with expenses in the other direction. He stated the HRA needs to look at what it wants to accomplish. He agreed that a fair amount of work over the past couple of years was clean up but it is not yet done and there is still site planning and mapping needs. Development Manager Lazan stated this involves the administration of a multi-million dollar business and it takes effort. The decision tonight is whether to use the maximum preliminary levy with the understanding it can be lowered.

Commissioner Backous stated if it is being suggested to budget revenues and the Development Manager's commission from revenues, he would favor that. He stated he is not in favor of

extending the current contract and does not want a budget in place that will do that. Councilmember Backous stated he will stand his ground and not favor paying \$15,000/month after March.

Finance Director Lund presented the land proceeds distribution, noting it takes out the Development Manager fee for land sales and identifies remaining funds.

HRA Executive Director Ulrich agreed with the need to create a work program, noting it would be a valuable exercise to figure out revenues and expenses because regardless of whether Landform or City staff, the project needs to be managed. HRA Executive Director Ulrich stated the HRA needs to set a preliminary levy that allows flexibility to review actual numbers and make a decision in December.

Commissioner Strommen asked if the work plan will include assumptions on activity for next year that needs to occur.

Development Manager Lazan stated that is the case, assumptions need to be made and he would suggest that be laid out with revenue and expense assumptions with the understanding it can be backed by the fund balance.

Commissioner Strommen stated she is fine with that exercise but with regard to the notion that if revenues do not come in then fund balances can be relied on, those fund balances are for other reasons and if revenues do not come in, the work plan needs to adjust expenditures.

Commissioner Elvig stated he likes the notion that this is running a business, which he likes better than talking about government programming. The suggestion is to develop a proforma, business statements, projections on sales and expenses, and can use the dashboard as a supplement. Commissioner Elvig stated he prefers to not take from constituents with the levy but to figure out how it should pay for itself. He noted that a good business plan contains contingencies should revenues or cash flow projections not be met. Commissioner Elvig stated he would like to see a narrative for a business plan, expectations, and proforma, noting he does not care about cost if revenue generation far out runs it. He stated he does not want to restrict the HRA cost factors but wants it proportionate to revenue and a business plan will tell the HRA those numbers.

Chairperson McGlone indicated that consensus has been reached to direct staff to draft a business proforma for The COR.

Finance Director Lund presented the professional services budget. She advised that Anoka County HRA staff Karen Skepper had indicated that the use of Anoka County HRA funds needs to be tied to eligible projects and a copy of the budget and resolution from the Ramsey City Council needs to be brought before the Anoka County HRA Board. Since the preliminary levy needs to be adopted next week, she recommended the maximum levy and amending it in December after talking with Anoka County and receiving Development Manager Lazan's business plan.

Chairperson McGlone stated he would like this information presented to the public in a PowerPoint format.

Development Manager Lazan stated the business plan will not be ready to present on September 11, 2012.

Commissioner Ramsey stated it will be hard to consider this budget at the next meeting and not comment since other cities have used leverage to force the hand of Anoka County to use HRA funds. He noted that money has been levied from Ramsey citizens.

Chairperson McGlone stated whether the City Council gets to use the Anoka County HRA money in lieu, it will never be lost and at some point the funds will be spent in Ramsey.

Commissioner Backous stated the HRA should have received a business plan prior to budget discussion.

HRA Executive Director Ulrich stated that is a valid point and explained the genesis of this discussion occurred at the EDA meeting about shifting staffing and use of Anoka County EDA funding.

Commissioner Elvig stated the HRA has the mechanism and he thinks it can take the EDA levy down through the business plan and other methods to shore up this project. He stated support of using Anoka County EDA funds since they have been levied against Ramsey's residents.

HRA Executive Director Ulrich noted the HRA does not need the whole \$236,000 fund and if a lower amount is requested and programmed, he thinks Anoka County will approve an amount for housing in The COR.

Mayor Ramsey stated The COR is a project that the HRA has to get done and it does not make sense for Anoka County to not approve the request because it also needs this to work.

