

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

Members Present: Chairperson Jim Steffen
 Member Phillip Brunt
 Member John LeTourneau (arrived at 7:34 a.m.)
 Member Chris Riley
 Member Wayne Skaff
 Member Kristine Williams

Members Absent: Member Glen Hardin

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

Guests: Tom Anderson
 Tim Nichols
 Dick Tollette

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:31 a.m.

2. APPROVE AGENDA

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

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

3. APPROVE MINUTES

3.01: Approve EDA Meeting Minutes Dated June 6, 2013

Motion by Member Skaff, seconded by Member Brunt, to approve the minutes dated June 6, 2013.

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

4. EDA BUSINESS

4.01: Discussion of 167th Avenue and Highway 47 Node

Management Analyst Brama provided a brief history of this node and stated this topic has been discussed with the City Council and EDA for a number of years and a number of studies and conceptual plans have been completed including retail analysis studies. He reported that a meeting with the property owners was held on June 5th and a summary of that meeting was included in the agenda. He stated that all of the property owners except the cabinet property indicated an interest in selling the property, all of the property owners indicated they were interested in the EDA sponsoring a marketing package, and all of the property owners indicated they were willing to consider a Comprehensive Plan amendment. He advised that Rum River Hills is interested in pursuing a residential development and staff met with an ownership group from Rum River Hills in June to review a preliminary concept proposal. He presented a concept map of the Rum River Hills proposal and stated the proposal includes a residential development with approximately 250 townhome units. He stated part of this proposal includes a request by Rum River Hills for an underpass near TH47 that would be used by golfers and provides a benefit for pedestrians getting across TH47. He stated the proposal also includes extension of sewer service and it is estimated this extension would cost approximately \$1.5 million, adding the City has a sewer fund balance of \$3.4 million and it would be possible to utilize that funding source to extend sewer service. He indicated the underpass is estimated to cost approximately \$400,000 and not \$500,000 as noted in the staff report and Rum River Hills has asked the City to consider participating financially in the cost of the underpass. He advised that Rum River Hills has requested the City consider TIF financing and staff has determined that \$3.1 million in future dollars would be available through TIF if the project came to fruition. He pointed out that establishment of a redevelopment TIF district would require the City to correct blight issues on the north side. He stated that Rum River Hills has asked the City to participate financially with sewer costs and it is predicted that the City would recoup approximately half its costs through connections to the sewer system. He stated that Rum River Hills has also asked that the City consider donating the land needed for the golf holes. He added the total value of the support requested from the City is approximately \$2.1 million.

Development Services Manager Gladhill stated that the Peterson parcel includes substantial wetland and any development plans will need to consider potential wetland impacts; in addition, there is a large gas line easement through the City owned parcel.

Management Analyst Brama stated the City's financial consultant has determined that a redevelopment TIF district is conceptually possible but it will be important to make sure the City meets the criteria for a TIF redevelopment district.

Mr. Tom Anderson provided a brief history of their previous work on this site and stated their original proposal included 71 units on approximately six acres and they believe that the site can be increased to fifteen acres and the number of housing units increased accordingly. He expressed appreciation to City staff for their work on the concept plans.

Mr. Tim Nichols stated he owns a number of different development companies that develop senior housing as well as market rate rental housing and has spent a lot of time working with

communities and developers on similar projects with the most recent project in Apple Valley. He indicated their senior housing focus includes Summerhill, Seasons, and Gramercy as well as the Real Life Cooperative in Coon Rapids.

Mr. Dick Tollette stated if this project were to move forward they would have to be on a slow pace because the golf holes would have to be playable since they cannot be in a situation where they would have to shut down for a year.

Chairperson Steffen asked about access on the east side.

Mr. Tom Anderson stated they would have to deal with Mn/DOT on access and believe that access would come off 167th with a new service road.

Chairperson Steffen requested further information regarding types of housing.

Mr. Tim Nichols stated that market demands and the desires of the community will need to be considered to make sure market demands are met and the City's vision is achieved, adding he felt that some higher density would be required in this project.

