

**City of Ramsey**  
**Agenda**  
**Housing and Redevelopment Authority (HRA)**  
**Work Session**  
**Monday February 6, 2012**  
**Immediately following the Special City Council meeting**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Consider Proposed Restrictive Covenants on HRA Owned Parcels in The COR
  2. Consider Restrictive Covenants for the On-Site Sale of Motor Fuels Associated with the Sale of Property at Sunwood and Armstrong Boulevard.
  3. Consider Process for Acquisition of Parcel at the Southwest Corner of Armstrong and 146th.
- 3. Executive Director's Report**
- 4. Commissioner Input**
- 5. Adjournment**

**Meeting Date:** 02/06/2012**By:** Darren Lazan, Housing &  
Redevelopment Authority

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**Information****Title:**

Consider Proposed Restrictive Covenants on HRA Owned Parcels in The COR

**Background:**

Often in developments similar in size to The COR, an owner would consider a list of uses or users that would be detrimental to the project's vision and character. This varies substantially from project to project, but there are certain uses commonly referred to as "the dirty dozen" that are generally excluded by title from operating within almost every project. While the city does hold certain control over zoning that may accomplish much of the same goals, recording restrictive covenants on the land provides an additional layer of protection that cannot necessarily be removed by a change of ordinance or zoning law.

Many times in consideration of purchasing a parcel, a buyer may want these protections to assure their investment is not diminished by a use that would be substantially detrimental to theirs. An example would be a school or daycare that would want to be certain that the sale of adult materials could not take place immediately adjacent to their facility. This makes this issue a discussion point with nearly every potential buyer considering property in The COR.

The development team has prepared a proposed form for recording restricted covenants over all parcels currently owned by the HRA. We have made one pass at the industry standard list and adjusted some items that clearly did not apply. This agreement is included in this case.

**Notification:****Observations:**

By recording this agreement on the title of all land currently owned by the HRA, we are essentially assuring the uses listed cannot be constructed or operate within The COR without an amendment that was agreed to by a majority of the effected parcels. The HRA would likely hold that majority until such time as the parcels are sold to a variety of users that would then comprise a wide variety of interests, guarding against the ability to make dramatic revisions in the future. It is relatively safe to say that restrictions of this type are rarely amended.

If and when this document is recorded, individual buyers would have this restriction of record on title in which they could rely, and minimize the need to reinvent this list on a case-by-case basis for each sale. It would also provide the city a uniform list of restricted uses that could more easily be tracked as opposed to a variety of uses on random parcels.

**Recommendation:**

The development team recommends the HRA review and consider the proposed list of uses and provide any additional feedback as to either the uses listed, or any the HRA believes should be considered in addition.

**Funding Source:**

N/A

**Council Action:**

Provide consensus direction to the development team to make revisions to the proposed document and present for approval in final form at a future regular meeting of the HRA.

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**Attachments**

Proposed restrictive covenants

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Heidi Nelson	JoAnn Shaw	02/02/2012 03:20 PM
Form Started By: Darren Lazan		Started On: 02/02/2012 12:29 PM
	Final Approval Date: 02/02/2012	

## DECLARATION OF RESTRICTIONS

\_\_\_\_\_, 2012

THIS DECLARATION OF RESTRICTIONS (“Declaration”) is executed by The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and corporate under the laws of the state of Minnesota (the “HRA”).

### RECITALS

**WHEREAS**, the HRA is the owner of the real estate legally described on the attached Exhibit A (the “Subject Property”);

**WHEREAS**, the HRA intends to sell portions of the Subject Property to third parties for development in the manner consistent with the zoning and subdivision ordinances of the City of Ramsey, Minnesota; and

**WHEREAS**, the HRA believes the restrictions set forth in this Declaration will protect and preserve the value, quality and character of the Subject Property and any Additional Real Estate (defined below) that is subsequently subjected to the terms of this Declaration pursuant to the provisions of Section 2 below;