Commissioner Strommen stated she feels the Anoka County piece is irrelevant because as Chairperson McGlone noted, it is still City money and there will be a project to invest those funds. She noted a business plan will tell the HRA at what point it is starting to cash flow and can stop levying. Commissioner Strommen stated she wants to see the point when the HRA's role shifts and inputs are no longer needed.

Commissioner Ramsey stated he agrees but it has to be recognized that a lot of things are in the HRA budget that are expenses, such as the parking ramp and salaries. He agreed that creating a business plan is going in the right direction. Commissioner Ramsey asked whether the HRA supported considering the max levy now with the intent of lowering it or wanted to set a lower levy with the intent of getting Anoka County HRA funds.

Development Manager Lazan stated all have a desire to recover the fund balance for what has been depleted over the past several years. He noted an option is to put Anoka County HRA

dollars into the fund balance, not to lower the levy. Development Manager Lazan advised that the purchase agreements in place today will result in a net positive cash flow.

Commissioner Elvig stated his concern in saying the HRA is cash flowing because it only provides a “snapshot in time” depending on what is incentivized and real costs. He stated the HRA wanted an aggressive payback because it was using public funds and had been a unanimous decision to do that. He agreed that long-term cash flow is the key factor.

Commissioner Ramsey stated the HRA has a plan to incentivize and that is \$8 million of TIF, so it should not come from these funds.

Chairperson McGlone stated when the County idea came forward to the EDA, the County had a program to spend Ramsey’s money. He stated he is not in favor of using money that was taxed to Ramsey residents for the purpose proposed by the County.

HRA Executive Director Ulrich stated staff will schedule the HRA levy, as discussed, for the September 11, 2012 Council meeting.

It was the consensus of the HRA to approve a preliminary budget with the understanding that a revised final levy will be considered in December of 2012 based upon an approved Anoka County HRA Board approved action.

2.02: Discuss Sign Package and Design Framework Modifications

Landform Project Principal and Planner Lindahl described modifications to The COR Design Framework and Master Sign Package, noting it is a living document and expected to be “tweaked,” as needed.

Development Manager Lazan explained how staff prepared the Master Sign Package as a developer driven process and then involved Development Services Manager Gladhill. He noted the three lots that are closing are asking about signage so the HRA needs to revisit those issues. He presented the overall Signage Plan, noting the location of community signs (COR signs with limited tenant information); gateway signs; and, interior informational signage/kiosks. He displayed a graphic of the proposed private development individual tenant signage and requested direction on the concept of clustering signage at shared drive entrances.

Development Services Manager Gladhill stated he would prefer doing as much with internal staff as possible for text amendments. He noted this discussion centers on design concepts.

Commissioner Elvig supported keeping the Framework as open and simplistic as possible. He suggested a skeletal system that is strong, coordinated, architecturally based, and good looking. In addition, signage should be easy to turn over and snow removal needs to be addressed to assure signage can be seen during winter weather conditions.

Development Manager Lazan stated the Sunwood Drive sign will be paid entirely by the three tenants. The gateway sign at other locations could be COR themed so those dollars may need to

be budgeted. He displayed internal signs, noting dollars have been set aside for Draw signage so it can be coordinated with The COR. Development Manager Lazan stated this document is a first draft and once done, Development Services Manager Gladhill will incorporate it into the framework so signage intent is clear.

Commissioner Elvig asked if there can be a prototype to give a sense of scale and to assure lettering is easy to read. He asked about color coordination to depict areas of retail, restaurants, park, etc.

Development Manager Lazan stated color coordination could carry through with street signs, light pole banners, etc. so you know when you have left one district and entered another. He indicated the intent is to have pedestrian scale informational signs.

Commissioner Backous stated he supports the designs, likes the coordination, pedestrian designs, and agrees with the need to assure readability. He suggested the City increase the reader board on Highway 10 to assure it can be read.

Development Manager Lazan advised the reader board sign is designed to expand in size.

