

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, May 14, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Randy Backous  
                          Commissioner Mark Kuzma  
                          Commissioner John LeTourneau  
                          Commissioner Chris Riley  
                          Commissioner Sarah Strommen

Members Absent:     Commissioner Jason Tossey

Also Present:         HRA Executive Director Kurtis G. Ulrich  
                          Deputy Executive Director Timothy Gladhill  
                          Finance Director Diana Lund  
                          Public Works Superintendent Grant Riemer  
                          City Engineer Bruce Westby  
                          Assistant to the City Administrator Patrick Brama  
                          City Attorney William Goodrich

**1.     CALL TO ORDER**

Chairperson Backous called the regular meeting of the Housing and Redevelopment Authority to order at 7:44 p.m.

**2.     CITIZEN INPUT**

There was none.

**3.     APPROVAL OF AGENDA**

Motion by Commissioner LeTourneau, seconded by Commissioner Riley, to approve the agenda as revised to add Case 5.03: Consider Purchase Agreement for Highway 10 Property.

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

**4.     APPROVAL OF MINUTES**

Motion by Commissioner LeTourneau, seconded by Commissioner Kuzma, to approve the following minutes:

Regular Meeting Minutes dated April 23, 2013

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

## **5. HRA BUSINESS**

### **5.01: Adopt Resolution #HRA-13-05-080 Accepting Plans and Specifications and Authorizing Advertisement for Bids for COR TWO (Sunwood Retail) Stage 1 Improvements**

City Engineer Westby reviewed the staff report, two alternates, and staff's recommendation that the HRA adopt Resolution #HRA-13-05-080 Accepting Plans and Specifications and Authorizing Advertisement for Bids for the COR TWO (Sunwood Retail) Stage 1 improvements. Staff also recommends approving bidding the construction of the temporary stormwater improvements at this time as this will significantly reduce initial construction costs while allowing for greater flexibility for future site development proposals. City Engineer Westby advised that the estimated project cost has been adjusted down to \$280,000. He reviewed the funding sources and noted that their actions would not result in authorizing construction, as bids will need to come back for Council approval at a future meeting.

Commissioner Strommen asked when the plans and specifications will be received and if the contract contained a deadline.

Deputy Executive Director Gladhill stated he would have to review the contract to determine if it contains a deadline.

City Engineer Westby stated staff anticipates receiving the documents before the next HRA meeting.

Chairperson Backous stated he would like that information and Landform to perform as indicated in the contract.

Commissioner Strommen asked that the HRA receive notice when the documents are received.

Commissioner LeTourneau asked how a bid can be let when the plans and specifications are not yet completed.

City Engineer Westby stated staff completed a thorough review of the initial plans and found nothing that would cause concern. He stated he believes the plans will be ready to bid and there should be no issues addressing staff's comments. To move the project forward and allow development of McDonald's parcel, HRA approval is needed.

Commissioner LeTourneau stated his biggest concern is the timeline and need for momentum.

Commissioner Riley noted staff's recommendation indicates the HRA is to be paid back by charging the costs out to the three lots.

City Engineer Westby stated that is the intent and McDonalds has already agreed with its prorated share.

Commissioner Riley asked about the location of abandoned stormwater pipes.

Deputy Executive Director Gladhill stated that piping on Sunwood Drive would not work to address stormwater for these parcels.

Motion by Commissioner LeTourneau, seconded by Commissioner Kuzma, to adopt Resolution #HRA-13-05-080 Accepting Plans and Specifications and Authorizing Advertisement for Bids for the COR TWO (Sunwood Retail) Stage 1 improvements and to approve bidding the construction of the temporary stormwater improvements at this time.

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

Chairperson Backous asked staff to review contract language to address the timeline.

#### **5.02: Analysis of all Project Costs in The COR to Determine Cost Basis for Land**

Finance Director Lund reviewed the staff report and indicated that to-date, the City has over \$65 million in The COR. She reviewed the improvements made totaling \$32.5 million and explained if using that cost, it would equal \$6.50/square foot for the 115 acres remaining to be developed. With the construction of 116<sup>th</sup> Avenue costing \$3.5 million, it brings the cost to about \$7.00/square foot. She advised of the assumptions used when making this calculation.

