

**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, August 8, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Phillip Brunt
 Member Glen Hardin
 Member Chris Riley
 Member Wayne Skaff
 Member Kristine Williams

Members Absent: Member John LeTourneau

Also Present: Patrick Brama, Assistant to the City Administrator
 Tim Gladhill, Development Services Manager
 Diana Lund, Finance Director

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:30 a.m.

2. APPROVE AGENDA

Motion by Member Skaff, seconded by Member Hardin, to approve the agenda. Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Hardin, Brunt, Riley, and Williams. Voting No: None. Absent: Member LeTourneau.

3. APPROVE MINUTES

3.01: Approve EDA Meeting Minutes Dated July 18, 2013

Motion by Member Riley, seconded by Member Skaff, to approve the minutes dated July 18, 2013. Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Skaff, Brunt, Hardin, and Williams. Voting No: None. Absent: Member LeTourneau.

4. EDA BUSINESS

4.01: Strategic Planning Presentation: A New Day, A New Beginning

Member Riley explained that the City Council began a strategic planning process after the new City Council was seated earlier this year in order to develop a three to five year plan. He stated the overriding themes of the strategic planning process included a desire to work together, to

hold the City accountable, a desire for more transparency, to provide a high level of support and amenities to residents, and to ensure that ~~all decisions made by the City Council are fully funded.~~ the City Council only implements changes that can be paid for". *This amendment was made during the minute approval process at the September 19, 2013 EDA regular meeting. (Chairperson Steffen advised that Member Riley requested this amendment. Motion to amend by Skaff, seconded by Brunt – Motion carried). Amendment inserted by Jo Thieling, City Clerk/09/24/2013*

Finance Director Lund advised the strategic plan includes the SWOT analysis, guiding principles, and core values and recited the working mission statement and vision statement. She discussed the action plan that includes four strategic imperatives including financial stability, a connected community, smart, citizen-focused government, and an effective organization and indicated all items listed in the plan have been incorporated into the budget with the intent to create a balanced scorecard for measuring performance from a fiduciary perspective, internal perspective, customer/stakeholder perspective, and learning/growth perspective. She added that success factors were also developed as part of the overall strategic plan.

Member Riley stated he felt the process was necessary for the City and that the process should be repeated every five to ten years. He stated that the success factors are important for moving forward and the City Council repeatedly stressed that everything the City Council wants to do must ~~have a funding source~~ *fit within budget. (clarified by Member Riley via email)* **Amendment inserted by Jo Thieling, City Clerk/09/24/2013.** He stated the trust issue was one of the basic tenets of the entire process and there was significant discussion about rules of behavior and conduct, being more responsive to residents, and making sure the City Council is working together.

4.02: 2014 Proposed EDA Budget and Levy

Finance Director Lund presented the 2014 preliminary EDA budget and levy and explained the proposed 2014 EDA levy is \$136,739, noting that the EDA is included within the overall General Fund levy limits. She indicated the maximum EDA levy allowed is \$327,574 and the 2014 preliminary EDA budget reflects a change in the EDA staff funding percentage with 34% EDA, 20% TIF, and HRA 46% to provide a more equal split compared to 2013 percentages of 20% EDA, 20% TIF, and the rest to HRA. She advised the preliminary EDA budget stays constant within line items and the only thing changed was the Economic Development Manager position. She pointed out the EDA has its own fund and any monies not spent are carried over year to year, adding the EDA fund balance at the end of 2012 was approximately \$738,000.

Chairperson Steffen questioned whether the EDA should consider not increasing its levy because it did not spend all the money in its fund balance.

Finance Director Lund indicated this decision was entirely up to the EDA.

Chairperson Steffen asked if all levies would be spent assuming the Economic Development Manager is hired in 2014.

Finance Director Lund replied in the affirmative.

Motion by Member Skaff, seconded by Member Williams, to approve the 2014 preliminary EDA budget and levy as presented. Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Williams, Brunt, Hardin, and Riley. Voting No: None. Absent: Member LeTourneau.

Finance Director Lund reminded the EDA that the 2014 budget is preliminary and the EDA can make changes before final adoption on December 10, 2013.

4.03: Discuss Potential Future Industrial Park Land

Assistant to the City Administrator Brama provided historical information regarding the EDA's previous discussions regarding industrial park land available. He stated that property #1 owned by Al Pearson is 90 acres and is a greenfield site with utilities located 1,000' from the site, noting that this site is directly west of the Hageman Holdings site (property #2). He advised that Mr. Pearson is a willing seller and partner, is willing to change the zoning for a future industrial park, and is asking \$65,000 per acre or \$1.49 per square foot, which staff believes is a fair price. He explained that a Greenfield designation is a general reference term for a site typically used as a farm and a Green Acres designation is a tax designation that holds down the tax rate to incent use of the property for agriculture, and the Pearson property carries both designations. He advised that the Green Acres designation limits the tax incentive tools available and TIF cannot be used if more than 15% of the site is office; however, it does allow use of TIF if 15% or less is office and the remaining use is manufacturing and staff feels that TIF could be used for this site. He indicated the City is currently in the process of determining how utilities get to the site, noting that Hageman Holdings is ultimately responsible for extension of utilities to the end of their site but is not required to put in utilities until they develop the property adding that the preliminary estimate for extending utilities is \$500,000-\$800,000. He stated the Development Agreement with Hageman Holdings requires full extension of Bunker Lake Boulevard to four lanes down to Puma, which will increase the square footage price. He advised the City will need to get clarification on the Development Agreement with Hageman Holdings to determine whether the Pearson property would trigger any required improvements to Bunker Lake Boulevard.

