

City of Ramsey

STATEMENT OF GOALS:
167TH AVENUE AND TRUNK HIGHWAY 47 RETAIL NODE
DRAFT DOCUMENT

BACKGROUND

The retail node located at 167th Avenue and Trunk Highway 47 has been a topic of discussion with City Councils and EDA boards for several years (“167/47 Node”). The 167/47 Node has struggled to become economically viable for some time, is experiencing high vacancy rates, an increase of blighted building conditions and escalating crime.

The City has received a significant number of inquiries from property and business owners located in the 167/47 Node from 2012 to 2013 requesting assistance to help correct a market failure.

Additionally, the City of Ramsey owns an inventory of real property located adjacent to the 167/47 Node totaling 16.52 acres. Said property was identified as surplus City owned land in 2012 and is available for sale.

The EDA, Planning Commission and City Council have expressed interest in addressing the 167/47 Node.

PURPOSE

Guide City participation in the redevelopment of the 167/47 Node; and, specifically identify a common goal, vision, working parameters and garner public input.

The desired outcome of this document is to develop a clear, consistent, transparent and fair process the City, prospective developers, property owners and Staff can rely on as proposals are received. The Ramsey Economic Development Authority (EDA) shall act as first point of contact for City in relation to the 167/47 Node by utilizing this Statement of Goals.

Note: The City Council makes all final policy decisions; which may deviate from this document. This document is not a legally binding agreement.

GOAL

To improve and/or remove *properties-of-concern* and encourage sustainable market-driven redevelopment of the 167/47 Node that will benefit the entire City of Ramsey.

Please reference Appendix A: Primary Area of Concern.

VISION

A mixture of residential and retail uses. Residential users may include single family residential, townhomes, apartments or senior living units as directed by the market. Retail will include a market driven neighborhood commercial node. Redevelopment of the 167/47 Node should include a connection to Elmcrest Park and/or nearby trails where feasible.

PARAMETERS

Listed below are a number of parameters intended to develop a clear, consistent, transparent and fair process the City, prospective developers, property owners and Staff can rely on as proposals and inquiries are received.

- A. CITY LAND ACQUISITION: The City does not support purchasing property to redevelop the 167/47 retail node.

- B. MARKETING: The Ramsey EDA does support facilitating a professional marketing package for the 167/47 retail node to entice redevelopment/investment; which would include:
 - I. Information matrix: asking prices, County valuations, tax information, utility information, ownership buy-in, maps, current zoning information, future land use information, etc.
 - II. An inventory of what City and State financial assistance options exist for a potential redevelopment project.
 - III. List of desirable uses (i.e. retail and wide range of residential); and, other allowable uses (i.e. compatible to surrounding residential)
 - IV. Professional material developed in partnership with the City and proactively marketed by a third party broker. Broker will be chosen by ownership group.
 - V. Marketing material shall be paid for by the ownership group. The Ramsey EDA is willing to considering financially contributing to this effort.

- C. ZONING:
 - I. The City would support a Comprehensive Plan and Zoning Amendment to allow retail or residential (of the appropriate density that balances compatibility of the surrounding area and market viability) land uses at 167/47 Node.
 - II. The Planning Commission will review requests for additional Permitted or Conditional Uses.

- D. CITY FINANCIAL ASSISTANCE:
 - I. AVAILABLE TOOLS:
The City has a number of financial assistance programs potentially available for qualified projects; including
 - 1.Redevlopment Tax Increment Financing District (TIF)
 - 2.Tax Abatement
 - 3.EDA Revolving Loan Fund (RLF)*
 - 4.Anoka County HRA Account
 - 5.State Redevelopment Grant and Loan Program
 - 6.Land Write Down (City Owned Parcels)

The City will consider all financial assistance programs listed above only for projects that directly address existing blighted properties; see Appendix A: Primary Area of Concern.

Utilization of financial assistance requires completion and approval of a Business Subsidy Application by the Ramsey EDA and City Council. Consideration will be based on the merits of an individual project and community benefit.

II. EDA REVOLVING LOAN FUND (RLF)

Upon adoption of this Statement of Goals, the Ramsey EDA will review alternatives to utilize the City's existing Revolving Loan Fund (RLF) to stimulate cleanup and revitalization of the 167/47 Node. This may include, but is not limited to, the following:

- i. Storefront Matching grants to help encourage/spark the 'clean-up' or improved 'curb-appeal' of properties. For example, a matching grant with a \$10,000 maximum City contribution.
- ii. Revitalization Loan Program: low interest loans tied to revitalizing properties to a marketable condition.

