

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, September 11, 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 (arrived at 8:27 p.m.)
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: HRA Executive Director Kurtis G. Ulrich
 Finance Director Diana Lund
 City Attorney William Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:24 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve the agenda as revised to add Case 5:03.

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

4. APPROVAL OF MINUTES

- None.

5. HRA BUSINESS

5.01: Adopt Resolution Approving Proposed 2013 HRA Levy

Finance Director Lund presented the 2013 HRA Levy in the amount of \$328,567.

Commissioner Tossey arrived at 8:27 p.m.

Development Manager Lazan answered questions of the HRA related to the parking ramp and addressed allocation of stalls and assignment of costs for the parking lot.

The consensus of the HRA was to schedule a Work Session discussion of how to develop a maintenance fund for the parking ramp.

HRA Executive Director Ulrich stated Development Manager Lazan has put together concepts on revenue sources to show how land proceeds coming from development can support HRA expenditures. He noted the question remains about the availability of Anoka County HRA funds of \$236,000 so staff recommends approval of a maximum HRA levy with the understanding it can be lowered upon final adoption.

Development Manager Lazan presented the proposed 2013 HRA budget using \$100,000 as the levy, noting anticipated expenses, revenue sources, and land sale proceeds. He stated the intent is to develop a work plan and budget based on actual costs and to compare revenue options prior to making decision on the final levy.

The HRA discussed the 2013 HRA Levy, with the majority indicating they would not support levying to the maximum. The HRA also discussed the need to account for and expediently repay dollars borrowed from other funds.

Motion by Commissioner Backous, seconded by Commissioner Elvig, to adopt a resolution Authorizing the Approval of the Proposed 2013 HRA Levy in the Amount of \$100,000.

Further discussion: The HRA discussed whether an HRA levy of \$100,000 would be adequate in the event that Anoka County HRA funds are not approved or land sale proceeds are slower than anticipated. Finance Director Lund stated she has not yet looked at the draft HRA budget prepared by Development Manager Lazan. She recommended the HRA consider a levy of \$187,268 that would also cover salary and benefits.

Amendment motion by Commissioner Wise, seconded by Commissioner Ramsey, to adopt Resolution #HRA-12-09-007, Authorizing the Approval of the Proposed 2013 HRA Levy in the Amount of \$187,268.

Further discussion: The HRA asked Finance Director Lund to review and make recommendation on the budget being prepared by Development Manager Lazan prior to its formal presentation. Following discussion, the consensus of the HRA was to direct staff to make a \$236,000 funding request of the Anoka County HRA, noting these funds had already been levied from Ramsey's residents. HRA Executive Director Ulrich indicated this request can go before the Anoka County HRA in October.

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

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

5.02: Approve Amendment Number 1 to Purchase Agreement – KONA Properties, LLC

Development Manager Lazan reviewed the staff report.

The HRA discussed the formation of a Special Services District (SSD), some stating opposition because they viewed it as an additional tax and government intervention. The suggestion was offered that businesses can establish their own private covenants or association to cover maintenance costs without the need to involve the government.

Development Manager Lazan clarified the issue before the HRA is whether the purchase agreement should be revised to include SSD language to keep that option open. It is not a decision whether to exercise that option. He noted a SSD is structured to be equivalent of Common Area Maintenance (CAM) to cover a business' share of the maintenance. In addition, KONA Properties, LLC understands the SSD concept and is accepting of the original language.

HRA Executive Director Ulrich stated this addresses property owners with a higher level of maintenance than the City would traditionally provide and creates a mechanism to cover the cost to provide that higher level of maintenance.

Chairperson McGlone clarified the object is to assure purchase agreements contain language to preserve this option in case City is found over burdened with cost.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to approve Amendment Number 1 to Purchase Agreement for Lot 5, Block 1, COR TWO.

Further discussion: Commissioners Backous and Tossey indicated they would support the motion since its purpose was to preserve the right with the understanding that discussion on the creation of a SSD would occur at a future meeting.

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

5.03: Consider Approval of Assignment of the Contract – KONA Properties & West Real Estate

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve assignment of the contract – KONA Properties and West Real Estate.

Further discussion: Development Manager Lazan advised of the sequence for execution of the purchase agreement and assignment agreement.

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

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on the Senior Living option agreement, Sunwood Retail closings, and negotiations on other parcels. He also reported on upcoming meetings related to the Master Declaration.

HRA Executive Director announced work on the rail station grand opening and topics of discussions at upcoming meetings.

Following a brief discussion, consensus was reached to schedule discussion of PNC approved equity for a future HRA Work Session.

6.01 Review COR Dashboard

Development Manager Lazan presented the updated COR dashboard based on the HRA's most recent transactions.

The HRA discussed public roadway funding and asked staff to prepare a resolution for the use of TIF on the Sunwood Road project, so that option would remain viable.

Development Manager Lazan explained that timing of funding will be mapped out in the HRA work plan, which is yet to be completed. The HRA work plan will also address how to repay funds that have been borrowed based on expected revenue.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:44 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.