

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

The Housing and Redevelopment Authority conducted a regular meeting on Tuesday, November 12, 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 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
 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 8:59 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVAL OF AGENDA

Motion by Commissioner Johns, seconded by Commissioner LeTourneau, to approve the agenda as submitted.

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

4. APPROVAL OF MINUTES

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

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

5. HRA BUSINESS

5.01: Award Contract for Services for Further Analysis of Tax Increment Financing (TIF) District #14 – The COR

HRA Executive Director Ulrich reviewed the staff report and proposals from Ehlers and Northland Securities to conduct a further analysis of Tax Increment District (TIF) District 14. He described the negative impact of declining property values within the District and opportunity for decertification or special legislation. HRA Executive Director Ulrich reviewed the two proposals received and staff recommendation that the HRA accept the proposal from Ehlers in a not-to-exceed amount of \$5,000 as Ehlers is the most knowledgeable of the City's TIF District #14 and has already performed a first analysis of the City's original TIF #14 Plan. HRA Executive Director Ulrich stated staff could do this analysis but it would be much less efficient than using a consultant that knows all of the TIF rules and how State laws are applied.

Finance Director Lund stated most cities outsource TIF due to the requirements and prerequisite to follow TIF rules and regulations, noting financial consultants deal strictly with TIF and are experts in that field.

Chairperson Backous noted the intent is to develop strategies to approach the Legislature. He corrected his previous comment and clarified that Ehlers had not prepared the report on TIF District #14.

Motion by Commissioner LeTourneau, seconded by Commissioner Kuzma, to approve the proposal from Ehlers in a not-to-exceed amount of \$5,000.

Further discussion: The HRA discussed the past work of Ehlers and need to address what can be done with TIF #14 to get a returned value and good platform on which to make decisions.

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

5.02: Approve Work Order for Installation of Sign in COR TWO / Sunwood Retail Area per Real Estate Contract with McDonald's USA, LLC

Deputy Executive Director Gladhill reviewed the staff report and six alternatives to consider for the construction of two permanent signs along Sunwood Drive for McDonald's USA, LLC. It was noted that one-third of the cost of the signs will be reimbursed by McDonald's in addition to the purchase price. The remaining two-thirds will be paid by land sale proceeds from McDonald's and is anticipated to be reimbursed at the time of sale of Lots 1 and 3, Block 1, COR TWO of the Sunwood Retail Area. Deputy Executive Director Gladhill presented the

proposed project entry sign, noting the HRA has committed to this obligation under the Real Estate Contract between the HRA and McDonald's USA, LLC. Staff recommends that the HRA adopt a resolution approving the Work Order for construction of two permanent signs along Sunwood Drive in the amount of \$60,554.00, contingent upon completion of the real estate transaction by and between the HRA and McDonald's USA, LLC. Deputy Executive Director Gladhill described the building materials and advised that this cost does not include electrical connections so that will be considered at a later date. He presented alternatives for consideration.

HRA Executive Director Ulrich stated this is a community sign project for the three tenants/lots so the costs will be spread and passed forward when the tenants are in place or the lots are sold.

Deputy Executive Director Gladhill clarified that the recommended bid includes dryvit, not Kasota Stone, due to the cost. He stated there is an obligation to provide two shared signs and McDonald's sign panels on those signs. Deputy Executive Director Gladhill stated it is being considered at this time because it is a requirement of the real estate contract and McDonald's wants the sign costs locked in at this point.

HRA Executive Director Ulrich stated the sign would not be ordered until the property is closed and the HRA has land proceeds in hand. He noted the sign will not be started until spring and if desired by the HRA, can be constructed concurrent with McDonald's construction.

Commissioner LeTourneau stated concern with deviating from building material requirements within the Master Sign Plan, over which hours were spent, due to the costs. He supported the HRA remaining consistent to Master Sign Plan requirements.

Motion by Commissioner Tossey, seconded by Commissioner Strommen, to adopt Resolution #13-11-194 approving the Work Order for construction of two permanent signs along Sunwood Drive in the amount of \$60,554.00, contingent upon completion of the real estate transaction by and between the HRA and McDonald's USA, LLC, and construction concurrent with McDonald's construction.

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

5.03: Consider Third Amendment to the Real Estate Contract with McDonald's Corporation

HRA Executive Director Ulrich reviewed the staff report, noting this document is intended to be the final clean-up of outstanding issues prior to closing. He explained the City has the option to delay or reject the amendments as proposed, but doing so would delay the sale, subject to additional negotiation by the buyer. Staff recommends approval of the Third Amendment to the Real Estate Contract with McDonald's USA, LLC, subject to review and approval of the City Attorney. HRA Executive Director Ulrich reviewed the list of excluded restaurants.

Motion by Commissioner Riley, seconded by Commissioner LeTourneau, to approve the Third Amendment to the Real Estate Contract with McDonald's USA, LLC, subject to review and approval of the City Attorney.

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

5.04: Discuss Contract Settlement Offer, Landform, LLC

HRA Executive Director Ulrich advised that this matter does not require or qualify for a Closed Session. He reported a settlement offer was received from Landform to close out the contract; however, he does not think the terms are favorable or would be accepted by the HRA at this point.

The consensus of the HRA was to support the suggestion of HRA Executive Director Ulrich that the HRA appointed negotiating committee continue negotiations with Landform to reach an acceptable settlement offer.

6. EXECUTIVE DIRECTOR'S REPORT

HRA Executive Director Ulrich reported on recent interest in the North Commons property at a range of \$65,000 to \$70,000 as the lots are located along the park. He stated there has also been interest for a convenience store on the Ramsey Boulevard property and that group has been asked to submit a written proposal.

HRA Executive Director Ulrich stated the builder who had an agreement on four North Commons lots that was canceled when the HRA decided to not move that development forward, would like to reach a settlement. Staff will bring forward that matter at the next meeting.

HRA Executive Director Ulrich noted the City Council had canceled the RFP process for broker services.

The consensus of the HRA was to direct staff to post "For Sale" signs on the HRA-owned residential property.

7. COMMISSIONER INPUT

None.

8. ADJOURNMENT

Motion by Commissioner Riley, 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 9:37 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.