NOTE: the City has about \$275,000 available for these types of programs. This effort would require the creation and adoption of new program policies.

III. PEDESTRIAN UNDERPASS

It has been requested, for the City to consider funding a pedestrian underpass to connect the east and west side of MN trunk Highway 47. A pedestrian underpass would increase public safety, enhance connectivity to and from Elmcrest Park and increase foot traffic to retail businesses.

At this point, the City will not pre-commit a specific funding source, or specific dollar amount, to a pedestrian underpass. The City would react to this specific request at the time of future development; and, would base their response on the merits of a project—and the value it will bring to the community. Examples of potential funding solutions below:

- i. Cost Share Agreement with developer (most desired)
- ii. Redevelopment TIF District proceeds
- iii. Grant Programs (various)
- iv. Park/Trail Dedication Fees (from 167/47 area, new development)
- v. Land Write Down Contribution (city owned parcels)

NOTE: When future development occurs, the City will also consider methods beyond a pedestrian underpass for increasing safety at the 167/47 intersection.

IV. SEWER TRUNK FUND

The 167/47 Node is not currently connected to City sanitary sewer service. Extending sanitary sewer service to this node will make properties more attractive for future development and will provide existing property owners with an alternative to the use of septic tanks.

At this point, the City of Ramsey is not willing to *fully* fund a special sanitary sewer service line to the 167/47 Node. However, if a property owner (or developer) was willing to share the cost of extending sewer service, the City would be willing to discuss an agreement.

NOTES:

The cost of extending a special 8” force main sanitary sewer line to the 167/47 Node is estimated to be \$1.5M. It is estimated, at full build out, the special 167/47 Node sewer trunk line would recapture \$500,000-\$750,000 in sewer trunk fees (based on 2012 adopted sewer trunk fees). Therefore, at full build out, a shortfall of \$750,000-\$1M in funding would occur.

Additionally, extending an undersized, special, sanitary sewer line to the 167/47 node may result in extra costs (in the long run) if the City ever decided to serve the north east portion of the Ramsey with sanitary sewer service.

Today, the City does have sufficient trunk fund dollars to pay for the 167/47 Node special sanitary sewer line. However, the City is planning for sanitary sewer service in three other future growth locations in Ramsey. Unlike the 167/47 Node, said areas do have sufficient forecasted development capacity to fully recapture the cost of proposed future sanitary sewer trunk lines, at full build out.

PUBLIC INPUT:

Two levels of public input were critical to this Statement of Goals: (A) Primary Property Owners; and (B) Surrounding Property Owners.

A. Primary Property Owners:

Primary property owners are outlined in Appendix B.

The City does support facilitating an ownership meeting group to brainstorm options, share information and to investigate opportunities for redevelopment and additional uses that are compatible with the surrounding residential area. This effort will be led by the Economic Development Authority (EDA).

The City desires a consistent, collaborative approach with a single voice amongst all property owners. Several separate messages per individual property owner is not a desired nor effective approach.

The City has received direction from surrounding property owners to market the entire 167/47 Node as an opportunity to developers—rather than only marketing properties individually. Through the EDA, the City will explore options to support a joint marketing effort for the 167/47 Node.

B. Surrounding Property Owners:

On September 26, 2013, the City of Ramsey hosted a collaborative public process with residents to discuss opportunities and barriers for redevelopment of the 167/47 Node. The intent of this process was to garner general public input before specific development proposals were crafted and reviewed by the City; and, before this Statement of Goals was adopted. The planning and facilitation of this public input process was led by the Planning Commission. 232 nearby property owners were invited via direct mailing, 26 participants registered and staff estimates over 30 people attended.

The following summarized public input was received:

I. PUBLIC UN-DESIRED USES

- Manufacturing
- Warehousing (in most cases)
- High density housing
- Rental housing (in most cases)

II. PUBLIC DESIRED USES/IMPROVEMENTS

- Grocery store, coffee shop, convenience store, gun range, bar/lounge, hardware store, restaurant
- Anchor businesses
- Single family homes, retirement homes
- Townhomes are acceptable (in most cases)
- City support, light at intersection, address septic/sewer
- More rooftops and population needed

APPENDIX A

RED [Sort Dash]: Primary Area of Concern
YELLOW [Long Dash]: Secondary Area of Concern



