

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Regular Session
Tuesday January 22, 2013
Immediately Following City Council
Council Chambers, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
 - 1.** Approve the following Meeting Minutes:
 1. HRA Special - October 16, 2012
 2. HRA Regular - October 23, 2012
 3. HRA Regular - November 13, 2012
 4. HRA Special - November 20, 2012
 5. HRA Regular - December 11, 2012
 6. HRA Regular - January 8, 2013
- 5. HRA Business**
 - 1.** Adopt Resolution Conveying Outlot C, RAMSEY TOWN CENTER 8TH ADDITION to The Seasons of Ramsey Limited Partnership, Related to a Proposed Major Plat Named SEASONS OF RAMSEY Located at the Northeast Intersection of Bunker Lake Boulevard and Town Center Drive within TOWN CENTER GARDENS 3RD ADDITION.
 - 2.** Consider Alternate Platting Scenario - COR TWO
- 6. Development Team Report**
- 7. Commissioner Input**
- 8. Adjournment**

HRA Regular Session

4. 1.

Meeting Date: 01/22/2013

Submitted For: Jo Thieling

By: Jo Thieling, Administrative Services

Information

Title:

Approve the following Meeting Minutes:

- 1. HRA Special - October 16, 2012
- 2. HRA Regular - October 23, 2012
- 3. HRA Regular - November 13, 2012
- 4. HRA Special - November 20, 2012
- 5. HRA Regular - December 11, 2012
- 6. HRA Regular - January 8, 2013

Background:

The HRA meeting minutes for October 16, October 23, November 13 and November 20, 2012 were included in the December 11, 2012 HRA agenda for approval. Commissioner Elvig requested postponement to allow additional time for review. A motion was made and seconded to do so. Attorney Goodrich noted that consideration of the meeting minutes would then occur in 2013, under new HAR membership. Those same meeting minutes are attached to this agenda as well as the December 11, 2012 and January 8, 2013.

Funding Source:

N/A

Council Action:

Approve the attached HRA meeting minutes.

Attachments

101612 HRA Spec

HRA Reg 102312

HRA Reg 111312

HRA Special 112012

121112 HRA Reg

010813 HRA Reg

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
01/17/2013 04:34 PM
Started On: 01/16/2013

Form Started By: Jo Thieling

Final Approval Date: 01/17/2013

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a Special Session meeting on Tuesday, October 16, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise (seated at the dais at 8:15 p.m.)

Members Absent: None.

Also Present: HRA Executive Director Kurtis Ulrich
 Finance Director Diana Lund
 Public Works Superintendent Grant Riemer
 Development Services Manager Timothy Gladhill
 Assistant Planner/Environmental Coordinator Chris Anderson
 City Attorney William Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson
 Tom Bray with Briggs & Morgan
 Stacie Kvilvang with Ehlers & Associates

1. CALL TO ORDER

Chairperson McGlone called the special session meeting of the Housing and Redevelopment Authority to order at 8:02 p.m.

2. CITIZEN INPUT

Jeffrey Wise, 7901 165th Avenue NW, stated at the last HRA meeting, the purchase agreement between the HRA and M&W Holding LLC, of which he is majority owner, was not approved. He noted the HRA had seven unanimous votes for this purchase and asked whether it was an issue of timing or if the HRA was no longer interested in the project as a whole.

Commissioner Elvig stated the HRA learned the action was illegal for the Council and borderline illegal for HRA. In addition, it appeared to be slipped through, an ugly perception. He stated he supports the project and the issue is one of timing. Commissioner Elvig stated that Mr. Wise being on the Council stood in the way for him being able to vote in support of the project.

Commissioner Strommen stated she had indicated at the meeting last week that she is not against the project but new information came to light at the eleventh hour. After careful consideration of the conflict of interest issue and creating process to deal with them, this information came forward at the eleventh hour and in her opinion undermined that public trust. Commissioner Strommen stated it is a timing issue and not the project.

Commissioner Backous stated he echoes what has been stated and believes the previous project 6-0 votes speak for themselves. It is clearly a timing issue.

Mr. Wise pointed out this project started with the HRA and he does not expect anyone to change their minds but he needs to save his business and personal livelihood.

Commissioner Backous stated what is disturbing the most is how difficult it is for some to discern right from wrong, which is basic to him. He stated he cannot vote in support while Mr. Wise is a sitting Councilmember/Commissioner.

Commissioner Ramsey stated he did vote on it, supports it, know the difference between right from wrong, and the law said the HRA can do it. He noted this was an HRA project and presented as an HRA project.

Commissioner Tossey stated he was not in attendance at the last meeting but has been a champion of the project since Day 1. In addition, the Wiser Choice Liquor property is crucial and will eventually accommodate Highway 10 and Armstrong Boulevard. Commissioner Tossey stated he does have an issue with saying “right and wrong” because the HRA/Council had voted in support all year so why is it being questioned now whether it is a “right and wrong” issue. Commissioner Tossey stated if the Council is not to do it, then it shouldn’t do it. He questioned whether the lawyers are incompetent and should be fired or if they are competent but the HRA knows better on the dais.

Commissioner Backous stated he did not have an ethical issue voting for this project before the information came out that it was against Statute, though he understands the burden is on the Councilmember, not the Council. However, when the information came out, it was hard to defend being party to that vote. He noted the membership of the Council and HRA are the same so personally, when the information came out about the State Statute, that changed it for him. Commissioner Backous stated the HRA had been very careful to assure transparency from beginning to end in the process and all agreed to not treat Mr. Wise any better or worse than anyone else because of his position. The City did an independent appraisal and took the extra step to have it reviewed. He stated he did not want anyone to think he is against or had suddenly turned cold on the project. It was the simple fact that the State Statute was discovered too late and if things change in January, then he will support it. It is a timing issue.

Commissioner Ramsey asked Mr. Bray to present his analysis for Commissioner Tossey.

Commissioner Tossey stated it does not matter if he hears it now but would ask if the Statute exists then why is the HRA finding out only a week before the vote.

Commissioner Ramsey stated concern has been raised about public perception but now it is “muddying the water.”

Commissioner Strommen stated she understands the legal arguments and does not question them. But to her, it is a technical thing and while it is technically legal, that does not make it right in her mind as a matter of policy in how to do business as a City, HRA, and Council. Commissioner Strommen noted the HRA spent an entire meeting debating the conflict of interest issue and if she had known the State Statute barred this transaction, she would not have voted in support while on the HRA. She agreed it is a very small technical difference, but it was raised at the eleventh hour, on the consent agenda, and had been known for three weeks. Commissioner Strommen stated she did not care for that process or doing business in that way.

Commissioner Backous stated there is the law and the spirit of the law. He stated it was a technicality and looked like the City was trying to make an end run around the law. Commissioner Backous stated this is why the HRA should not be in the development business.

Commissioner Tossey indicated when the time comes, he will meet with Mr. Bray. He felt the bigger issue is that the HRA members found out a week before. Commissioner Tossey stated he is finding that many things are raised at the last minute, and that is a problem.

Eric Zaetsch, 6521 - 154th Avenue NW, stated Mr. Wise is speaking as a citizen and asked what hardship Mr. Wise will endure by waiting until January.

Mr. Wise stated over the last six months, he has spent \$25,000 on architectural, environmental, and engineering, and hundreds of hours preparing. Unfortunately, the road construction has wreaked havoc on his business and revenues are off but he has obligations to pay bills. That is the hardship.

Commissioner Wise took his seat at the HRA dais at 8:15 p.m.

3. APPROVE AGENDA

Motion by Commissioner Elvig, seconded by Commissioner Backous, to approve the agenda as revised to add Consideration of Comparison of Final Pro-Forma and Current Draw Schedule in Regard to The Residence at The COR to Case 5.05 and to consider it prior to Case 5.01.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Backous, Ramsey, Strommen, Tossey and Wise. Voting No: None.

4. APPROVE MINUTES

None.

5. HRA BUSINESS

5.05: Comparison of Final Pro-Forma and Current Draw Schedule in Regard to The Residence at The COR & Approve Agreement Related to Pre-payment – The Residence at The COR

Chairperson McGlone recused himself due to a potential conflict of interest and left the Council Chambers at 8:16 p.m.

Development Manager Lazan reviewed the staff report.

Acting Chairperson Elvig noted that Development Manager Lazan is the development manager but also a commissioned salesperson with the development and has a partner with this development who is producing the draws being presented, which he found to be a conflict of interest.

Development Manager Lazan clarified he is not a commissioned salesperson but receives a development fee on a monthly basis and on an incentive basis.

Acting Chairperson Elvig stated he had raised questions about the original proforma and potential “leakage” through developer fees being paid prior to the HRA getting paid. He described his review of fees and concerns that the draws include builders overhead, builders profit, contingency, and that travel fees are up to \$150,000. He stated to him that appears to be “leakage.”

Development Manager Lazan explained that builders overhead and builders profit were in the original proforma, have always been an expense, and have always been in the draw. The HRA has never discussed to withhold builders overhead and costs. Development Manager Lazan explained when the first draw came through, those costs were broken out and the travel item moved from developers fee/overhead to an item they could draw from out of their profit. He noted it was submitted prior to closing on the sample draw sheet originally prepared and presented for final approval and documentation. He stated it is correct that travel dollars moved from ineligible to draw to eligible but they also paid \$200,000 prepaid interest on the loan before they drew on the loan. At the end, the HRA always knew there was about \$1.2 million of profit for the developers that would be held until near the end of the project and that is still the case. He recommended the HRA accept the \$500,000 to reduce the HRA’s exposure.

Acting Chairperson Elvig restated that the builders fee was not included in the original proforma.

Stacy Kvilvang, Ehlers & Associates, stated she had prepared the proforma for analysis and assured the HRA that the builders fees/overhead were included in the original proforma in the construction costs. In the draw, the builders overhead and builders profit were broken out. Ms. Kvilvang advised that the overall initial sources and uses of dollars have not changed with the draw schedule.

Acting Chairperson Elvig stated he understands sources and uses balance but was asking about leakage of equity and if they were using HRA money for equity. He stated he does not want to

pay builders fees or developers fees before the HRA is paid or to allow it to be used to capitalize the HRA loan. He asked if it is going back to Flaherty & Collins as equity.

Ms. Kvilvang stated builder's overhead and profit are going to Flaherty & Collins as the builder for doing the construction and drawn appropriately over the loan. The \$500,000 request is part of the developer fee to Flaherty & Collins for time spent on the project but they are choosing to prepay the HRA instead of keeping it for themselves.

Acting Chairperson Elvig asked about the other line items.

Ms. Kvilvang advised it is not viewed as leakage or equity dollars back to Flaherty & Collins. Rather, they are valid expenditures and appropriate within the realm of the proforma.

Bond Counsel Tom Bray of Briggs & Morgan advised that the loan documents allow the developer to recover costs related to construction. Nothing in loan documents prohibit Flaherty & Collins from taking draws their construction company have incurred.

Acting Chairperson Elvig asked why the contractor fee was shown as zero on the proforma.

Ms. Kvilvang explained the proforma includes a larger construction cost that includes contractor overhead and contractor fees. In the actual draw, that detail was broken out.

Acting Chairperson Elvig stated he is satisfied that the extra dollars are not coming from profit to Flaherty & Collins; however, he remained against the request.

Motion by Commissioner Wise, seconded by Commissioner Tossey, to accept the \$500,000 early principal reduction payment, direct the team to execute the agreement, and transfer funds as outlined in the agreement.

Motion carried. Voting Yes: Commissioners Wise, Tossey, Backous, Ramsey, and Strommen. Voting No: Acting Chairperson Elvig. Absent: Chairperson McGlone.

Chairperson McGlone returned to Council Chambers and his seat at the dais at 8:33 p.m.

5.01: Consider Alternative Development Scenario – Sunwood Retail

Development Manager Lazan reviewed the staff report.

Commissioner Elvig noted part of the proceeds are needed to purchase Wisser Choice Liquor for \$1.2 million and asked about the net proceeds.

Development Manager Lazan explained at a previous meeting, the HRA determined it would not have a contribution towards the road and that the proceeds for the sale of Lot 3 would go for the Sunwood Retail project.

Commissioner Strommen asked if staff assumes no deal on Lot 3 or a delay.

Development Manager Lazan stated this budget and development scenario assumes the worst-case scenario with no deal on Lot 3 but if it proceeds in January, the budget would be flush. He stated this past week he vetted the other lot purchasers. SuperAmerica will close tomorrow and he expects that the improvements will be made.

Commissioner Strommen stated she preferred to take the time to fully vet whether the HRA is in a delay scenario and what that will mean with potential purchasers.

Development Manager Lazan stated he can detail the option of delay but has strong belief that SuperAmerica will close and provide proceeds to fund some of the costs. In addition, McDonalds indicated it would execute and hopes to start construction this winter with a spring open.

Commissioner Strommen asked about the development management fees if the sale does not close.

Development Manager Lazan explained the development management agreement has dollars due when a project is put under agreement with adequate earnest money placed to cover those payments, fees at closing, and fees at occupancy. He noted it also indicates: "or as we choose to arrange otherwise." Landform is asking the HRA to consider compensation on work it has done to date to pay \$25,000 of the fee (40%) as part of this project moving forward with credit towards the deal on Lot 3. This is asking for consideration of \$10,000 of the capital improvements and for work with Solomon over the last year, which was considerable.

Commissioner Strommen stated she missed that was being asked of the HRA in the budget. She asked if the Solomon coordination was necessary to facilitate the other projects.

Development Manager Lazan stated it was not because the building could have been backed to their building but the City set the course to work with the developer who has endured through thick and thin to make it work. He indicated Solomon would acknowledge that Landform went above and beyond to restore that relationship from a potential litigation to them being pleased with the outcome.

Commissioner Elvig stated this is considering a "half step" and he has no problem with the dead end scenario because it provides additional parking.

Development Manager Lazan advised this configuration is typical in pad-ready developments to narrow the choices. He reviewed the decision making process and indicated there is a commitment to Solomon to let them re-engage the building fronts and this new parking lot opens more possibilities in being able to flip parking from Lot 2 to Lot 3 and to relieve parking congestion. Development Manager Lazan noted Solomon wants to keep sight lines open to its building.

Commissioner Elvig stated he understands the benefit of having alternatives figured out and that this is where the pad will be located but he is concerned about putting down this much

bituminous and the potential it will be damaged during building construction. He recommended improving only the east side of the parking lot at this point.

Commissioner Strommen noted the case report says the funding source is future land sales. She asked what is the interim funding source.

Development Manager Lazan stated he talked today with HRA Executive Director Ulrich and it was determined there are options with the HRA fund balance.

Commissioner Strommen noted in the mean time, the HRA has bills to pay and needs to know the source of interim funding.

HRA Executive Director Ulrich stated the HRA has a balance of \$300,000 that could be used for cash flow until the SuperAmerica land sale can pay it back.

Commissioner Strommen asked what are the intended net proceeds from the SuperAmerica sale.

Development Manager Lazan reviewed the soft costs and advised the proceeds from Lot 5 for SuperAmerica are slightly over what was anticipated from the sale of Lot 3 to Mr. Wise.

HRA Executive Director Ulrich stated the HRA will not want to proceed without a signed purchase agreement with SuperAmerica to assure those land proceeds will come in.

Commissioner Strommen noted they are interwoven but the downside the HRA faces is when one of the anticipated sales does not go forward so the HRA needs to understand all things are contingent. She noted that without having the cash flow information, it is difficult to vote on these serious issues and she wished the information was in writing before being asked to make this decision.

Commissioner Elvig asked about the process and if staff is seeking the HRA's approval to bring back to potential land buyers that the HRA will build infrastructure ahead of the development.

Development Manager Lazan stated the HRA needs to understand its role to move this forward to create certainty on the other side. He stated he will work with SuperAmerica on its closing and components they will undertake. He will also let McDonalds know it can plan on commitments in the Purchase Agreement, which will be brought before the HRA next week.

Commissioner Elvig asked if staff should draft a resolution indicating the HRA is willing to move forward on this project in order to give SuperAmerica that assurance.

Development Manager Lazan advised that SuperAmerica is under contract so it only needs word that the HRA is moving forward. McDonalds will be under contract next week. He asked the HRA to approve the development scenario to move forward.

Commissioner Tossey stated this is contingent on SuperAmerica closing and if it does not close he would not support paving Lot 3 for \$800,000.

HRA Executive Director Ulrich stated staff needs to clarify soft costs, such as engineering that the HRA would have to absorb, prior to closing. He recommended the HRA act on development fees separately instead of approving through a preliminary budget action.

Development Manager Lazan stated he has soft costs associated with modifying the legal documents, easements, and plans but the hard costs will be held subject to closing with SuperAmerica.

Motion by Commissioner Elvig, seconded by Commissioner Tossey, to approve the COR TWO plat and initial improvements development scenario as outlined in the case report, and direct the Development Team to proceed with the effort to assume the responsibilities related to the development and construction of the initial improvements, subject to a spending cap of \$40,000 and hard costs contingent on planned closing with either Lot 3, Lot 4, or Lot 5.

Further discussion: Commissioner Ramsey noted the HRA has voted seven times to support another project but not approved this one and it is now costing the HRA over \$200,000 to fix due to “public perception.” Commissioner Elvig stated the HRA has the opportunity to earn back that amount at the same time. Development Manager Lazan recommended the utility stubs be included in the Sunwood Drive project, which would result in cost savings. Interim Engineer Nelson stated the contractor is installing utilities in this location so the City could expand the scope. Following a brief discussion of this option, City Attorney Goodrich advised it is a City project and would not require a bidding process if under \$100,000. Commissioner Strommen asked the HRA to act on the motion on the floor since the issue of utility stubs is a Council decision.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Tossey, Backous, Ramsey, and Strommen. Voting No: None. Abstain: Commissioner Wise.

5.02: Approve Development Agreement – COR TWO

Development Manager Lazan reviewed the staff report.

Commissioner Strommen asked if this is also contingent on closing of other properties.

Development Manager Lazan explained it is not because the plat has to be recorded to dedicate the rights-of-way for Armstrong Boulevard and completion of the grant preparation. He stated if a closing is delayed, the projects could be deferred.

Development Services Manager Gladhill advised the time deadline is one year upon approval to complete the improvements and the HRA can also consider an extension, if needed.

Commissioner Strommen asked if the Council also needs to approve the development agreement.

Development Services Manager Gladhill noted the Council had approved it subject to review as to legal form.

Motion by Commissioner Tossey, seconded by Commissioner Ramsey, to approve the Development Agreement related to the plat of COR TWO subject to final modifications approved by the HRA Executive Director and the HRA Counsel and authorizing and directing the HRA Chair and HRA Executive Director to execute the Development Agreement.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Tossey, Ramsey, Backous, Elvig, and Strommen. Voting No: None. Abstain: Commissioner Wise.

5.03: Approve Documents Related to the Plat of COR TWO

Development Manager Lazan reviewed the staff report.

Motion by Commissioner Ramsey, seconded by Chairperson McGlone, to approve the Final Plat of COR TWO, and Adopt Resolution HRA#12-10-008 Authorizing the HRA Chair and HRA Executive Director to Execute the Plat and all other documents necessary to record; to approve the Agreement related to the Plat of COR TWO, subject to final modifications by HRA Counsel and Adopt Resolution HRA#12-10-009 Authorizing the HRA Chair and HRA Executive Director to Execute the Agreement, Quit Claim Deeds, and all other documents necessary to record; to approve the Agreement and Declarations of Easements, Covenants, and Restrictions subject to final modifications by HRA Counsel, and Adopt Resolution HRA#12-10-010 Authorizing the HRA Chair and HRA Executive Director to Execute the Agreement, Quit Claim Deeds, and all other documents necessary to record; to approve the Agreement and Declaration of Signage and Utility Easements subject to Final Modifications by HRA Counsel, and Adopt Resolution HRA#12-10-011 Authorizing the HRA Chair and HRA Executive Director to Execute the Agreement, and all other documents necessary to record; and, to approve the Restrictive Covenants related to Lot 4, Block 1, COR TWO, subject to final modifications by HRA Counsel, and Adopt Resolution HRA#12-10-012 Authorizing the HRA Chair and HRA Executive Director to Execute the Agreement, and all other documents necessary to record.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Backous, Elvig, Strommen, and Tossey. Voting No: None. Abstain: Commissioner Wise.