**NOW, THEREFORE**, the HRA hereby declares as follows:

### DECLARATIONS

1. **Declaration of Restriction.** The HRA hereby declares that no portion of the Subject Property may be developed or used as or for any of the following uses: (a) a bar or tavern, except in connection with a primary use as a restaurant; (b) an outdoor amusement park or center (excluding a public community center); (c) a carnival (excluding annual or special events sponsored or run by the City); (d) a disco or other dance hall (excluding a restaurant or bar restaurant with incidental dancing); (e) a funeral parlor/home; (f) a flea market; (g) a massage parlor other than medical facilities and facilities offering spa and massage services and related items and services that is similar in operation to a “Massage Envy;” (h) a warehouse or processing or rendering plant; (i) a manufacturing or industrial facility; (j) an establishment selling new or used cars, trailer or mobile homes; (k) the sale or display of pornographic or “adult” materials including but not limited to adult risqué or gag items; (l) pornographic or “adult” live entertainment; or (m) a store selling medicinal marijuana (whether consisting of live plants, seeds, or processed or harvested portions of the marijuana plant) or drug paraphernalia.

2. **Amendment.** The Declaration may not be amended unless the fee owners of all of the lots, outlots, CIC units or other “legal parcels,” as defined below, which, from time to time, make up the Subject Property (each a “Parcel”) join in the execution of the amendment; provided, however,

(a) this Declaration may be amended to subject “Additional Real Estate,” as defined in Section 3, to the terms of this Declaration pursuant to the provisions of Section 3; and

(b) Section 1 of this Declaration may be amended and may only be amended if the fee owners of 67% of the Parcels join in the execution of the amendment; provided, however, (i) so long as the HRA owns any Parcel, this Declaration may not be amended without the written consent of the HRA; and (ii) this Declaration may not be amended to restrict additional types of development or use without the written consent of any and all Parcel owners who are, at the time the amendment is executed and recorded, developing or using their Parcel for a use the amendment will restrict unless the amendment expressly provides that new restriction set forth in the amendment will not apply to those Parcel owners' Parcels.

This Declaration may be amended without the consent of the owners or holders of mortgages or other liens on or leasehold interests in all or any portion of the Subject Property, and any amendment that is adopted in conformance with the requirements of this Section 2 is binding upon all such mortgagees, lienholders and tenants. For purposes of this Declaration, the term "legal parcel" means a portion of a platted lot, platted outlot, or CIC unit that is described using a metes and bounds description if, and only if, a conveyance of the property using the metes and bounds description may be recorded in the Anoka County land records without violating the requirements of Minnesota Statute Section 462.358 Subd. 4b or any successor statute.

3. **Additional Real Estate.** Any property that is within the boundaries of the plat of RAMSEY TOWN CENTER, Anoka County, Minnesota (including property that has been or is hereafter re-platted), but which is not described on Exhibit A, is "Additional Real Estate." Any existing or future lot, outlot, CIC unit or other legal parcel that is a part of the Additional Real Estate may be subjected to this Declaration upon the execution and recording of a supplement to this Declaration executed by the HRA; the owner of the lot, outlot, CIC unit or other legal parcel being subjected to this Declaration; and the holder of any mortgage or other lien on or leasehold interest in the lot, outlot, CIC unit or other legal parcel being subjected to this Declaration. Neither the consent of other Parcel owners nor the consent of any mortgagee, other lien holder or tenant holding an interest in the Subject Property is required. From and after the recording of a supplemental declaration subjecting Additional Real Estate to the terms of this Declaration, the term "Subject Property," as used herein, shall include the portion of the Additional Real Estate that is the subject of the supplemental declaration.

4. **Run With Title.** The restrictions set forth in this Declaration run with title to the Subject Property and inure to the benefit of and are binding upon all owners of the Subject Property, their heirs, personal representatives, successors in title and tenants.

5. **Enforcement.** Any owner of any portion of the Subject Property may enforce the terms of this Declaration; provided, however, enforcement of this Declaration is limited to an action to temporarily or permanently restrain or enjoin a breach of the restrictions set forth in Section 1, and owners of the Subject Property may not seek to recover monetary damages for a breach of the restrictions set forth in Section 1. Notwithstanding the foregoing, in any action to enforce this Declaration, the prevailing party may recover from the opposing party the prevailing party's attorney's fees and costs.

6. **Counterparts.** This Declaration may be executed in multiple counterparts, each of which will be deemed an original and all of which shall constitute one agreement. Signatures

to any counterpart shall be deemed to be signatures to, and may be appended or attached to, any other counterpart.

