

City of Ramsey
Agenda
Housing and Redevelopment Authority (HRA)
Special Session
Tuesday February 5, 2013
Immediately Following City Council Work Session
Lake Itasca Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Approve Minutes**
- 5. HRA Business**
 1. Consider Work Order to Revise the COR TWO Plat and Associated Documents
 2. Consider potential land use and sale of land - Southwest corner of Ramsey Boulevard and Sunwood Drive (Portions may be closed to the public)
 3. Consider proposed change to purchase agreement - Edgewood Development (Portions may be closed to the public)
- 6. Development Team Report**
- 7. Commissioner Input**
- 8. Adjournment**

HRA Special Session

5. 1.

Meeting Date: 02/05/2013

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider Work Order to Revise the COR TWO Plat and Associated Documents

Background:

In June of 2012 the Planning Commission reviewed the sketch plan for all proposed platting in The COR. This included the proposed plat of COR TWO on the western edge of the project.

On August 2nd, the Planning Commission held a public hearing, and recommended approval of the preliminary and final plats for COR TWO.

On August 15, 2012, the City Council approved the plat, and an ordinance related to the vacation of easements and rights-of-way was introduced.

On August 28th, 2012, The ordinance related to the vacation of easements and rights-of-way were adopted.

On January 22, 2013, the HRA reviewed the issues related to the Plat of COR TWO and provided consensus direction to proceed with the preparation of cost estimates and reconsideration at the next available meeting.

Notification:

Observations/Alternatives:

The plat of COR TWO was completed and ready for recording at the end of 2012. Parties to the plat included the HRA and Sophia-Ramsey, LLC. Sophia-Ramsey, LLC are the owners of Lots 1 and 2 in Ramsey Town Center 3rd Addition, commonly known as the Coborn's anchored retail area. The timing of recording of the plat is significant because state law requires all parcels included in the plat to be paid current on property taxes. If this occurs on December 31st, this consists of a single day of property tax. On January 1, the taxes due to record the plat would be a full year, or over \$300,000 on Sophia Ramsey's two lots.

In 2012, Sophia Ramsey had previously agreed to record the plat, and the HRA Development Team negotiated all agreements and easements accordingly. These easements included, but are not limited to, shared access easements, trail easements, and drainage and utility easements. In December of 2012, Sophia Ramsey's mortgage was sold. The new mortgage holder had not assigned the account, and accordingly was not able to consent to the plat.

As a result, the plat could not be recorded before year-end. While Sophia Ramsey still wants to be part of the plat, they have stated they are no longer able to participate in the plat because of the requirement to pay their taxes in full for the 2013 fiscal year. It is anticipated that Sophia Ramsey will desire to complete the process near the end of 2013.

Separately, in order to facilitate the site plans for McDonalds and Super America, the COR TWO Plat (or version thereof) must be recorded. If modifications are required to exclude areas of the Plat previously approved by the City Council, thus necessitating the creation of additional parcels or modification to the configuration of lot lines, the revised Plat will need to be approved by the City Council. Based on initial review of the concept proposed, it is recommended that City Council action will be necessary.

In addition, the City was awarded a Local Road Improvement Project (LRIP) Grant to assist the construct the

re-aligned Sunwood Drive. In order to complete the terms of the grant award, the City Council must certify that it holds fee-title ownership for the roadway. Currently, the HRA holds fee-title ownership, with an appropriate legal document provided that allowed construction to commence. The Plat of COR TWO was the proposed mechanism to convey fee-title ownership to the City. However, it should be noted that there are other viable options to address the grant award. These options include, but are not limited to, conveying a permanent road easement via quit claim deed or the recording a right-of-way plat. A right-of-way plat would dedicate the necessary right-of-way for Sunwood Drive, but would not satisfy certain terms of purchase agreements with the HRA, nor provide the necessary buildable parcels necessary to facilitate the projects referenced above. Staff has not prepared an estimate for these two (2) options at this time, as direction from the HRA was to prepare estimates to revise the COR TWO plat.

