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**CITY COUNCIL
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a regular meeting on Tuesday, February 26, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Randy Backous
Councilmember David Elvig
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Jason Tossey

Members Absent: None

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Fire Chief Dean Kapler
Police Chief James Way
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Human Resources Manager Colleen Lasher
Development Services Manager Timothy Gladhill
Management Analyst Patrick Brama
City Attorney William Goodrich
Interim Engineer Shane Nelson

1. CALL TO ORDER

At the invitation of Mayor Strommen, Boy Scouts in attendance introduced themselves.

Mayor Strommen called the regular meeting of the Ramsey City Council to order at 7:00 p.m., followed by the Pledge of Allegiance led by the Boy Scouts.

2. PRESENTATION

None.

3. CITIZEN INPUT

Jenny Brock, 15240 Kangaroo Street NW, described problems she is experiencing with snowmobilers who are disrespectful and asked the City to provide more information to residents about snowmobile safety and the need to respect the rights of private property owners, especially farm land that is damaged by heavy snowmobile traffic.

Mayor Strommen stated this is a good reminder about the responsibility for snowmobilers to follow the rules and respect private property rights. She requested the Police Chief provide information on the number of complaints received and that a notice relating to this issue be included in the *Ramsey Resident*.

Wayne Buccholz, 14621 Neon Street NW, referenced the February 15, 2013, *Anoka County Union*, article relating to receipt and action on an anonymous letter and stated his objection to the City a hiring a strategic planner without receiving bids, and to the Council's action to hire an outside attorney to review the work of the City's Attorneys when drafting the Landform contract.

4. CONSENT AGENDA

Motion by Councilmember Riley, seconded by Councilmember LeTourneau, to approve the following items on the Consent Agenda:

4.01: Approve License Applications:

Pawnbroker

Ramsey Pawn LLC, 6550 Highway #10 NW, Ramsey, MN 55303

Special Events

Minnesota State Society DAR, 27157 Dakota Avenue, Elko, MN 55020

Northern Light Church, 6701 Highway #10 NW, Ramey, MN 55303

Peddlers / Solicitors

American Exteriors of Minnesota LLC, 1408 Northlane Drive, Suite 106, Mendota Heights, MN

Elite House Services of MN, Inc., 210 Old Highway #8 SW, New Brighton, MN 55112

4.02: Approve the following Meeting Minutes:

1) City Council Work Session – February 12, 2013

2) City Council Regular – February 12, 2013

4.03: Approval from Exemption for a Gambling License for Isanti County Chapter of the MN Deer Hunters Association

4.04: Approval from Exemption for a Gambling License for Capable Partners

4.05: Authorization for Request for Proposals (RFP) for Legal Services

4.06: Authorization to Seek Proposals for City Towing Services

4.07: Authorization to Seek Proposals for Nuisance Abatement Services

4.08: Adopt Resolution #13-02-050 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of February 7, 2013 through February 20, 2013

4.09: Adopt Resolution #13-02-044 Awarding Contract to Pearson Brothers, Inc. for 2013 Street Sweeping

4.10: Adopt Resolution #13-02-043 Authorizing Partial Payment to County Line Excavating, LLC for IP 12-25 North Commons

- 4.11: Adopt Resolution #13-02-041 Authorizing Partial Payment to North Pine Aggregate for IP 12-20; CSAH 83 (Armstrong Boulevard) – Sunwood Drive
- 4.12: Adopt Resolution #13-02-040 Authorizing Partial Payment to Sauter & Sons, Inc. for the Nordvick Property Demolition and Site Clean Up and Review Change Order Number One (1)
- 4.13: Adopt Municipal Center Facility Use and Rental Policy
- 4.14: Introduce Ordinance #2013-06 Authorizing the City of Ramsey to Sell / Convey Surplus Land (Windsorwood Property)
- 4.15: Report from the Personnel Committee Meeting dated February 12, 2013:
 - 1) Discuss Municipal Center Meeting Room Revenue for Building Maintenance Staffing Needs – *No action necessary at this time.*
 - 2) Resolution to Address Building Maintenance Staffing Needs – *Ratify the recommendation of the Personnel Committee to adopt Resolution #13-02-051, Hiring Mr. Jeff Strelow as a regular part-time building maintenance worker, at Step 1 of the 2012 Wage Scale at \$15.99 per hour for 20 hours per week; with the option to work up to 30 hours per week on occasion, as necessary, as determined by the Public Works Superintendent and approved by the City Administrator.*
 - 3) Discussion Regarding 2013 Union Contract Negotiations for ASFCME, LELS – Patrol and LELS – Sergeant (Discussion closed to the public) – *No action necessary at this time.*