7. **Headings.** The headings of Sections in this Declaration are for convenience only. They form no part of this Declaration and shall not affect its interpretation. All schedules, exhibits, addenda or attachments referred to are incorporated and made a part of this Declaration.

8. **Integration.** This Declaration sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements, whether written or oral.

9. **Governing Law.** This Declaration shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the HRA has executed this Declaration effective as of the date and year first above written.

**DECLARANT:**

THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RAMSEY, MINNESOTA, a public body  
politic and corporate under the laws of the state  
of Minnesota

By: \_\_\_\_\_  
Its: Chair

By: \_\_\_\_\_  
Its: Executive Director

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF RAMSEY            )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012,  
by \_\_\_\_\_ and \_\_\_\_\_, the chair and executive director of the Housing and  
Redevelopment Authority in and for the City of Ramsey, Minnesota, a public body politic and  
corporate under the laws of the state of Minnesota, on behalf of said public body.

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Signature of Notary Public

**DRAFTED BY AND WHEN  
RECORDED RETURN TO:**  
Briggs and Morgan, P.A. (CJC)  
2200 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402  
(612) 977-8400

## EXHIBIT A

### Legal Description of the Subject Property

Outlots V, CC, DD and HH, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

And

Outlot GG, RAMSEY TOWN CENTER ADDITION, Anoka County; Minnesota, except that part described as follows: Beginning at the northwest corner of said Outlot GG; thence on an assumed bearing of South, along the westerly line of said Outlot GG for 567.55 feet to a point of curvature in said westerly line; thence southerly for 36.04 feet along said westerly line along a tangential curve concave to the west, radius 540 feet and a central angle 03 degrees 49 minutes 27 seconds to a point of tangency in said westerly line; thence South 03 degrees 49 minutes 27 seconds West along said westerly line for 87.95 feet to the most southerly corner in said westerly line; thence South 66 degrees 10 minutes 33 seconds East along the southwesterly line of said Outlot GG for 659.59 feet; thence on a bearing of North for 957.75 feet to the northerly line of said Outlot GG; thence on a bearing of West along said northerly line for 596.32 feet to the point of beginning;

And

Outlot A, RAMSEY TOWN CENTER 11<sup>th</sup> ADDITION, and Lot 1, Block 1, RAMSEY TOWN CENTER 11<sup>th</sup> ADDITION, Anoka County; Minnesota, except that part which lies southerly of the following described line: Commencing at the southeasterly corner of Lot 1; thence on an assumed bearing of North along the easterly line of said Lot 1 for 186.92 feet to the actual point of beginning of the line to be described; thence on a bearing of West for 692.28 feet to the westerly line of Lot 1 and there terminating;

And

Outlot B, RAMSEY TOWN CENTER 11<sup>th</sup> ADDITION Anoka County; Minnesota;

And

All that part of Outlot B, RAMSEY TOWN CENTER 2<sup>nd</sup> ADDITION, Anoka County; Minnesota which lies easterly of the easterly line of Block 1, RAMSEY TOWN CENTER 7<sup>th</sup> ADDITION, and its southerly extension;

And

All that part of Outlot B, RAMSEY TOWN CENTER 2<sup>nd</sup> ADDITION Anoka County; Minnesota, lying southerly of the following described line: Commencing at the Northeast corner of Block 1, Ramsey Town Center 7<sup>th</sup> Addition; thence South, along the East line of said Block 1, a distance of 247.47 feet to the Point of Beginning of said line; thence West, along the South line of Block 1, Ramsey Town Center 7<sup>th</sup> Addition, a distance of 616.21 feet to the Westerly line of Outlot B, RAMSEY TOWN CENTER 2<sup>nd</sup> ADDITION, and said line there terminating.

And

Outlots A, C, D, and F, RAMSEY TOWN CENTER 8<sup>th</sup> ADDITION Anoka County; Minnesota;

And

Outlots F, G, H, J, K, N, O, P, Q and R, RAMSEY TOWN CENTER ADDITION Anoka County; Minnesota;

And

Tracts A, C, D and E, REGISTERED LAND SURVEY NO. 241 Anoka County; Minnesota;

And

Outlot M, RAMSEY TOWN CENTER ADDITION, except that part platted as RAMSEY TOWN CENTER 5<sup>th</sup> ADDITION Anoka County; Minnesota;

And

Outlot A, RAMSEY TOWN CENTER 10<sup>th</sup> ADDITION Anoka County; Minnesota;

And

Outlots A and B, RAMSEY TOWN CENTER 7<sup>th</sup> ADDITION Anoka County; Minnesota.