5.04: Approve Contract for Design Services – Sunwood Retail

Development Manager Lazan reviewed the staff report.

Commissioner Elvig asked if the recommendation is to approve a direction to move forward and to look at fees at a later date.

HRA Executive Director Ulrich explained these are soft costs related specifically to the project itself subject to the cap placed in a previous motion. Developer Management fees will come back at a later date.

Motion by Commissioner Tossey, seconded by Commissioner Ramsey, to approve Work Order number RAM 12025 for \$34,600 and direct staff to execute the agreement and proceed with the effort outlined.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Tossey, Ramsey, Backous, Elvig, and Strommen. Voting No: None. Abstain: Commissioner Wise.

5.05: Approve Agreement Related to Pre-payment – The Residence at The COR

This case was considered prior to Case 5.01.

5.06: Approve Option Agreement – Edgewood Management Group (portions may be closed to the public)

Development Manager Lazan reviewed the staff report and asked if the HRA would like to discuss the option agreement/purchase agreement details in closed session.

The HRA indicated it would discuss this case during open session.

Commissioner Strommen asked if it will come back for site approval.

HRA Counsel Bray stated the consideration is granting Edgewood Management Group an option to purchase one of the two sites on the terms set forth in the Purchase Agreement. If nothing is finalized within 60 days, then it expires. During the 60 days, Edgewood Management Group can sign one of the Purchase Agreements and with the required earnest money, the HRA would be obligated to sell under those terms.

Commissioner Strommen asked if discussion of TIF is a separate issue so the City is not obligated on TIF.

HRA Counsel Bray advised there is no obligation on the part of the City to grant TIF.

Motion by Commissioner Elvig, seconded by Commissioner Wise, to accept the Option Agreement and Purchase Agreements outlined and direct staff to have the HRA Chair and HRA Executive Director to Execute the Agreement.

Further discussion: Development Manager Lazan advised that once the Option Agreement is signed, the details will be public.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Wise, Backous, Ramsey, Strommen, and Tossey. Voting No: None.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan stated they are preparing for the train station opening.

Chairperson McGlone indicated he watched two semi-trucks negotiate the turnaround with no problem.

At the inquiry of Commissioner Strommen, City Attorney Goodrich stated he will prepare an appropriate amendment to the Landform contract, which currently refers to Deputy City Administrator Nelson.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Elvig, seconded by Commissioner Tossey, to adjourn the special session meeting of the Housing and Redevelopment Authority.

Motion carried.

The special session meeting of the Housing and Redevelopment Authority adjourned at 9:37 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, October 23, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: Commissioner David Elvig

Also Present: HRA Executive Director Kurtis G. Ulrich
 Development Services Manager Timothy Gladhill
 City Attorney William Goodrich
 Development Manager Darren Lazan

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:55 p.m.

2. CITIZEN INPUT

David Jeffrey, 5592 – 155th Lane NW, referenced the recent *StarTribune* article relating to the City of Ramsey and stated he had submitted a seven-page letter to the State Auditor that included 36 citing of meeting minutes and City documents obtained under Statute requests. He emphasized that the information he submitted to the State Auditor was factual with citing and not of opinion.

Chairperson McGlone took exception to the comments of Mr. Jeffrey.

Commissioner Ramsey respectfully requested the HRA forego this conversation and asked Mr. Jeffrey to step down.

Mr. Jeffrey stated his intent was to set the record straight that his document is cited and contained the truth of the facts.

3. APPROVE AGENDA

The agenda was approved as submitted.

4. APPROVE MINUTES

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the following minutes:

HRA Work Session – October 2, 2012
HRA Regular Session – October 9, 2012

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Strommen, and Tossey. Voting No: None. Absent: Commissioner Elvig.

5. HRA BUSINESS

5.01: Approve Purchase Agreement – Lot 4, Block 1, COR TWO (Portions were closed to the public)

Development Manager Lazan reviewed the staff report and asked if the HRA would like to discuss the option agreement/purchase agreement details in closed session.

City Attorney Goodrich advised that under Minnesota Statutes, the meeting can move into closed session to discuss confidential purchase agreements. He indicated closed session discussion will relate to property acquisitions of Lot 4, Block 1, COR TWO for future development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to move to closed session to discuss acquisition negotiations.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, Backous, Strommen, and Wise. Voting No: None. Absent: Commissioner Elvig.

The HRA meeting moved into a closed session at 9:02 p.m.

The HRA reconvened in open session at 9:12 p.m.

Development Manager Lazan stated during the closed session the HRA held discussion and reached consensus to approve the purchase agreement for construction of a prototype McDonalds Restaurant. The offer under contract includes \$5,000 earnest money and a period of 170 days for due diligence with closing in the spring. The purchase offer of \$470,000 equates to \$10.79/foot net (1.0 acre net) and \$8/foot gross (1.36 acres gross). This is in the average calculated for the dashboard. The project development fee of \$51,441 would be phased over time per the contract.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to approve the purchase agreement for Lot 4, Block 1, COR TWO, subject to final modifications by HRA Counsel and Adopt Resolution HRA#12-10-014 Authorizing the HRA Chair and Executive Director to execute the agreement and all other documents necessary to close.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, Backous, and Strommen. Voting No: None. Absent: Commissioners Elvig and Wise.

Commissioner Wise returned to the HRA dais at 9:14 p.m.

Development Manager Lazan displayed a slide depicting the McDonalds Restaurant site, reviewed the components of the concept design, points of access, and rationale for constructing a roundabout to prevent backups onto the County road systems and assure all retail uses can be viable.

5.02: Development Management Compensation

Development Manager Lazan reviewed the staff report and development management compensation worksheets, noting portions are paid on a monthly basis and portions on an incentive basis for projects under contract, closed, and constructed. The incentive based payments are based on development value (land sale proceeds, hard building costs, hard site construction costs, soft development costs). He requested approval of the first three compensation requests: McDonalds, SuperAmerica at Armstrong, and SuperAmerica at Ramsey Boulevard.

HRA Executive Director Ulrich stated he had reviewed these three compensation requests and found they were in accordance with the contract. It was noted the Development Team comprises the Deputy City Manager (which is being removed from the contract), Development Manager Lazan, his partner, and the HRA Executive Director.

In response to the HRA's questions related to whether the proforma will fluctuate once the project is constructed, Development Manager Lazan explained that was a source of discussion at contract negotiations. He stated the concept is to prepare the best possible proforma numbers when the deal is prepared to close. If there is significant change between closing and construction, it can be negotiated.

HRA Executive Director Ulrich advised the development fee is paid 20% at purchase agreement, 60% at closing, and the final 20% at occupancy.

Commissioner Backous asked HRA Executive Director Ulrich if he saw problems administering capitalized cost since it can change over time. He also asked what is considered 'significant,' perhaps 5%.

HRA Executive Director Ulrich stated practically the capitalized costs are subjective so there may be negotiations on what a "significant" change is for these smaller projects. He noted the

projects under consideration are fairly small so it is unlikely that the building costs will change significantly (5%). He stated the HRA can consider that as a negotiation point.

Motion by Commissioner Ramsey, seconded by Commissioner Backous, to approve the following compensation requests: McDonalds, SuperAmerica at Armstrong, and SuperAmerica at Ramsey Boulevard and direct staff to include these compensations in the upcoming closings.

Further discussion: Commissioner Wise stated his intention to abstain from consideration and vote on this case.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Backous, Strommen, and Tossey. Voting No: None. Abstain: Commissioner Wise. Absent: Commissioner Elvig.

Development Manager Lazan presented compensation requests for the Sunwood Retail Area, noting due to the complex nature of development, this request does not “follow the mold” in considering the value. He explained to get the Sunwood Retail lots ready for the three users, the HRA could have ignored the neighboring owners and work only on the three parcels or work with those neighbors (Sophia Ramsey LLC and Coburn’s Anchored Center). Development Manager Lazan reviewed his work to address the needs of those properties related to access, parking, walkways, orientation of future retailers, buildability of existing pad, and current shortage of parking. All of that work netted no compensation for the Development Team.

Development Manager Lazan presented a compensation request for general coordination with Sophia Ramsey LLC equaling \$6,000 to address the platting agreement, final plat, easements, maintenance, and construction issues. In addition, he requested \$4,000 as the value of hard improvements (1/3 share = \$2,000 x 2%). He noted this work had resulted in providing increased parking, made the pad site more viable and valuable

Development Manager Lazan presented a compensation request for a development fee advance of \$25,000 for Lot 3 that would be deducted from future development management fees. He explained Landform had proceed with its efforts on Lot 3 based on HRA approvals, structured agreements and documents, and addressed construction component responsibility. Then, the HRA decided it would be more appropriate to wait for spring. Landform is requesting an advance of \$25,000 on Lot 3 that would be credited when Lot 3 closes.

HRA Executive Director Ulrich indicated this compensation request is more complex and the contract does not obligate the HRA to pay it. He noted this work for Sophia Ramsey may result in capturing fees on other parcels and there was some lot creation that may lead to additional development because Solomon picked up an extra piece and it would enhance the City’s tax base. He recommended considering the request for \$4,000 (Sophia Ramsey LLC value of hard improvements) but recommended postponing consideration and requesting additional documentation of the \$6,000 request (Sophia Ramsey LLC general coordination).

HRA Executive Director Ulrich then addressed the request for the Lot 3 advance. He explained it is the incentive fee on the land to provide a buildable lot so considering it would set a

precedent because it would result in paying for the creation of buildable lots. HRA Executive Director Ulrich noted the HRA had rejected the purchase agreement when it came up for consideration so, perhaps, if the HRA rejects it then it owes the Development Manager an advance for his efforts. He pointed out if the development of Lot 3 goes through then the Development Manager would be reimbursed fairly quickly but if it is not developed, there would not be reimbursement.

City Attorney Goodrich presented his review of the Landform contract, Section c, Page 12, number 4 and advised the contract does contemplate appropriate compensation on specialized deals.

HRA Executive Director Ulrich concurred the HRA has the authority but not the obligation under the contract.

Commissioner Tossey stated he supports approval of the \$4,000 for Sophia Ramsey LLC and to request additional documentation on the \$6,000 request. With regard to the \$25,000 Lot 3 advance, he asked if the contract assures Landform is paid for deals in progress that close even if its contract has expired.

HRA Executive Director Ulrich stated once an agreement is reached on incentive compensation, then it is paid in accordance with the schedule. If the Landform contract is terminated prior to January 31 or prematurely terminated, there is a 15-month window of time.

Commissioner Tossey asked why the HRA would consider the Lot 3 advance since that deal will get done, one way or the other, for the Armstrong overpass. He stated he would like the Lot 3 deal done sooner rather than later so the City can go to the Legislature to request the overpass. Commissioner Tossey asked again why the HRA would pay a Lot 3 advance now since the Landform contract has a contingency to assure the Development Manager will be paid.

Chairperson McGlone stated he found this situation to be different because the HRA decided to terminate the purchase by tabling indefinitely.

Commissioner Tossey stated there is a precedent issue and he wants to assure the HRA is not boxing themselves in.

Development Manager Lazan stated with the dynamic nature of this portion of the contract and request, it indicates there is no precedent and he would acknowledge it is considered on a case-by-case basis. He stated he had worked in good faith to bring the project (Lot 3) forward and believed it is a distinct difference that the project had received positive votes for over a year. Landform acted on that, expended a tremendous amount of work, and is asking the HRA to consider this advance request.

Commissioner Tossey felt the distinction on this deal (Lot 3) is that it has to get done to get the Armstrong Boulevard overpass because it goes through the Wiser Choice Liquor property. Because of that, Landform is assured to get paid for services rendered one way or the other.

Commissioner Strommen stated she understand the work put into this project and the concern that incentive compensation is to be incentive to close the project. She stated if there was not also an administrative fee in the contract, she may be more sympathetic but that is the difference for her. In addition, it gives her some “heartburn” because the work for Sophia Ramsey LLC should have come to the HRA up front and that Landform would expect compensation. Commissioner Strommen stated she still has “heartburn” about having to pay full compensation on a sale (Lot 3) to a member of this body. She stated she realizes that deal is not on the table but had previously asked the HRA to discuss that unique circumstances. Commissioner Strommen stated for these reasons she is not comfortable with the Lot 3 advance or the \$10,000 Sophia Ramsey LLC request.

Development Manager Lazan stated he agrees with the comment about the Lot 3 deal because it has taken twice as long and twice as many steps so he would welcome discussion. He noted that the City purchasing Mr. Wise’s property on one side in no way obligates Mr. Wise to locate on this side. It is a new deal with a purchase agreement. Development Manager Lazan stated he could argue it was more work than other deals. With regard to the Sophia Ramsey LLC issue, he stated if he had acted in his own selfish interest, he would not have spent that time but Sophia Ramsey LLC is an important partner in this project so he had acted accordingly to resolve those issues. Development Manager Lazan stated it is difficult to ask for compensation until the HRA sees the results and he understands this is a request and reflects on their relationship and efforts going forward.

Commissioner Tossey agreed with Commissioner Strommen that it would have been good to come forward before the work was done. He stated Sophia Ramsey LLC is an important partner, that work was done, and Landform should be compensated. But with the Lot 3 advance, it is assured Wisser Choice Liquor will be taken down for the Armstrong overpass and that purchase had only been postponed until after January 1, 2013, so Landform will get paid.

City Attorney Goodrich advised that five HRA members would be voting so three was the majority required to pass a motion.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to approve the development management compensation related to Sophia Ramsey LLC for hard improvements (1/3 share = \$2,000 x 2%) in the amount of \$4,000, and to request additional documentation on the general coordination costs for the additional \$6,000.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, and Backous. Voting No: Commissioner Strommen. Abstain: Commissioner Wise. Absent: Commissioner Elvig.

The consensus of the HRA was to not take action on the Lot 3 development fee advance in the amount of \$25,000.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan and HRA Executive Director Ulrich provided updates on projects and on-going negotiations and announced the upcoming grand opening of the North Star Station.

7. COMMISSIONER INPUT

Chairperson McGlone reiterated his concern about the inaccuracies in the recent *StarTribune* article.

8. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:53 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, November 13, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: HRA Executive Director Kurtis G. Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 Management Analyst Patrick Brama
 City Attorney William Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 8:07 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Development Manager Lazan requested the agenda be revised to remove Case 5:01, which will be considered at the next HRA meeting.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to approve the agenda as revised to remove Case 5.01, Preparation and Submittal of Stormwater Management Plan for The COR.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Ramsey, Backous, Strommen, Tossey and Wise. Voting No: None.

4. APPROVAL OF MINUTES

None.

5. HRA BUSINESS

5.01: Approve Preparation and Submittal of Stormwater Management Plan for The COR

This case was removed upon adoption of the agenda.

5.02: Consider Award of Construction Contract – North Commons

Development Manager Lazan reviewed the staff report and presented the bids received for the work associated with North Commons, a 17-lot subdivision in the residential area north of Bunker Lake Boulevard. He described the North Commons project components and work included in the bid. Development Manager Lazan reviewed project funding and benefits the City will realize from this project. Development Manager Lazan advised he found the bids to be the best that can be anticipated for a project with this high number of challenges.

Development Manager Lazan then presented the North Commons proforma including three anticipated income returns based on the lot sale price and expenses. He noted he is proposing reduced development fees related to water and sanitary sewer laterals that would be subject to review and approval by the Council. It was noted this proforma included no acquisition dollars and anticipates HRA proceeds of \$53,836.

Commissioner Tossey asked how many lots have been sold.

Development Manager Lazan stated one lot is under contract but the site has not been marketed.

Commissioner Tossey asked why this matter is before the HRA tonight when there are no interested buyers and prior HRA direction was to bring this item back in the spring.

Development Manager Lazan stated the HRA motion had been amended by Commissioner Elvig to rebid the project for spring construction.

Commissioner Tossey noted when this project was originally brought forward, there were supposed to be interested builders.

Development Manager Lazan stated it is still fairly active. He reviewed that the first offer to purchase included the potential for that builder to take over all of the lots but the HRA expressed interest to bring in multiple builders. If approved tonight, staff will develop a marketing plan and put it out to the development community.

Commissioner Tossey stated he would not support moving forward to expend \$500,000 in the hope of a \$30,000 return until it is known there will be buyers for the lots.

Chairperson McGlone stated builders buy lots and the HRA can't sell this land until lots have been created to sell.

Commissioner Wise asked if this property will not be developed by private developers.

HRA Executive Director Ulrich stated that is correct, public intervention is needed for this property to develop.

Commissioner Strommen asked staff to provide the proforma as part of the case report so it can be reviewed prior to the meeting. She asked if there is urgency to this action.

Development Manager Lazan stated if not approved, public improvements would not be completed that this project would fund. In the short-term, the HRA has received a good bid for this project and if rejected it would have to be rebid at a future date. He noted the direction of the HRA months ago was that the bid prices were too high and to rebid the project over a longer term to get better prices.

Commissioner Strommen asked whether the proforma is anticipating that with one buyer it would still not be at a break even.

Development Manager Lazan pointed out that even with the lowest lot price scenario, the City would still receive \$130,300 as well as infrastructure improvements and funding for the park.

Commissioner Wise stated staff has indicated this property will not develop without public intervention and while he knows many don't like the government to be involved in development, sometimes that is the only way things happen, such as with the stadium.

Commissioner Elvig reviewed that this project had started from Commissioner Tossey's indication that residents in this area wanted the park developed because they had been promised a park. In that effort, the City looked at how it could afford to develop the park and decided to offset those costs by putting lots up there. He stated he would like the HRA to have more land sale commitments and suggested staff ask the bidder how long he would hold the numbers. Commissioner Elvig raised the option of having a set percentage of the lots sold, such as 50%, at which time the HRA could release the project.

Commissioner Tossey agreed that residents in that area want a park and he had met with Parks and Assistant Public Works Superintendent Riverblood multiple times. He asked if it makes sense to spend \$500,000 to make \$35,000. Commissioner Tossey indicated he is not saying to not do the project, but to wait until more lots are sold. He suggested marketing the four lots that are ready to sell, noting some of the lots will require a lot of fill to develop.

Commissioner Ramsey stated he is not opposed to moving forward and found it is a valid point that the land has not been marketed. He agreed this land will never develop via the private sector and another question is when the storm sewer will have to be fixed, this winter or next spring, because those costs have to be incurred anyway. Commissioner Ramsey stated he would like to

hear the consensus of those who will be on the Council after January 1st and whether they think it makes sense to move forward or should be delayed for several weeks to provide time to market the lots and get an indication of the commitment.

Commissioner Wise pointed out there had been similar concerns with the Sunwood Drive realignment project that was approved with money spent and no land proceeds. But, at that time, the City had pending purchase agreements on two of the properties that would have put funds back into the system.

Commissioner Backous stated he finds the concerns expressed to be valid and agreed it is hard to market lots that do not yet exist. In addition, he did not know how strong a commitment to purchase a lot would be. Commissioner Backous stated he thinks something needs to be done and he liked the suggestion of Commissioner Elvig for a contingency motion to release the project when a certain percentage of lots have been sold.

Chairperson McGlone stated that sounds good but you cannot sell lots when lines do not exist on a map.

Commissioner Backous stated it would at least show some amount of commitment by the HRA.

Development Manager Lazan stated he was unsure whether the open bid law allows the HRA to ask the bidder to extend the bid date. He reviewed that the HRA previously had a commitment to buy all of the lots over a given period of time but the HRA wanted it opened to other builders so it agreed to sell only one lot to that buyer. Development Manager Lazan stated he has recently talked to three brokers who are interested and wanted to know when the lots would be delivered.

Commissioner Strommen asked about the option of presales before moving forward with the project. She noted funding is proposed from an internal loan on the short term that would be paid back with future sale proceeds. Commissioner Strommen asked about the current level of obligations and loans from the Landfill Trust Fund or other internal funds and questioned the intended time horizon on the proforma.

Development Manager Lazan stated the proposal outlined previously for the 15 lots was a three-to five-year timeline and that remains the projection with three to five lots being sold per year. He indicated HRA Executive Director Ulrich and Finance Director Lund had recommended use of the Landfill Trust Fund.