Given the situation with Sophia Ramsey, an alternative platting scenario is being proposed and this case seeks the HRA's direction as to how they would like to proceed. The new scenario would require a redraft of the plat, and modifications to the existing easements and real estate documents. The attached sketch outlines the proposed modification to the plat, and the remnant parcels created (Outlots B and C).

The following will outline two (2) options to consider as it relates to reimbursement of the costs to revise the plat and associated documents. Option #1 would be to revise the plat. Option #2 would be to revise the plat -AND- require Sophia Ramsey, LLC to enter into a documented agreement to reimburse the HRA the costs to revise the plat.

Option #1 - Revise the Plat

To simply revise plat and proceed to record and close on contracted lots, the following actions will be required:

1. Revise Plat and resubmit for County Approval
2. Resubmit to City Council for approval of revised plat.
3. Revise completed easements and agreement exhibits related to the access and utilities.
4. Revise Existing real estate documents and gain approval of amendments.
5. ***Estimated Cost - \$8,000 (\$5,000 in surveying costs [see attached work order] + \$3,000 in legal costs [estimated only])***

Option #2 - Revise the Plat -AND- require Reimbursement Agreement with Sophia Ramsey, LLC

To additionally enter into an agreement with Sophia Ramsey, LLC related to their acquisition of parcels and eventual platting is a bit more complicated.

1. Perform all Steps #1 through #4 above
2. Prepare amendment to Agreement Related to the Plat of COR TWO to include a requirement that Sophia Ramsey, LLC reimburse the cost to revise the Plat of COR TWO.
3. ***Estimated Cost - \$16,000 (\$5,000 in surveying costs [see attached work order] + \$11,000 in legal costs [estimated only]).***

City Staff recommends that at minimum, some sort of written agreement be secured to outline the agreement for reimbursement of costs by Sophia Ramsey, LLC. It is Staff's understanding the HRA legal counsel is working on a potential Memorandum of Understanding that could be in executable form that would fit within Option #1 above. Staff further acknowledges that Option #1 will be required if the site plans for Lots 3 through 5 (Sunwood Retail) are to move forward without the inclusion of Lots 1 and 2 (Sophia Ramsey, LLC).

Some, or all of these costs could be recovered through the sale of the remnant parcels to Sophia Ramsey. It is noted that this expense has not currently been budgeted within the HRA budget.

Recommendation:

The Development Team that the HRA proceed with Option #1 (\$8,000) to modify the plat of COR TWO, and revise documents necessary to record the plat.

The Development Team recommends the HRA propose the transfer of the remnant parcels shown as Outlots B and C to Sophia Ramsey, LLC with the condition that they re-plat the parcels before December 31, 2013, and reimburse the HRA for all expenses in making the modifications to the plat.

Upon successful platting of those parcels, the HRA would grant the access easement over the HRA lots as shown in the current documents. The HRA would hold the remnant parcels and the access easement as security for Sophia Ramsey's contribution to the costs associated with this effort.

Funding Source:

Funding for preparation of the revised plat and associated documents has been proposed as an internal loan from The COR revolving fund, subject to repayment from Sophia Ramsey, LLC, and/or proceeds from closing on the three HRA parcels created with this plat (the Sunwood Retail Area). Sophia Ramsey has indicated that they would participate in the costs associated with this effort in exchange for the remnant parcels, and a permanent access easement.

Council Action:

Motion to authorize the Executive Director to execute a work order with Landform Professional Services in the amount not to exceed \$5,000, to authorize \$3,000 in HRA legal counsel fees for a total of \$8,000, and to direct the development team to proceed with the modification to the plat of COR TWO and revise documents necessary to record the plat.

Motion to direct HRA counsel to prepare an agreement with Sophia Ramsey, LLC related to the eventual platting of their parcels, and their contribution to the costs of revising the plat.

- Contingent upon-

- Analysis by the City's Planning and Engineering Division supporting the viability of the attached sketch;
- Subject to review by the City Attorney as to legal form.