**[The HRA will add Lot 2, Block 1 and Outlot A, RAMSEY TOWN CENTER 5<sup>th</sup> ADDITION, Anoka County; Minnesota to the description of the Subject Property if the HRA can persuade the two parties who have pending purchase agreements with the HRA for the purchase of this property to accept title subject to this Declaration];**

## HRA Work Session

2. 2.

**Meeting Date:** 02/06/2012

**By:** Darren Lazan, Housing &  
Redevelopment Authority

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### Information

**Title:**

Consider Restrictive Covenants for the On-Site Sale of Motor Fuels Associated with the Sale of Property at Sunwood and Armstrong Boulevard.

**Background:**

The development team has been working with potential buyers of parcels at both Sunwood Drive and Ramsey Boulevard, as well as Sunwood Drive and Armstrong Boulevard for the development and operation of gas/convenience stores. Over the last several months, these discussions have included the concept of a restrictive covenant or exclusive use agreement that would essentially ensure that the eventual user had some sort of protection that they would be the only gas/convenience operation within some distance of the acquired property. This, of course, could only effect HRA owned property, leaving the east side of Ramsey, and the west side of Armstrong unaffected.

By way of background, there was some discussion in the early phases of RTC that contemplated excluding these uses from the project altogether. Later, the zoning was amended to allow Little Dukes, as a conditional use. There has been substantial discussion since the re-visioning of The COR as to the potential uses at these corners, and it is fair to say that there was concern about allowing this use into the project. In the end it was determined that these are viable service corridors, and as the first access north of 10, viable service corners. The HRA directed the development team to prepare purchase agreements for both sites and present them for consideration at a future regular HRA meeting.

**Notification:**

**Observations:**

In the process of negotiating the terms of the purchase agreement, the development team was asked by the buyer to consider an agreement of exclusivity covering all remaining HRA property IF the buyer were to close on both sites, AND as long as they maintained operation of both sites as a gas/convenience store.

While our first inclination was to negotiate the scope of the agreement to a smaller subset of the project, consideration was given to the current vision of the project and it presented a question for which we would like direction from the HRA to proceed. Would the HRA consider an exclusive over all remaining HRA property if the terms outlined were met? This essentially prevents any additional uses of this type from coming forward in the future, and sets the number and locations of this use within the project. Does this meet the current and long-term vision of the project?

If the development team was successful in narrowing the scope of the exclusion to the east and west ends of the project, it would only free the center of the project from an exclusion, which would likely be considered the least desirable location in the current vision for the project.

The restriction/exclusive currently requested by the buyer has been drafted as an exclusive for "the on-site sale of

motor fuels". This leaves open the possibility of any other fuel sales for uses other than automobiles such as cylinder exchanges, camping fuels, etc.. The development team was also able to negotiate the exclusion of retailers over 50,000 sq.ft. that sell fuel as an accessory item such as Costco or others.

**Recommendation:**

The development team recommends the HRA consider the concept of the exclusive agreement discussed and provide consensus direction on finalizing this issue.

**Funding Source:**

N/A

**Council Action:**

Provide consensus direction on a proposed exclusive agreement for motor fuels and direct the development team to prepare final language based on discussion. This item will be brought back with the proposed purchase agreement at a future regular meeting of the HRA.

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**Form Review**

**Inbox**

Heidi Nelson

Form Started By: Darren Lazan

**Reviewed By**

JoAnn Shaw

**Date**

02/02/2012 03:20 PM

Started On: 02/02/2012 12:30 PM

Final Approval Date: 02/02/2012

**HRA Work Session**

2. 3.

**Meeting Date:** 02/06/2012**By:** Darren Lazan, Housing &  
Redevelopment Authority

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**Information****Title:**

Consider Process for Acquisition of Parcel at the Southwest Corner of Armstrong and 146th.

