

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, March 5, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Jim Steffen  
                          Member Glen Hardin  
                          Member Chris Riley  
                          Member Kristine Williams

Members Absent:     Member Philip Brunt  
                          Member Wayne Skaff

Also Present:         Patrick Brama, Economic Development Manager/Assistant City  
                          Administrator  
                          Tim Gladhill, Development Services Manager  
                          Mike Mulrone, CMDC/ACG

**1.     CALL TO ORDER**

Chairperson Steffen called the Economic Development Authority meeting to order at 7:30 a.m.

**2.     APPROVE AGENDA**

There were no changes.

Motion by Member Hardin, seconded by Member Riley, to approve the agenda.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley, and Williams.

Voting No: None. Absent: Members Brunt and Skaff.

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated February 5, 2015**

Motion by Member Riley, seconded by Member Hardin, to approve the February 5, 2015, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Hardin, and Williams.

Voting No: None. Absent: Members Brunt and Skaff.

#### **4. EDA BUSINESS**

##### **4.01: Review Future Business Park RFQ and Updates**

Economic Development Manager/Assistant City Administrator Brama presented the staff report and updated the Board of outstanding items.

Member Riley asked if Hageman and Pearson have seen this agreement and are they in favor of it.

Economic Development Manager/Assistant City Administrator Brama indicated they have reviewed this and are on board with the agreement.

Economic Development Manager/Assistant City Administrator Brama reviewed the funding source with the Board.

Mr. Mike Mulrone reviewed the business analysis report of the proposed business park.

Chairperson Steffen asked how the City will provide site control when they do not own the land.

Mr. Mulrone stated they may be able to negotiate an option so they can negotiate a take down price of the property. This can be negotiated as a staff.

Chairperson Steffen asked if the City needed to take down the property in order to control the land.

Mr. Mulrone stated they would not need to do that.

Chairperson Steffen asked if the City owned most of the properties mentioned in the report to being with.

Mr. Mulrone stated the City owned every one of them except Connexus Energy but that was a good example of a good relationship between the City and business and in that case the City installed the sewer and water and there was no property take down by the City and pricing was established on the front end. The property was marketed by the City and to a degree by Connexus Energy.

Chairperson Steffen asked if the City put all the improvements in before there was a prospect.

Mr. Mulrone indicated the City did all of the improvements.

Chairperson Steffen asked if the City should prep the land before trying to market it and if the City is on the right track.

Mr. Mulrone thought the City was headed in the right direction and if they do not have sites that are ready, they will not be in the running for new businesses.

Chairperson Steffen asked if they were at a disadvantage when the landowners want to get a good price for their land. He wondered if they were at the right price point.

Mr. Mulrone thought they were right in scope for the price of the land. He stated the market is used to seeing \$2.00-\$2.50 a square foot with all options included.

Member Riley was hoping to hear if there is some sort of formula in regards to price per square foot of the 300-foot buffer.

Mr. Mulrone thought this was an excellent strategy and made some sense. He thought they had to also measure what is actually available, which may move the bar a little higher depending on what is available to industry that is currently looking.

Member Williams stated the Council likes to have a cost but she did not see that. She thought if the prospect is a precision manufacturing company they would have a price point they would be willing to pay and they would also know what they can bear. A precision engineering company will not pay for a property next to the tracks. To say there will be a discount for being next to it does not necessarily matter. She did not think they should always look at being by a railroad track as a negative because some companies actually do not mind being by a railroad tracks.

Mr. Mulrone stated that was spot on. There are a lot of companies that would be willing to be next to railroad tracks.

Member Williams asked what the zoning looked like that is being proposed for this.

Development Services Manager Gladhill stated the purpose was to take what existing zoning districts they have which had lower regulations on outside storage and manufacturing. They can also make use of their two employment districts or create a third if they want to make it more specific to this area. There would be outside storage with some limitations such as screening and is not intended to be heavy manufacturing but lighter manufacturing. Similar to what they see in the newer industrial parks in the City.

Mr. Mulrone thought the parcels by the railroad track off the highway would be a good spot for an office/showroom in the front and warehouse in the back of the businesses, particularly with the depth of the property there.

Member Riley stated with the business park they have talked about spending money now and they have never seen money on what this may cost the City and what the City may get out of it, what makes this a good idea and is it economically feasible. He knew this all took time and they have to do it in steps but they have to know if it looked like a good idea on paper and do the numbers work, would it be feasible for the City and does it make sense. He thought they needed to see what the costs are.