Member LeTourneau stated the master vision around this node is about commercial development and returning the 167th node back to a viable retail and commercial center. He felt that a housing piece is needed, adding he liked how the concept plan dovetails with the golf course and brings this corridor together. He requested further information about the housing stock and target demographic.

Mr. Tim Nichols stated they will look at the total development and how residential housing is going to impact the entire community, adding he felt that housing is required to make a successful retail node because the retail will spur out of a well-planned residential development.

Mr. Tom Anderson felt the demographics would be an age bracket of 45-50 and up. He stated they feel this is a win-win situation for all parties and for the golf course, they need something to keep their operation viable and this is a way for them to retire their debt and make a viable golf course; for the bank, it recovers some value out of the property; for the City, it provides an opportunity to redevelop that area and make it viable again and the two golf holes on the City owned property will make good use of this property.

Chairperson Steffen asked if there are any zoning issues with the site.

Development Services Manager Gladhill replied the City will need to look at how the proposal transitions to adjacent areas and if the proposal is compatible with the surrounding area. He indicated the green space associated with the golf course creates a buffer to the surrounding single-family area and the wetlands create separation as well.

Chairperson Steffen asked if the buildings to the north would have to be demolished.

Management Analyst Brama replied in the affirmative and stated the premise behind TIF districts is to address blighted areas and if a redevelopment TIF district is created, the City will

need to make sure the blight issue is addressed. He added that a developer might be willing to take out the properties on the north side as part of an overall grant through the State.

Mr. Tom Anderson indicated they see this as a PUD and understand that redeveloping the area on the north side is key to securing TIF money.

Member Skaff stated he was encouraged by the concept plan and what it could do for the City.

Member Riley stated that the project needs to focus on the north side as well in order to make it work, adding he felt the concept plan sounded good. He asked about what happens to park access to Elmcrest Park.

Development Services Manager Gladhill stated there is temporary access off Quicksilver and the ultimate plan includes a realignment of Quicksilver with the park access road.

It was the consensus of the EDA to pursue the preliminary proposal presented by Rum River Hills, including a willingness to consider assistance for the sewer connection, a TH47 underpass, and a land write down.

Development Services Manager Gladhill indicated the proposal includes a number of land use planning items and suggested that the Planning Commission review these items in August to discuss the land use concept.

Member Riley expressed concern that there would not be enough TIF funds available for cleanup and redevelopment of the north side of the site.

Management Analyst Brama acknowledged Member Riley's concern and agreed the City would need to address this as part of establishing a redevelopment TIF district. He indicated if the City could combine the TIF funds with State money the City might be able to put together a comprehensive plan for the entire side. He agreed that Rum River Hills needs to include a plan for the north side.

Chairperson Steffen thanked the representatives from Rum River Hills for attending the meeting.

Management Analyst Brama indicated that staff will further investigate available DEED programs and stated there are some redevelopment programs through the State that could be used in conjunction with TIF or separately to help with this area. He advised that Community Pride Bank continues to make frequent inquiries regarding a potential rezoning of properties on the north side for industrial or manufacturing type uses and has asked staff to inquire whether the EDA has had a shift in its policy direction. He noted the ownership group indicated they were not opposed to rezoning these retail properties on the north side to allow warehouse or industrial uses.

Chairperson Steffen stated the EDA and Planning Commission have considered the rezoning and both bodies have indicated they are not interested in changing the zoning.

Management Analyst Brama advised the EDA previously indicated it was interested in pursuing a marketing package for this node and the ownership group has expressed an interest in a marketing package. He requested permission from the EDA to obtain proposals for a marketing package to present to the EDA for review.

Member LeTourneau noted that the staff report includes information regarding current property owners, maps, and financial assistance options and suggested publicizing this information on the City's website as a form of marketing package instead of going out and paying for something. He added he felt the stakeholders should participate in the distribution and cost of any marketing package.

Management Analyst Brama agreed to prepare a revised marketing information package for review by the EDA at its next meeting. He indicated the City has limited capability from a marketing perspective and asked the EDA to consider listing with a broker or someone with a larger reach for investors. He agreed to present the EDA with options regarding marketing at its next meeting.

