

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, June 11, 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
 Commissioner Jason Tossey

Members Absent: None

Also Present: HRA Executive Director Kurtis G. Ulrich
 Deputy Executive Director Timothy Gladhill
 Finance Director Diana Lund
 Fire Chief Dean Kapler
 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 9:10 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Tossey, seconded by Commissioner Kuzma, to approve the agenda as submitted.

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

4. APPROVAL OF MINUTES

Chairperson Backous requested a clarification to the May 28, 2013, minutes, Page 3, Paragraph 5, to indicate: “Chairperson Backous stated proformas, by their very nature, are estimates and had been used when making this decision.”

Motion by Commissioner Tossey, seconded by Commissioner Riley, to approve the following minutes as revised above:

Regular Meeting Minutes dated May 28, 2013

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

5. HRA BUSINESS

5.01: Approve First Amendment to the Real Estate Contract between the Ramsey HRA and McDonalds USA, LLC

Executive Director Ulrich reviewed the staff report, request of McDonalds for a six-month extension to their purchase agreement, and staff’s recommendation to shorten the extension to 90 days. It was known that McDonald’s submitted its building permits several weeks ago and has committed to the project but would like to extend the expiration of the contingency period to allow all contingencies to be completed prior to closing.

Motion by Commissioner Riley, seconded by Commissioner Kuzma, to approve the First Amendment to the Real Estate Contract between the Ramsey HRA and McDonalds USA, LLC with a 90-day extension of the contingency period.

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

5.02: Adopt Resolution #HRA-13-06-107 Accepting Bids and Awarding Contract for COR TWO (Sunwood Retail) Stage 1 Improvements

City Engineer Westby reviewed the staff report and recommendation the HRA accept the two bids received and award a contract for the COR TWO Stage 1 improvements to the lowest responsible bidder, Douglas-Kerr Underground, LLC of Mora, Minnesota in the amount of \$241,875 for the base bid, or in the amount of \$311,993.55 for the base bid plus alternate bid. It was noted that substantial completion of the project is anticipated to occur on or before August 2 with final completion on or before September 13. City Engineer Westby reviewed funding sources and noted McDonald’s has indicated it is agreeable to these milestones.

Commissioner Riley stated he was supporting the underground ponding system so businesses are not disrupted but the recommendation is to not do that at this time.

City Engineer Westby displayed a diagram depicting the location of the underground infiltration system and explained if the pond is built in the future, the pipe will be in that location up to the

last manhole so it will not disrupt roadways. He stated the installation is specialized and a stand-alone project, so the cost to install now or later would be \$70,000.

Commissioner Riley asked if McDonalds would share in the cost if installed at this time.

Executive Director Ulrich stated McDonalds does not pay for storm sewer, sanitary sewer, or water main as those costs were included with the lot price. However, SuperAmerica may pay a portion.

There was discussion on the benefit of having flexibility by not installing the pond at this time so there are more options in locating a future building.

Motion by Commissioner Tossey, seconded by Commissioner Strommen, to adopt Resolution #HRA-13-06-107, Accepting Bids and Awarding a Contract for the COR TWO (Sunwood Retail) Stage 1 Improvements to the Lowest Responsible Bidder, Douglas-Kerr Underground, LLC of Mora, Minnesota in the amount of \$241,875.50 for the base bid improvements only.

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

Executive Director Ulrich stated he has received inquiries from Sophia Ramsey about when the pavement will be completed. He stated this issue will be presented to the HRA within the next 30 days.

5.03: Approve Purchase Agreement for North Commons COR III (Portions were closed to the public)

Executive Director Ulrich stated staff has received offers to purchase four lots in North Commons and requested the meeting be closed to consider the purchase agreements.

City Attorney Goodrich advised that under Minnesota Statutes, the meeting can move into closed session to discuss confidential or non-public appraisal data and acquisition negotiations. He indicated closed session discussion will relate to purchase agreements for Lots 1, 2, 3, and 4, Block 3, COR III North Commons development. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner LeTourneau, seconded by Commissioner Tossey, to move to Closed Session to discuss purchase agreements.

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

The HRA meeting moved into a Closed Session at 9:30 p.m.

The HRA reconvened in Open Session at 9:59 p.m.

City Attorney Goodrich stated the HRA held discussion, gave sale price parameters to staff, and directed staff to take necessary steps to sell the lots at those sale prices. No final decision was reached and final approval will come back to the HRA at an open meeting.

5.04: Purchase / Exchange of Property Outlot A RTC 8th Addition (Portions were closed to the public)

Executive Director Ulrich presented the staff report and letter of intent from Erhart & Elfelt, LLC, representing PSD, LLC, to purchase Outlot A of the Ramsey Town Center (RTC) 8th Addition, a three-acre parcel, for \$130,680 to construct 12 twin homes consisting of 24 one-level ADA residences. This purchase is subject to the City completing the second lift on the streets that abut the purchased property. In addition, PSD will exchange Outlot A of the RTC 13th Addition for Outlot A of the RTC 7th Addition. He reviewed the terms of the letter of intent and stated the offer is for \$1 per square foot and the “all in” costs for the City is \$17.16 per square foot. Executive Director Ulrich noted this land has been vacant for a period of time. He recommended this discussion to closed session to discuss terms.

City Attorney Goodrich advised that under Minnesota Statutes, the meeting can move into closed session to discuss confidential or non-public appraisal data and acquisition negotiations. He indicated closed session discussion will relate to property purchase/exchange of Outlot A, Ramsey Town Center, 8th Addition. The closed session will be tape recorded and that tape will be maintained for a period of eight years.

Motion by Commissioner Riley, seconded by Commissioner LeTourneau, to move to Closed Session to discuss purchase agreements.

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

The HRA meeting moved into a Closed Session at 10:10 p.m.

The HRA reconvened in Open Session at 10:27 p.m.

City Attorney Goodrich stated the HRA held discussion and no final decision was reached except to direct staff to research relative market land values and report back at the next HRA meeting. Any final conclusions on selling the subject property will be made at a public meeting.

6. DEVELOPMENT TEAM REPORT / EXECUTIVE DIRECTOR REPORT

HRA Executive Director Ulrich reported on development activities.

7. COMMISSIONER INPUT

Commissioner LeTourneau asked if staff is monitoring the apartment and subsequent payments on progressive closing.

Finance Director Lund explained that to get a reduction in interest for the first loan, they need to pay \$2 million by July 12, 2013. She stated she has alerted them of that date, which is one year from the first payment of the bond sale. They have three years of capitalized interest on the debt.

Executive Director Ulrich reported he received a proposal from Flaherty and Collins to pay one-half the payment and receive one-half the benefit so that will be on the next HRA agenda.

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 10:33 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.