Finance Director Lund addressed the acquisition cost, and said the HRA should be aware that it will be booked as a loss on the record because no land sale proceeds are coming in.

Development Manager Lazan clarified the proforma contemplates \$206,000 would be received in development fees in addition to \$40,000 to repay park construction costs.

Finance Director Lund stated when presented in August, the funding source was the Landfill Trust Fund, which was to be reimbursed at the time of future land sales. However, it will show as a loss in HRA books.

HRA Executive Director Ulrich pointed out that only a portion of the funds would come from the Landfill Trust Fund and other sources, like the Stormwater Fund, will be used for this project.

Development Manager Lazan stated he can do an analysis of initial costs but would guess it to be the original \$420,000 plus \$30,000, for a total of \$450,000.

HRA Executive Director Ulrich advised that according to the City Attorney, the HRA can presell lots but then it needs to perform if selling under certain conditions.

Chairperson McGlone asked how the HRA can presell lots that do not yet exist.

City Attorney Goodrich advised the lots can be described by metes and bounds or the HRA can file the plat. But, whether or not someone will sign a purchase agreement based on a recorded plat or drawing, is an issue. Secondly, in order to extend the bid, the HRA would need to negotiate with the contractor and if they agree, the HRA can extend the bid but if extended too far, other bidders may complain. City Attorney Goodrich advised the City had extended bids in the past with approval of the contractor.

Commissioner Ramsey asked how the \$40,000 for the park is accounted for because normally those dollars would be profit.

Development Manager Lazan stated it is a benefit to the City across the board and even at the lowest lot cost scenario, the City ends up with 15 homes, a park and storm pipe being paid for, and will receive building permit fees and taxes so there are still upsides to the City.

Commissioner Ramsey stated there are at least three houses under construction in that area. He thought the Northstar Train stop was driving some of that development along with Legacy Christian Academy.

Commissioner Elvig stated he thinks an absorption rate of three to five years is fairly accurate. He noted presale is common and usually requested by the bank. He has no issue with asking the low bidder to extend the bid since the project would be constructed in the spring anyway and the HRA could then market lots through the winter.

Commissioner Backous asked why the HRA previously turned down a purchase agreement for the whole project.

Development Manager Lazan explained staff had presented for approval a contract to have an exclusive builder of all 17 lots, buying two to three lots at a time. However, the direction of the HRA was that lot sales would go faster if opened to the private market so the purchase agreement was changed with that builder to include only one lot.

Commissioner Backous stated he would have supported approval if someone paid a check to cover the HRA's cost and investment.

Commissioner Tossey stated the original builder wanted most of the lots but had altered some of the options to include preferred and non-preferred lots.

Development Manager Lazan stated the original builder had submitted a \$25,000 check under an agreement for all 17 lots. When the HRA gave direction to allow other builders in, he went back to the original builder who indicated he still wanted to move forward with one lot.

Chairperson McGlone stated that past conversation changed at the same point as it is tonight about paying money to make money.

Commissioner Tossey stated he thought lots were to be marketed during the interim from the August 13, 2012, meeting.

Development Manager Lazan advised that in today's marketplace when buyers are rare, it is difficult to get presales on raw land. In addition, other developed lots are available in the general area and competing with the HRA's lots.

Chairperson McGlone stated with the sale of typical lots, the builder may put down a deposit on the lots and then pay for the lots as he takes them down. He did not think that 50% of these lots would presell when the lots are not yet developed. Chairperson McGlone asked the HRA if it wanted to move forward with this project and solve the park, sewer, and drainage problems that already exist. He referenced the proforma, noting the bottom line profit is \$130,300, or could be \$215,300 or \$330,000 depending on the lot cost.

Commissioner Strommen stated she thinks it is worth trying to presell lots and appreciates Commissioner Elvig's proposal if consensus can be reached that it is worth trying. She noted, however, that the City Attorney had indicated if the HRA hits that number of presales, it is obligated to move forward.

Development Manager Lazan stated the purchase agreement with the first builder was for exclusive development rights and to partner with the HRA to promote the project. The first builder would have had rights to all 17 lots if taken at a certain burn rate and the HRA had to produce all the lots for him to close on the first lot. Development Manager Lazan stated the first builder was never obligated to close and if that had occurred, then the option would run out and the HRA would market the lots to others. He indicated that \$25,000 had been deposited and the contract was forwarded for HRA approval but the HRA thought it could achieve a better price and complete sales faster if it was opened to other builders.

Chairperson McGlone stated the HRA also did not like the bid on the grading.

Commissioner Ramsey stated he remembers that discussion at a previous Work Session meeting and that the HRA thought it could complete it faster with more builders. He indicated he likes

Commissioner Elvig's idea. He suggested this consideration be brought back in two weeks so staff can market the lots in the meantime and negotiate with the contractor to extend the bid.

Chairperson McGlone stated someone has to expend the dollars and it is the HRA, not the builder.

Commissioner Ramsey noted even if this project only makes \$130,300, it is probably a wise investment given the low percentage paid on investments today.

Development Manager Lazan stated the proposal from the original bidder occurred in the May/June timeframe. He reviewed the extensive and time-consuming work he had undertaken over the past two years with free engineering and park design, neighborhood meetings, and funding solutions. Development Manager Lazan stated he does not think marketing over the next several weeks will yield a high level of presales.

HRA Executive Director Ulrich asked the HRA if there is any interest in pursuing Anoka County HRA money to fund this project to preserve the City's reserve balances, noting this is a housing project and should qualify.

Chairperson McGlone stated he would have no objection to that option as long as it didn't hold up the project.

Commissioner Elvig stated he thinks the HRA can get letters of intent on the lots. He indicated he had thought the first proposal was too low and the HRA did not get good bids because it was too short of a time frame. Commissioner Elvig stated he would support moving forward to accept the bid contingent on 30% presale/letters of intent with earnest money of \$5,000 per lot and a minimum price per lot of \$40,000 to \$45,000 between now and project start date in the spring.

Development Manager Lazan advised the transaction would have to be purchase agreements because Bond Counsel Tom Bray had indicated he would not allow the HRA to enter into letters of intent because they are "buyer's documents."

City Attorney Goodrich suggested the motion not accept the bid but, instead, direct staff to negotiate with the bidder for an extension for award at a later date.

Motion by Chairperson McGlone, seconded by Commissioner Wise, to award the contract for construction of North Commons to County Line Excavating in the amount of \$417,373.22; to approve the proposed project pro-forma for North Commons; and, direct the Development Team to proceed with the project and market the finished lots.

Further discussion: Development Manager Lazan indicated the bid is structured to allow project start during the winter if weather allows with completion in the spring. He noted staff had spent one month and considerable expense to prepare the bid for this project. Commissioner Backous stated the bidders also spent time and expense to submit a bid, which should be respected.

Chairperson McGlone felt it would be easier to sell developed lots in the spring, which may also result in selling for a higher amount.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Backous, and Ramsey. Voting No: Commissioners Elvig, Strommen, and Tossey.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on the negotiated reinstatement of the McDonalds Restaurant purchase agreement, which will be presented next week at a Special Meeting. He provided updates on projects under construction and land sale negotiations.

Commissioner Backous asked whether the issue with the Connexus utility box had been resolved.

HRA Executive Director Ulrich stated he met with all parties involved and offered a proposal to split the \$19,000 costs to relocate the utility box with the City, Connexus, and Landform each paying one-third of the cost. However, he has not been able to come to agreement with Landform in terms of their percentage.

Development Manager Lazan stated it has been well documented that Landform did all humanly possible to prevent this from happening by raising the issue initially, alerting Connexus to not place the utility box on that corner under any circumstances, had placed a conference call for clarification on the location, provided Connexus with a CAD file to identify the location, and provided an exhibit that showed it was to be 81 feet from the curb line. Instead, Connexus took Landform's instruction and put the transformer in the middle of Sunwood Drive. Development Manager Lazan noted Landform had proposed to do the constructing surveying/staking but it was taken away and given to WSB. When Connexus had to move that transformer from the wrong location, they went to the job trailer and asked about a new location and WSB said okay. In addition, Connexus sent an e-mail to all but Landform of the location. When Landform arrived on site, they immediately said the utility box was in the wrong place. He noted the only comment to date about potentially having opportunity to stop this was that it was discussed in the job trailer when Landform employees were in the trailer at the same time. Development Manager Lazan pointed out it was built last year and he thought it was done so he did not instruct Landform inspectors to "keep their eyes open" for it. He believed Landform took more care to assure it was not constructed incorrectly and it still ended up in the wrong location. Development Manager Lazan stated his position that Connexus has the "lion's share" and WSB has another large share of responsibility because they ultimately directed Connexus to construct the utility box in that wrong location.

HRA Executive Director Ulrich stated Development Manager Lazan has not had the opportunity to offer that explanation before the other parties.

Commissioner Wise asked why the City should pay anything.

HRA Executive Director Ulrich explained that as part of the process, the City signed off on the final plans and it did so electronically.

Commissioner Tossey asked HRA Executive Director Ulrich if he disputes what Development Manager Lazan has stated.

HRA Executive Director Ulrich stated his viewpoint is that Landform was given a construction administration contract to provide for coordination among the various parties including WSB and the City. Coordination was Landform's primary job and they sent a representative to the meeting where this decision was made who was not aware of where the Connexus box should have been located so he felt Landform was somewhat responsible and it was fair to appropriate some of the cost to Landform.

Commissioner Backous stated this issue will not be resolved tonight and suggested HRA Executive Director Ulrich be asked to schedule another meeting with all parties to negotiate a settlement.

HRA Executive Director Ulrich indicated all parties have a compelling reason why they should not be responsible so to resolve the issue, he had suggested splitting the costs.

Development Manager Lazan stated he understands that reasoning but if the utility box had been put in when Connexus was told of the location, the issue would have been over. He suggested there is a difference between directing and placing something in the wrong location and failure to catch something in the trailer. He noted the City had reviewed and accepted the plans and may think it should share in that responsibility, but he had previously stated he did not think so. Development Manager Lazan stated his position that Connexus and WSB had put the utility box in a location they were specifically told not to place it.

The consensus of the HRA was to ask HRA Executive Director Ulrich to schedule another meeting with all parties in attendance including Development Manager Lazan to negotiate a settlement.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Elvig, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:22 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a Special Session meeting on Tuesday, November 20, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner Randy Backous
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: None.

Also Present: HRA Executive Director Kurtis Ulrich
 Public Works Superintendent Grant Riemer
 Development Services Manager Timothy Gladhill
 Management Analyst Patrick Brama
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson
 Commissioner-Elect Mark Kuzma
 Commissioner-Elect Chris Riley

1. CALL TO ORDER

Chairperson McGlone called the special session meeting of the Housing and Redevelopment Authority to order at 6:54 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Elvig, Strommen, and Tossey. Voting No: None.

4. APPROVAL OF MINUTES

None.

5. HRA BUSINESS

5.01: Approve Reinstatement of Purchase Agreement – West Real Estate / Super America

Development Manager Lazan reviewed the staff report and recommended approval of the amended and reinstated purchase agreement. He noted there are two changes, a \$1,000 reinstatement fee to cover legal costs and to change the timing from December 20, 2012, to January 11, 2013, because only two meetings are scheduled within that time frame.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to approve the amended and reinstated purchase agreement with West Real Estate for the purchase of Lot 5, Block 1, COR TWO, subject to review and approval by HRA legal counsel.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, Backous, Elvig, and Strommen. Voting No: None. Abstain: Commissioner Wise.

5.02: Approve Work Order for North Commons Design and Construction Administration

Development Manager Lazan reviewed the staff report and recommendation to approve the amended work order for North Commons. It was noted the interim funding would be a loan from the Landfill Trust Fund to be repaid from land sale proceeds.

Commissioner Elvig left the meeting at 6:57 p.m.

City Administrator Ulrich asked whether this work includes staking and fieldwork throughout the project.

Development Manager Lazan answered in the affirmative.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to authorize staff to approve the amended work order for North Commons dated November 8, 2012.

Further Discussion: Commissioner Tossey stated he will oppose this motion because he thinks it is not the right thing to do at this time. Commissioner Strommen asked about the hourly rate with this estimate and if it will change over the course of the work order. Development Manager Lazan stated the rate will be the same as in the general contract and stay the same for next year. City Administrator Ulrich stated the schedule of rates is part of the development contract and if it goes over this amount, Development Manager Lazan will need to come back for HRA approval.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, and Backous. Voting No: Commissioners Strommen and Tossey. Absent: Commissioner Elvig.

5.03: Approve Preparation and Submittal of Stormwater Management Plan for The COR

Development Manager Lazan reviewed the staff report.

At the request of Chairperson McGlone, Development Manager Lazan described the stormwater assumptions used for The COR to create a system wide design. He explained that when taking outside assumptions and reworking the Stormwater Management Plan, it results in very large structures and investment in infrastructure that may not be necessary.

Commissioner Elvig returned to the meeting at 7:08 p.m.

Development Manager Lazan completed presentation of the staff report by reviewing contributions to The COR and new criteria for stormwater treatment. He noted the question came up why The COR had to meet the criteria for the new Lower Rum River Water Management Organization's (LRRWMO) Third Generation Plan since this project was approved between its previous Plan and new Plan. He presented the issues under consideration to resolve off-site and on-site issues as well as system and site design requirements. Development Manager Lazan noted the LRRWMO may not require a full study/plan; however, it would be a good idea to have it completed.

Commissioner Strommen clarified the LRRWMO is not interested in micromanaging the project and did not want to force the City to prepare an entirely new Stormwater Management Plan for The COR.

Development Manager Lazan presented the grading plan and goals of the Stormwater Management Plan. He recommended the HRA authorize the work necessary to complete the proposed Stormwater Management Plan for The COR and direct the Development Team to submit the plan for LRRWMO approval.

Commissioner Wise asked if the stormwater fee charged to residents is based on the size of the pipe.

Development Manager Lazan stated that fee is based on the cost of the overall plan, not just the size of one pipe.

Commissioner Wise asked if the stormwater fees have been exorbitantly high.

Development Manager Lazan stated given the pipe sizes he has seen, he would venture that is the case. He noted staff can revisit those assumptions/fees.

Commissioner Elvig asked if the City was building a more or less densified project than anticipated by the last developer.

Development Manager Lazan indicated the project is roughly the same with the biggest disparity in density being in the off-site contributions (60-acre basin to the north of North Commons).

Commissioner Elvig asked why the City would seal off pipes if the project increases stormwater and there is another 60 acres to the north that need to be drained.

Development Manager Lazan stated he is not suggesting filling any pipes. He explained some pipe had to be filled that were clearly not to be used any more and were in the way of projects. He stated the City needs to determine the size of pipe needed before taking out a pipe and putting in a new pipe or continuing a 72-inch pipe that is not necessary. Development Manager Lazan noted that most densification occurs on impervious areas so it does not create additional runoff and is at a one-to-one ratio. He stated it is fair to assume they will handle on-site storm retention and treatment. Then the City can move forward with assumptions in The COR.

Commissioner Ramsey stated the pipes are oversized and to continue to build with 72-inch pipes is not needed and costly.

Commissioner Elvig stated he remembers there was a plan to have some ponding in the North Commons area and because the triangle was difficult to develop it was to be ponding. He recalled they ran out of money and did not like the idea of bringing it across so they wanted to create more holding ponds for infiltration. They abandoned the pipe and now that the City is building in that area, it is forced to run another pipe under the road.

Chairperson McGlone clarified that the triangle piece was slated for medium to high density.

Development Manager Lazan advised that area P41 was not identified as ponding in the 2004 plan but there could have been subsequent changes without updating the plan. He stated he is not looking to upsize the pipe to bring water to the south side of Bunker and thinks it can be downsized since some water can be ponded on the north side.

Commissioner Tossey agreed that the triangle was in the Comprehensive Plan for medium to high density and the retaining pond is to the west, just north of Bunker and East of Armstrong. He stated he is against the development of the triangle because he does not think it is the right time.

Commissioner Ramsey stated there is a huge benefit in getting something on paper and approved by the LRRWMO because if a master plan can be approved, it would not have to be regurgitated. He stated he does not want to spend more money on oversized pipes if they are not needed.

Commissioner Strommen stated she does not think this is a bad idea and there is definite benefit. However, she did not tell the LRRWMO that Ramsey would need to submit a new overall study and it was not required by the LRRWMO. She stated conversations were held at the last few LRRWMO meetings about this project and there was across-the-board appreciation for the predicament Ramsey is in with the old Town Center plan being approved under the Second Generation LRRWMO Plan and the project is now moving through the Third Generation LRRWMO Plan. Commissioner Strommen stated there is language in that Plan for some wiggle room, but she wants it clear since the case report is not clear, what the LRRWMO is and is not requiring because it has not been understood.

Development Manager Lazan stated he agrees with Commissioner Strommen that the case report is written stronger than exists and it is his understanding there was a collaborative effort to put together a Plan and the LRRWMO is not requiring it.

Commissioner Ramsey agreed the LRRWMO has good intentions to work with the City and make things happen. However, the challenge is that soon BWSR and other agencies are involved that influence the LRRWMO and its staff. Commissioner Ramsey stated the Stormwater Management Plan needs to be done properly and approved so there is no ambiguity that causes a problem in the future.

HRA Executive Director Ulrich stated he thinks this Plan will be needed by next spring and recommended the dollar amount be included in the motion.

Motion by Commissioner Ramsey, seconded by Commissioner Wise, to authorize the work necessary to complete the Stormwater Management Plan for The COR at a not to exceed amount of \$15,500 and direct the Development Team to submit the Plan for Lower Rum River Water Management Organization (LRRWMO) approval.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Wise, Backous, Elvig, Strommen, and Tossey. Voting No: None.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported that Flaherty & Collins signed a lease at \$18/square foot with a dentist for the first floor space and submitted a building permit this week.

Development Services Manager Gladhill stated he has not yet seen that building permit.

Development Manager Lazan stated the purchase agreement with Jeff Wise will be back on the agenda in January and McDonald's continues to work through its due diligence. The COR TWO plat will be filed within two weeks, allowing the City to make application for the grant. He stated a pre-construction meeting is scheduled for North Commons. That marketing package has been freshened and staff will be meeting with brokers over the winter months to get more lots under commitment.

HRA Executive Director Ulrich announced the Local Government Officials meeting next Wednesday in Coon Rapids.

Commissioner Wise noted the west property line of his property is an eyesore and maybe the EDA will want to discuss screening or a privacy fence to make it more marketable.

Commissioner Backous asked if any apartments have been leased.

Development Manager Lazan stated there is a long waiting list but they will not do pre-leasing until January.

Chairperson McGlone urged the Council to discuss and create policy relating to a responsibility when the City spends money to reserve a table or registration for a Councilmember who then does not attend.

Commissioner Elvig stated the Councilmembers used to pay for it and then request reimbursement.

Commissioner Strommen agreed it is a concern if a Councilmember commits to attend, it costs the City money, and then the person does not attend.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to adjourn the special session meeting of the Housing and Redevelopment Authority.

Motion carried.

The special session meeting of the Housing and Redevelopment Authority adjourned at 7:41 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, December 11, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Colin McGlone
 Commissioner David Elvig
 Commissioner Bob Ramsey
 Commissioner Sarah Strommen
 Commissioner Jason Tossey
 Commissioner Jeffrey Wise

Members Absent: Commissioner Randy Backous

Also Present: HRA Executive Director Kurtis G. Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 City Attorney William Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson

1. CALL TO ORDER

Chairperson McGlone called the regular meeting of the Housing and Redevelopment Authority to order at 9:38 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Wise, seconded by Commissioner Ramsey, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Wise, Ramsey, Elvig, Strommen, and Tossey. Voting No: None. Absent: Commissioner Backous.

4. APPROVAL OF MINUTES

Commissioner Elvig requested postponement to allow additional time for review.

Motion by Commissioner Elvig, seconded by Commissioner Ramsey, to postpone consideration of the following minutes:

1. HRA Special Meeting Minutes dated October 16, 2012
2. HRA Regular Meeting Minutes dated October 23, 2012
3. HRA Regular Meeting Minutes dated November 13, 2012
4. HRA Special Meeting Minutes dated November 20, 2012

Further discussion: City Attorney Goodrich noted consideration of the meeting minutes would then occur in 2013 under the new HRA membership.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Elvig, Ramsey, Strommen, Tossey and Wise. Voting No: None. Absent: Commissioner Backous.

