

**CITY COUNCIL WORK SESSION  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Tuesday, April 14, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen  
Councilmember Jill Johns  
Councilmember Mark Kuzma  
Councilmember John LeTourneau  
Councilmember Chris Riley  
Councilmember Melody Shryock  
Councilmember Kristine Williams

EDA Present: Chairperson Jim Steffen  
Member Glen Hardin

Also Present: City Administrator Kurtis Ulrich  
Police Chief Jeff Katers  
Parks and Assistant Public Works Superintendent Mark Riverblood  
Human Resources Manager Colleen Lasher  
City Clerk Jo Ann Thieling  
Community Development Director Timothy Gladhill  
Asst. City Administrator/Economic Development Manager Patrick Brama  
City Attorney Joe Langel

**1. CALL TO ORDER**

Mayor Strommen called the City Council Work Session to order at 5:41 p.m.

**2. TOPICS FOR DISCUSSION**

**2.01: Welcome New Commission Members**

Human Resources Manager Lasher described the Council's interview and appointment process of four new Board and Commission members as well as several reappointments. She introduced EDA Commissioner Brian Burandt and Environmental Policy Board Member Jane Covart who were in attendance and explained that Park and Recreation Commissioner David Troy and Planning Commissioner Andrew Andrusko were unable to attend tonight's meeting.

City Administrator Ulrich welcomed the newly appointed members.

Mayor Strommen extended the Council welcome and appreciation to the newly appointed members for volunteering to serve in this way. She invited them to ask questions or make comment, if any.

Environmental Policy Board Member Covart stated she is looking forward to serving in this capacity.

EDA Commissioner Burandt stated he has no questions at this time.

Photographs were taken while Mayor Strommen presented City of Ramsey pins to EDA Commissioner Burandt and Environmental Policy Board Member Covart.

Informational; no action required.

## **2.02: Joint City Council and Ramsey EDA Meeting**

### **a. EDA Workplan Update**

Asst. City Administrator/Economic Development Manager Brama welcomed the EDA members and explained it is anticipated to hold yearly joint meetings between the Council and EDA. He reviewed the agenda items that will be discussed tonight and explained that he will also provide an overview of the Minnesota Department of Employment and Economic Development (DEED) Shovel Ready Program as DEED staff was not available to attend tonight's meeting.

Asst. City Administrator/Economic Development Manager Brama presented the EDA Workplan, which is annually created and adopted by the EDA to outline objectives, goals, and priorities. He presented the defined EDA Workplan first priorities: 1. Delivering quality customer service to existing and prospective businesses and contract management; 2. Business retention and expansion with existing and prospective businesses, and business visits; 3. Future business park; 4. Former municipal center site back on the tax rolls; 5. 167/Highway 47 node development proposals; 6. Selling surplus City-owned land; and, 7. Performance measurement criteria to measure economic development performance.

Asst. City Administrator/Economic Development Manager Brama then presented the defined EDA Workplan second priorities: 1. Workforce issues; 2. Address perception of Ramsey; 3. Advocate for transportation project funding; 4. Develop and update marketing materials and community profile; and, 5. The COR Sign Plan and Policy.

Asst. City Administrator/Economic Development Manager Brama presented the defined City Council priorities: 1. Recruit new businesses; 2. Shovel ready status for all City-owned land; 3. Shovel ready status for business park; 4. Enhance the Ramsey brand; 5. Review City events and redundancies; and, 6. Balanced scored card/performance measurements.

Mayor Strommen stated it is a good sign that the City Council's Strategic Plan and the EDA's Workplan are in close alignment. She invited EDA members to add comment.

EDA Member Steffen thanked Asst. City Administrator/Economic Development Manager Brama for his thorough presentation and stated a few weeks ago the EDA and Asst. City Administrator/Economic Development Manager Brama were busy pitching Ramsey to a prospective business, a potential \$10 million project.

EDA Member Hardin stated staff and the EDA have put a lot of energy into this Workplan, which he supports.

Councilmember Riley stated the EDA and Council have previously discussed this Workplan and the EDA has now taken on a new role to do a first look at potential projects, which will be very important to assure the Council and EDA share common goals.