Attachments

Sketch of Plat Modification

Work Order - Revise plat

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	01/31/2013 02:10 PM
Tim Gladhill	Tim Gladhill	01/31/2013 03:22 PM
Diana Lund	Diana Lund	01/31/2013 03:38 PM
Kurt Ulrich	Kurt Ulrich	01/31/2013 04:53 PM
Hakanson Anderson Engineering	Kathy Schmitz	01/31/2013 05:00 PM

Form Started By: Darren Lazan

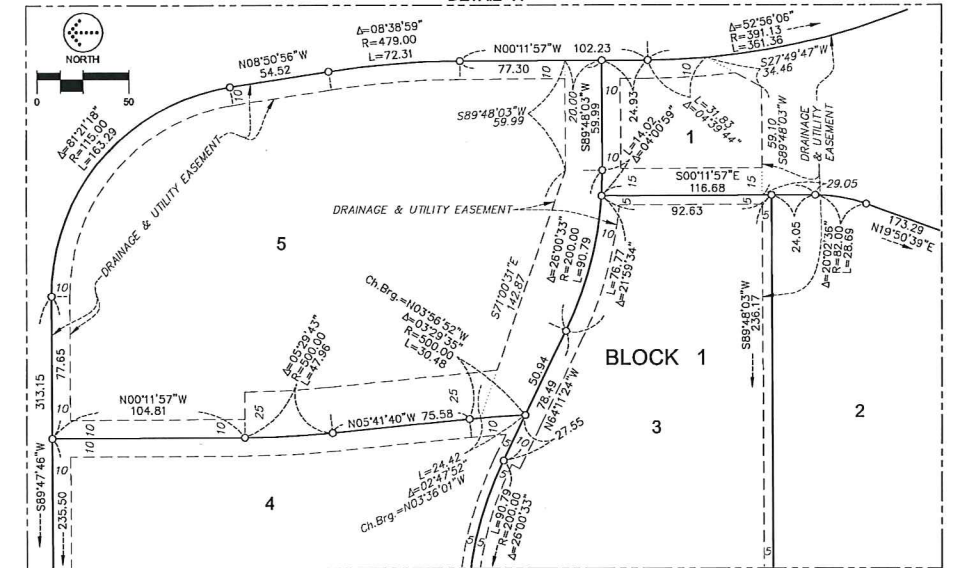
Started On: 01/30/2013

Final Approval Date: 01/31/2013

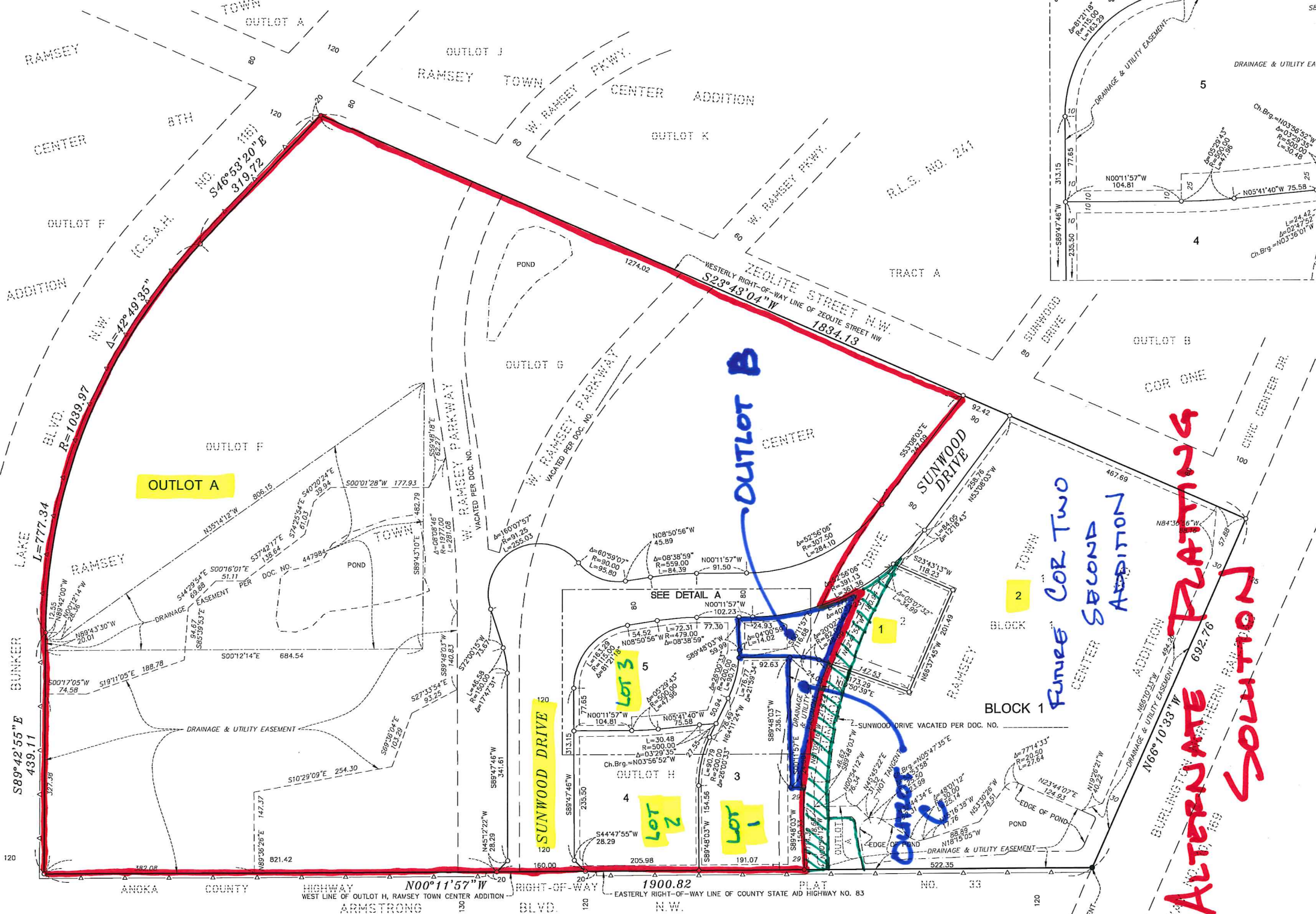
COR TWO

CITY OF RAMSEY
 COUNTY OF ANOKA
 SEC. 28, TWP. 32, RNG. 25

DETAIL A



RAMSEY TOWN CENTER ADDITION
 146TH LANE N.W.
 BLOCK 1
 BLOCK 2
 BISON ST. N.W.
 80TH
 OUTLOT A
 ADDITION

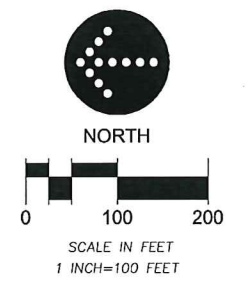


DRAINAGE AND UTILITY EASEMENTS ARE SHOWN AS THUS:
 (NOT TO SCALE)

BEING 5 FEET IN WIDTH AND ADJOINING LOT LINES UNLESS OTHERWISE SHOWN AND BEING 10 FEET IN WIDTH AND ADJOINING RIGHT OF WAY LINES UNLESS OTHERWISE SHOWN

FOR THE PURPOSES OF THIS PLAT, THE WEST LINE OF OUTLET H, RAMSEY TOWN CENTER ADDITION IS ASSUMED TO BEAR NORTH 00 DEGREES 11 MINUTES 57 SECOND WEST

- DENOTES IRON MONUMENT FOUND
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT, SET AND MARKED WITH MINNESOTA LICENSE NO. 47465
- △ DENOTES RIGHT OF ACCESS DEDICATED TO COUNTY OF ANOKA



ALPHA OUTLOT D DEVELOPMENT	HY-10 RAMSEY 2 BLOCK 1 2ND ADDITION	HY-10 RAMSEY 4TH BLOCK 1	HY-10 RAMSEY 3RD BLOCK 1	HY-10 2 BLOCK 2	RAMSEY 4 BLOCK 1	HAUSER 2 BLOCK 3 ADDITION
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105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401
Tel: 612-252-9070
Fax: 612-252-9077
www.landform.net