Economic Development Manager/Assistant City Administrator Brama stated they needed to do the review process before they will know what the costs will be. He indicated they also need to

run an analysis at full build out and thought they are going to be in a much better position to do this once they have the Bolton & Menk study.

Member Riley stated he was concerned they could study this project before they find out if it was worth the money to research it or not.

Motion by Member Steffen, seconded by Member Hardin, to recommend to the City Council to authorize Bolton & Menk to complete the work outlined in the attached feasibility study proposal (\$38,860 proposal price, TIF account #1 Funding Source).

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley and Williams. Voting No: None. Absent: Members Brunt and Skaff.

Motion by Member Steffen, seconded by Member Hardin, to recommend to the City Council to adopt and execute the attached cost share agreement with Hageman Holdings and Pearson Properties for work outlined in the attached feasibility study proposal.

Further discussion: Member Riley thought it was ok to spend this money because they need to take a look at the traffic and corners and if it was feasible to go ahead with this.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Riley, and Williams. Voting No: None. Absent: Members Brunt and Skaff.

#### **4.02: Joint EDA and City Council Meeting (Set Agenda and Date)**

City Administrator Ulrich presented the staff report.

The Board agreed to a joint City Council meeting on Tuesday, April 14, 2015 at 5:30 p.m.

Member Riley thought if they have any specific questions as a group regarding CVRE and transactions they forward them to Economic Development Manager/Assistant City Administrator Brama to be included as part of their presentation.

Chairperson Steffen asked if staff will give CVRE some of the EDA comments or questions before the meeting so it can be included in their presentation.

Member Riley thought that was a good idea.

Economic Development Manager/Assistant City Administrator Brama indicated he would.

Manager Hardin left the meeting at 8:37 a.m.

#### **5. MEMBER / STAFF UPDATE**

The EDA reviewed the Staff Update.

Economic Development Manager/Assistant City Administrator Brama updated the EDA on the revolving loan fund, Anoka County program open to cities that helps out small businesses starting out and help with micro loans and provide a lot of expertise staff does not have in house. He thought this will be valuable to Ramsey businesses. He also updated the Board on the Ralph and Armstrong City owned properties and purchase agreements currently being negotiated.

Member Williams stated if the purchase agreement does not have a sunset agreement and the proposed buyer does not sign it, then this was something they should consider as they are revising and choosing a standard and she also thought they should, as a group, encourage Economic Development Manager/Assistant City Administrator Brama to use his discretion and to require a certain amount of due diligence on a prospect before he spends an abundance of time working with them. This would be the second purchase agreement Economic Development Manager/Assistant City Administrator Brama has negotiated that the potential buyer was surprised by the cost. She indicated she was surprised by the lack of due diligence on the prospect's part. She thought it would be important to throw some support behind managing Economic Development Manager/Assistant City Administrator Brama's time in that way because they do not want to discourage prospects like this and do not want to discourage him from working with the prospects but they need to be respectful that he is not an important first step in the due diligence process and they need to rely on their buyers to be sophisticated buyers and do some research.

Chairperson Steffen wondered what could Economic Development Manager/Assistant City Administrator Brama have done differently in regards to due diligence.

Economic Development Manager/Assistant City Administrator Brama stated the verbal check took place with both prospects.

Member Williams asked if they came with concept site plans because one of the things they require at the railroad is they have to be engineered stamped before they will negotiate anything. She did not know if there is an equivalent to that. She thought there were red flags that were known with both prospects.

Economic Development Manager/Assistant City Administrator Brama stated he will do some brainstorming and bring this back to the Board.

Member Riley thought the direction was good.

Chairperson Steffen asked if the prospect could have a right of first refusal document and still market the land to others.

Member Williams thought maybe there could be a letter of intent.

## **6. ADJOURNMENT**

Motion by Member Steffen, seconded by Member Riley, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley and Williams. Voting No: None. Absent: Members Brunt, Hardin, and Skaff.

The regular meeting of the Economic Development Authority adjourned at 8:56 a.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Patrick Brama  
Economic Development Manager/Assistant City Administrator

Draft by Sue Osbeck  
*TimeSaver Off Site Secretarial, Inc.*