

**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, April 11, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen (arrived at 7:43 a.m.)
 Member Phillip Brunt
 Member Glen Hardin
 Member John LeTourneau
 Member Chris Riley (arrived at 7:35 a.m.)
 Member Wayne Skaff
 Member Kristine Williams

Members Absent: None

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

Guest: Joe Haag (Community Pride Bank)

1. CALL TO ORDER

Vice Chairperson Skaff called the Economic Development Authority meeting to order at 7:33 a.m.

2. APPROVE AGENDA

Vice Chairperson Skaff stated that agenda item 4.02 (consider purchase of private property located on the south side of Highway 10 in the 5000 block) would be heard at a later date and suggested that agenda item 4.06 be moved up on the agenda as item 4.02.

Motion by Member Hardin, seconded by Member LeTourneau, to approve the agenda as amended.

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

3. APPROVE MINUTES

3.01: Approve EDA Meeting Minutes Dated March 7, 2013

Motion by Member LeTourneau, seconded by Member Williams, to approve the minutes dated March 7, 2013.

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

4. EDA BUSINESS

4.01: EDA Orientation

Vice Chairperson Skaff welcomed newly appointed EDA Members Phillip Brunt and Glen Hardin.

Management Analyst Brama introduced the EDA Members and City staff and stated that an Economic Development Authority is a legal entity that is granted authority from the State. He explained the goal of an EDA is to promote economic development growth and EDAs are granted specific powers, e.g., purchase and sale of property, providing grants and loan guarantees, or selling bonds. He stated that from the City's perspective, the Ramsey EDA is a seven-member board appointed by the Mayor to serve six-year terms and the EDA serves as a recommendation board to the City Council as the first point of contact for economic development projects. He stated the EDA also facilitates a \$425,000 Revolving Loan Fund and utilizes an annually approved budget to facilitate and carry out a work list approved by the City Council. He indicated that in 2013, the EDA had a \$104,000 budget and from an asset perspective the EDA has an interest in the property known as the Nordvick property. He stated it is the EDA's responsibility to facilitate and administer the City's Business Retention and Expansion program and is responsible for the annual Business Expo, the annual Business Appreciation Golf Tournament, and the annual networking event held in November. He stated the EDA also responds to business prospects as well as businesses interested in expansion or relocating. He then presented the EDA Handbook and EDA Bylaws.

Chairperson Steffen arrived at 7:43 a.m. and chaired the remainder of the meeting.

4.02: FOR DISCUSSION PURPOSES: Review Status of 167th Avenue Retail Node

Development Services Manager Gladhill provided a brief history regarding this retail node and stated the property continues to experience a high vacancy rate. He advised two potential users approached the City in January about an indoor shooting range and a recycling warehouse. He explained that the recycling warehouse is not a retail based operation and its primary use would be warehouse distribution with a small degree of retail. He stated the City Council upheld the recommendations of the Planning Commission and EDA as being supportive of the indoor shooting range but had concerns about the warehouse use and whether it was compatible with the surrounding area; however, the indoor shooting range has since indicated it will not be moving forward at this time. He stated the City has considered a number of options for this site and is interested in taking a broader approach and has considered facilitating redevelopment of the site as residential as well as potential interim uses that would allow warehousing as an interim use. He indicated the former SuperValu site has experienced significant damage and vandalism to the building so the cost to get a retail user in there would be difficult. He stated another barrier is the

cost to connect to municipal sewer estimated between \$1.5 and \$2 million. He then introduced Mr. Joe Haag from Community Pride Bank.

Management Analyst Brama stated that one option is to schedule a meeting with the stakeholders and outline what options exist and discuss what the City can do to assist with this node, e.g., establishment of a TIF district or use of the Revolving Loan Fund. He stated other options include pursuing different zoning for the site or whether to pursue further master planning.

Member Hardin requested further information regarding the Planning Commission discussion.