WORK ORDER

DATE	January 31, 2013	CONTRACT NO.	RAM12020
CLIENT INFORMATION		BILLING INFORMATION (IF DIFFERENT FROM CLIENT)	
COMPANY NAME	City of Ramsey HRA	COMPANY NAME	
CLIENT CONTACT	Kurt Ulrich	CONTACT	
ADDRESS	7550 Sunwood Drive	ADDRESS	
CITY, STATE, ZIP	Ramsey, MN 55303	CITY, STATE, ZIP	
PHONE/FAX	763-433-9817	PHONE/FAX	

PROJECT INFORMATION			
PROJECT NAME	Revisions to the plat of COR TWO	PRINCIPAL	Darren Lazan
PROJECT DESCRIPTION	Revise the completed plat of COR TWO to remove Lots 1 and 2 from the plat limits.	STUDIO/DEPT	Survey
PROPERTY LOCATION	The COR	EST. START DATE	Upon Approval
CITY, STATE, ZIP	Ramsey, MN 55303	EST. COMPLETE DATE	To be Determined
PIN:	Multiple	PROJECT MANAGER	Scott Trosen
		PHASE MANAGER	Scott Trosen

SCOPE OF SERVICES LANDFORM AGREES TO PERFORM PROFESSIONAL SERVICES FOR THE CLIENT AS FOLLOWS:

PHASE	DESCRIPTION	TASK	BILLING MESSAGE
RAM12020	COR TWO revisions	Revise the completed plat of COR TWO to remove Lots 1 and 2, submit for county review and approval, submit for city council approval, revise and redraft the vacation of right-of-way and vacation of utility easements and descriptions, assist legal in the revisions to documents related to the plat of COR TWO.	\$5,000.00

Reimbursable Expenses, including but not limited to Mileage, Plotting, Printing, Scanning, and Subconsultants are not included in the fees below and will be billed as a reimbursable expense at 1.15 times cost.

FEES (RATE SCHEDULE IS AVAILABLE UPON REQUEST FOR HOURLY CONTRACTS)

<input type="checkbox"/>	FIXED FEE	FIXED FEE AMOUNT:	Plus Typical Reimbursables
<input type="checkbox"/>	HOURLY WITH AN ESTIMATE	ESTIMATE FEE:	RATES
<input checked="" type="checkbox"/>	HOURLY TO A MAXIMUM	MAXIMUM FEE: \$5,000.00	RATES Per contract

IN WITNESS WHEREOF, the parties have accepted, made and executed this agreement upon the terms, conditions and provisions stated above and on the attached General Conditions including, but not limited to, provisions relating to limitations on liability of Consultant.

Accepted By:

Landform

City of Ramsey

Darren Lazan
President

Date: December 5, 2012
Landform Federal Tax ID: 27-1199905

Date:

General Conditions

1. All required services outside SCOPE OF WORK outline will be provided upon the CLIENT'S request and will be billed at the rates quoted on the CURRENT FEE SCHEDULE. A copy of the CURRENT FEE SCHEDULE has been made available to CLIENT or is attached hereto. Rates and multiples for Additional Services and other services as set forth in the fee schedule shall be adjusted annually in accordance with normal salary review practices of Consultant.
2. Fees outlined in this contract will be adhered to subject to site conditions and criteria set forth by the CLIENT and requirements of all applicable governmental agencies, utility companies, etc., in effect on the date of the CONSULTANT'S signing of this contract. No work by the CONSULTANT will commence until fully dimensioned and client-approved plans have been received from CLIENT. Subsequent changes to the plans, which require additional work by the CONSULTANT, will result in extra charges at the rates quoted on the CURRENT FEE SCHEDULE.
3. Field staking will be performed one time only for the fees quoted. Any restaking due to the loss of stakes beyond the CONSULTANT'S control will be billed at the rate on the CURRENT FEE SCHEDULE. In addition, fees outlined for field survey and construction staking are subject to the CONSULTANT being able to perform each item without delays beyond its control. The CLIENT shall request construction-staking items a minimum of two (2) working days in advance of when desired.
4. In the event that a question or claim may arise as to an error or omission in the CONSULTANT'S work or plans, the CONSULTANT will assume no liability for errors or omissions unless notified within 48 hours of the client's discovery of such. If notified within 48 hours, the CONSULTANT will have the right to remedy any such errors or omissions within a reasonable and agreed upon time thereafter, at no additional cost to the CLIENT. The CONSULTANT will assume no liability for construction staking unless all stakes are maintained intact and verified as to their origin.
5. The CLIENT shall give separate authorization to the CONSULTANT to commence each item of work as outlined in the SCOPE OF WORK.
6. CLIENT will be billed monthly, based upon percentage of work completed and/or hourly charges and reimbursable costs. Invoices are due and payable upon presentation. Objections to invoices not made in writing within thirty (30) days of the billing date are waived. A FINANCE CHARGE of one and one half percent (1.5) per month (18% ANNUAL PERCENTAGE RATE) will be added to portions of accounts over 30 days past due. FINANCE CHARGES may be compounded. CLIENT'S failure to make timely payments is justification for suspension of all services and withholding of all deliverables until payment is received or other written agreements made. CONSULTANT shall be entitled to recover all costs, expenses and fees incurred by CONSULTANT (including litigation and arbitration fees and costs, reasonable attorneys' fees, and CONSULTANT'S internal labor at the rates quoted on the CURRENT FEE SCHEDULE) due to CLIENT'S failure to make timely payments.
7. This Agreement may be terminated by either party upon seven (7) days' written notice. In the event of any termination, the CONSULTANT will be paid for all services rendered to the date of termination plus unpaid reimbursable expenses. Such termination shall not affect the parties' accrued rights and liabilities as of the date of termination. Without limiting the generality of the foregoing, paragraphs 4, 6, 9, 10, 11, 12, 14, 15, and 16 of these General Conditions shall survive any cancellation, expiration, or termination of this Agreement.
8. The CONSULTANT will not be responsible for the cost of permits, title company charges, governmental review fees, soil reports, printing, photographic charges, etc. as applicable, except those printing charges necessary for the CONSULTANT to do it's work. The CONSULTANT will be reimbursed for such charges paid by it for the CLIENT at the rates quoted on the CURRENT FEE SCHEDULE.
9. The CONSULTANT will not be responsible or liable for the following:(a) Any use of plans, surveys, specifications, etc. not signed and sealed by the CONSULTANT and approved by the appropriate governmental agencies; (b) Inaccuracy of data, plans, legal descriptions or any other information supplied by the CLIENT or others; (c) Site soil, hydrologic, or geologic conditions; (d) Changes to the plans and specifications made by the CLIENT or others; (e) Job site conditions; or (f)The performance of work on this project by any construction contractor or third party.
10. All original work will be property of the CONSULTANT. The CLIENT at its request will be furnished with reproducible copies as a reimbursable expense. All documents furnished by the CONSULTANT are instruments of its service. They are not suitable for reuse or extensions of this project or any other project. CONSULTANT is the author of these documents and retains all common law, statutory and/or reserved rights, including copyright. Any reuse without specific written approval by the CONSULTANT in each case will be at the sole risk of the user and without liability or legal exposure to the CONSULTANT.
11. Neither the CLIENT nor the CONSULTANT shall assign, sublet or transfer any rights under or interest in the contract without the written consent of the other. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the CLIENT or CONSULTANT.
12. The CONSULTANT makes no representation concerning any cost estimate figures made in connection with maps, plans, specifications or drawings other than that all cost figures are estimates only and the CONSULTANT shall not be responsible for fluctuations in costs or quality figures.
13. The CLIENT agrees to cooperate in every way requested by the CONSULTANT to expedite the completion of the work set forth in the contract. The CLIENT agrees to provide the CONSULTANT access to the property involved and to make available any records, documents, deeds, legal descriptions or other items requested by the CONSULTANT for the reasonable pursuit of the completion of the work.
14. The CONSULTANT makes no warranty, either expressed or implied, as to its services. Services will be performed in accordance with generally accepted engineering and/or surveying practices.
15. Any claim, dispute or other matter in question arising out of or relating to this Agreement or breach thereof ("Claim") in which the aggregate amount in controversy exclusive of interest, attorneys' fees and costs, is less than or equal to \$100,000 shall be decided by binding arbitration in Minneapolis in accordance with the Construction Industry Rules of the American Arbitration Association. Judgment on any award by the arbitrator(s) shall be enforceable in any court having jurisdiction. Any Claim in which the aggregate amount in controversy, exclusive of interest, attorneys' fees and costs, is greater than \$100,000 shall be resolved by litigation in the State or Federal Court located within Hennepin County, Minnesota. Consultant and Client expressly consent to the exclusive personal jurisdiction and venue of the Minnesota courts for all purposes relating to this Proposal. The parties waive trial by jury. This Agreement shall be governed by Minnesota law, without regard to conflicts of law principles.
16. CONSULTANT'S TOTAL LIABILITY TO CLIENT FOR ANY LOSS, CLAIM OR DAMAGE ARISING OUT OF THE NEGLIGENCE OR OTHER LEGAL FAULT OF CONSULTANT IN PERFORMING ITS SERVICES SHALL BE LIMITED TO THE GREATER OF (I) THE AMOUNT STATED IN THIS PROPOSAL AS COMPENSATION FOR CONSULTANT'S BASIC SERVICES, OR (II) THE LIMITS OF ANY INSURANCE ACTUALLY AVAILABLE TO THE CONSULTANT. AT ANY TIME PRIOR TO COMMENCEMENT OF SERVICES, CLIENT MAY, BY PAYING A 20% PREMIUM IN ADDITION TO CONSULTANT'S FEE, ELIMINATE THIS LIMITATION ON LIABILITY. In no event shall CONSULTANT be liable for loss of profits, loss of use, loss of revenue, or any or special, indirect or consequential damages of any kind.
17. **NOTICE OF LIEN RIGHTS (MINNESOTA): (a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**
18. There are no understandings or agreements except as herein expressly stated.