5. HRA BUSINESS

5.01: Adopt Resolution Approving Final 2013 HRA Levy

Finance Director Lund reviewed the staff report and presented the final 2013 HRA Levy in the amount of \$187,268.

Motion by Commissioner Ramsey, seconded by Commissioner Tossey, to adopt Resolution #HRA-12-12-009, Establishing a HRA Property Tax Levy Payable in 2013 Under Minnesota Statutes Chapter 469.

Motion carried. Voting Yes: Chairperson McGlone, Commissioners Ramsey, Tossey, Elvig, Strommen, and Wise. Voting No: None. Absent: Commissioner Backous.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported that Edgebrook Property Management signed an option for a senior housing project and has until December 15, 2012, to select a site and execute the Purchase Agreement. In addition, the Development Team continues to work on recording COR TWO, which should be completed this week or next week.

7. COMMISSIONER INPUT

Commissioner Tossey acknowledged this is the last HRA meeting for Chairperson McGlone as well as Commissioners Ramsey and Wise. He thanked them for their years of service to Ramsey.

8. ADJOURNMENT

Motion by Chairperson McGlone, seconded by Commissioner Ramsey, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 9:46 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

**HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, January 8, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Randy Backous
 Commissioner David Elvig
 Commissioner Mark Kuzma
 Commissioner John LeTourneau
 Commissioner Chris Riley
 Commissioner Sarah Strommen
 Commissioner Jason Tossey

Members Absent: None.

Also Present: HRA Executive Director Kurtis G. Ulrich
 Finance Director Diana Lund
 Development Services Manager Timothy Gladhill
 Management Analyst Patrick Brama
 City Attorney William Goodrich
 Development Manager Darren Lazan
 Interim Engineer Shane Nelson

1. CALL TO ORDER

Commissioner Strommen called the regular meeting of the Housing and Redevelopment Authority to order at 8:59 p.m.

2. CITIZEN INPUT

Wayne Buccholz, 14621 Neon Street NW, opined the Council had acted hypocritically, the same as the previous Council, when it approved the three-year consultant deal while talking about transparency yet “rammed it down resident’s throats.”

3. APPROVAL OF AGENDA

Development Manager Lazan recommended considering Case 5:07 prior to Case 5:02 and removing Item 5.02 since Mr. Cronk was not able to attend

Motion by Commissioner LeTourneau, seconded by Commissioner Riley, to approve the agenda as revised.

Motion carried. Voting Yes: Commissioners LeTourneau, Riley, Backous, Elvig, Kuzma, Strommen, and Tossey. Voting No: None.

4. APPROVAL OF MINUTES

None.

5. HRA BUSINESS

5.01: Elect 2013 HRA Officers

Motion by Commissioner Tossey, seconded by Commissioner Elvig, to elect Commissioner Backous as HRA Chairperson for 2013.

Motion carried. Voting Yes: Commissioners Tossey, Elvig, Backous, Kuzma, LeTourneau, Riley, and Strommen. Voting No: None.

Chairperson Backous then presided over the remainder of the meeting and called for nominations for HRA Vice Chairperson.

Motion by Commissioner Riley, seconded by Chairperson Backous, to elect Commissioner LeTourneau as HRA Vice Chairperson for 2013.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Riley, Elvig, Kuzma, LeTourneau, Tossey, and Strommen. Voting No: None.

Chairperson Backous called for nominations for HRA Secretary-Treasurer.

Motion by Commissioner LeTourneau, seconded by Commissioner Elvig, to elect Commissioner Riley as 2013 HRA Secretary-Treasurer for 2013.

Motion carried. Voting Yes: Chairperson Backous, Commissioners LeTourneau, Elvig, Kuzma, Riley, Strommen, and Tossey. Voting No: None.

5.07: Consider Waiving / Not Waiving Statutory Tort Limits

Finance Director Lund reviewed the staff report and recommendation to not waive statutory tort limits.

Motion by Commissioner Elvig, seconded by Commissioner Strommen, to adopt Resolution #HRA-13-01-023, Not Waiving the Statutory Tort Limits for League of Minnesota Cities Insurance Trust Liability Coverage for the City of Ramsey.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Elvig, Strommen, Kuzma, LeTourneau, Riley, and Tossey. Voting No: None.

5.02: Update on Leasing Activity – The Residence at The COR

This item was removed upon adoption of the agenda.

5.03: Consider Offer to Purchase Property – Lot 3, Block 1, COR TWO (Portions were closed to the public)

5.04: Consider Purchase of 14590 Armstrong Boulevard NW, Ramsey, Minnesota (Wiser Choice Liquor Store) from M&W Holding Company, LLC (Portions were closed to the public)

Development Manager Lazan reviewed the staff report and indicated that at the request of the HRA, this item was for discussion purposes only.

Chairperson Backous noted this item was open for discussion.

Commissioner Riley stated he wanted all of the information on which to base an intelligent decision including why the property is being considered for purchase and justification of the price.

Development Manager Lazan stated this information is available to the public and was brought forward because Mr. Wise is anxious to align tenants and would like an indication whether he should continue to work to secure a tenant. Development Manager Lazan explained the acquisition was conceptualized and governed by State Law to purchase the real estate, building, and fixtures. The City hired an appraiser for the property, another appraiser for the furniture and fixtures, and an expert to determine relocation costs. The City got a second technical review of the appraisal that confirmed the first appraisal was correctly done for public acquisition. On the issue of timing, he noted there has been considerable discussion on the HRA's approach to this project to get ready for THE Highway 10 overpass. Mr. Wise is now the last parcel to consider in that strip of land necessary to realign Armstrong Boulevard and construct the overpass. Development Manager Lazan stated there are phasing exhibits on acquisitions for this project and this is the last parcel. Mr. Wise wanted to relocate his business to The COR and it is a willing buyer/willing seller process rather than a condemnation process.

Executive Director Ulrich distributed an exhibit depicting the sources and uses of the Sunwood Drive project, noting land acquisitions were included with the initial cost of that project. There are two properties left to acquire: Diversified Paving has a tentative agreement and Wiser Choice Liquors. He explained that money is part of this project, which is a combination of funds from the County, grants, utility money, Equipment Revolving Loan Fund, and TIF.

Commissioner Kuzma asked how old is the appraisal.

City Attorney Goodrich stated the appraisal is dated April 3, 2012. The City conducted appraisals of the property, business, and fixtures and hired an expert to determine the relocation estimate. The purchase does not include relocation costs, as required by the statute. City Attorney Goodrich reviewed the Statute and provided an explanation of the Relocation

Assistance and Benefit Act, noting the owner can waive relocation benefits but that is hardly ever done because it is a tax-free source of money for the seller. Tenants ARE not able to waive relocation fees. He explained how appraisals are different from the assessed value, which is a tax number. Appraisals look at comparable sales of similar nearby properties.

Commissioner Strommen referenced the comparable sales and asked if the appraisal is also required to bracket lower and higher valued comparables on which to make adjustments.

City Attorney Goodrich agreed that process is often used. He explained the City is in the process of acquiring four properties for the Sunwood Drive realignment project: Wisser Choice Liquor, Diversified Paving (USCO), the Nordvik property, and the Billmark easement. None were acquired for Armstrong Boulevard but the Wisser Choice Liquor property, if acquired, would be for the Armstrong Boulevard project. He advised there is no ability to condemn the Wisser Choice Liquor property since there is no funded project. In 2006, it was thought the City would get a big box retailer and could acquire all of the property on that side but the law changed in May 2006 so cities can no longer condemn property for economic development. City Attorney Goodrich advised that the City is under no obligation to purchase Wisser Choice Liquor.

Commissioner Riley asked if the City buys Wisser Choice Liquor in anticipation of the Armstrong interchange, would it count towards the City's portion of funding.

Executive Director Ulrich stated the City anticipates it will and has asked Anoka County to verify that is the case. It is the same situation with the Oasis property that was acquired and the City would like it counted towards the City's contribution. He noted the Armstrong interchange will involve County and State and possibly the Federal government so all would have to agree. Executive Director Ulrich advised that when purchased in advance, the City would not be reimbursed if the agencies do not agree or if the project is 100% funded by some other means.

City Attorney Goodrich noted that \$2.7 million was budgeted for land acquisition and with current acquisitions, costs are very close to that budget.

Commissioner LeTourneau asked if the City cannot use condemnation for the overpass project.

City Attorney Goodrich explained if the City had an official project, it can acquire by condemnation because it is then for a public purpose. However, in this case there is no project, no funding, and the City cannot bank land through condemnation. He advised that condemnation is Council driven but property owner conscious. City Attorney Goodrich described the steps in the condemnation process.

Executive Director Ulrich distributed an exhibit on estimated market value by Anoka County, and the ultimate purchase price on 15 properties along Highway 10 through the RALF program. He noted there is generally a significant difference between the County assessed value and purchase price. These transactions were all willing buyer/willing seller.

Commissioner Strommen asked if there is appraisal data on these properties.

City Attorney Goodrich answered there are appraisals and reappraisals on these properties so it can be determined how close the purchase price is to the appraisals. He stated staff could also invite the appraiser to talk with the HRA, if desired.

Chairperson Backous stated he does not think that is necessary because the City used a professional licensed appraiser and also had a second appraisal to give the HRA and public additional comfort and it confirmed the first appraisal. Chairperson Backous stated he is comfortable with the process and prefers a willing buyer/willing seller process. He stated the HRA has looked at this item for months but he understands the need for the new HRA Commissioners to be comfortable with this issue prior to voting.

Commissioner Riley stated if this is a good idea, why now and not later. If purchased now, he would ask why at that price because to outside citizens, it seems to be shockingly high. Commissioner Riley stated he has additional questions on the appraisal and comparable sales since one was a pending sale of a gas station at the corner of Ramsey Boulevard and Sunwood Drive, which never closed.

Development Manager Lazan advised staff had considerable discussion on the lack of comps in what they were seeing in purchase agreements so the appraiser relied on HRA purchase agreements to date. The appraiser also went through the three purchase agreements on the Sunwood and Armstrong side. Development Manager Lazan noted one thing to consider is that the appraiser has to evaluate as if the property has full access and it will never change. The property has to be appraised as it is today, not based on future access. He noted the Wiser Choice Liquor site is the first property off Highway 10 with full access from two public streets, which drove the value higher. On the willing buyer/willing seller issue and process of condemnation, he estimated it would take two years to iron out the condemnation process on the 4-5 properties involved with the road project. He also noted that with a quick take process, the City would not know the end purchase price until the court process is concluded.

City Attorney Goodrich stated he will put Commissioner Riley in touch with the appraiser to get answers to his questions.

Development Manager Lazan stated this item will be on the January 22, 2013, agenda and he would like to present the offer terms to HRA in Closed Session.

City Attorney Goodrich advised that under Minnesota Statutes, the meeting can move into closed session to discuss confidential or non-public appraisal data, and sale and acquisition negotiations. He indicated closed session discussion will relate to property sale of Lot 3, Block 1, COR TWO for future development and property acquisition of 14590 Armstrong Boulevard NW, (Wiser Choice Liquor Store) from M&W Holding Company, LLC for right-of-way purposes and future development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Tossey, seconded by Commissioner Strommen, to move to Closed Session to discuss acquisition negotiations.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Tossey, Strommen, Elvig, Kuzma, LeTourneau, and Riley. Voting No: None.

The HRA meeting moved into a Closed Session at 9:38 p.m.

The HRA reconvened in Open Session at 10:06 p.m.

City Attorney Goodrich stated the HRA held discussion on the acquisition of 14590 Armstrong Boulevard NW (Wiser Choice Liquor Store) from M&W Holding Company, LLC, and sale of Lot 3, Block 1, COR TWO and consensus was reached to give staff direction to further discuss matters with the buyer and seller but no final decision was reached.

5.05: Approve First Amendment to Amended and Restated Parking Use and Maintenance Agreement – Ramp A

Development Manager Lazan reviewed the staff report and recommendation for approval. He answered questions of the HRA, noting Landform had performed the work in accordance with the Agreement.

Motion by Commissioner Tossey, seconded by Commissioner Riley, to approve the First Amendment to the Amended and Restated Parking Use and Maintenance Agreement for Ramp A, subject to final modification and approval by HRA legal counsel, and authorize and direct the Agreement to be executed by the HRA Chair, HRA Executive Director, and recorded, and approve the work order for the preparation of the Exclusive Easement document in an amount not to exceed \$3,400.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Tossey, Riley, Elvig, Kuzma, LeTourneau, and Strommen. Voting No: None.

5.06: Update on Edgewood Project and Approve Commission Agreement – Premier Commercial Properties

Development Manager Lazan reviewed the staff report and recommendation to approve the Commission Agreement. He advised the commission would be paid from proceeds of the closing.

Motion by Commissioner Elvig, seconded by Commissioner LeTourneau, to approve the Commission Agreement with Premier Commercial Properties in the amount of Four Percent (4%) of the purchase price or approximately \$37,374.48 based on current parcel configuration, due at closing.

Motion carried. Voting Yes: Chairperson Backous, Commissioners Elvig, LeTourneau, Kuzma, Riley, Strommen, and Tossey. Voting No: None.

5.07: Consider Waiving / Not Waiving Statutory Tort Limits

This item was considered prior to Item 5:02.

6. DEVELOPMENT TEAM REPORT

Development Manager Lazan reported on the progress of the North Commons project.

HRA Executive Director Ulrich announced the May 1, 2013, ribbon cutting for the first phase opening of Residences at The COR and estimated dates of future phases. He also provided an update on the rail station utility building, noting the building material meets Code standards and will proceed with a flat roof design.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Tossey, seconded by Commissioner LeTourneau, to adjourn the regular meeting of the Housing and Redevelopment Authority.

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 10:17 p.m.

Respectfully submitted,

Kurtis G. Ulrich
HRA Executive Director

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.

Meeting Date: 01/22/2013

By: Tim Gladhill, Community Development

Information

Title:

Adopt Resolution Conveying Outlot C, RAMSEY TOWN CENTER 8TH ADDITION to The Seasons of Ramsey Limited Partnership, Related to a Proposed Major Plat Named SEASONS OF RAMSEY Located at the Northeast Intersection of Bunker Lake Boulevard and Town Center Drive within TOWN CENTER GARDENS 3RD ADDITION.

Background:

Outlot C, RAMSEY TOWN CENTER 8TH ADDITION, is a 'remnant' parcel located east of Town Center Drive, north of Bunker Lake Boulevard. Staff classifies this parcel as remnant, due to its inability to be developed as a permitted use under the current zoning classification (COR-4), unless combined with the surrounding area. The parcel could be used for additional right of way or utility needs; however, it is noted that the segment of Town Center Drive has already been completed, and remaining needs are proposed to be protected by drainage and utility easements (potentially trail easements).

The City has received a request from Podawiltz Development Corporation to convey Outlot C as a Local Contribution as part of their successful funding request to the Minnesota Housing Finance Agency. The City Council previously reviewed the request prior to the Developer submitting the request for funding to MHFA and entered into a Preliminary Agreement to Develop, which is attached hereto.

The MHFA Section 42 Tax Credit program is a competitive process. Potential Developers are awarded scoring points to prioritize the applications. Points are awarded, among other factors, on contributions by the local community. The Preliminary Agreement to Develop by and between the City and the Developer identified the donation of Outlot C as well as vacating 147th Circle NW in exchange for connecting 147th Lane NW to Town Center Drive NW, an important east/west connection north of Bunker Lake Boulevard between Town Center Gardens and The COR. The Developer was requesting a present day value of approximately \$200,000. It was originally anticipated that there would be a slight gap in funding intended to be accomplished by grant dollars. However, the MHFA awarded the project based on the land donation alone (no additional cash contribution necessary).

Due to changes in Minnesota Housing Finance Agency (MHFA) award limits, which are scheduled to change on February 28th, the Developer is requesting that the Plat be approved and able to be recorded by February 28th, 2013. This step in the process is critical to ensure the Plat can be properly recorded, at least as presented. The Plat could be modified to not include this parcel, but with impacts to the approved local contribution amount. In order to proceed forward with the financing package as proposed, the Project needs to close on financing by February 28th, 2013 and be placed in service by December 31st, 2013. The Project could still move forward after February 28th, 2013, but would have a substantial financial impact on the pro-forma of the project. An excerpt from the MHFA Handbook is attached hereto outlining the impacts of the February 28th deadline.

Notification:

No notification is required at this time. However, Staff has attempted to notify all Property Owners within 700 feet of the Subject Property of the Sketch Plan Review and Preliminary Plat Public Hearing. The Preliminary Plat Public Hearing was also published in the Anoka County Union.

Observations/Alternatives:

Project Background

SEASONS OF RAMSEY is a proposed fifty (50) unit rental townhome development north of Bunker Lake Boulevard, east of Town Center Drive. The Development has been awarded financing from the MHFA, as indicated above. The conceptual site plan was reviewed by the City Council on March 13th, 2012, prior to the Developer submitting an application to MHFA. The Development is a re-plat of a portion of the existing TOWN CENTER GARDENS 3RD ADDITION. A portion of the roadway system was constructed, with a 'loop' roadway in lieu of a cul-de-sac. The Developer proposes to complete the connection of 147th Lane NW, so that a turn-around situation is no longer needed. As such, 147th Circle NW would be no longer needed for turn-around purposes. The previously built infrastructure limits the options available for development for the Plat. The Developer has stated the existing configuration, tailored to smaller, row-style townhomes, has posed a challenge in design of the Plat. The Developer has stated that he believes it has proposed a design that best balances today's market conditions and the options for design based on developable area.

The site plan and Final Plat are scheduled to be reviewed by the City Council on February 12th, 2013, so any action by the HRA should be made contingent on necessary approvals related to site plan and subdivision by the City Council. Language to that effect has been included in the proposed resolution, stating that the resolution cannot be executed until such time the site plan and subdivision are approved by the City Council.

Section 42 Tax Credits

This program is administered locally by the Minnesota Housing Finance Agency. Tax credits are provided for the Developer, and subsidies are not given directly to the renter. However, the Project as proposed was awarded points based on rent rates being income restricted. The attached presentation prepared by the Developer outlines the income levels proposed by the Developer. In addition, the Project will be on-site managed by the Developer for a minimum of 30 years. This arrangement will be protected by deed restriction. If the Developer chose to remove itself from the Project and remove the deed restriction, the tax credits would need to be repaid to MHFA.

The Section 42 Tax Credit Program has target incomes of \$35,280 (1 person), \$40,320 (2 person), \$45,360 (3 person), \$50,340 (4 person), \$54,420 (5 person), \$58,440 (6 person). The Developer has proposed rents at \$779 per month (2 bedroom) and \$469-\$899 (3 bedroom).

Architectural Concerns

The Developer included conceptual drawings to the City as part of the request for the Preliminary Agreement to Develop. The Developer was amenable to Staff's initial concerns with architecture, and provided a revised product for review. At that time, it appeared that the City Council was generally acceptable of the architectural submittal; however some concern was raised and it was noted that the City may ask for additional architectural enhancements. Upon receipt of revised architectural renderings, Staff has noted to the Developer continued concerns with proposed architectural renderings based on previous feedback. Staff would recommend that additional architectural enhancements be provided as a contingency for recommendation for approval. These standards would also be reviewed by the City Council on February 12th.

Title Objections

The Developer has requested that the HRA clear certain title objections to Outlot C. The Developer is working with the HRA's legal counsel, Mr. Tom Bray, at the Developer's cost. It is anticipated that these objections will be resolved.

Housing Assistance Policy

The City Council previously directed Staff as part of this request to develop a Housing Assistance Policy to assist the HRA and City Council in ranking and prioritizing requests for financial or other assistance from housing developers. Staff is still in early stages of developing this draft and anticipates completion in 2013. If the HRA desires, Staff can reprioritize and make development of this policy a priority in the first quarter of 2013.

Staff has a framework prepared, utilizing a scoring system similar to the MHFA scoring spreadsheet, tailored to the requests on a policy level by the City Council. The format is proposed to also follow the City's Business Subsidy Policy, in terms of structure, with content tailored to the needs of the Housing Assistance Policy.