**Background:**

The HRA has directed and authorized the development team to approach three property owners on the west side of Armstrong Boulevard to discuss acquisition of their properties as part of the Armstrong Interchange and Sunwood realignment projects. All three properties are affected in some degree by the current project to realign Sunwood Drive, or the Armstrong overpass currently under preliminary design.

The three properties involved are highlighted on the attached exhibit. Together with the Oasis Market site acquired previously, the properties represent the majority of the Right-of-Way north of Hwy 10 necessary to construct the Armstrong Interchange and Sunwood Realignment.

One parcel owned by M&W Holdings, LLC (Wiser Choice Liquors) is owned by Jeff Wise, a seated City Council and HRA Member.

Preliminary appraisal valuations have been determined and the development team, along with the city attorney, are in the process of approaching the three owners with offers to purchase either the entire property, or the portions of the properties necessary to construct Armstrong Boulevard. The feasibility of which will be evaluated based on discussions.

The evaluation method used to assess the two northerly parcels was based on their value as raw land, which was the highest value as determined by the appraiser. While those parcels do have existing structures, and one has an operating business, the value of the land as a development opportunity exceeds that of the structures or business.

The southern parcel is owned by M&W Holdings, LLS whose sole member is Jeff Wise. Unlike the other two parcels, The highest value for this parcel, as determined by the appraiser, is in the structure and business located there today. This makes the negotiations on this parcel a broader discussion than the other two parcels.

**Notification:****Observations:**

Acquisition of the Wiser Choice parcel be comprised of three parts - Building, Land, and Business (relocation, fixtures, etc.)

The valuation of the building and land were determined by the appraisal and are likely to be items with little room to negotiate. State statute governs the amount a municipality can pay for acquisition relative to an appraisal, and the values considered are in the range acceptable not only to the seller, but similar to those contemplated for the sale of

land to Mr. Wise for his proposed project in The COR. It is likely that the valuation agreed to for the acquisition of his parcel will be the same as that used for the sale of the property in The COR.

Attorney Goodrich will be present at the meeting to also discuss with the HRA the implications of the relatively new state legislation relating to minimum compensation when a property owner is forced to relocate. This law essentially requires that, notwithstanding the land/building appraisal amount, the damages paid must compensate the owner with an amount sufficient for the owner to purchase a comparable property in the community. This is a complex statute requirement and there is little reported law for guidance. Specifically, this statute provides as follows:

**Minn Stat. §117.187. Minimum compensation.**

When an owner must relocate, the amount of damages payable, at a minimum, must be sufficient for an owner to purchase a comparable property in the community and not less than the condemning authority's payment or deposit under section 117.042, to the extent that the damages will not be duplicated in the compensation otherwise awarded to the owner of the property. For the purposes of this section, "owner" is defined as the person or entity that holds fee title to the property.

**Recommendation:**

It is the development teams recommendation that we proceed with the negotiations on land and building as discussed and underway with the adjacent parcels, and obtain outside resources to assess and negotiate the business components of the acquisition based on recent legislation.

Those three components will be compiled and presented to the HRA for approval at a future meeting.

**Funding Source:**

N/A

**Council Action:**

Provide consensus direction on the process in acquiring property owned by M&W Holdings, LLC - Jeff Wise