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Riley, LeTourneau, Backous, Elvig, Kuzma, and Tossey. Voting No: None.

5. APPROVE AGENDA

Motion by Councilmember Kuzma, seconded by Councilmember Backous, to approve the agenda as presented.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Kuzma, Backous, Elvig, LeTourneau, Riley, and Tossey. Voting No: None.

6. PUBLIC HEARING

None.

7. COUNCIL BUSINESS

7.01: Consider Lease Agreement with Pro Power Sports & Marine, Inc.

Management Analyst Brama reviewed the staff report and terms of the proposed lease agreement with the owner and manager of Pro Power Sports & Marine, Inc. for the City-owned property located directly west and adjacent to 6781 Highway 10. It was noted they are requesting a one-year term, which would coincide with the one-year termination clause for the City. Management Analyst Brama indicated a rent analysis was conducted and found to be reasonable but at the lower end of the market.

Councilmember LeTourneau disclosed that Pro Power Sports & Marine had sponsored the equipment he used when participating in the Mayor's Trail Run. He indicated he did not realize this item would be considered by the Council tonight and had not discussed it with the Pro Power Sports manager, but felt uncomfortable participating and would recuse himself from this decision.

Fire Chief Kapler stated this building is on the municipal water system and asked the Council to provide flexibility for the City Attorney to include a lease clause to provide access to the fire hydrants at the back of the lot.

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to authorize staff to draft and execute Lease with Pro Power Sports, Inc., as revised to require the lease to provide access to the fire hydrants at the back of the lot and subject to final approval as to legal form by the City Attorney.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Backous, Kuzma, Elvig, Riley, and Tossey. Voting No: None. Abstain: Councilmember LeTourneau.

7.02: Request by TK Entertainment (DBA Ramsey Raceway) to Amend Lease Agreement

Management Analyst Brama reviewed the staff report and request by TK Entertainment (dba Ramsey Raceway) to amend its lease agreement for 14550 Armstrong Boulevard, to coincide with the approved Interim Use Permit (IUP) term that is set to expire May 16, 2016. TK also requested elimination of the early termination provision that allows the City to terminate the agreement with a six-month notice without penalty. Management Analyst Brama presented staff's recommendation that the Lease be amended to have a term coincide with the IUP with an expiration date of May 16, 2016, and that the early termination provision be retained but that the six-month notice required by the City be extended to a twelve-month notice. He advised the property will be taxed at \$40,000 and under this lease be the responsibility of TK Entertainment.

City Attorney Goodrich stated this case was discussed previously. The rent is proposed to be \$100/month plus the City receiving 50% of the profits and payment of taxes.

Development Services Manager Gladhill explained it would be difficult to revise and align the IUP to meet the lease since no terms of the IUP have been violated.

The Council discussed and indicated support for the lease terms noting, however, that the City was being asked to make concessions but receiving nothing in return for that consideration. The Council agreed the City enjoyed a good partnership with Ramsey Raceway, which provided contributions for Happy Days. During discussion, support was expressed for a standard 12-month lease term with a six-month early termination clause in the event the Armstrong Boulevard interchange project moves forward.

The Council next considered the payment of property taxes (estimated at \$40,000) and debated whether it should be deducted from profits prior to calculating the City's 50% share.