Staff has forwarded this request in advance of adoption of said policy due to timing constraints and previous direction and approvals, such as execution of the Preliminary Agreement to Develop.

Alternatives

The first alternative is to convey Outlot C to the Developer as requested. This alternative will allow the project to move forward as originally proposed. The City will receive benefit in terms of utilization of existing infrastructure currently unused and in various stages of deterioration. The City will receive fifty (50) housing units to its housing stock. These housing units are located within one-half mile of the Northstar Commuter Rail - Ramsey Station (another element awarding additional MHFA Points to the Project), and is anticipated to add ridership to that system. The City will also receive an important transportation connection north of Bunker Lake Boulevard, which will also improve connectivity (pedestrian and automobile) from the Town Center Gardens area to The COR (including North Commons and the Ramsey Station). The Developer has also agreed to relocate the driveway access for City Well #4 off Bunker Lake Boulevard to Town Center Drive, increasing the safety of access for City Staff to that well. The Project also provides housing for potential employees of the City's employment district, close to their place of employment.

The second alternative is to convey Outlot C in exchange for cash consideration. This alternative would reduce the points awarded by MHFA, and potentially result in the MHFA Award being terminated. The Developer has previously stated, as referenced in the March 13th, 2012 Work Session Minutes, that a local contribution is likely critical to a successful MHFA award.

The third alternative is to deny the request to convey Outlot C. This alternative would likely result in the Project being terminated, as noted in the second alternative above.

Recommendation:

Staff recommends that the HRA adopt a resolution to convey Outlot C, RAMSEY TOWN CENTER 8TH ADDITION to The Seasons of Ramsey Limited Partnership as a local contribution as part of the MHFA Section 42 Tax Credit, subject to Final Plat and Site Plan approval by the City Council and contingent upon compliance with City architectural requirements.

Funding Source:

All costs associated with processing the Application are the responsibility of the Developer.

Council Action:

Motion to adopt a resolution to convey Outlot C, RAMSEY TOWN CENTER 8TH ADDITION to The Seasons of Ramsey Limited Partnership as a local contribution as part of the MHFA Section 42 Tax Credit, contingent on Final Plat and Site Plan approval by the City Council and contingent upon compliance with City architectural requirements.

Attachments

Site Location Map

Proposed Site Plan

Architectural Rendering (Front)

Architectural Rendering (Rear)

APPROVED Preliminary Agreement to Develop

Copy of Scoring Sheet

Previous Presentation

Excerpt from MHFA Handbook

City Council Work Session Minutes dated March 13, 2012

Proposed Resolution

Form Review

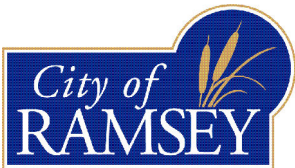
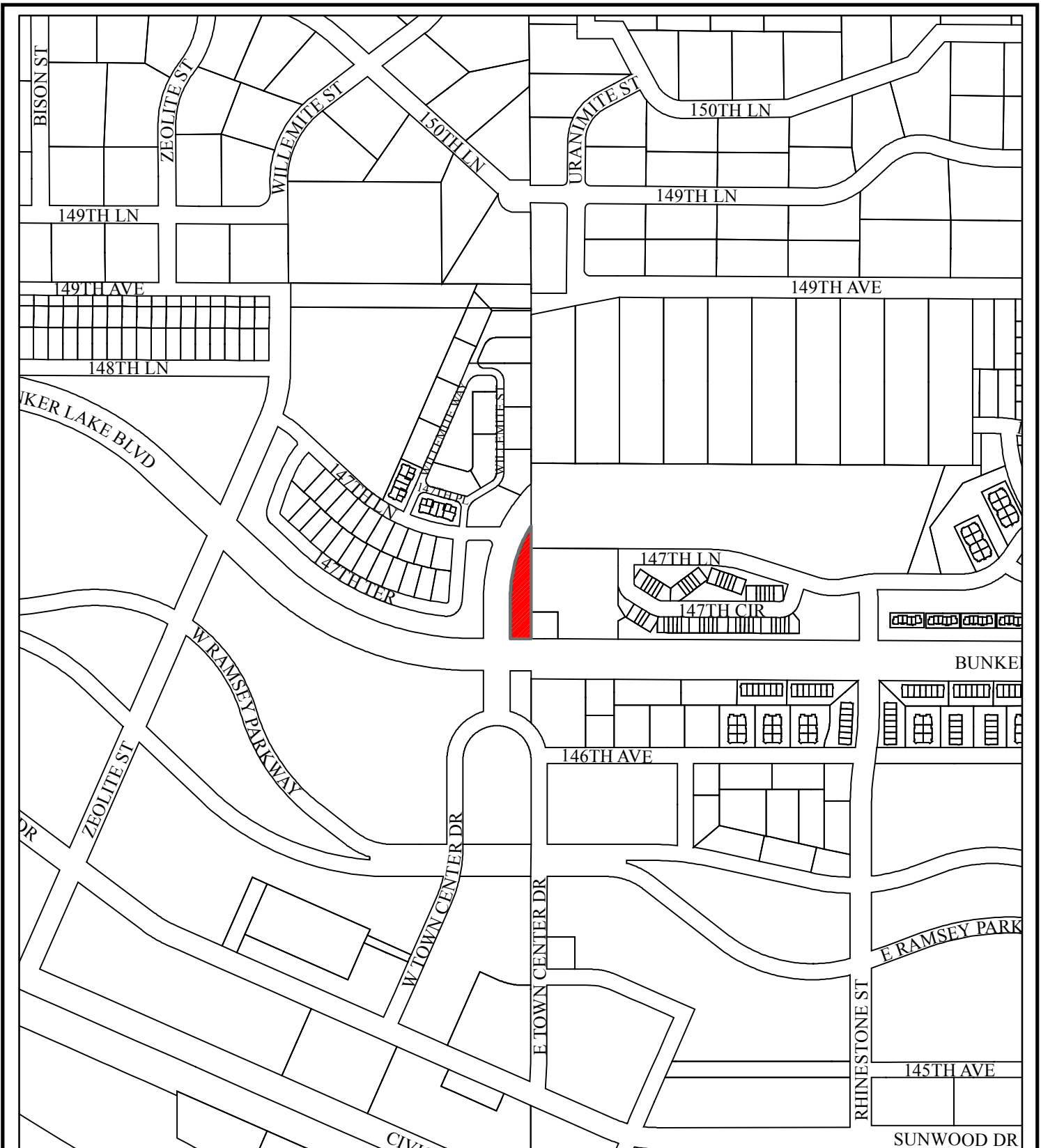
Inbox
Chris Anderson
Kurt Ulrich

Reviewed By
Chris Anderson
Kurt Ulrich

Date
01/17/2013 10:06 AM
01/17/2013 10:26 AM
Started On: 01/08/2013 08:30 AM

Form Started By: Tim Gladhill

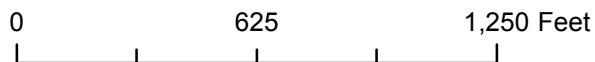
Final Approval Date: 01/17/2013

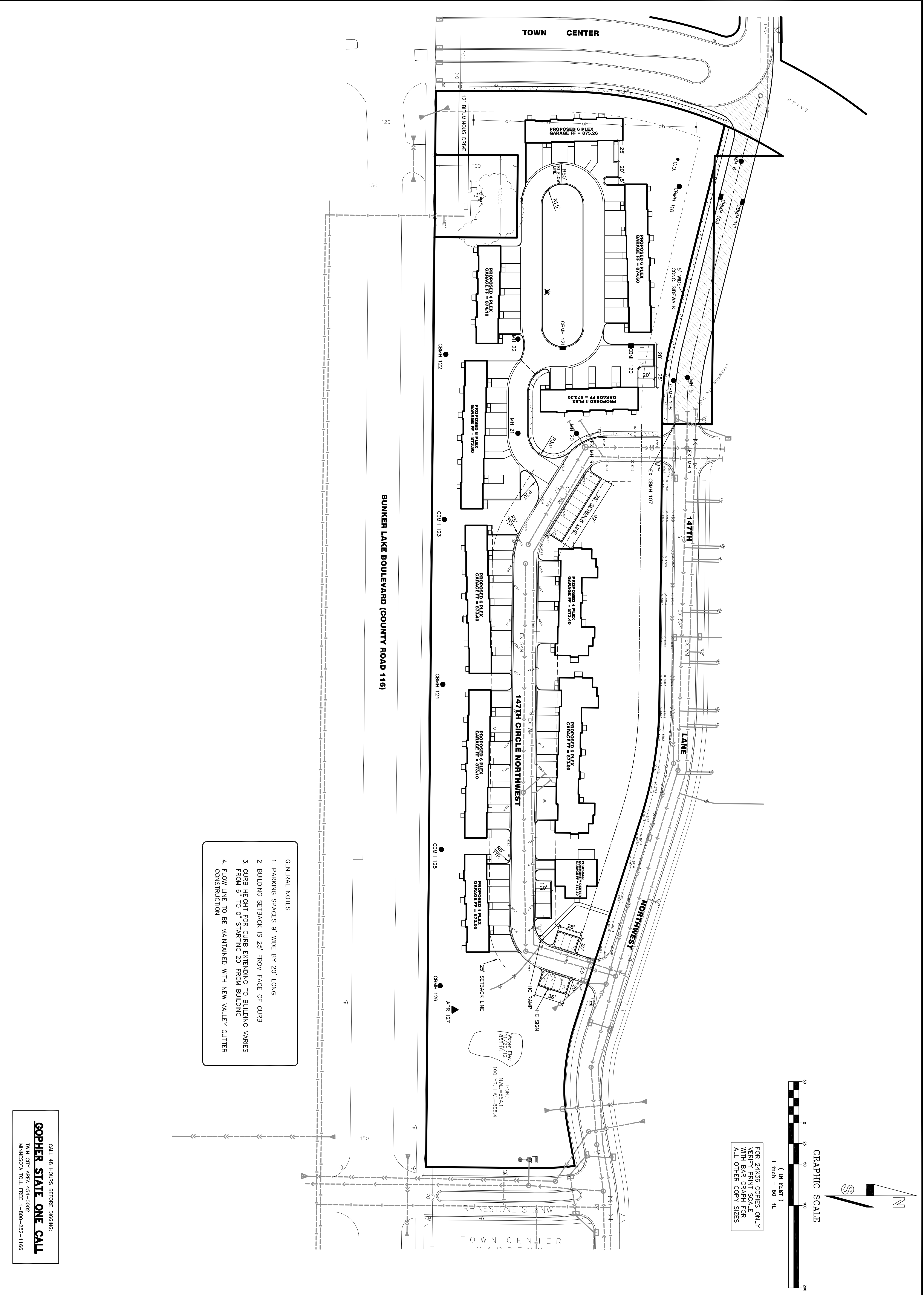


HRA Parcel

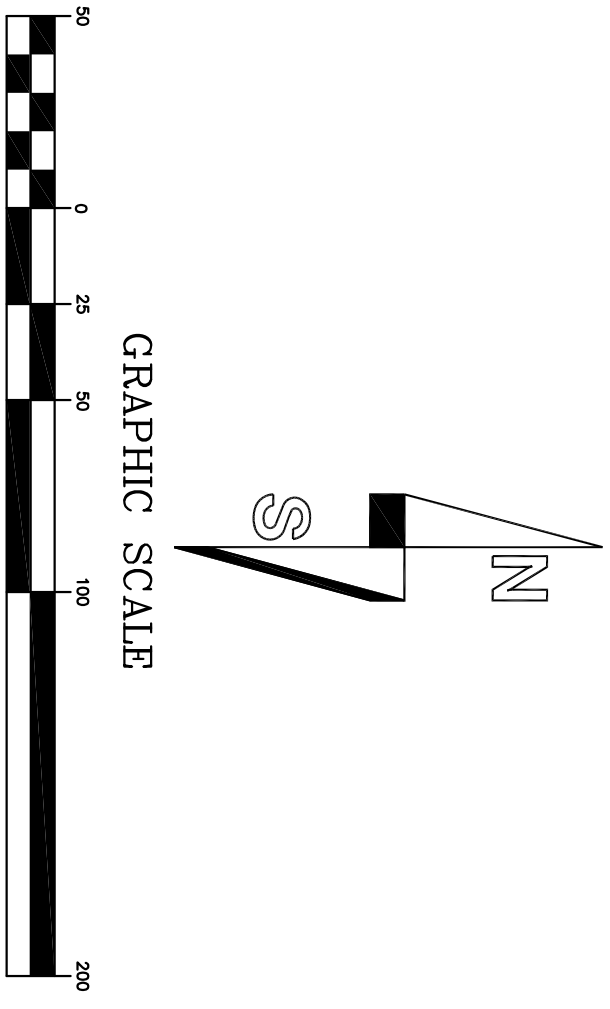
Legend

- Site
- Parcels





- GENERAL NOTES
1. PARKING SPACES 9' WIDE BY 20' LONG
 2. BUILDING SETBACK IS 25' FROM FACE OF CURB
 3. CURB HEIGHT FOR CURB EXTENDING TO BUILDING VARIES FROM 6" TO 0" STARTING 20' FROM BUILDING
 4. FLOW LINE TO BE MAINTAINED WITH NEW VALLEY GUTTER CONSTRUCTION



FOR 24X36 COPIES ONLY
VERIFY PRINT SCALE
WITH BAR GRAPH FOR
ALL OTHER COPY SIZES

CALL 48 HOURS BEFORE DIGGING:
GOPHER STATE ONE CALL
TWIN CITY AREA 454-0002
MINNESOTA TOLL FREE 1-800-292-1188

<p>SEASONS TOWNHOMES OF RAMSEY RAMSEY, MINNESOTA</p> <p>SITE PLAN</p> <p>PRELIMINARY CONSTRUCTION PLANS</p>	<p>D'Heilly Engineering Inc. 625 Lake Dr. W P.O. Box 1123 Annandale, MN 55302 Phone (320) 224-1169</p>	<p>DESIGNED: GLD DRAWN BY: LCD CHECKED BY:</p>	<p>I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.</p> <p>Gary D'Heilly DATE: _____ REG. NO. 22426</p>	<p>DATE</p> <p>REVISIONS:</p>
				<p>12/17/12 PRELIMINARY PLAT SUBMITTAL</p>

PROJECT NO. 121004
SHEET NO. C1



THE SEASONS

Date: 12/06/2012



THE SEASONS

Date: 12/06/2012

**PRELIMINARY AGREEMENT TO DEVELOP
BLOCKS 5 & 6 & OUTLOT F, TOWN CENTER GARDENS THIRD ADDITION**

This Agreement to Develop (this "Agreement") is made effective JUNE 5, 2012, by and between the **City of Ramsey, Minnesota**, a municipal corporation under the laws of the State of Minnesota (the "City") and **Podawiltz Development Corporation**, a Minnesota corporation (the "Developer").

Recitals.

- A. Developer represents that it has an option to purchase real property located in the City described as Blocks 5 and 6 and Outlot F, Town Center Gardens Third Addition, Anoka County, Minnesota (the "Development Property").
- B. Developer proposes to construct 50 workforce rental housing townhomes on the Development Property preliminarily described on the attached **Exhibit A** (the "Project").
- C. To facilitate construction of the Project, Developer requests the vacation of 147th Circle N.W. located within Town Center Gardens Third Addition, the contribution of Outlot C Town Center Gardens Third Addition, as well additional support as set out in this Agreement.
- D. The City desires to facilitate the Project based upon its goals of seeing the Development Property fully utilized, providing for additional construction within the City, increasing local property tax base and creating necessary workforce housing.
- E. The City previously entered into an Amended and Restated Development Agreement regarding the Plat (the "Development Agreement"), a copy of which is attached hereto as Exhibit B and incorporated herein.
- F. Developer agrees as part of the Project to complete the terms of the Development Agreement relating to the Development Property.
- G. This Agreement is intended to set out certain preliminary agreements of the City and Developer relating to the Development Property.

In consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. Developer to Construct 50 Townhome Units.

- a. Developer proposes to construct as part of the Project, 50 workforce townhome rental units as preliminarily shown on **Exhibit A** to this Agreement.
- b. The Project proposal contains a community building and an on-site management office/maintenance facility; on-site play area sized and fully equipped for the

number of households; maintenance free exterior and premium interior finish to minimize maintenance and enhance tenant's living environments; water conservation features; and energy efficient appliances.

2. Developer Responsibilities.

- a. Developer proposes, as part of the Project, to extend 147th Lane N.W. to connect with Town Center Drive to the west. Such extension shall be in accord with City approved plans and specifications. The extension shall include street improvements of equivalent width and facilities as currently exist for 147th Lane N.W. and current design standards as required by the City's subdivision regulations and City Code.
- b. Developer proposes to comply with the terms and conditions of the Development Agreement applicable to the Development Property which have not yet been completed. Such items specifically include without limitation those items stated in item 4 of the Development Agreement.

Developer proposes to improve the existing pond located on Block 5 of the Development Property and add walking/park features.

- c. The Developer shall replat the Development Property in accord with legal requirements and required variances, if any.

3. City Approval Contingencies.

- a. All City requirements and contributions contained in this Agreement are contingent upon the Ramsey City Code requirements for appropriate approvals and process as required therein.
- b. Contribution via the vacation of 147th Circle N.W.
 - (i) Upon preliminary review, the City finds that Developer's plans for the Project will allow for the vacation of 147th Circle N.W. and that, pursuant to Developer's plans, there will no longer be a need for 147th Circle N.W. to remain as a public street.
 - (ii) Upon the City's vacation of 147th Circle N.W. and the title to the vacated roadway will vest in the abutting landowners who are the Developer, Developer will accept full responsibility for the upkeep and maintenance of the roadway improvements, storm drains, and sewer and water lines located on the vacated roadway property.

- (iii) All costs related to the vacation of 147th Circle N.W. and recording of the shall be borne by Developer.
 - (iv) The City will, upon the request of Developer, take all necessary procedural action to vacate the public easement over 147th Circle N.W. in accord with the terms of this Agreement.
- c. Subject to City Code and City Charter, the City will contribute Outlot C, Town Center Gardens Third Addition, to Developer as a local contribution to the Project. Outlot C will be contributed by limited warranty deed, subject only to easements and restrictions of record. Said conveyance will occur at the time of the vacation of 147th Cir N.W., and Developer shall pay all costs of recording the conveyance.
- d. The City agrees to facilitate and support the Project by providing a credit in permit fees or other regulatory cost avoidance measures in a value equal to \$15,000.00.

4. Miscellaneous.

- a. The City and Developer agree that this Agreement and the parties' obligations hereunder are contingent upon the approval of Developer's tax credit application for the Project by the Minnesota Housing Finance Agency and Developer's successful acquisition of the Development Property and financing for the Project and successful application and approval of necessary subdivision and zoning applications, as required by City Code and compliance with the City Charter relating to City land sales.
- b. The City and Developer acknowledge that it is Developer's intent to assign its rights to purchase the Development Property and its rights and responsibilities under this Agreement to a limited partnership or a limited liability company that will be created to develop and own the Project long term.
- c. The City and Developer agree to work in good faith to pursue the approvals and actions required to fulfill this Agreement and to construct the Project as presented to the City Council.
- d. Subject to the contingencies found in paragraph 3 above, the Developer agrees, and upon preliminary review, the City agrees that the Project complies with the City's land use goals for the Development Property.
- e. Upon preliminary review, the City finds that the Project as proposed by Developer will fit with the City's plans and goals for the Development Property and neighborhood, provide needed workforce housing, create needed construction jobs, and is overall in the best interest of the City and its residents.

- f. This Agreement may be executed in counterparts with each party signing a separate signature page which can then be attached to one document and considered a complete Agreement.

City of Ramsey, Minnesota

By [Signature]
Its Mayor

ATTEST

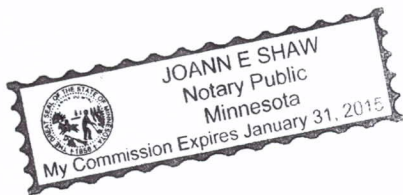
By [Signature]
Its City Clerk

Podawiltz Development Corporation

By [Signature]
J. Michael Podawiltz
Its Chief Executive Officer

STATE OF MINNESOTA)
) SS
COUNTY OF Anoka)

On this 5th day of June, 2012, before me, a Notary Public for this County, personally appeared Bob Ramsey and Jo Ann Thieling, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ramsey, a Minnesota municipal corporation, and that this instrument was signed on behalf of said corporation by authority of its City Council and acknowledged said instrument to be the free act and deed of said corporation.