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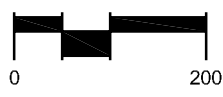
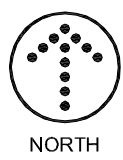
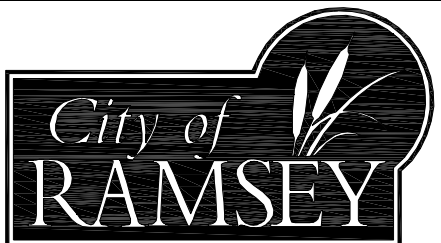
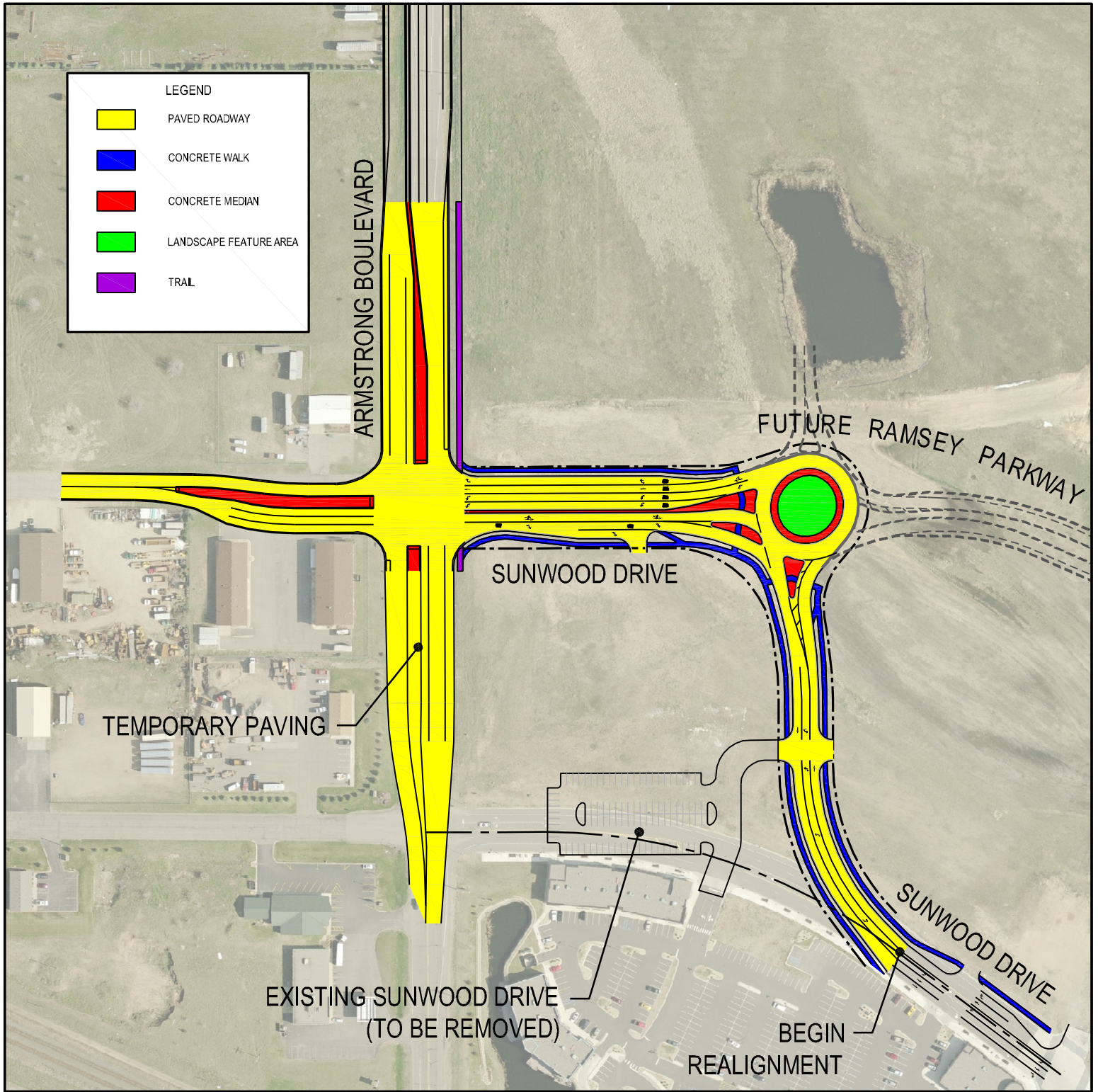
**Attachments**