HRA Special Session

5. 2.

Meeting Date: 02/05/2013

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider potential land use and sale of land - Southwest corner of Ramsey Boulevard and Sunwood Drive (Portions may be closed to the public)

Background:

A potential buyer of property at the southwest corner of Ramsey Boulevard and Sunwood Drive has approached staff and the development team.

The development team would like to present potential land-use options and receive consensus direction on how to proceed.

Notification:

Observations/Alternatives:

Recommendation:

The development team recommends the HRA consider the proposed land use and provide consensus direction on how they would like to proceed.

Funding Source:

N/A

Council Action:

None

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
01/31/2013 04:54 PM
Started On: 01/30/2013 03:55 PM

Form Started By: Darren Lazan

Final Approval Date: 01/31/2013

HRA Special Session

5.3.

Meeting Date: 02/05/2013

By: Darren Lazan, Housing &
Redevelopment Authority

Information

Title:

Consider proposed change to purchase agreement - Edgewood Development (Portions may be closed to the public)

Background:

Last fall, Edgewood Development entered into an option agreement to acquire one of two parcels in The COR.

In December of 2012, Edgewood noticed HRA counsel that they had accepted the terms outlined in the purchase agreement for Site A, and asked to proceed to closing. Shortly thereafter, their agent presented evidence of their earnest money, but they have not submitted the executed agreement to counsel, nor has the earnest money been deposited at the title company as required in the purchase agreement.

Edgewood has submitted a request for the HRA's consideration to modify the agreement.

The development team would like the HRA's direction on how to proceed as there are timing issues with the preparation and recordation of the plat as outlined in the purchase agreement.

Notification:

Observations/Alternatives:

Recommendation:

The development team recommends the HRA consider the proposed request and provide direction on how to proceed with the project.

A copy of the proposed amendment will be forwarded to all HRA members in a separate email.

Funding Source:

N/A

Council Action:

The HRA can proceed in one of two options:

Approve the proposed amendment, or craft a variation of the amendment, to the terms of the purchase agreement and adjust the project schedule accordingly.

Or

Direct HRA counsel to notice termination of the option agreement and release the property for consideration by other parties.

Form Review

Inbox
Kurt Ulrich

Form Started By: Darren Lazan

Reviewed By
Kurt Ulrich

Final Approval Date: 01/31/2013

Date
01/31/2013 04:55 PM
Started On: 01/30/2013 04:00 PM