

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

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

Members Present:     Chairperson Randy Backous  
                            Commissioner Jill Johns  
                            Commissioner Mark Kuzma  
                            Commissioner John LeTourneau  
                            Commissioner Sarah Strommen  
                            Commissioner Jason Tossey

Members Absent:     Commissioner Chris Riley

Also Present:         HRA Executive Director Kurtis G. Ulrich  
                            Deputy Executive Director Timothy Gladhill  
                            Finance Director Diana Lund  
                            City Engineer Bruce Westby  
                            Assistant to the City Administrator Patrick Brama  
                            City Attorney Joe Langel

**1.     CALL TO ORDER**

Chairperson Backous called the regular meeting of the Housing and Redevelopment Authority to order at 10:57 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, Johns, LeTourneau, and Strommen. Voting No: None. Absent: Commissioner and Riley.

**4.     APPROVAL OF MINUTES**

Commissioner Johns requested a correction to the August 27, 2013, minutes, Page 1, Call to Order, to indicate: Acting Chairperson LeTourneau ~~Chairperson Backous~~ called the meeting...”

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

Regular Meeting Minutes dated July 9, 2013  
Regular Meeting Minutes dated July 23, 2013  
Regular Meeting Minutes dated August 27, 2013, as corrected  
Regular Meeting Minutes dated September 10, 2013  
Special Meeting Minutes dated September 17, 2013

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

## **5. HRA BUSINESS**

### **5.01: Approve Second Amendment to the Real Estate Contract Between the Ramsey HRA and McDonald's USA, LLC**

HRA Executive Director Ulrich reviewed the staff report and Second Amendment to the Real Estate Contract between the Ramsey HRA and McDonald's USA, LLC (McDonald's), noting the HRA had granted a 90-day extension to extend the July closing date. The original request was for a six-month extension; however, a shorter 90-day extension was negotiated and the HRA and McDonald's entered into the First Amendment to the Real Estate Contract with the extended closing date to October 9. Due to the fact that some open items remain prior to proceeding to close on the property, staff is requesting a 60-day extension to December 9, 2013. The items that remain to be completed prior to closing include: 1. Application for an Examiner's Directive from Anoka County Examiner of Titles; 2. Sign package; 3. Final soils agreement; and, 4. Final easements for recording at closing. It was noted the HRA has the option to not extend the contract, which would require McDonald's to either cancel the contract or waive all contingencies and close by October 23. Given that McDonald's may not be able to waive all contingencies by October 9 and the logistics of closing by October 23 are difficult, staff recommends a 60-day extension. He stated there will be no costs for the HRA to consider this extension.

Motion by Commissioner Tossey, seconded by Commissioner Strommen, to approve the Second Amendment to the Real Estate Contract between the Ramsey HRA and McDonald's USA, LLC, with an extension of the contingency period to December 9, 2013.

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

### **5.02: Approve Extended Contract with Ehlers Financial Advisors for TIF Analysis**

HRA Executive Director presented the Proposal for Services for further analysis of TIF District #14, The COR, from Ehlers & Associates in a not-to-exceed amount of \$5,000 to finalize the initial work performed under the first contract. It was noted the amendment is to add the task of performing drafting and analysis of special legislation to meet the City's TIF goals.

Commissioner Strommen asked what is involved with drafting special legislation prior to the analysis.

HRA Executive Director Ulrich stated there will be different alternatives that could be brought forward with special legislation that need to be analyzed. He stated support to have Ehlers involved with analysis of the alternatives.

Commissioner Strommen stated she does not support paying Ehlers to draft special legislation in case the HRA decides to go a different direction.

Commissioner Tossey stated his belief that Ehlers left the HRA thinking The Residence at The COR was “hunky-dory” and he would not support paying Ehlers for anything, as TIF #14 District is a mess. He stated Ehlers gave testimony saying everything would be fine but that is not the case so he would not support paying Ehlers any more dollars.

Chairperson Backous asked if the HRA was getting value for the dollars spent with Ehlers.

HRA Executive Director Ulrich answered in the affirmative, noting Ehlers has extensive experience with TIF and can analyze accuracy of the numbers for the HRA’s consideration. He stated it is true there are issues with this District and it was not anticipated when this District was created that property values would continue to fall. HRA Executive Director Ulrich explained the HRA needs to understand the problems and take action so if not Ehlers, another consultant could be used.

Commissioner Strommen agreed the HRA needs help figuring out what to do with this District and Ehlers has knowledge of this District. She stated after the last meeting, she was pessimistic about moving forward based on advice from Ehlers, and now this situation has occurred when people should have known property values would fall. Commissioner Strommen stated the HRA has to hear what needs to be heard, not what they want to hear, because the HRA needs to understand the challenges being faced, seriousness, and how much of the problem will be solved.

Commissioner Tossey noted staff predicted that property values would continue to fall and he does not support paying Ehlers more money when it led the HRA “down the wrong road” by saying this District cannot fail. He supported using another financial consultant.

Commissioner LeTourneau stated he also struggles with the issue of trust and asked what a solution would be. He stated he would support getting a bid for another view from another resource that the HRA could trust.

Finance Director Lund stated on the value, you have to lock in on a year to establish a baseline to create a TIF comparison. She stated the Flaherty and Collins bond is coming up quickly so the TIF agreement has to be locked in.

Chairperson Backous stated he agrees with the concern of Commissioner Tossey.

Finance Director Lund stated a new consultant will end up costing more and suggested that Ehlers be told the HRA is not happy with their past recommendation and that they need to do better.

Commissioner LeTourneau stated he also struggles with the trust issue and wants the proper outcome. He stated he trusts the opinion of Finance Director Lund and her perspective and asked how he can agree that Ehler's is the correct consultant.

Finance Director Lund stated any consultant who bids on the work will do a good job because they know what has happened. She stated she understands the trust issue but does not have a problem with Ehlers. Finance Director Lund stated she felt whoever is hired will know the guidelines, the problem, and how it needs to be corrected.

Commissioner Tossey stated Ehlers raised the issue of decertification and asked if they need to be used to decertify.

Finance Director Lund stated now that it is in place, anyone can come in and help because it has been drafted, what has to be corrected.

Chairperson Backous suggested the HRA postpone action on this item and request that staff obtain quotes from other consultants.

Motion by Commissioner Tossey, seconded by Commissioner Kuzma, to postpone consideration of the Proposal for Services, as amended to add the task of performing drafting and analysis of special legislation to meet the City's TIF goals, for further analysis of TIF District #14, The COR, for a not-to-exceed amount of \$5,000, and ask staff to obtain additional quotes.

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

## **6. EXECUTIVE DIRECTOR'S REPORT**

None.

## **7. COMMISSIONER INPUT**

None.

## **8. ADJOURNMENT**

Motion by Commissioner Kuzma, 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 11:19 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.*