[Signature]
Notary Public

STATE OF MINNESOTA)
) SS
COUNTY OF STEARNS)

On this 1st day of June, 2012, before me, a Notary Public for this County, personally appeared J. Michael Podawiltz, who, being by me duly sworn, did say that he is the Chief Executive Officer of Podawiltz Development Corporation, and that this instrument was signed on behalf of said corporation by authority of its Board of Directors and acknowledged said instrument to be the free act and deed of said corporation.





Notary Public

THIS INSTRUMENT DRAFTED BY:
Rinke Noonan (ISL)
1015 W. St. Germain St., Suite 300
P.O. Box 1497
St. Cloud, MN 56302-1497
(320) 251-6700
File No. 11620.001

EXHIBIT A
PROJECT DESCRIPTION

(see attached)

Self Scoring Worksheet

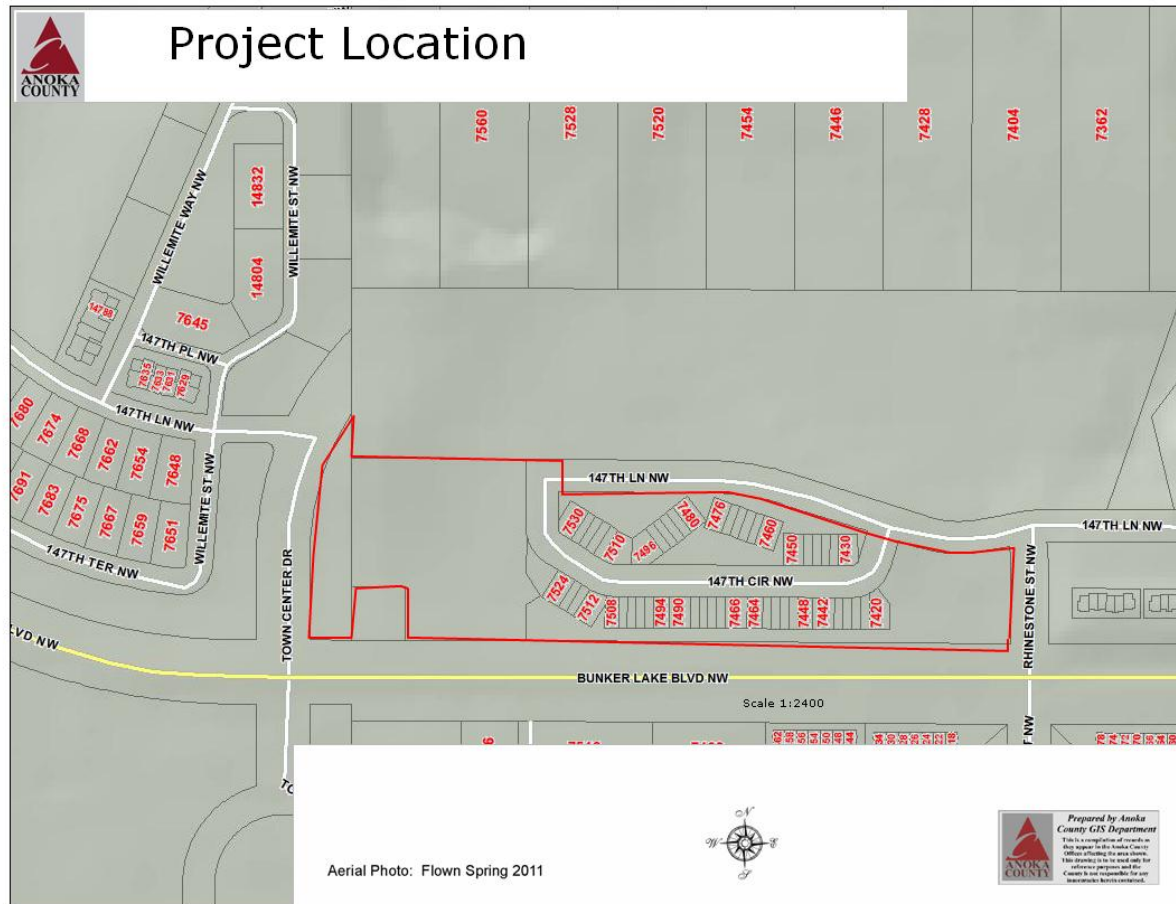
		Potential	Claimed	Awarded	Community	Ramsey, MN 01 05 2012		
SELECTION PRIORITIES		Max Points			Potential points for 2012 HTC			
					NOTES			
1	Large Family	10	0	0	At least 75% of the units must contain 2 or more BRs			
2	Single Room Occupancy	10	0	0				
3	Strategically Targeted Resources	10 - 12 points	10	0	New cost that uses exist s/w lines without substantial extension			
4	Special Populations	3 - 10	0	0				
5	Economic Integration	2	0	0		Census Tract	50228	
6	Project Location	5 - 10	0	0				
7	Cost Avoidance / Cost Reduction	1 - 7 points						
	Donation or waiver of project specific fees		1	0				
	Donation or waiver of project specific assmts / infrastructure costs		0	0				
	Density Bonus		0	0				
	Flexibility in Zoning Code requirements		1	0				
	WAC / SAC reductions		1	0				
	Fast Tracking permitting and approval		1	0				
	Historic Tax credits		0	0				
8	Local Contributions	2 - 10 points			May include TIF, abatement, grants, donations	%	Contribution	Est. TDC
	2.1 - 5 % = 2 points / 158,550		2	0		2.15%	\$ 200,864	\$ 9,349,375
	5.1 - 10 % = 4 points / 385,050		0	0	Calculate value by using NPV discounted by the AFR of 2.63.			
	10.1 - 15 % = 4 points / 762,550		0	0				
9	Readiness to Proceed	0 - 20			% of Funding secured, awarded or committed	% Committed	Committed	TDC
	If no RFP funding	20	20	0		0.00%	\$ -	\$ 9,349,375
	50% or funding secured, awarded or committed	10	0	0		10 % =	934937.5	
	40 - 49.9% or funding secured, awarded or committed	8	0	0				
	30 - 39.9% or funding secured, awarded or committed	6	0	0				
	20 - 29.9% or funding secured, awarded or committed	4	0	0				
	10 - 19.9% or funding secured, awarded or committed	2	0	0				
NON - FINANCIAL COMPONENTS		4						
	Land Use and Zoning Approvals	1	1	0				
	Title Work and survey	1	1	0				
	Verification that all infrastructure is complete	1	1	0				
	Draft Building Permits	1	0	0				
10	Intermediary Costs	1 - 6 points						
	0-15%	6	0	0		19.4%	\$ 1,810,400	\$ 9,349,375
	15.1- 20%	3	3	0	Usually 3 Points			
	20.1 - 25%	2	0	0				
	25.1 - 30%	1	0	0				
11	Unacceptable Practices	-10 to - 25	0	0				
12	Eventual tenant ownership	1	0	0				
13	Underserved Populations	3 - 10 points	10	0	Marketing efforts and past performance			
14	Temporary Priority	3	5	0	Foreclosure Recovery Efforts			
15	Preservation of Existing HTC units	10	0	0				
16	Permanent Housing for LT Homelessness	5 - 105 points	105	0	Points awarded until set aside is met (25% of total)			
17	High Speed Internet Access	1	1	0	Some changed criteria			
18	Transit-Orientated developments	1 - 3	3	0				
19	Non-Smoking Policy	1	1	0	Non-smoking Policy			
PREFERENCE POINTS								
1	Serves lowest income tenants	5 to 13	13	0	Option 1 & Option 3			
2	Preservation of Federal Assisted Hsg..	20	0	0				
3	QCT / Community Revitalization	1	0	0				
4	Rental Assistance	4 - 21	4	0	PBA section. You cannot claim pts. here and in Sect 2 of Preference Pts.)			
TOTAL Points			194	0				
Points for 2012 HTC				194	Total Points			
	Greater Minnesota (For-Profit)	204-95		-100	Deduction if set aside is met.			
	Greater Minnesota (Non-Profit)	96		94	Potential Awarded Points			
	Rural Development / Small Projects	93						
	Metro (For-Profit)	92-76			Metro (For Profit) Set aside			
	Metro (Non-Profit)	205-204						



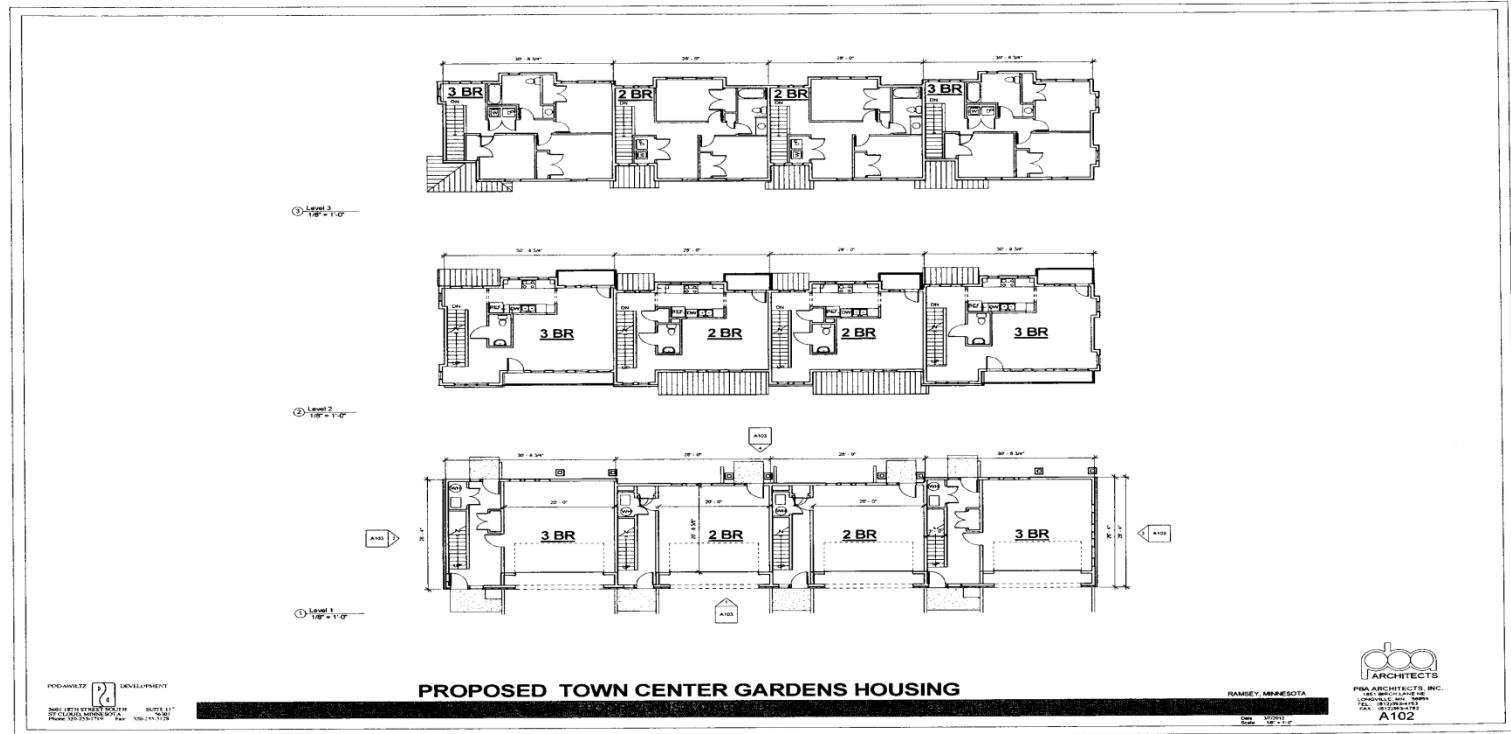
Proposed Workforce Townhomes Ramsey, MN

Podawiltz Development Corporation

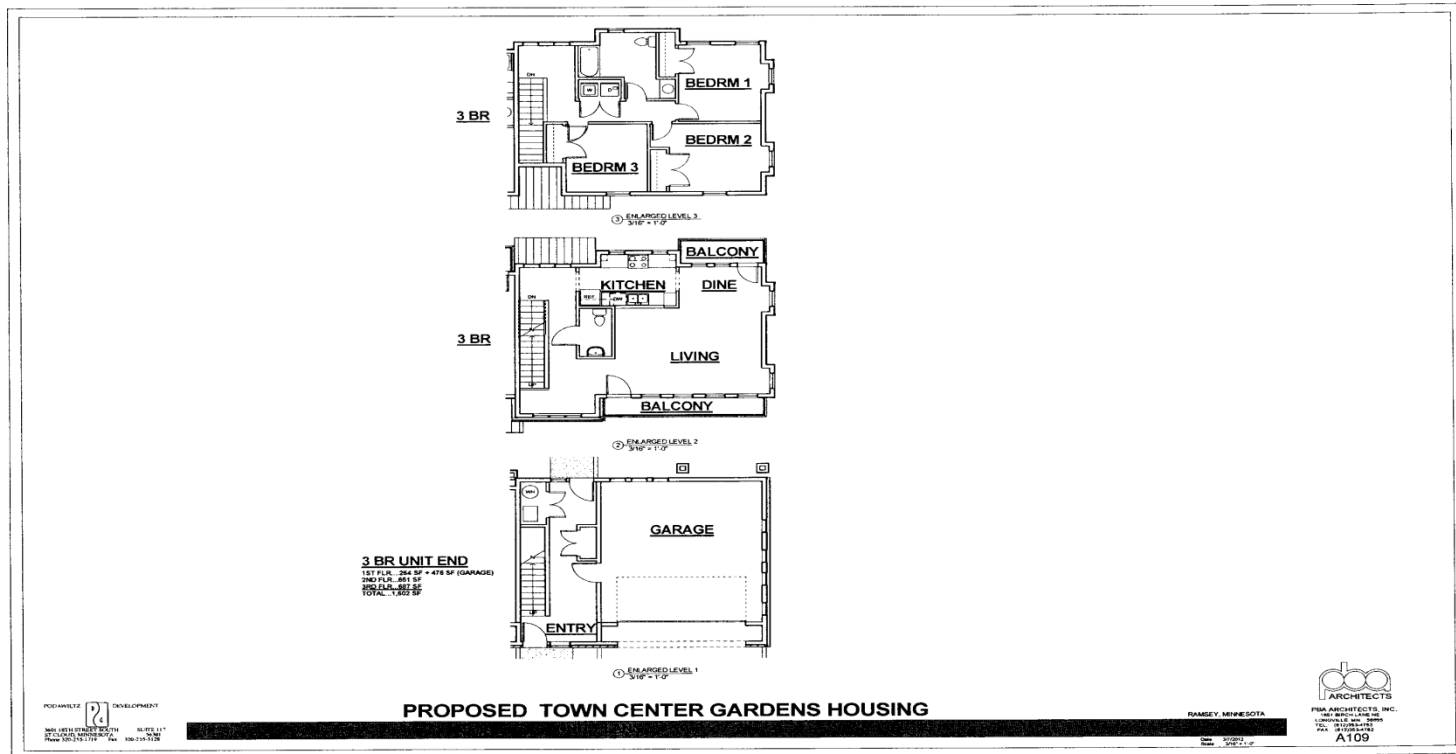
Project Location



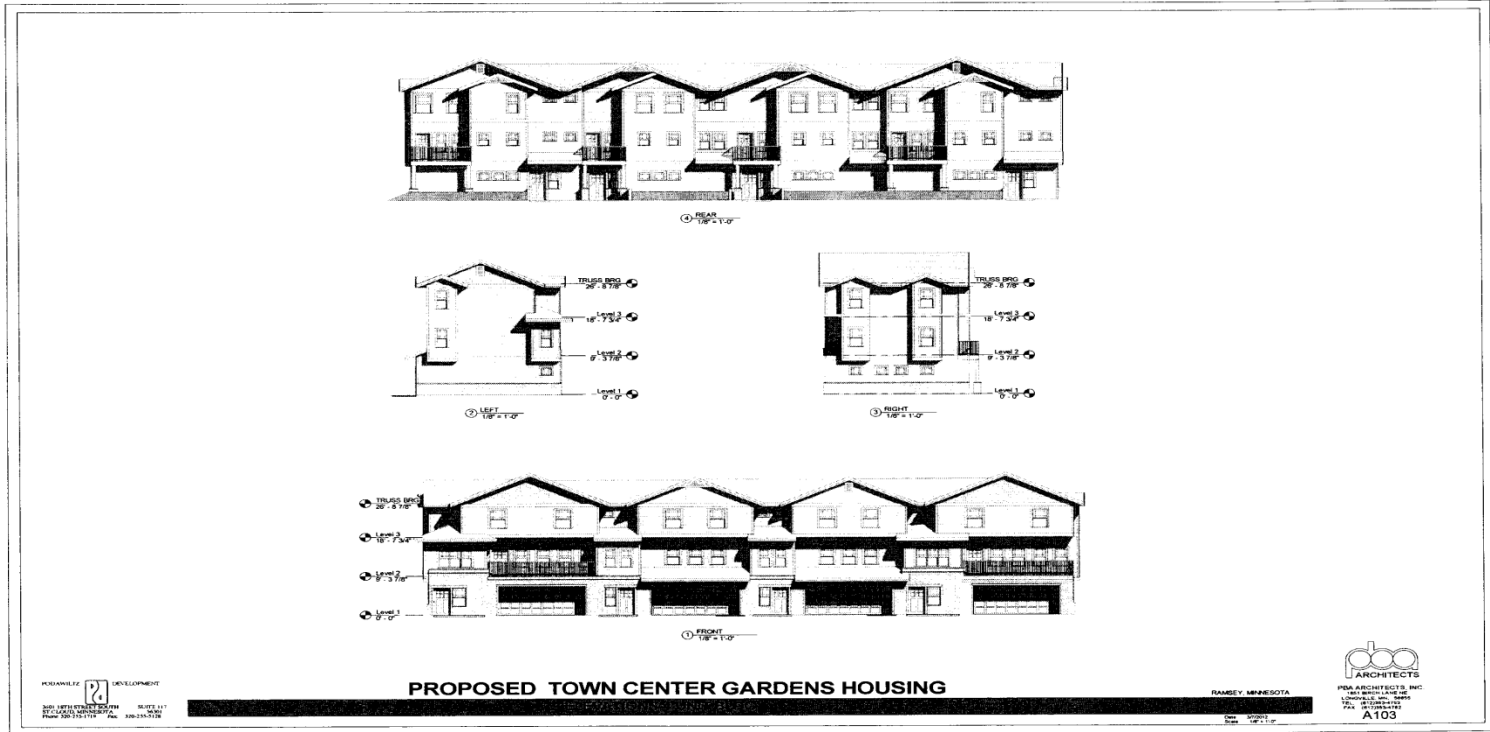
Floor Plan (4-unit Bldg.)



