

**City of Ramsey**  
**Agenda**  
**Housing and Redevelopment Authority (HRA)**  
**Regular Session**  
**Tuesday July 9, 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 Regular - June 25, 2013
- 5. HRA Business**
  1. Consider Counter-Proposal for Sale of Outlot A RTC 8th Addition (This discussion may be closed to the public)
- 6. Development Team Report**
- 7. Commissioner Input**
- 8. Adjournment**

**HRA Regular Session**

**4. 1.**

**Meeting Date:** 07/09/2013

**Submitted For:** Jo Thieling

**By:** Jo Thieling, Administrative Services

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**Information**

**Title:**

Approve the Following Meeting Minutes:

1. HRA Regular - June 25, 2013

**Background:**

Meeting minutes attached.

**Funding Source:**

N/A

**Action:**

Motion to approve the following meeting minutes

1. HRA Regular - June 25, 2013
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**Attachments**

062513 HRA Mts

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**Form Review**

Form Started By: Jo Thieling

Started On: 07/03/2013

Final Approval Date: 02/07/2013

**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,

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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.*

Meeting Date: 07/09/2013

Submitted For: Kurt Ulrich

By: Jo Thieling, Administrative Services

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**Information**

**Title:**

Consider Counter-Proposal for Sale of Outlot A RTC 8th Addition (This discussion may be closed to the public)

**Background:**

A letter of intent, dated May 28, 2013, addressed to HRA Chairperson Backous, was received from the office of Erhart & Elfelt, LLC. The letter of intent related to a parcel of property that PSD, LLC was interested in purchasing from Ramsey HRA and exchanging parcels of property. The HRA discussed this letter of intent at their June 11, 2013 regular meeting. Following discussion at the meeting, City Administrator wrote to Mr. Erhart asking him to consider the following:

1. Purchase.

a. The HRA is interested in selling the three-acre parcel that is generally described as Outlot A of the Ramsey Town Center 8th Addition.

b. The HRA is in general agreement with the proposed land use of twin homes for the property as it is consistent with the comprehensive plan for the area, but the impact of the reduction in density needs to be reviewed. The property would need to follow the development approval process required by the City.

c. The HRA is reviewing the purchase price and intends to respond with a counter-offer within 30 days.

*Since the writing to Mr. Erhart, staff has contacted a number of brokers for opinions of value. Findings will be presented at the HRA meeting.*

d. Construction of the final lift on adjacent streets is something that the HRA is willing to undertake depending on the price negotiated for the parcel.

e. The HRA believes there are no outstanding assessments on the property, but will need to verify this with an assessment search. *Since the writing to Mr. Erhart, staff has performed an assessment search on the property and found there are no pending assessments.*

2. Exchange.

a. The HRA is not interested in an exchange of property at this time, but is a willing seller, and would consider any reasonable offer of cash and or terms for the parcel known as Outlot A of the Ramsey Town Center 7th.

**Notification:**

**Observations/Alternatives:**

**Recommendation:**

Staff recommends that the HRA offer a counter proposal on the land sales price for purchase and consider other parcels that are more comparable in value for the land exchange.

**Funding Source:**

Not applicable.

**Action:**

Staff recommends a discussion in closed session to consider this real estate negotiation.

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### Form Review

**Inbox**  
Kurt Ulrich  
Patrick Brama

**Reviewed By**  
Jo Thieling  
Patrick Brama

**Date**  
07/03/2013 08:51 AM  
07/03/2013 03:35 PM  
Started On: 07/02/2013

Form Started By: Jo Thieling

Final Approval Date: 07/03/2013