EDA Member Steffen stated he has often heard business owners mentioning that the EDA, Planning Commission, and Council were all 'on the same page and same team,' which is interesting to hear from an Elk River business.

Councilmember LeTourneau concurred it was validating to hear as it talks about the work of the City being focused and on target with consistent messaging. He noted that other communities are not able to attain that level of alignment. Councilmember LeTourneau stated his appreciation to the EDA for its work and that he embraces the new level of authority given to the EDA and to challenge the EDA to continue to expand that authority and look at projects from as many different perspectives as possible. He stated he would love to continue seeing the EDA pushing the 167/Highway 47 business node and options to use the Revolving Loan Fund. Councilmember LeTourneau noted the experience on the EDA includes real estate and property, which provides a great opportunity to look at proposals from a new perspective as this is the time for expansion.

Councilmember Williams stated her comments have already been covered.

Mayor Strommen agreed there is now a more streamlined process between the Council and EDA, which she hopes will continue and move forward. She stated the City is now in a better position of strength as evident from the comments on outside perspective relating to the aligned thinking of the Ramsey Council, EDA, and Planning Commission. Mayor Strommen noted it was not long ago when there was criticism that the Ramsey Council was not aligned and did not make effective use of the City's Boards and Commissions. She commented on the EDA Workplan item relating to the perception of Ramsey, noting that when reality exhibits itself to outsiders, that's the strongest perception that can be attained. Mayor Strommen thanked the EDA and the Council for their work in that regard.

Informational; no action required.

**b. CBRE Update**

Brian Pankratz, Vice President of Land Services with CBRE, stated CBRE was selected as the City's broker a little over a year ago and while it took some time to get up-to-date on the different sites, once that information was received they have found a lot of interest from different

parties (buyers, builders, residents, brokers) and other municipalities have noticed that Ramsey had taken the proactive and aggressive step to list the property with a broker to get the properties back on the tax rolls.

Richard Palmiter, Vice President of Land Services with CBRE, stated it is critical to have cooperation and 'one voice' between the Council and staff to assure interested developers are receiving the same message from them as well as the Planning Commission. He stated that is happening now and encouraged the Council and staff to continue that effort to assure success.

Mr. Pankratz presented a market snapshot relating to industrial vacancies going down while rent rates are increasing. He explained that in Ramsey, it is an owner-occupied market rather than the speculative building market that is occurring in other areas of the metro. Mr. Pankratz described the changing dynamics in the office market due to telecommunicating and cloud storage, reducing the square footage calculation per person. With regard to the retail market, he felt the grocery market would remain; however, there will be an impact due to on-line shopping and next-day to same-day delivery. Mr. Pankratz stated the additional housing in The COR will be noticed by the retail market when they are looking for a new market area.

Mr. Palmiter concurred that if the demographics are not right or adequate, you cannot even give the land away but once those numbers are adequate, development will come.

Mr. Pankratz commented on the positive retail market impact that will occur in Ramsey with the construction of the Armstrong Boulevard interchange and McDonalds. He then presented an inventory analysis by city of the metro retail market that depicted the top 15 markets, noting Ramsey is within the top 25. He stated a good sign is that there is a low supply of spec homes, meaning they are being sold, and the current vacant inventory is mostly in townhouse developments.

Mr. Palmiter stated that after the Super Bowl, in March, the market saw a change with strong sales and purchase of vacant land to build additional housing inventory. He stated CBRE has been promoting Ramsey with Lennar, a major retail builder, who visited Ramsey and became interested in an area outside of The COR (Sweetbay Ridge).

Mr. Pankratz stated the Armstrong Boulevard interchange is coming and while it will be a struggle during the construction phase, they are already promoting the enhanced access that will result with potential buyers and developers. He stated construction costs are increasing for road improvements, residential and commercial, so developers are figuring out how to accommodate those costs with a project that the market will support.

Mr. Palmiter commented on the negative impact resulting from requiring residential sprinkler systems in larger houses, which results in buyers buying less of a house than they wanted to buy.

Mr. Pankratz stated he has heard developers say Ramsey's fees are high but they hear that about most municipalities.

Councilmember Riley asked if Ramsey's fees are higher.