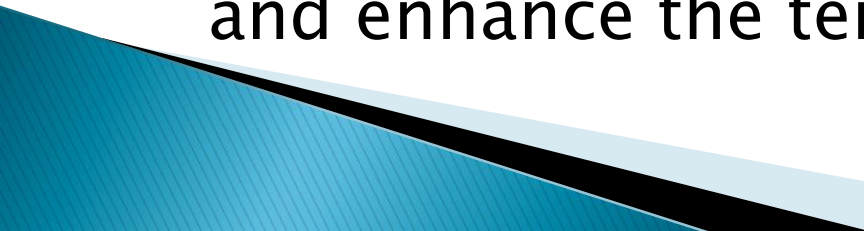
Three Bedroom Plan



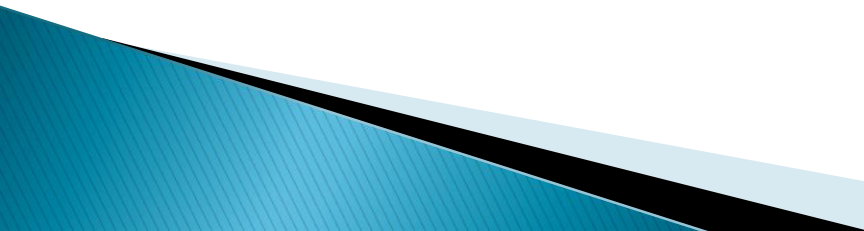
Four Unit Elevation Plan



The Development

- ▶ Fifty workforce rental housing townhomes with drive under two stall garages.
 - ▶ A community building and onsite management office/maintenance facility.
 - ▶ On site play area sized and fully equipped for the anticipated number of households.
 - ▶ The westerly extension of 147th Lane NW to Town Center Drive.
 - ▶ Maintenance free exterior products. Premium interior products which minimize maintenance and enhance the tenant living environment.
- 

Green Building Criteria

- ▶ Site – utilizes existing infrastructure, protects environment, walkways, erosion control.
 - ▶ Water conservation features – water closets, showers, etc.
 - ▶ Energy Efficiency – Energy Star appliances, efficient lighting both interior and exterior.
 - ▶ Construction waste recycled, kept to a minimum.
 - ▶ Healthy living environments – humidity control, building materials, HVAC sizing, etc.
- 

Similar PDC Development (2010)



Similar PDC Development (2010)



Similar PDC Development (2010)



Similar PDC Development (2010)



Similar PDC Development (2010)



Similar PDC Development (2010)



Affordable Rental Housing Need

MHFA Community Profile Data

- ▶ City Census Tract in which proposed site is located and in Anoka County:
 - High Need: Growing Workforce
 - High Need: Affordable Rental Housing
 - High % of renters are cost burdened

Metropolitan Council/Livable Community

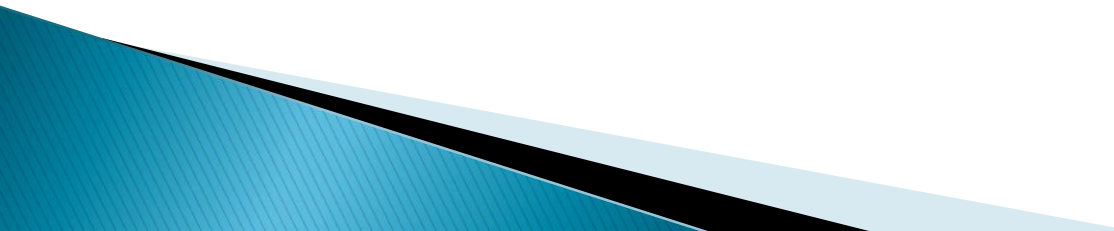
- ▶ New Affordable Housing Units Needed:
 - City of Ramsey: 669 units

Comparative Tenant Profile

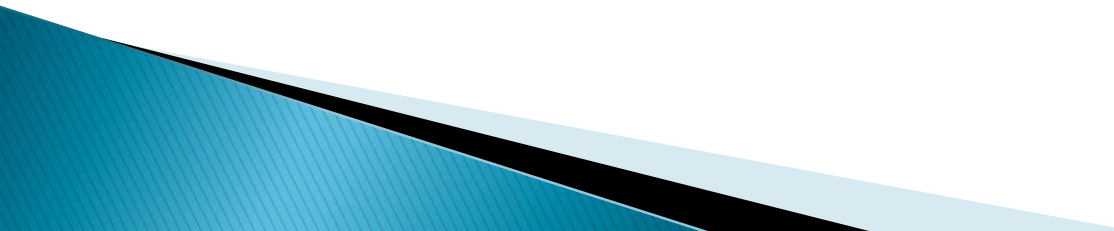
▶ Occupation/Employment:

Teacher	10.0%
Self Employed	12.0%
Dancer	4.0%
Retired	8.0%
Cosmetologist	4.0%
Health Care Worker	25.0%
Bartender	4.0%
Post Office	4.0%
Motel Clerk	4.0%
Daycare	4.0%
Manufacturing	21.0%

Rent and Income Requirements

- ▶ Rent and income are restricted by IRS program requirements. (30 year)
 - ▶ Rent and Income restrictions usually reflect the local market place and are affordable to a large segment of the local households & workforce.
 - ▶ Households must have adequate incomes to pay housing related costs.
 - ▶ It is NOT a rent subsidy program.
- 

Rent and Income Requirements

- ▶ Households must have sufficient incomes to pay housing and related housing expenses.
 - ▶ As such, the minimum household monthly income is 2.5 times the monthly rent.
 - ▶ The maximum household rent is equal to or below 60% of the area median income adjusted for family size.
 - ▶ This translates into the following targeted incomes.
- 

Target Incomes By AMI

60% of the Area Median Income

Anoka County

- ▶ 1 Person = \$35,280
- ▶ 2 Person = \$40,320
- ▶ 3 Person = \$45,360
- ▶ 4 Person = \$50,340
- ▶ 5 Person = \$54,420
- ▶ 6 Person = \$58,440

Target Incomes By Rents

- ▶ Two Bdrm Minimum Income/Rent= 13,608.
- ▶ Three Bdrm Minimum Income/Rent= 15,696.

Proposed Ramsey Rents

- 2 Bdrm = \$779
- 3 Bdrm = \$469 to \$899

Owner pays water and sewer. Tenant pays heat hot water, and electricity. Rent includes tuck under two stall garage.

Proposed Unit Mix

- ▶ 22 - Two Bedroom Townhomes
- ▶ 28 - Three Bedroom Townhomes

Developer Requests

- ▶ Support of the development indicated by Council Resolution submitted with the Application.
- ▶ Approval of Zoning and Land Use modifications required to facilitate the development
- ▶ City “Local Contributions” with a present value of approximately \$215,000 which can include “Regulatory Cost Avoidance and /or Regulatory Cost Reductions”.
- ▶ Vacation of 147th Circle NW.

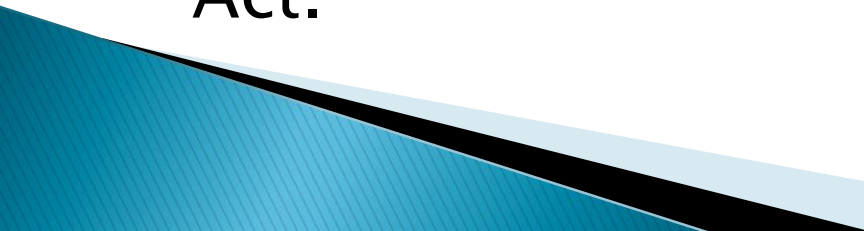
Impact of Requests / Project

- ▶ “Local Contributions, Regulatory Cost Avoidance or Cost Reductions:”
 - Will provide a minimum of 2 selection points;
 - Allow tenant rents to be set below 30% of 50% AMI (10 selection points).
- ▶ “Readiness to Proceed” which is land use and zoning approvals will assist in the selection process.
- ▶ As such, the application will be very competitive and will have an increased likelihood of MHFA selection.

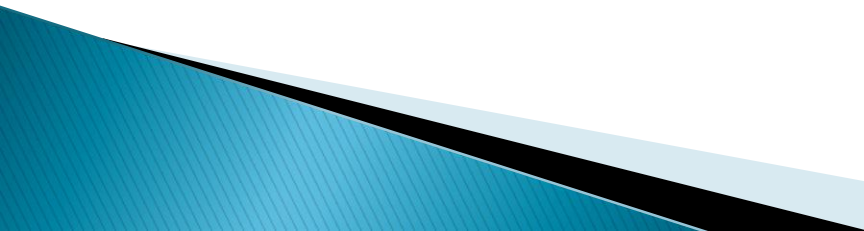
Impact of Requests / City

- ▶ The provision of quality affordable housing to fifty work force households for a period of thirty years.
- ▶ The economic impact of the discretionary income of fifty additional households the local economy.
- ▶ Economic impact of the construction related purchases and jobs during the construction phase.
- ▶ Assistance to Ramsey area employers with quality tenants as prospective employees.
- ▶ The provision of a locally identified housing need which is in short supply in the marketplace as reflected by Ramsey participation in the Livable Communities Program. (2011–2020 Allocation for the City of Ramsey 669 units needed)

Impact of Requests / City

- ▶ Provision of all or a portion of the increased AMV to local government entities for property tax purposes.
 - ▶ The westerly extension of 147th Lane NW to Center Street.
 - ▶ The donation of the ROW to facilitate the extension of 147th Lane NW.
 - ▶ Quality utilization of a difficult development site.
 - ▶ Active participation in the Livable Communities Act.
- 

Housing Tax Credits Overview

- ▶ Longest lived Federal Housing Program.
 - ▶ Limited funding is available to each state based on population.
 - ▶ Program is administered by the MHFA (Minnesota Housing Finance Agency).
 - ▶ Yearly applications are competitive and projects are selected on a point basis. Points are awarded for multiple considerations including local government support.
 - ▶ Distribute PDC Estimated Selection Points.
- 

Chapter 4 – Federal Program Requirements

A. Eligible Activities

Eligible activities for tax credits include new construction, rehabilitation, or acquisition with rehabilitation.

B. Applicable Percentage

There are two levels of applicable percentage, depending upon whether the building is new or existing, whether there are rehabilitation expenditures and whether the buildings are federally subsidized.

1. New Buildings and Qualifying Rehabilitation Expenditures (if neither is federally subsidized):
 - With respect to new buildings or qualifying rehabilitation expenditures which are not subsidized, the applicable percentage is an amount resulting in aggregate credits having a present value of 70 percent of qualified basis. Traditionally, this has resulted in a credit percentage of approximately 9 percent.
2. New Buildings and Qualifying Rehabilitation Expenditures that are Federally Subsidized and Existing Buildings:
 - With respect to new buildings and qualifying rehabilitation expenditures which are federally subsidized, and the acquisition of existing buildings that are rehabilitated, the applicable percentage is an amount which results in aggregate credits having a present value of 30 percent of qualified basis. Traditionally, this has resulted in a credit percentage of approximately 4 percent.

The 9 percent and 4 percent credit percentage represents the maximum potential rate.

Section 42(b)(2)(A) and (B) of the Internal Revenue Code establishes a **temporary** minimum credit rate for non-federally subsidized buildings. In the case of any new building which is placed in service by the taxpayer after July 30, 2008 and before December 31, 2013, and which is not federally subsidized for the taxable year, the applicable percentage shall not be less than 9 percent.

Those preparing an application for tax credits are strongly cautioned to carefully evaluate the Applicable Percentage anticipated for the proposed project and the date on which its buildings are expected to be placed in service. As stated above, Section 42(b)(2) of the Internal Revenue Code, establishes a temporary 9 percent minimum credit rate for certain non-federally subsidized new buildings placed in service BEFORE DECEMBER 31, 2013.

Depending upon the Applicable Percentage assumptions you choose to use in your project's application, and the Applicable Percentage elections you may make at a time of credit Reservation, placing a building in service on or after December 31, 2013 may have very significant impacts upon the financial viability of your project. A 9 percent Applicable Percentage will not be available to buildings placed in service on or after December 31, 2013.

Projects may utilize the 9% rate if there is a high level of certainty that the project will place in service before December 31, 2013 as supported by the project schedule submitted with the application.

New construction projects that utilize the 9% flat rate must close on financing and begin construction no later than February 28, 2013. Failure to meet the February 28, 2013 deadline may result in the reevaluation and adjustment of the tax credits or RFP award, up to and including the total recapture of tax credits or RFP funds. Projects utilizing the 9% rate will not be considered for any additional deferred loan funding to fill the gap created by their inability to meet the placed in service deadline.

Applicants are strongly advised to consult closely with their tax credit professionals (legal and tax) for guidance with respect to structuring a project to use either the 9 percent or the 4 percent tax credit.

C. Qualifying Rehabilitation

**CITY COUNCIL WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Tuesday, March 13, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Bob Ramsey
Councilmember Randy Backous
Councilmember David Elvig
Councilmember Colin McGlone
Councilmember Sarah Strommen
Councilmember Jason Tossey
Councilmember Jeffrey Wise

Also Present: City Administrator Kurtis Ulrich
Public Works Director Brian Olson
City Engineer Tim Himmer
Fire Chief Dean Kapler
Economic Development/Marketing Manager Aaron Backman
Senior Planner Tim Gladhill
Planning Intern Patrick Brama

1. CALL TO ORDER

Mayor Ramsey called the City Council Work Session to order at 6:04 p.m.

2. TOPICS FOR DISCUSSION

2.01: Review Development Proposal from Podawiltz Development for Town Center Gardens 3rd Addition

Senior Planner Gladhill reviewed the staff report and requested feedback on submittal of Livable Communities Act (LCA) application, establishment of TIF District, providing TIF assistance, donation of the HRA parcel, waiving application and license fees, and whether to fast track the approval process.

Mike Podawiltz, Podawiltz Development Corporation, introduced himself and provided a PowerPoint presentation on the proposed workforce townhomes that can be funded through Section 42 of the IRS Tax Code to provide investors to participate. People would be eligible if paying over 30% of their income for housing (rent, utilities, and taxes). This allows communities, with the help of Minnesota Housing Finance, to provide this type of housing, employees for entry level jobs, and create more disposable income by reducing rents. Mr. Podawiltz stated they have found a parcel, identified by the bank, that includes excess right-of-way owned by the City. On this bank-owned property, along Bunker Lake Boulevard, they

would like to develop 50 units of workforce housing. He displayed and described the project site plan, landscaping plan, and indicated the project would extend 147th Avenue to Center Drive to provide another means of egress. This road extension is estimated at \$175,000 at today's market. Mr. Podawiltz stated they propose three-story, two- and three-bedroom units, with drive under double garages, and double balconies. The project will include an on-site community building, on site maintenance, and be constructed of maintenance-free exterior and premium interior products which will minimize maintenance and enhance the tenant's living environment. Mr. Podawiltz presented green building criteria incorporated into this project and displayed pictures of a similar development constructed in 2010 in Buffalo, Minnesota. He then presented statistics related to the need for affordable workforce housing as estimated by the Metropolitan Council, noting 669 such units are needed in Ramsey. Additional information included a comparative tenant profile, rent/income requirements, and target tenant incomes. This project would include 22 two-bedroom and 28 three-bedroom units. Mr. Podawiltz requested the Council consider a resolution supporting the application, zoning and land use modifications required to facilitate the development, and a local contribution with a present value of approximately \$215,000, which can include regulatory cost avoidance and/or regulatory cost reductions, and the vacation of 147th Circle NW. With the donation of the right-of-way vacation, the City's contribution can be reduced to \$197,000. Mr. Podawiltz explained they want to be sure the community is receptive to workforce housing and if the community provides a contribution, more selection points are awarded in this competitive review process. The City's contribution and giving of right-of-way would create two selection points. He explained that last year, eight projects were funded and asked if the Council would be receptive to this level of donation and if it felt there was a need for workforce housing in Ramsey.

Councilmember Elvig asked what they are bringing for equity.

Mr. Podawiltz stated they would buy the 6.5 acres from the bank at \$725,000 or \$119,000/acre and construct the project. He presented the proposed local contribution spread sheet and indicated the new transit facility is worth three selection points and the City's aggregate need is worth 5 selection points so this project would rank highly; however, without a local contribution granting is unlikely. Mr. Podawiltz explained that ultimately the combination of local contribution, tax credits, and mortgage go to lower rents for 50 workforce households for a 30-year period, at a minimum. Benefits to the City include creation of real estate taxes, extension of 147th Lane NW to Center Street, opening an abutting property for development, and donation of the right-of-way facilitates resulting from the expansion of 147th Lane NW.

Mayor Ramsey asked about the impact to future grant opportunities for other projects.

Senior Planner Gladhill explained that in terms of the LCA program, the City had submitted three Transit Oriented Development (TOD) grants, so any affordable units added would bolster that argument and future grant applications.

Councilmember Strommen thanked Mr. Podawiltz for the presentation, spread sheet, and explanation. She noted the proposal is for the City to provide two parcels of land, reducing the requested local contribution, and asked how that would be funded. Councilmember Strommen stated this could be a good project but she has questions from a higher level policy perspective.

She noted the Council has decided to provide funding assistance to apartments within The COR and wanted to put workforce housing on the table. From a policy level, she noted the Council is reacting to what is coming before it but has not yet identified the elements in which it wants to invest its limited resources. She preferred to set goals and priorities in advance so when a project is presented, it can be examined by those goals and priorities. Councilmember Strommen noted this may be a good solution for a piece of land that is difficult to develop but she still has some questions.

Councilmember McGlone explained that when the Council had voted on buying the Town Center/COR land, it had discussions and agreed one of the things it wanted to do was bring The COR back to the downtown and react to the market in the outer areas. He felt the Council did address that issue and he found this project fits those criteria. Councilmember McGlone noted this is private property, not City property.

Senior Planner Gladhill explained that TIF was part of the original request but staff knew it had to look at other ideas, such as land contribution. That has been staff's focus, land contributions and then to identify the gap and go after grant opportunities if the timing works.

Councilmember Backous agreed this is a difficult site to develop and the City had previously tried to come up with other solutions. He felt the proposal for workforce housing is a great solution. Councilmember Backous stated he does not usually support subsidizing projects to attract development but thinks this is reasonable contribution to give up right-of-way and cul-de-sac. He asked about the formula for park dedication and park and trail fees.

Senior Planner Gladhill advised those fees have already been paid and the zoning needed is a replat to this style of housing with a slight reduction in units over the previously approved project. He indicated staff could research whether there could be credits owed to the original developer and bank.

Councilmember Backous stated he does not normally favor giving credits for park and trail but noted there is a nice park proposed at the east end of the project. He supported the project.

Councilmember Elvig stated he likes the project concept, noting the City subsidized two County ACCAP projects of about \$300,000.

City Administrator Ulrich indicated those projects used the County HRA portion of the levy.

Councilmember Elvig stated he preferred that private individuals meet that market instead of public entities but believed there was a need for workforce housing and affordability. He stated he supported providing that opportunity to Ramsey's residents. Councilmember Elvig stated he is concerned about the actual platting and architectural dynamics to avoid appearance of row houses. He preferred undulation to the buildings to create setback from one building to another through open areas, landscaping, and color.

Mr. Podawiltz stated they can add articulation on the back half of the circle and on the front half of the circle they would look to the Planning Commission and Council to help because there is a

large berm and limited side yard. He explained they propose 3-story units to reduce the footprint and would stand ready to add articulation to the extent they can do so within the confines of the City's ordinance.

Councilmember Elvig asked about the building materials.

Mr. Podawiltz stated they would have maintenance-free exteriors and energy efficient products to reduce costs and maintenance. Exterior building materials include metal, steel, stucco board, and balconies on both sides to bring light into the living space.

Councilmember Elvig asked about financing and indicated the City typically sees a performa when asked for a subsidy. He stated he prefers the project involve an institution for overall tax credits instead of selling it off to an individual and he likes it being paid down below market rate to create affordability.

Mr. Podawiltz explained the investors would be limited partners so all they could lose is the investment they put in. He indicated Podawiltz Development Corporation would operate the project, maintain it, and keep it fully occupied. Mr. Podawiltz described their tenant selection criteria. He noted that without the City's \$215,000 contribution, rents would be above the 30% and 50% threshold so one of the things the City's contribution does is write down rents and shows Minnesota Housing Finance that the City is interested in the project. The City's contribution also allows Minnesota Housing Finance to use money for other projects.

Mayor Ramsey asked if there are any objections to this project.

Councilmember Tossey stated he has no problem with vacating the street or HRA parcel but did not support an HRA contribution.

Councilmember Wise asked about SAC and WAC fees.

Senior Planner Gladhill stated staff could look at other permit fee waivers but the City has not considered waiving SAC and WAC fees in the past.

Councilmember Wise agreed this is a troubled site and he thinks this proposal is a good fit. He asked if this project would cause any possible impediment to surrounding developments.

Senior Planner Gladhill stated staff does not think it would impede another project but will study that issue during site plan review.

Mr. Podawiltz advised that this property and the site across the street are under the same ownership and that person thinks it is a benefit, not a deficit.

Councilmember McGlone stated the proposed workforce housing project will finish a road at its expense, which benefits everything over there. He noted the project includes substantial park structure on private property and raised the option of the developer contributing that park structure to the City's North Commons Park to create better utilization.