Chairperson Steffen stated he would like to see the owners agree to list the site together with one sign and one broker and requested that staff discuss this with the ownership group.

City Administrator Ulrich indicated that a potential compromise that could add value is to clear the site and consolidate the parcels for sale. He stated the EDA could front the money to clear the site if the property owners agreed to list the site with one realtor and sell it as a block. He stated the City could also offer assistance with demolition costs.

Member Williams felt that offering any demolition assistance and/or incenting the property owners to work together needs to be part of a bigger plan and felt the property owners and brokers should be leading that effort, adding the EDA's appropriate role is as a facilitator.

Management Analyst Brama stated that one DEED program allows a 50% match to a developer or city to demolish buildings to redevelop a parcel and the City could get a grant for eligible costs. He stated another DEED program includes a loan program from the State to purchase and demolish properties. He stated if the City were able to redevelop the north side, half the loan would be forgiven and a benefit of the loan program is that the City would not have to make repayment for two years. He added the grant program would be advertised through the marketing package and the demolition costs for the three buildings could be part of the marketing package.

Member Brunt stated it was his impression that the EDA agreed that a housing development in this area would lead to a better performing commercial node that included both the north and south side. He expressed concern that the Rum River Hills proposal is for the south side only and felt that any development proposal has to include both the north and south sides. He asked if the Rum River Hills representatives understand that the EDA wants a development proposal for the entire site.

Chairperson Steffen stated the Rum River Hills representatives know something has to happen on the north side, adding he did not think it has to be one developer for the whole site. He stated

he felt the City should be the facilitator and the City can help them put together a marketing package and select a broker.

Member LeTourneau suggested the City facilitate a meeting between the property owners on the north side to talk about making this one parcel, followed by a second meeting with the north and south sides about how the site can be built collaboratively; following those meetings, the City will have a better understanding about their willingness to work together.

Management Analyst Brama stated the properties to the north are all willing to sell and they are willing to market the site collectively.

Member LeTourneau stated the property owners on the north side are still asking for a manufacturing use and they need to talk about this as one large retail development parcel.

City Administrator Ulrich suggested sharing the Rum River Hills concept drawings with the property owners on the north side to explain this as a holistic concept and to discuss whether to consolidate the parcels.

Member Riley stated the EDA backed off from saying this should be retail and the City was told retail will not work and the City has proof that it is not working.

Member LeTourneau stated that for years the City has been talking about restoring this area as a commercial node and was concerned that the EDA might not be aligned on this issue.

Member Williams felt this was a viable retail node even though there are some who say it is not viable. She added that housing starts in the City will help retail and commercial development in the City.

Member Brunt stated it was his understanding that the vision talked about by the EDA was that the north side be grouped together with any proposal for the south side and include housing. He felt if you put enough houses in, there will be commercial development in this area.

Members Skaff and Brunt left the meeting at 9:20 a.m.

Management Analyst Brama suggested further discussion by the EDA at its next meeting regarding the vision for this node.

Member LeTourneau stated he would like to have this discussion sooner rather than later in order to keep the process moving forward.

After further discussion, it was the consensus of the EDA to schedule a special meeting on Thursday, July 18, 2013, at 7:00 a.m.

4.02: Discuss Potential Future Industrial Park Land

This item was tabled and was not discussed.

4.03: Business Appreciation Golf Tournament Update

Management Analyst Brama requested input regarding the giveaway items for the business appreciation golf tournament. He stated that staff would like to have one booth at the golf tournament instead of two booths to save on resources.

It was the consensus of the EDA to direct staff to select the giveaway items for the golf tournament. It was also the consensus of the EDA to have one booth at the golf tournament.

4.04: Community Development Update

Management Analyst Brama presented the Community Development Department written update.

4.05: EDA Updates

None.

5. MEMBER/STAFF INPUT

None.

6. ADJOURNMENT

The regular meeting of the Economic Development Authority adjourned at 9:34 a.m.

Respectfully submitted,

Kurtis G. Ulrich, City Administrator

ATTEST:

Patrick Brama, Management Analyst

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