Development Services Manager Gladhill advised it was the Planning Commission's desire to maintain a retail base as the long-term use for this node. He stated the Planning Commission supported the indoor shooting range but did not support the recycling warehouse, adding the Planning Commission felt the indoor shooting range would generate traffic that benefits the surrounding area while expressing concern about the potential for outdoor storage with the warehousing user. He added the Planning Commission was concerned about other uses coming into this area if the warehousing use was terminated and did not feel this use fit the long-term vision for this node. He agreed to forward the Planning Commission minutes to the EDA.

Mr. Haag explained that Community Pride Bank owns the 6001 parcel and the pool of buyers is small, adding that the property owners to the east and to the west would also be interested in any assistance the City can provide in expanding the buyer pool.

Chairperson Steffen asked if Community Pride Bank would prefer the site to be vacant with no building.

Mr. Haag replied the building is still fairly useable and structurally sound adding he did not know if a vacant lot would be more marketable.

City Administrator Ulrich stated the City has the option of keeping the property as is or to clear the site and start from scratch, which would require a master plan. He indicated he did not think the City or the EDA wants to make that investment until it knows the end result of the whole area including the land to the south. He stated he would prefer to at least see the basis of a master plan for where the City would like to end up before considering any active involvement such as tax abatement, TIF, or purchasing the land.

Chairperson Steffen indicated a master plan was previously prepared for this area adding the problem then was that Landmark Bank was not a willing seller and there was a fully functioning grocery store on the site and now everyone is willing to sell but there are no interested buyers.

Member LeTourneau expressed support for resurrecting the master plan especially given the tight real estate market and agreed the City should meet with the stakeholders to evaluate the current conditions.

Mr. Haag indicated he did not believe a grocery store would work on this site because of the close proximity of Coborn's and County Market and felt that a convenience store might work in

this location. He felt the City would need to come up with a plan for this entire area adding his interest is to work with the City to move this property.

It was the consensus of the Economic Development Authority to schedule a meeting with the stakeholders to discuss land use options and obtain feedback from the property owners. It was also the consensus of the Economic Development Authority to direct staff to do no further evaluation regarding the warehouse use at this time.

Mr. Haag requested that the open house include Landmark Bank and the cabinet shop owner.

4.03: 15153 Nowthen Blvd: Update and Grant Application

Management Analyst Brama explained that this property is the site of the former municipal complex and was identified as surplus City owned land. He stated the City was approached by Connexus Energy to form a partnership with the goal of marketing the site for a data center and the City was encouraged to pursue shovel ready certification for the site. He stated the City developed a cost-benefit analysis of a data center and that analysis indicated that a data center was significantly more beneficial to the City from a tax perspective. He advised that an open house has been scheduled for April 18th to obtain input from the surrounding residential property owners regarding the use of this site as light industrial for a data center. He indicated as part of the shovel ready certification process, the City conducted a Phase 1 environmental analysis that identified three environmental conditions requiring follow-up. He stated a Phase 2 environmental analysis is the next step and staff has been made aware of a Met Council tax base revitalization grant that could pay for a Responsive Action Plan (RAP) subsequent to the Phase 2 environmental assessment and the grant could also provide reimbursement of previous costs incurred by the City. He stated the pre-demolition survey indicated there is asbestos in the building and the environmental conditions include an oil-water separator tank in the floor with no documentation to indicate the tank was properly drained; in addition, the oil-water tank drained into the septic many years ago and needs to be tested to make sure there was no leakage and there are soil mounds on the property that need to be tested as well. He stated the grant application is due May 1, 2013, and will be awarded in mid-June. He added the City also received a market appraisal of \$1.47 per square foot or \$1.27 million for a commercial use and the residential appraisal was \$650,000.

Motion by Chairperson Steffen, seconded by Member Skaff, to direct staff to submit the Met Council tax base revitalization grant application due on May 1, 2013.

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

Member Riley requested further information about the comments received to date from residents regarding the potential data center.

Management Analyst Brama stated the City has received a mixed response and estimated that 40% were in favor of the data center and 60% were in favor of residential.

Member Riley suggested that the City stop referring to the data center as an “industrial user” and felt that the term warehouse provided a much better analogy for the proposed data center.

