

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, February 14, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member John LeTourneau
 Member Chris Riley (arrived at 7:38 a.m.)
 Member Wayne Skaff
 Member Kristine Williams

Members Absent: None

Also Present: Patrick Brama, Management Analyst
 Kurt Ulrich, City Administrator
 Tim Gladhill, Development Services Manager
 Consultant Mike Mulrooney

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:35 a.m.

2. APPROVE AGENDA

Chairperson Steffen requested the EDA consider moving the March EDA meeting to Thursday, March 7th due to the unavailability of several members on March 14th.

It was the consensus of the EDA to reschedule the March 14, 2013, EDA meeting to March 7, 2013.

Motion by Member Skaff, seconded by Member Williams, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Williams, LeTourneau, and Riley. Voting No: None. Absent: None.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated January 10, 2013

Motion by Member LeTourneau, seconded by Member Skaff, to approve the minutes dated January 10, 2013.

Motion carried. Voting Yes: Chairperson Steffen, Members LeTourneau, Skaff, Riley, and Williams. Voting No: None. Absent: None.

4. EDA BUSINESS

4.01: Consider Resolution 13-02-040; for the partial payment to Sauter & Sons Inc. for the Nordvick Property demolition and site clean up; and review change order number one (1).

Management Analyst Brama explained the EDA previously awarded the demolition and clean up of the site to Sauter & Sons Inc. He advised the contractor has completed its work pursuant to the contract with the exception of turf work to be completed in the spring; staff recommends withholding 10% as escrow to insure the completion of this turf work. He stated that Change Order No. 1 is for the removal and disposal of an underground oil-water separator tank at a cost of \$2,400 and explained staff was unaware of the existence of this tank and removal of the tank was not included in the RFP or the contract.

Chairperson Steffen asked if the contractor advised the City of the change order before the tank was pulled out of the ground.

Management Analyst Brama stated there appeared to be some miscommunication between the City and the contractor and staff should have reviewed the change order before the work was done.

Motion by Member Skaff, seconded by Member Williams, to approve Resolution 13-02-040; Approving Partial Payment to Sauter & Sons, Inc. – Nordvick Property Demolition, 8020 147 Ave NW.

Member LeTourneau asked if the City has a policy that allows City staff to approve change orders that are under 20% of the project cost and if not, whether such a policy should be implemented.

City Administrator Ulrich stated the City could include a project contingency that would allow this type of change order and added that staff is typically able to approve change orders up to 10%.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Williams, LeTourneau, and Riley. Voting No: None. Absent: None.

4.02: 2013 Annual EDA Business Expo

Management Analyst Brama advised that preparations are underway for the annual business expo to be held at Fountains of Ramsey on Saturday, May 4, from 9:00 a.m. to 2:00 p.m. He stated flyers have been sent to local businesses and approximately fifteen businesses have signed up for the expo. He indicated that marketing efforts for the expo will not exceed the \$3,500 budget and requested feedback from the EDA regarding the mailer to be sent via bulk mail to

approximately 9,000 residents on the City's mailing list. He recommended that the City send a card stock, color, half page mailer.

It was the consensus of the EDA to direct staff to send a card stock, color, half page mailer.

Member Riley noted that May 4th is the City's recycling and tree pick-up day and suggested the City place a sign at the public works building to advertise the business expo.

Chairperson Steffen suggested that staff contact the local banks and/or businesses that have reader boards to advertise the business expo.

4.03: Business Retention Program, Review of 2012 Report

Management Analyst Brama presented the Business Retention Program Executive Report and advised that staff met with 24 business representatives between November 2012 and January 2013. He stated the majority of the businesses were industrial/manufacturing businesses and five of the businesses indicated they will be expanding their businesses in the next 18 months. He discussed the survey results regarding perceived Ramsey weaknesses and suggestions for improvement stating that four manufacturing businesses identified a need for qualified employees; other comments included the negative disruptive local politics and lack of trust in the City. He indicated staff is working with the Police Department to address an issue raised regarding the dumping of waste in parking lots as well as an issue raised regarding the City's policy to charge businesses for false alarms. He stated that staff has made and will continue to make businesses aware of the VoTech and Minnesota Workforce Center to assist with employee recruitment. He pointed out the City does not have any significant industrial land available and staff has identified this issue as something the City Council may wish to consider during its strategic planning process.

Member Riley requested that staff provide the EDA with further information regarding work done in the past with respect to the City's business parks.

Management Analyst Brama suggested that staff prepare a unified response to all businesses that summarizes the site visits and reiterates the City's commitment to continue working with its local businesses. He then requested input from the EDA regarding moving forward with respect to the business retention program particularly as it relates to the hiring of the EDA staff position.

Member LeTourneau encouraged staff to include other types of businesses in the program and to integrate more retail businesses. He stated the business retention program is an important program and did not feel the program could exist in an on and off mode, adding that staff may want to figure out a more robust program once the EDA staff person is in place.

Member Skaff agreed the program should be expanded to include retail as well as the PACT Charter School.

Member Riley agreed that the program should include a mix of businesses. He stated the program should be carried out year-round and should not be discontinued. He suggested including a brief summary of the survey results in the response being sent to local businesses and to include some of the charts provided in the Executive Report with business names removed.

It was the consensus of the EDA to continue the Business Retention Program with the understanding that the EDA staff person will carry out these duties once the position is filled.

Mr. Mulrooney indicated the Business Retention Program serves as a good foundation for the City and felt it was important for the City to make a conscious effort to visit with its local businesses on an ongoing basis. He suggested that the business expo be used as a job fair for those businesses looking for qualified employees.