Sunwood-Armstrong  
Parcel Exhibit

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**Form Review**

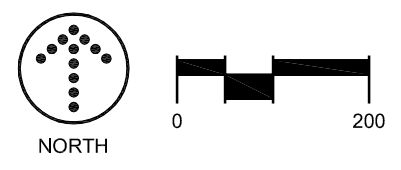
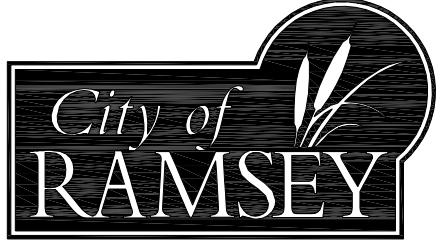
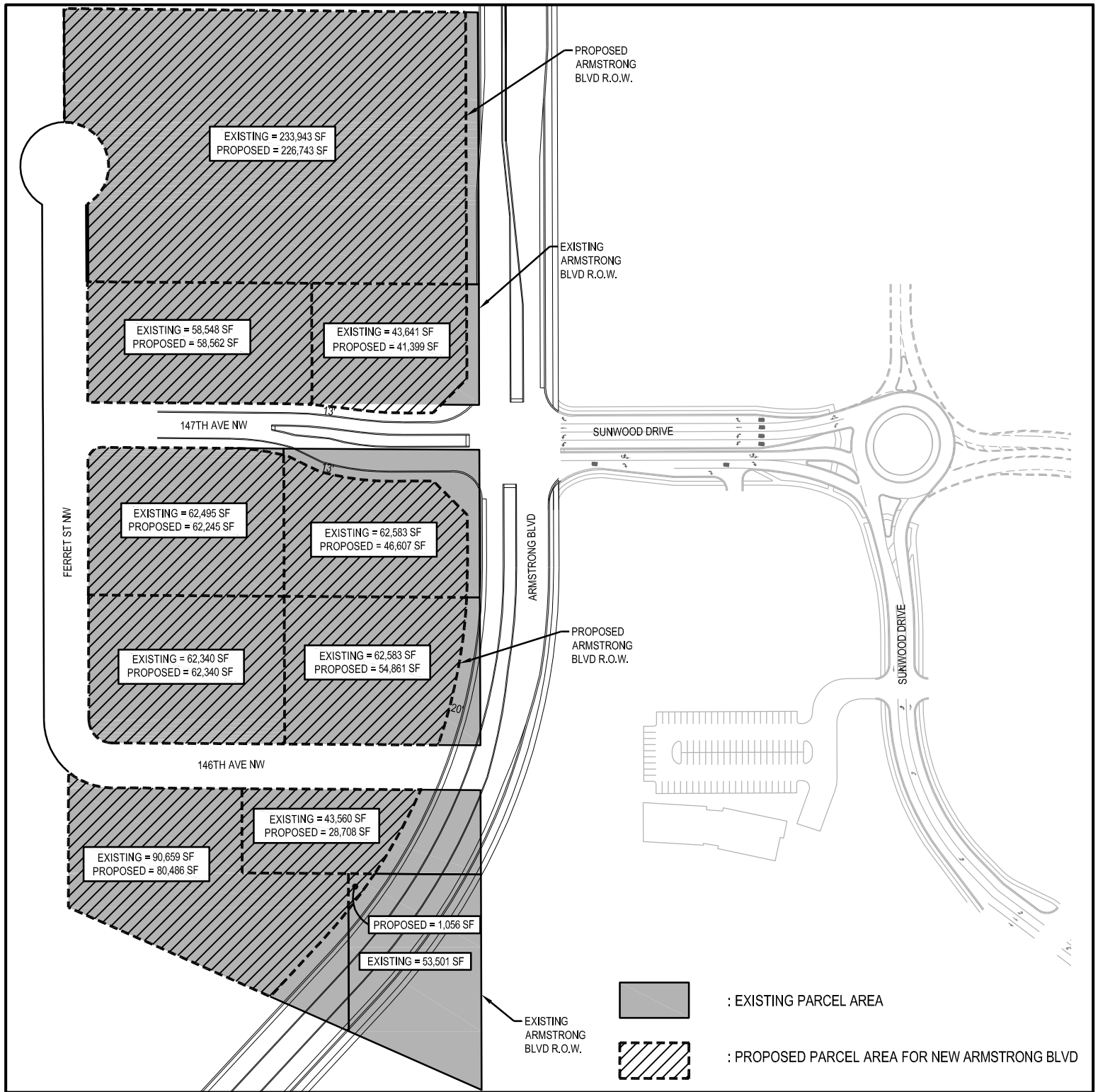
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Heidi Nelson	JoAnn Shaw	02/02/2012 03:55 PM
Form Started By: Darren Lazan		Started On: 02/02/2012 12:31 PM
		Final Approval Date: 02/02/2012



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**L A N D F O R M**  
 From Site to Finish

## SUNWOOD DRIVE REALIGNMENT

RAMSEY, MINNESOTA



# ARMSTRONG BLVD REALIGNMENT

# PARCEL EXHIBIT