Carl Janzen, 9131 178th Avenue, stated they were willing to pay the property tax but felt it should be considered as another expense and come off the top as an expense.

Tim Marchiafava, 19119 Waco Street, Elk River, explained their only income generators are events held and they have no other way to create revenue. He also supported deducting property taxes from profits generated. Mr. Marchiafava pointed out that last year was their first full season and they expect they can draw more people and increase income during this upcoming second season.

Mr. Janzen stated the amount being discussed will not “make it or break it” either way and if they grow as expected, it will not be a problem. He assured the Council they know that once the bridge comes in, they (Ramsey Raceway use) will be gone and knew that was the case four years ago and have no problem with that.

Mr. Marchiafava suggested the lease include the standard 12-month notice other than for the interchange construction.

The Council acknowledged that if this land is empty, it generates nothing for the City and Ramsey Raceways has provided funding towards Happy Days so it was willing to consider the requested shorter term and property taxes as an expense of doing business, subject to an early termination clause for the Armstrong interchange.

City Attorney Goodrich indicated staff understands the changes to be made to the lease.

Motion by Councilmember Backous, seconded by Councilmember Elvig, to authorize staff to draft and execute Lease revisions with TK Entertainment to have the lease term expiration date be May 16, 2016, a twelve-month Leaser notice for early termination, a six-month notice for termination for construction of the interchange, indication this property will be taxed and TK Entertainment would be responsible for payment of taxes in addition to the rent, and that the taxes would be considered as an expense, subject to final approval as to legal form by the City Attorney.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Backous, Elvig, Kuzma, LeTourneau, Riley, and Tossey. Voting No: None.

7.03: Adopt Ordinance to Amend Chapter 117 Related to Stormwater Controls and Illicit Discharges

Interim Engineer Nelson reviewed the staff report and recommendation of the Planning Commission to adopt the proposed ordinance relating to stormwater management.

Motion by Councilmember Riley, seconded by Councilmember Kuzma, to waive the City Charter requirement to read the Ordinance aloud and introduce Ordinance No. 13-01 to Amend Subdivision II and add Subdivision III to Chapter 117, Article II, Division of City Code Related to Stormwater Management.

Further discussion: Interim Engineer Nelson answered questions of the Council relating to this required regulation and possibility that additional changes may be required due to future State and/or Federal regulations. Councilmember Tossey stated his intent, on principle, to oppose this ordinance as it is dictated to the City by other agencies.

A roll call vote was performed by the Recording Secretary:

Councilmember Tossey	nay
Councilmember Riley	aye
Councilmember LeTourneau	aye
Councilmember Backous	aye
Councilmember Elvig	aye
Councilmember Kuzma	aye
Mayor Strommen	aye

Motion carried.

7.04: Consider Policy for Leasing City-Owned Land

Management Analyst Brama reviewed the staff report and presented the draft policy that would develop consistent and fair leases, provide staff formal support, and a baseline in which leases are negotiated. Staff recommends a third-party opinion be obtained from a real estate professional on private sector lease rates with that rate being considered the mean rate and staff negotiating a lease as directed and supported by the Council. Management Analyst Brama asked the Council to provide direction on the lease rate.

City Administrator Ulrich indicated this case was scheduled for a Work Session but tonight the Policy is before the Council and recommended for adoption.

The Council discussed the draft Policy, noting it goes a long way to maintain a structure of fairness when considering leases.

With regard to payment of property taxes, Management Analyst Brama explained most leases include property taxes within the base rent. Staff proposes a base rent with a tax rate calculated and together it would equal the rent. The City would take a monthly check and would then pay property taxes to Anoka County.

The Council discussed the amount of staff time consumed by lease negotiation and option to instead use a professional leasing agent. City Administrator Ulrich indicated a cost analysis of staff time spent in this effort will be presented at the March 12, 2013, Council meeting; however, the proposed Policy would be helpful regardless.