4.04: City Owned Land Inventory Review

Management Analyst Brama presented the findings from the inventory conducted by staff in 2012 and stated the City identified 250 parcels as City owned land and identified 38 parcels as unneeded and staff is currently pursuing eight properties as available and not dedicated. He provided information regarding each of the eight properties and stated the City’s website includes a map with clickable profiles for each of the properties.

Chairperson Steffen indicated this inventory confirms that the City does not have a lot of land of any size available with the exception of the Legacy property. He requested that staff provide the EDA with a map overlay identifying prime privately owned properties.

4.05: Planning Commission Update (Development Update)

Development Services Manager Gladhill advised that the Seasons of Ramsey, a 50-unit rental townhome project, was approved in February and construction is scheduled to start April 24th. He stated that staff is currently reviewing the McDonalds site plan on Sunwood Drive and Armstrong and the HRA will be going out for bids for the City-shared improvements. He stated that a ceremonial ground breaking for Northgate Church was held in March and staff is close to issuing a building permit. He stated that the site plan for Super America was approved in 2012 and negotiations are continuing for this site. He indicated that North Commons, a 17-lot single family development north of Bunker Lake Boulevard is being rough graded and staff is working to resolve some storm water issues, adding that area builders have expressed interest in the site. He stated that Residence at the COR is under construction and a portion will be open in May. He reported that Stony River, an assisted living facility on the Lord of Life campus, hopes to break ground in April. He advised that Mary T, Inc., approached the City about a 60-unit one level apartment building and staff is waiting for the developer to bring plans forward.

Chairperson Steffen thanked Development Services Manager Gladhill for the update and requested a monthly development update be provided to the EDA.

4.06: FOR DISCUSSION PURPOSES: Review Status of 167th Avenue Retail Node

This item was moved up to agenda item 4.02.

4.07: UPDATES

Management Analyst Brama stated the annual Business Expo is scheduled for Saturday, May 4, from 9:00 a.m. to 2:00 p.m. at Fountains of Ramsey. He indicated all marketing and planning is moving along and all spots have been filled. He stated that the property at 8020 147th Avenue (the Nordvick property) has been cleaned up and the City is holding a 10% payment to insure the contractor establishes the turf. He stated the annual Business Appreciation Golf Tournament has been scheduled for Tuesday, August 20, 2013, at the Links at Northfork. He advised that staff recently met with Greater MSP regarding the City’s Business Retention and Expansion program

to compare data and staff anticipates that visits will begin the end of April, adding that a visit is scheduled for today with Green Valley Greenhouse. He reported that Prospect Alpha is Diamond Graphics and they are moving forward with their plans. He reported that the City has heard nothing further from Prospect Bravo, a large manufacturer, and no further action will be taken at this time. He reported that Prospect Charlie is interested in expanding its business and taking over part of its building currently being subleased. He indicated staff has met with the sublessee and is confident the City can help them relocate. He reported that Prospect Delta is interested in expanding its 20,000 square foot facility by 10,000 square feet and has contacted the City for names of builders. He reported that Prospect Echo is a small manufacturer interested in expanding its facility by approximately 8,000 square feet. He reported that Prospect Foxtrot is a small, quickly growing concrete business interested in purchasing City owned land on Ramsey Boulevard and Highway 10. He stated the City is in the process of hiring an Economic Development Manager and a finalist has been selected.

Member LeTourneau requested that staff send invitations to the EDA Members and City Council whenever business visits are scheduled as part of the Business Retention and Expansion Program.

5. Member/Staff Input

City Administrator Ulrich provided an update on funding for the Armstrong interchange and stated the City and County have committed \$10 million for this project and the State has been asked to provide \$17 million with the balance coming from the Federal government. He reported that the City's request has been included in the House bonding bill.

6. Adjournment

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

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

The regular meeting of the Economic Development Authority adjourned at 9:11 a.m.

Respectfully submitted,

Kurtis G. Ulrich, City Administrator

ATTEST:

Patrick Brama, Management Analyst

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