Mr. Pankratz explained why it is difficult to compare fees with other cities because it depends on many factors including the motivation of the City to attract development, but he thinks Ramsey's fees are average. He noted that if the approval process is aggressive, it can remove that concern for the developers.

Mr. Pankratz described their methods of marketing that included monthly e-mail blasts, marketing brochure updates, tracking new developments and market information, and being in constant contact with City staff on inquiries, prospects, and status of agreements. He stated they have received over 200 inquiries in the past year, closed one deal with four single-family lots, and have four more under purchase agreement.

Mr. Palmiter stated they constantly point people towards Ramsey and the opportunity that is here, which is now showing up in the results.

City Administrator Ulrich asked about the market's perspective of The Residence that recently sold to a nationally recognized company.

Mr. Pankratz stated that company is known for holding its property long-term (40-50 years) as they are proud of the projects they own and take care of them.

Asst. City Administrator/Economic Development Manager Brama stated staff has had a very good working relationship with CBRE and found they bring a lot of value and professionalism. He thanked Messrs. Pankratz and Palmiter for their work with staff.

Councilmember Riley asked about the timing to release the marketing piece.

Asst. City Administrator/Economic Development Manager Brama stated the marketing piece in the Council's packet is an older version.

Mr. Pankratz stated he will verify that marketing piece has been updated.

Councilmember LeTourneau stated the Council's decisions came with some assumptions on how the property will come to market and be priced. He asked if it is time to reevaluate anything, such as pricing.

Mr. Pankratz stated they have had a number of people show interest and the few purchase agreements that have not worked out were not based on pricing but were related more to the buyer not being able to build a large enough building/parking lot to serve their needs and handle stormwater or there was an issue related to access. He stated the City may need to be creative on a few lots if they are of odd shape and discuss whether a lower price makes sense to get the property back on the tax rolls.

Mr. Palmiter stated developers are not going elsewhere due to the land price and when demand comes, the price will be close.

Councilmember LeTourneau encouraged staff and CBRE to ‘keep an eye’ on the land pricing and alert the Council should it need to be reconsidered.

Informational; no action required.

**c. Shovel Ready Program Introduction by DEED**

This item was addressed in the previous case.

**d. Open Discussion**

Mayor Strommen thanked the EDA for attending tonight’s Work Session and opened the floor for comment.

Councilmember Riley stated at tonight’s Regular Session meeting, the Council will be considering a purchase agreement template, which had been discussed at the EDA level and recommended for approval.

EDA Member Hardin asked for clarification of the earlier comment made relating to expanding the authority of the EDA.

Councilmember LeTourneau stated he served on the EDA and with regard to the 167/Highway 47 node, would like that retail expansion to occur under one owner but he does not yet know how it will occur. With The COR, he wants to assure the property is priced right, know if there are variables, why deals are not coming or falling off, whether it relates to market demand, and what can be done to facilitate demand and get more rooftops. Councilmember LeTourneau encouraged the EDA to question the status quo and introduce new and innovative ideas.

Mayor Strommen stated the intent was not to expand the authority but for the EDA to become more proactive in its role within the authority given and the opportunity to revisit the Workplan to determine how to best support the Council.

Councilmember Kuzma stated when the HRA was dissolved, the intent was for the EDA to take on more responsibility and a bigger role to bring projects before the Council.

EDA Member Hardin asked the Council to share things they would like the EDA to do.

Mayor Strommen indicated the Workplan process is a good way to get specifically to what the Council would like to see.

**3. TOPICS FOR FUTURE DISCUSSION**

None.

**4. MAYOR / COUNCIL / STAFF INPUT**

City Administrator Ulrich stated he would like to add a new case to tonight's Council agenda to consider authorization to send a delegation to Washington, D.C. to lobby for Highway 10 improvements and the rail separation project. He explained this trip is supported by Elwyn Tinklenberg, the City's transportation consultant, and he will be asking for authorization to spend up to \$5,500.

The consensus of the City Council supported adding this case to tonight's meeting agenda.

## **5. ADJOURNMENT**

Mayor Strommen declared the Work Session of the City Council adjourned at 6:55 p.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Jo Ann M. Thieling  
City Clerk

Drafted by Carla Wirth  
*TimeSaver Off Site Secretarial, Inc.*