Chairperson Steffen encouraged staff to continue to provide the EDA with the dates of scheduled business visits and commended Management Analyst Brama for his efforts on this program.

4.04: 15153 Nowthen Blvd: Review Cost Benefit Analysis

Management Analyst Brama advised the shovel ready application has been submitted to the State of Minnesota. He stated a number of environmental conditions were identified during the environmental assessment and additional testing may be required. He then presented the Cost Benefit Analysis for a single user data center comprised of 250,000 square feet (Concept 1), a two user data center comprised of 100,000 square feet each (Concept 2) or a residential development comprised of 47 homes (Concept 3). He stated the valuation for Concept 1 is \$31.3 million, Concept 2 is \$25.3 million, and Concept 3 is \$7.6 million; City revenue derived from Concept 1 is estimated at \$276,000, Concept 2 is \$223,000, and Concept 3 is \$33,700. He stated that Concept 3 would require more City services than a data center and it is anticipated that Concept 3 would have more police and fire calls and total annual expenses for Concept 3 are estimated at \$2,500. He stated that net annual cash flow after expenses for Concept 1 is estimated to be \$276,000, Concept 2 is estimated to be \$223,000, and Concept 3 is estimated to be \$31,000. He advised that the valuations for Concept 1 and 2 are \$1.35 million and Concept 3 has an estimated valuation of \$1 million based on the assumption that the housing market is currently weak. He stated the sale of this property can be used for the fire station and indicated the net annual cash flow from financing the fire station for Concept 1 is estimated to be \$932,000, Concept 2 is estimated to be \$402,000, and Concept 3 would result in a deficit of approximately \$911,000.

Chairperson Steffen requested further information regarding the open house.

Development Services Manager Gladhill advised that the cost benefit analysis would be presented at the open house as well as options for zoning. He noted the proposal is for an overlay district so as not to limit any residential component in the future. He added the open house can be scheduled for Thursday, March 28, 2013, with public hearings held in April.

Member Skaff suggested that the open house be held on the old municipal center site.

Motion by Member Skaff, seconded by Member Williams, to direct staff to move forward with marketing and positioning the property for a data center user(s), to move forward with the open house, to develop a zoning proposal, and to move forward with an RFP for the Recognized Environmental Conditions.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Williams, LeTourneau, and Riley. Voting No: None. Absent: None.

4.05: FOR DISCUSSION ONLY: Receive Report from Planning Commission in Regard to Permitted Uses at the 167th Avenue Retail Node and Discuss Framework for Future Discussions

Development Services Manager Gladhill presented the Planning Commission report regarding the 167th Avenue retail node and stated the Planning Commission was supportive of the indoor shooting range but was not supportive of the proposed warehousing use. He noted the Planning Commission was concerned with outdoor storage with the warehousing use. He stated the indoor shooting range is motivated to move into the space and would like to get in before their lease expires in September. He advised that staff will continue to work with the applicant to modify their proposal.

Member Riley indicated the EDA's vision for this area remains a desire to have a viable retail area. He stated he would like to have the recycling use in the City but located in a different area. He felt the City needed to have a master plan for this area and stated he did not have any concerns with the indoor shooting range.

Member Williams stated the Planning Commission summary mirrored her thoughts on this issue and she supports a retail use for this site. She indicated she was concerned about the warehouse use and would have a hard time supporting it as a retail use. She stated that the City cannot force the market to locate on this site and the EDA should consider what it can do to incent the right types of users on the site, adding that a master plan will not make this a desired location or draw users to the location in and of itself. She added that Total Defense has been talked about for a long time and is a successful business that wants to relocate to Ramsey and the EDA should support that type of relocation within the community.

Development Services Manager Gladhill suggested that before any master planning efforts are started, the City could look at the surrounding land uses to see if intensification of land use could support some further planning efforts.

4.06: Prospect Update

Mr. Mulrooney advised staff is currently in discussion with a manufacturing company to purchase a site at Azurite and Bunker Lake. He reported that he has been in discussions with a precision manufacturing company that has expressed a strong interest in expanding its operations. He stated that further information regarding these businesses will be presented at a future meeting.

5. MEMBER/STAFF INPUT

Member LeTourneau stated the City Council reached consensus to allow the Landform contract to expire in March and to work on the necessary elements for a smooth transition going forward. He advised that City Administrator Ulrich provided a State of the City report at the Chamber of Commerce meeting and Mayor Strommen provided this report at the City Council meeting. He requested that the State of the City report be posted on the City's website. He reported that Mayor Strommen and City Administrator Ulrich attended a hearing at the Capitol on Wednesday regarding a bill for \$17 million worth of State funds for the Armstrong overpass project. He stated that the City Council approved a request by the City Administrator and a consultant to travel to Washington, D.C., to lobby at the federal level for an additional \$10 million for the Armstrong overpass project. He advised that the Stony River project is moving forward. He advised that Mary T housing provides senior lifestyle housing and is working with PSD on the east side of The COR property on a project primarily focused on lifestyle continuation opportunities for veterans. He stated that the City Council work session included a presentation from The Charter School Fund regarding a possible COR project. He stated that McDonald's is moving forward but there are still some questions to be resolved with the Super America site. He added the City Council also met in closed session to discuss the Wisser Choice Liquor property.

6. ADJOURNMENT

Motion by Member Skaff, seconded by Member Williams, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Williams, LeTourneau, and Riley. Voting No: None. Absent: None.

The regular meeting of the Economic Development Authority adjourned at 9:38 a.m.

Respectfully submitted,

Kurtis G. Ulrich, City Administrator

ATTEST:

Patrick Brama, Management Analyst

Draft by Barbara Hughes
(TimeSaver Off Site Secretarial, Inc.)