Chairperson Backous thanked Finance Director Lund for providing this analysis and baseline, which will help in making decisions on purchase offers.

Commissioner LeTourneau asked staff to keep an eye on the projects being brought forward and how it impacts the square footage number.

Commissioner Strommen agreed and asked staff to have this information at the ready and incorporated into case reports so the HRA is mindful of financial impacts.

Informational; no action required.

#### **5.03: Consider Approval of Purchase Agreement for the Purchase of the Property Located at 6710 Highway 10 NW, Ramsey, MN**

City Attorney Goodrich advised that the owner of 6710 Highway 10 NW has accepted the HRA's offer of \$361,000, which is the Anoka County assessed value. He stated the purchase

agreement has been signed by the seller and Chairperson Backous. City Attorney Goodrich reviewed the terms of the purchase agreement.

HRA Executive Director Ulrich advised that Anoka County has indicated there are sufficient funds through the Anoka County HRA if the City designates Anoka County as a development arm of Ramsey. He stated it would require passage of a Resolution and making the request for the funding. It was noted that closing is scheduled for July 10, 2013.

City Attorney Goodrich stated the Finance Director has advised that if closed before July 1, 2013, the City could abate all of 2014 taxes.

Commissioner Riley asked about the proceeds.

HRA Executive Director Ulrich stated the Anoka County HRA funds would be unrestricted.

Commissioner LeTourneau stated Anoka County wants Ramsey to enter into a JPA as a condition of receiving that funding and he would support that action as it would obtain this funding source and initiate a new relationship with Anoka County.

Commissioner Riley noted the agreement is to purchase the property "as is."

City Attorney Goodrich stated that is correct.

The HRA indicated support for an earlier closing date and to research the opportunity to request tax-exempt status.

Motion by Commissioner Riley, seconded by Commissioner Strommen, to approve the purchase agreement to purchase the real property located at 6710 Highway 10, Ramsey, Minnesota for a purchase price of \$361,000 and upon those additional terms of the May 10, 2013, purchase agreement reviewed with the HRA at its May 14, 2013, regular meeting, subject to City Attorney approval as to final form and conditions.

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

## **6. DEVELOPMENT TEAM REPORT / EXECUTIVE DIRECTOR REPORT**

### **6.01: HRA Land Sales / Right to Reverter**

HRA Executive Director Ulrich stated a question had been asked at the April 23, 2013, meeting relating to how long a buyer of HRA land has to develop/redevelop the land before title would revert to the HRA. He noted City Attorney Goodrich had responded to that question in his May 2, 2013, memorandum.

City Attorney Goodrich explained the HRA has a redevelopment plan when a property is sold that lays out the parameters of when it is to be developed and a time limitation can be included.

However, there would be a finite ability to include a time limit and have the property still be marketable.

Chairperson Backous stated the HRA's purpose is to get the property out of a blighted condition so it does not serve that purpose to sell the property if it is left undeveloped.

The HRA discussed this option and supported including this restriction with discussion of particulars on a case-by-case basis. The HRA asked staff to schedule this topic for further discussion at a future Work Session.

Informational; no action required.

## **6.02: Project Update**

HRA Executive Director Ulrich provided an update on development activities and advised that Landform has placed a lien that is delaying the filing of a plat. He recommended forming a subcommittee comprised of Chairperson Backous, Commissioner Strommen, and Commissioner Riley to discuss and find resolution to the contract dispute prior to that item coming before the City Council.

## **7. COMMISSIONER INPUT**

None.

## **8. ADJOURNMENT**

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

Motion carried.

The regular meeting of the Housing and Redevelopment Authority adjourned at 8:21 p.m.

Respectfully submitted,

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Kurtis G. Ulrich  
HRA Executive Director

ATTEST:

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Jo Ann M. Thieling  
City Clerk

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