Commissioner Elvig left the meeting at 7:48 p.m.

Commissioner Wise asked if the City will allow reader boards on the building.

Development Services Manager Gladhill stated the general Sign Code includes dynamic wall signs and the Council will need to look at an overall Citywide sign package. He noted technology is coming forward and the City should reconsider wall signage.

Commissioner Wise asked about the impact on signs as a result of the Armstrong interchange height.

Development Services Manager Gladhill stated once the Armstrong interchange design is finalized, it will be brought forward as a zoning item to consider height of signage, etc.

Commissioner Wise stated as a COR tenant, he does not want a metal County directional sign to be located 15 feet before his nice looking sign.

Development Manager Lazan stated he has spoken with Solomon about its interim sign and there is an understanding that when Armstrong goes in, the sign will go away. He stated he will continue those discussions with Solomon.

Development Manager Lazan stated he will schedule a series of meetings with Development Services Manager Gladhill to structure narratives, rework square footage allowable, draft language on shared drive/signage to quantify it, and bring the Sign Package and Design Framework Modifications back in draft form for HRA consideration.

It was the consensus of the HRA to direct staff to complete design concepts and framework modifications, as discussed, and proceed with the preparation of Appendix B and modifications to the Design Framework.

3. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on an issue with the location of a Connexus switch on the new Sunwood alignment. He indicated Landform had provided Connexus with detailed information and a CAD file last fall on the location of the switchgear. Connexus acknowledged receipt; however, this summer Connexus installed the switchgear in an incorrect location on HRA property. Connexus has now indicated it wants \$10,000 to relocate the switchgear.

Commissioner Backous asked who Connexus told they were putting in the switchgear that did not know the history.

Development Manager Lazan explained that City inspectors were in the job trailer when Connexus told them about installing the switchgear. Landform inspectors did not discuss the location of the switch boxes. Development Manager Lazan displayed the exhibit provided to Connexus that identified the exact location and dimensions to the decimal point for the switchgear.

HRA Executive Director Ulrich stated staff will ask Connexus to move the switchgear at its expense.

Development Manager Lazan provided an update on negotiations.

Development Services Manager Gladhill reported that staff received the site plan for Northgate Church on a PSD owned property and Stoney River closed on 6.5 acres of the Lord of Life campus and is now working on financing.

HRA Executive Director Ulrich stated Parks & Assistant Public Works Superintendent Riverblood is researching grants to move the old City Hall.

HRA Executive Director Ulrich indicated that the City had budgeted \$150,000 for environmental work at the old municipal center site; however, Connexus has agreed to do the prequalification consultant studies for the data center.

Development Manager Lazan promoted the upcoming HRA sponsored event at The Draw.

Commissioner Backous referenced articles contained in the September/October *Ramsey Resident* relating to the close of property sales including Wiser Choice Liquor. He pointed out that at the time this newsletter went to press, those sales had not yet concluded, which he found to be a serious infraction.

HRA Executive Director Ulrich stated he had read and edited that edition of the *Ramsey Resident* and takes responsibility for not catching that it “jumped the gun.” He apologized that the mentioned articles were over stated.

Commissioner Backous stated this involves communicating directly with residents and if the sales do not go through, it will be questioned.

Development Manager Lazan explained that the term “under agreement” also refers to transactions that are under letters of intent, which was the case of all projects mentioned. He stated staff can redefine “under agreement” to mean purchase agreements going forward.

Chairperson McGlone stated he does not think the intent was to lie to the public, but agreed with the need to assure the City is using proper terms in its communications. He stated this is a good catch by Commissioner Backous.

Commissioner Strommen noted that residents, not the industry, are the audience of the *Ramsey Resident* so she agreed with the need to be careful.

Commissioner Ramsey supported use of layman’s terms so there is no misunderstanding.

Commissioner Backous stated the point is for the City to be extremely careful in how to communicate with its residents and anticipate how it could be misinterpreted.

4. COMMISSIONER INPUT

None.

5. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Backous, 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 8:11 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.