

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, June 25, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Acting Chairperson John LeTourneau
 Commissioner Mark Kuzma
 Commissioner Chris Riley
 Commissioner Sarah Strommen
 Commissioner Jason Tossey

Members Absent: Chairperson Randy Backous

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

Vice Chairperson LeTourneau called the regular meeting of the Housing and Redevelopment Authority to order at 8:16 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

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

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

4. APPROVAL OF MINUTES

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

Regular Meeting Minutes dated June 11, 2013

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

5. HRA BUSINESS

5.01: Request by Flaherty & Collins to Restructure Loan Agreement Pertaining to The Residence at The COR

Finance Director Lund reviewed the staff report and request of Ryan Cronk of Flaherty & Collins (F&C) to restructure the initial loan agreement per the Development Agreement that was entered into by F&C Ramsey, LLC (developer), F&C Ramsey Member, LLC (borrower) the HRA, and the City of Ramsey. The request is to restructure Note #2 (\$6,916,000 debt issuance) in regard to the prepayment plan stated in Section 8.5 of Article VIII of the Development Agreement. It indicates the borrower may prepay Loan #2, in whole or in part, and all payments shall be applied first to the payment of accrued, unpaid late charges, then to accrued, unpaid interest, if any. The balance, if any, is then applied to reduction of principal. It was noted that if the borrower repays \$2 million or more now or before the date or 12 months after the date of the first disbursement of Loan #2 proceeds, the HRA shall forgive \$250,000 of the Loan #2 principal amount (\$1,420,000). Finance Director Lund indicated F&C has prepaid \$500,000 to date and needs to pay \$1.5 million by July 16, 2013, to take advantage of the \$250,000 forgiveness toward Loan #1. The request is to reduce the required prepayment amount from \$2,000,000 to \$1,000,000 and also reduce the received forgiveness from \$250,000 to \$125,000. Finance Director Lund presented options for consideration as detailed in the staff report and recommendation to not accept the proposal.

Commissioner Strommen advocated for staff's recommendation as the original agreement was heavily negotiated over a period of time and had the intent been to offer a tiered incentive, that would have been part of the agreement. She noted the incentive was to get more equity in the project and she supports staying with that agreement.

Motion by Commissioner Riley, seconded by Commissioner Tossey, to not accept the request by Flaherty & Collins for a loan agreement restructuring for The Residence at The COR.

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

5.02: Consideration of Accepting Improvements and Approving Final Payment for North Commons Improvements

City Engineer Westby reviewed the staff report and indicated Engineering Technician IV has inspected the completed work and the City Engineer recommends accepting the improvements and approving final payment to Country Line Excavating for IP 12-25, North Commons, in the amount of \$103,889.25. With regard to ongoing obligations, he noted that one storm sewer is

not connected so staff recommends the obligation be dismissed for that one line. It was noted this storm sewer had been inspected and approved.

Motion by Commissioner Tossey, seconded by Commissioner Riley, to accept the improvements and approving final payment to Country Line Excavating for IP 12-25, North Commons, in the amount of \$103,889.25.

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

6. DEVELOPMENT TEAM REPORT

HRA Executive Director Ulrich provided updates on construction projects, acquisition negotiations, and the schedule for COR Two improvements to serve the McDonalds and SuperAmerica sites. He stated the plat of COR Two will be completed and filed this week as the lien waiver has been resolved. HRA Executive Director Ulrich stated Flaherty & Collins has indicated 52 units are open, 15 are leased, and 6 are occupied. He stated the City Hall “Library on the Go” is open and a Grand Opening Ribbon Cutting will be held on July 9, 2013. He reported the City closed on the Kiefer property and an escrow is available for clean up of that site.

7. COMMISSIONER INPUT

Acting Chairperson LeTourneau announced that he and Chairperson Backous will be holding a meeting with the development community to reach out and discuss options to position Ramsey to move forward.

8. ADJOURNMENT

Motion by Commissioner Tossey, 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 8:33 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.