Assistant to the City Administrator Brama then presented information regarding the Hageman Holdings 45-acre site (property #2) and explained this site was purchased with the intent of constructing the Legacy Christian Academy. He advised that staff will be meeting with Hageman Holdings to confirm details regarding the site, adding that Hageman Holdings has indicated they are not interested in selling anything north of Bunker Lake Boulevard.

Development Services Manager Gladhill advised the Development Agreement with Hageman Holdings clearly states that if Hageman Holdings builds anything it would trigger the requirement to bring Bunker Lake Boulevard to full capacity.

Assistant to the City Administrator Brama stated that Hageman Holdings has indicated they are going to be selective and is going to want to protect their investment. He stated they are a willing seller and partner, are willing to change the zoning, and utilities are adjacent to the site, but the extension of Bunker Lake Boulevard could increase the price per square foot. He added there is a potential that this site could be used in parallel with the Pearson property.

Assistant to the City Administrator Brama then presented information regarding the 270-acre MPCA site (property #3) which is a closed landfill owned by the MPCA and advised the MPCA has identified some “areas of concern” as well as “methane area of concern,” pointing out this designation does not mean there is contamination on the site. He advised that staff contacted the MPCA regarding purchasing the site or allowing the private sector to purchase the property and initially received pushback and staff is working with the MPCA to determine if the public works campus could be located on this site.

Development Services Manager Gladhill presented an email from Jean Hanson from the MPCA dated August 7, 2013, for inclusion in the official record. He distributed a copy of Minnesota Statutes §115B.412 and explained that the MPCA appears to be firm that this statute usurps local government control and requires the City to comply with the MPCA’s landfill land use plan, thus precluding use of the site as a public works campus. He advised there are other restrictions on the site related to bonding dollars that the State used to acquire the property from Waste Management; in addition, the MPCA has areas of concern and there are monitoring wells throughout the site to monitor the ground water and the MPCA also wants to save the remaining property for soil remediation purposes. He indicated the westerly parcel has an oak savanna and the City will need to determine whether it wants to protect this area or support development on this site. He explained that if the EDA wanted to move forward with this site to determine if the restrictions could be removed, the City would have to go to the PCA Commissioner or obtain special legislation to remove this site from the MPCA’s closed landfill land use plan.

Assistant to the City Administrator Brama then presented property #4, the second Pearson property consisting of 125 acres with mixed zoning. He indicated Mr. Pearson is a willing seller but the major drawback with this site is that utilities are 4,000’ from the site and would require a significant investment to get utilities to the site. He then presented property #5 consisting of 160 acres on the south side of Highway 10 with utilities approximately 3,000’ from the site. He pointed out this site extends to the Mississippi River and because so much of the property is riverfront, it makes sense that a large portion of the site would be residential. He advised that staff has not contacted the owner of property #5 because of the anticipated cost of this site and the impact to surrounding properties of an industrial park.

Development Services Manager Gladhill noted that this area is part of a statewide critical area designation that would limit how much could be used for an industrial park.

Assistant to the City Administrator Brama presented information regarding property #6, the 44-acre former Diamond’s Sports Bar and stated the property is zoned retail and staff has been unable to get clear direction from the property owner regarding their vision for the site.

Member Riley requested that the term “industrial park” be changed to “business park” because of the negative connotations with the term industrial. He also requested that staff provide historical information regarding the City’s partnerships with other property owners on business park developments, including the City’s role in these developments.

It was the consensus of the EDA to direct staff to pursue the Pearson Properties site (north) (property #1) as the primary industrial park for Ramsey, including engaging surrounding property owners regarding a potential zoning change before submitting an application for a

Comprehensive Plan and Zoning Amendment and developing a feasibility study utilizing the City's Engineering Department for full build out of an industrial park (projected revenues and expenditures). It was also the consensus of the EDA to direct staff to continue to discuss the Hageman Holdings property (property #2) to further understand implications of the required completion of Bunker Lake Boulevard, further understand implications of previous assessments, attain asking price, and further understand which type of users would be allowed. It was also the consensus of the EDA to direct staff to continue to discuss acceptable land uses with the MPCA on the Closed Landfill property (property #3). It was also the consensus of the EDA to direct staff to continue to monitor property #4, #5, and #6 as potential future industrial park sites but to not actively pursue additional information.

4.04: Business Appreciation Golf Tournament Update

Assistant to the City Administrator Brama stated the business appreciation golf tournament will be held on Tuesday, August 20th, with registration at 10:30 a.m., tee time at 12:00 noon, and dinner at 5:30 p.m. He advised that registration stands at 95 and the hole sponsorships have been filled. He requested a volunteer to emcee the event.

Chairperson Steffen agreed to emcee the golf tournament. He also asked that Mayor Strommen be asked to say a few words at the dinner.

Assistant to the City Administrator Brama indicated that Mayor Strommen has agreed to speak at the dinner.

4.05: EDA Updates

Assistant to the City Administrator Brama presented the EDA written updates contained in the agenda. He advised that the XXX bookstore will be demolished tomorrow morning.

Chairperson Steffen requested an update on the McDonalds site.

Assistant to the City Administrator Brama stated the Purchase Agreement has been signed but not closed and the public improvements being installed are the City's responsibility.

Member Riley indicated it was his understanding that McDonalds plans to break ground this fall.

5. Member/Staff Input

None.

6. Adjournment

The regular meeting of the Economic Development Authority adjourned at 9:05 a.m.

Respectfully submitted,

Kurtis G. Ulrich, City Administrator

ATTEST:

Patrick Brama, Assistant to the City Administrator
Draft by Barbara Hughes, *TimeSaver Off Site Secretarial, Inc.*