Mayor Ramsey asked staff to research that option and questioned the original intent of the right-of-way.

Senior Planner Gladhill stated the intent was for a public roadway to service the development as originally platted.

Councilmember Elvig asked if there are drainage issues in that location.

Public Works Director Olson advised there are no drainage issues because it has not been used but there are utilities in the road and if the City wants to extend to Town Center Drive, that is not a problem.

Councilmember Strommen asked that staff assure the criteria considered for contribution is recorded in the Council's discussion, such as completion of the road and creation of affordable housing. She noted it would be helpful to have such criteria identified ahead of time so developers know the Council's criteria for consideration of a contribution.

The consensus of the Council was to support the concept of workforce housing and move forward with the next step.

2.02: Review Fire Station 2 Project

City Administrator Ulrich noted several months ago, staff had presented fire station designs and direction was given by the Council to make modifications to bring the project back into line with the budget and Council's expectations. It was noted the project will involve vacating the site and selling the former municipal center site, potentially as a data center, a highest and best value, which could net over \$2 million.

Butch Schwartzman, BKV Group, described the first fire station and Council determination that the second station had more area than needed and should be more of a satellite station. The plans have now been scaled back from 12,000 sq. ft to 9,000 sq. ft. Mr. Schwartzman explained their involvement to test the two-acre site to determine if it can properly work for a fully-functional fire station with turning movements and site clearances. He indicated that answer is "yes" and explained the updated plan utilizes the same footprint but reduces areas for fitness and other spaces that could be added in the future, if desired. Mr. Schwartzman displayed the conceptual floor plan to serve the existing fire apparatus, noting it is very efficient providing gear storage to support fire fighters, training, and break spaces. He then displayed cost estimates reflecting construction of \$1,960,000 and soft costs of \$450,000 with a total project of \$2,410,000. He explained that as the project is refined, the estimated costs could come down. Mr. Schwartzman presented the time frame required to construct such a facility with a 3-4 month design process, 6 week bidding/award period; 8-10 month construction period; equaling just over one year.

Councilmember McGlone indicated the Councilmembers did not have opportunity to review the reduced building plans prior to the Work Session. He raised the issue that meeting rooms are still included and asked if the building needed to be constructed of brick or block.

Councilmember Elvig asked staff to provide funding options.

Councilmember Tossey asked staff to also provide a list of what is mandated to include.

The consensus of the Council was to schedule discussion of the Fire Station 2 project for a future work session after the Council has had time to review the revised plans and information requested of staff. At that point, the Council will decide whether Mr. Schwartzman should attend the meeting.

3. FUTURE TOPICS FOR DISCUSSION

Noted.

4. MAYOR, COUNCIL AND STAFF INPUT

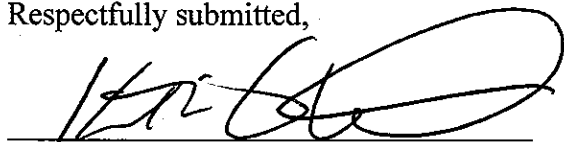
None

5. ADJOURNMENT

Motion by Councilmember Backous, seconded by Councilmember McGlone, to adjourn the Work Session meeting.

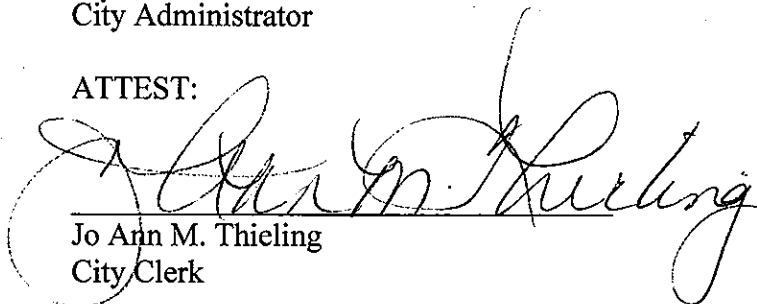
The Work Session meeting of the City Council was adjourned at 7:00 p.m.

Respectfully submitted,



Kurtis G. Ulrich
City Administrator

ATTEST:



Jo Ann M. Thieling
City Clerk

Drafted by Carla Wirth, *TimeSaver Off Site Secretarial, Inc.*

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION #13-01-021 AUTHORIZING THE DISPOSITION OF REAL PROPERTY

WHEREAS, The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota (the "Authority") has caused to be prepared a Preliminary Agreement to Develop (the "Preliminary Agreement") between the Authority, the City of Ramsey, Minnesota (the "City") and The Seasons of Ramsey Limited Partnership, a Minnesota limited partnership (the "Developer"), in connection with the donation of certain real property by the Authority to the Developer pursuant to Minnesota Statutes, Section 469.105.

WHEREAS, the Developer has requested that the Authority assist with the local contribution requested by the Minnesota Housing Finance Agency ("MFHA") in connection with the acquisition, construction and equipping of a 50 unit multifamily rental housing facility (the "Project").

WHEREAS, the Authority has determined to assist with the local contribution request by conveying Outlot C, RAMSEY TOWN CENTER 8TH ADDITION (the "Request").

NOW, THEREFORE, BE IT RESOLVED by The Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota as follows:

Section 1. The Board of Commissioners hereby determines that the conveyance is advisable; approves the Request and the various documents; authorizes the disposition of the property and authorizes and directs the Chairperson and Executive Director to execute the Request and any other documents necessary to carry out the terms of such Agreements and documents on behalf of the Authority.

Section 2. The decision to sell the property is placed on the records of the Authority as of the date hereof.

Section 3. The approval hereby given to the Agreements includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Authority officials authorized by this resolution to execute the Agreements and to execute such deed, notes, closing statements and other such documents as may be necessary to complete the sale of the property to the Developer. The execution of the Agreements by the appropriate officer or officers of the Authority shall be conclusive evidence of the approval of the Agreements in accordance with the terms hereof.

Section 4. The approval shall not be executed until the City Council of the City of Ramsey approves the Major Plat entitled SEASONS OF RAMSEY and Request for Site Plan Review known as The Seasons of Ramsey.

The motion for adoption of the foregoing resolution was duly seconded by Commissioner _____ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

STATE OF MINNESOTA
COUNTY OF ANOKA

I, the undersigned, being the duly qualified and acting Executive Director of the Housing and Redevelopment Authority in and for the City of Ramsey, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Ramsey held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a Resolution Authorizing the Execution of a Purchase Agreement and Development Agreement and Authorizing the Disposition of Real Property.

WITNESS my hand as such Executive Director of the Housing and Redevelopment Authority in and for the City of Ramsey this _____ day of _____, 2013.

Executive Director

Meeting Date: 01/22/2013

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider Alternate Platting Scenario - COR TWO

Background:

In June of 2012 the Planning Commission approved the sketch plan for all proposed platting in The COR. This included the proposed plat of COR TWO on the western edge of the project.

On August 2nd, the Planning Commission held a public hearing, and recommended approval of the preliminary and final plats for COR TWO.

On August 15, 2012, the City Council approved the plat, and an ordinance related to the vacation of easements and rights-of-way was introduced.

On August 28th, 2012, The ordinance related to the vacation of easements and rights-of-way were adopted.

Notification:

Observations/Alternatives:

The plat of COR TWO was completed and ready for recording at the end of 2012. Parties to the plat included the HRA and Sophia-Ramsey, LLC. Sophia-Ramsey, LLC are the owners of Lots 1 and 2 in Ramsey Town Center 3rd Addition, commonly known as the Coborn's anchored retail area. The timing of recording of the plat is significant because state law requires all parcels included in the plat to be paid current on property taxes. If this occurs on December 31st, this consists of a single day of property tax. On January 1, the taxes due to record the plat would be a full year, or over \$300,000 on Sophia Ramsey's two lots.

In 2012, Sophia Ramsey had previously agreed to record the plat, and the HRA Development Team negotiated all agreements and easements accordingly. These easements included, but are not limited to, shared access easements, trail easements, and drainage and utility easements. In December of 2012, Sophia Ramsey's mortgage was sold. The new mortgage holder had not assigned the account, and accordingly was not able to consent to the plat. As a result, the plat could not be recorded before year-end. While Sophia Ramsey still wants to be part of the plat, they have stated they are no longer able to participate in the plat because of the requirement to pay their taxes in full for the 2013 fiscal year. It is anticipated that Sophia Ramsey will desire to complete the process near the end of 2013.

Separately, in order to facilitate the site plans for McDonalds and Super America, the COR TWO Plat (or version thereof) must be recorded. If modifications are required to exclude areas of the Plat previously approved by the City Council, thus necessitating the creation of additional parcels or modification to the configuration of lot lines, the revised Plat will need to be approved by the City Council. Based on initial review of the concept proposed, it is recommended that City Council action will be necessary.

In addition, the City was awarded a Local Road Improvement Project (LRIP) Grant to construct the re-aligned Sunwood Drive. In order to complete the terms of the grant award, the City Council must certify that it holds fee-title ownership for the roadway. Currently, the HRA holds fee-title ownership, with an appropriate legal document provided that allowed construction to commence. The Plat of COR TWO was the proposed mechanism to

convey fee-title ownership to the City. However, it should be noted that there are other viable options to address the grant award. These options include, but are not limited to, conveying a permanent road easement via quit claim deed or the recording a right-of-way plat. A right-of-way plat would dedicate the necessary right-of-way for Sunwood Drive, but would not satisfy certain terms of purchase agreements with the HRA, nor provide the necessary buildable parcels necessary to facilitate the projects referenced above. Due to timing, Staff has not been able to discuss costs associated with these options.

Given the situation with Sophia Ramsey, an alternative platting scenario is being proposed and this case seeks the HRA's direction as to how they would like to proceed. The new scenario would require a redraft of the plat, and modifications to the existing easements and real estate documents. The cost for this effort is estimated at approximately \$10,000 in legal, drafting, and reproduction costs. These costs could be recovered through the sale of the remnant parcels to Sophia Ramsey. It is noted that this expense has not currently been budgeted within the HRA budget. Staff will be prepared to discuss interim funding options at the HRA meeting, though is not providing a recommendation at this time.

The attached sketch outlines the proposed modification to the plat, and the remnant parcels created (Outlots B and C).

Staff notes, as clarification for the requested action, that the request this evening is for authorization to prepare revised documents. However, it is understood that this is not giving City approval to the form of any of the documents referenced. Although the proposal has been discussed with the City's Planning and Engineering Divisions, there has not been any formal approval or recommendation given. Staff approval requires being able to review the proposed lot line configuration in more detail. It will also be necessary to work with the City Attorney to revise the right-of-way vacation for the former Sunwood Drive segment as it relates to future lot line configuration. Staff requests that tonight's action be made contingent on a detailed review of the sketch to ensure there are not any major barriers prior to preparing the revised plat.

Recommendation:

It is recommended that the HRA proceed with the modification to the plat of COR TWO, and revise documents necessary to record the plat, contingent upon the HRA receiving adequate written agreement or cash escrow from Sophia-Ramsey to cover the costs incurred to the HRA as noted above, or securing some other form of guarantee to ensure the adequate repayment to the HRA.

The development team recommends the HRA propose the sale of the remnant parcels shown as Outlots B and C to Sophia Ramsey, LLC with the condition that they re-plat the parcels before December 31, 2013.

Upon successful acquisition of the parcels, the HRA would grant the access easement over the HRA lots as shown in the current documents.

Funding Source:

Funding for preparation of the revised plat and associated documents has been proposed as proceeds of Land Sales - Sunwood Retail Area. Staff notes that it will verify the existence of current funding, to be paid back when appropriate sale proceeds is available.

Council Action:

Motion to enter into record a Request for Work Order from Landform Professional Services in the amount of \$10,000 to support the request for additional services noted in the Staff Report.

-AND-

Motion to authorize the Executive Director to execute a work order with Landform Professional Services in the amount not to exceed \$10,000 and to direct the development team to proceed with the modification to the plat of COR TWO and revise documents necessary to record the plat.

- Contingent upon-

- The HRA identifying the funding source necessary currently to proceed with the process;
- The City receiving a detailed proposal from Landform for the work to be performed;
- The Executive Director receiving an executed agreement or cash escrow from Sophia-Ramsey, LLC to repay the costs incurred by the HRA to revise the Plat and associated documents, or other form of security to ensure the ultimate funding for this process;
- Analysis by the City's Planning and Engineering Division supporting the viability of the attached sketch;
- Subject to review by the City Attorney as to legal form.

Attachments

Sketch of Plat Modification

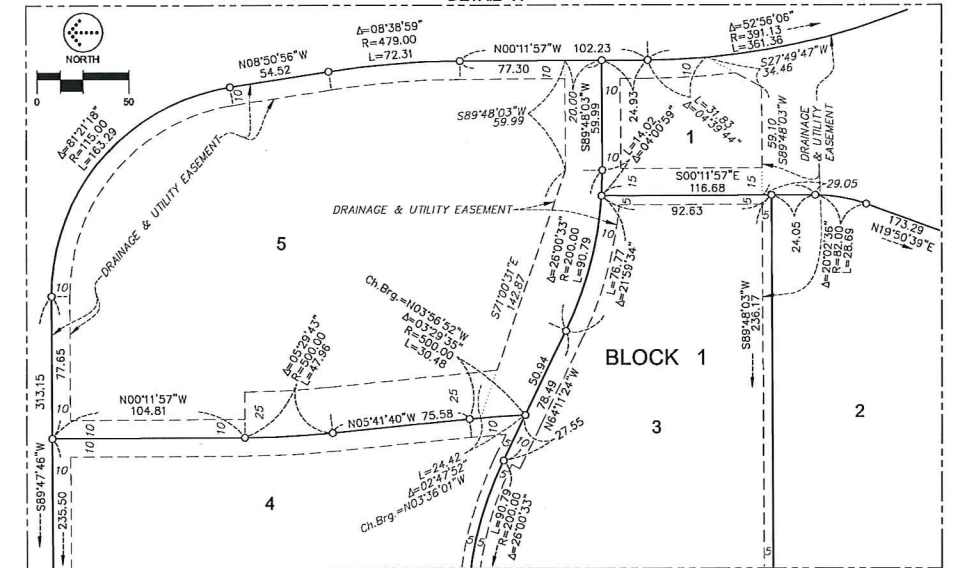
Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	01/17/2013 04:35 PM
Tim Gladhill	Tim Gladhill	01/17/2013 05:33 PM
Kurt Ulrich	Kurt Ulrich	01/17/2013 06:20 PM
Form Started By: Darren Lazan		Started On: 01/17/2013 12:47 PM
Final Approval Date: 01/17/2013		

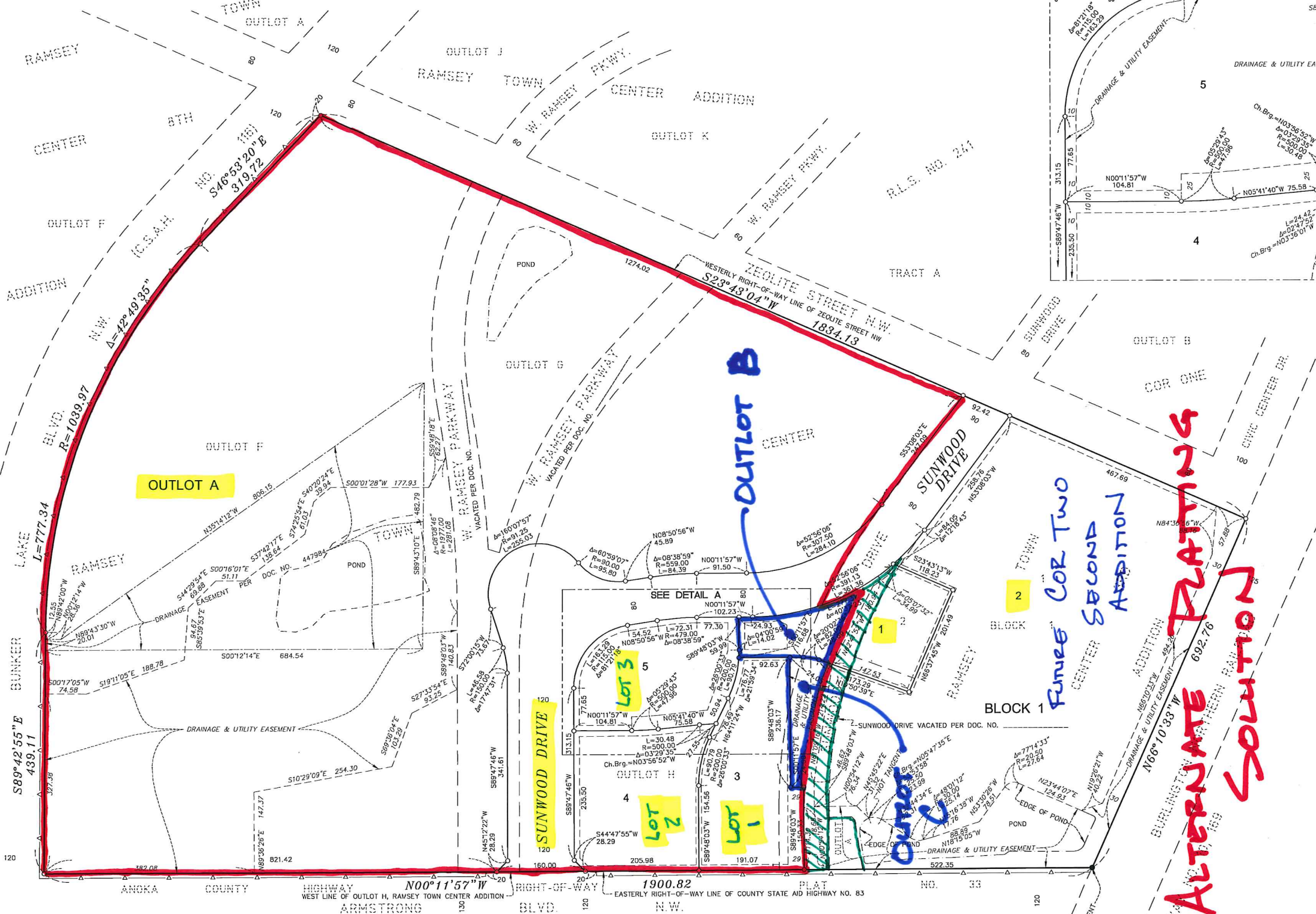
COR TWO

CITY OF RAMSEY
 COUNTY OF ANOKA
 SEC. 28, TWP. 32, RNG. 25

DETAIL A



RAMSEY TOWN CENTER ADDITION
 146TH LANE N.W.
 BLOCK 1
 BLOCK 2
 BISON ST. N.W.
 80TH
 OUTLOT A
 ADDITION

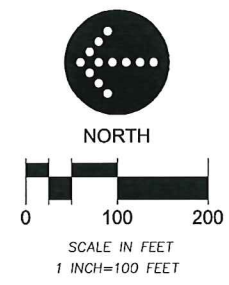


DRAINAGE AND UTILITY EASEMENTS ARE SHOWN AS THUS:
 (NOT TO SCALE)

BEING 5 FEET IN WIDTH AND ADJOINING LOT LINES UNLESS OTHERWISE SHOWN AND BEING 10 FEET IN WIDTH AND ADJOINING RIGHT OF WAY LINES UNLESS OTHERWISE SHOWN

FOR THE PURPOSES OF THIS PLAT, THE WEST LINE OF OUTLET H, RAMSEY TOWN CENTER ADDITION IS ASSUMED TO BEAR NORTH 00 DEGREES 11 MINUTES 57 SECOND WEST

- DENOTES IRON MONUMENT FOUND
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT, SET AND MARKED WITH MINNESOTA LICENSE NO. 47465
- △ DENOTES RIGHT OF ACCESS DEDICATED TO COUNTY OF ANOKA



ALPHA OUTLOT D DEVELOPMENT	HY-10 RAMSEY 2ND ADDITION BLOCK 1	HY-10 RAMSEY 4TH ADDITION BLOCK 1	HY-10 RAMSEY 3RD ADDITION BLOCK 1	146TH AVE. N.W.	HY-10 RAMSEY BLOCK 2	148TH AVE. N.W.	HAUSER BLOCK 1 ADDITION
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