Motion by Councilmember Elvig, seconded by Councilmember Backous, to direct staff to draft a Lease Policy that is business friendly.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Elvig, Backous, Kuzma, LeTourneau, Riley, and Tossey. Voting No: None.

7.05: Consider Purchase of 14590 Armstrong Boulevard NW, Ramsey, Minnesota (Wiser Choice Liquor Store) from M&W Holding Company LLC (the “Property”) Portions of this discussion were closed to the public

City Attorney Goodrich indicated a counter offer has been received which can be discussed in Closed Session. He advised that under Minnesota Statutes, Section 13D.05, Subd.3(c), the meeting can move into closed session to discuss confidential or non-public appraisal data and acquisition negotiations. He indicated closed session discussion will relate to the counter offer received for the acquisitions of 14590 Armstrong Boulevard NW, Wiser Choice Liquor Store, from M&W Holding Company, LLC for right-of-way purposes and future development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Councilmember Elvig, seconded by Councilmember Tossey, to move to Closed Session to discuss acquisition negotiations.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Elvig, Tossey, Backous, Kuzma, LeTourneau, and Riley. Voting No: None.

The City Council meeting moved into a Closed Session at 8:10 p.m.

The City Council reconvened in Open Session at 8:27 p.m.

City Attorney Goodrich stated the Council held discussion during Closed Session to consider the purchase and terms for the possible purchase of 14590 Armstrong Boulevard NW, Wiser Choice Liquor Store, from M&W Holding Company, LLC for right-of-way purposes and future development and reached consensus to authorize a purchase agreement at a price of \$940,000 based on two qualified appraisals that determined the appropriate price. The purchase agreement includes trade fixtures, reservation of relocation rights, lease back provision of up to two years for the current seller at \$3,550/month plus property taxes, expenses, for a net/net/net lease, the seller to leaseback the property as is. He indicated this is a cash sale to the seller and the seller paying all taxes current. The lease term commences February 27, 2013, for a two-year period with a 90-day termination by the City or by the tenant under certain circumstances. City Attorney Goodrich presented the proposed resolution detailing how the current Council reached this decision, authorizing the purchase by the City, and authorizing the Mayor and City Administrator to execute the agreement.

Motion by Councilmember Elvig, seconded by Councilmember Backous, to adopt Resolution #13-02-052 Authorizing the Purchase of the Real Property located at 14590 Armstrong Boulevard NW for a purchase price of \$940,000 and that the other purchase terms be pursuant to the terms of the Purchase Agreement reviewed by staff and the City Attorney at tonight’s meeting, which Purchase Agreement is subject to final approval as to legal form by the City Attorney.

Further discussion: Councilmember Riley stated he had previously asked “why now” and “why this amount” and since then determined that “why now” is because there is currently a lot of momentum for the Armstrong interchange project so he intended to support the motion. Councilmember LeTourneau stated that while he agrees with the need for the purchase and price, he does not think the property needs to be purchased now. He preferred the City receive confirmation of the overpass funding prior to this purchase, noting if not received in the next three months, it may be ten years before the project occurs.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Elvig, Backous, Riley, and Tossey. Voting No: Councilmembers LeTourneau and Kuzma.

8. MAYOR, COUNCIL AND STAFF INPUT

City Administrator Ulrich announced upcoming meetings and events.

City Administrator Ulrich and Councilmember Tossey reported on the City’s continued effort to lobby for Armstrong Boulevard interchange funding.

Councilmember Riley referenced a *StarTribune* article indicating Ramsey housing starts are up and foreclosures are down.

Councilmember Elvig advised that the Metropolitan Council’s Land Use Advisory Committee passed on a recommendation that fresh water become a regional issue as opposed to a local issue. Should the Metropolitan Council take up that recommendation, the City may qualify for funding of its \$20 million freshwater treatment plant.

9. ADJOURNMENT

Motion by Councilmember Tossey, seconded by Councilmember Backous, to adjourn the meeting.

Motion carried.

The regular meeting of the City Council adjourned at 8:39 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.