

**PUBLIC WORKS COMMITTEE  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The Public Works Committee conducted a regular meeting on Tuesday, May 19, 2015 at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Chris Riley  
                              Councilmember Jill Johns  
                              Councilmember Melody Shryock

Also Present:           City Administrator Kurtis Ulrich  
                              Public Works Superintendent Grant Riemer  
                              Community Development Director Timothy Gladhill  
                              City Engineer Bruce Westby

**5.01: Consider Recommending Council Approval of draft Assessment Agreement for Ridgepoint Residential Development Public Improvements, Improvement Project 15-21**

City Engineer Westby reviewed the staff report. He noted Randy Diers and Don Kveton were present to represent Village Bank. The property owner is Village Bank, and they are not able to fund the improvements to the land directly. They have requested the City enter into an agreement with the bank and assess the improvements back to the bank. The City would conduct the improvements and the inspections. He stated the City has done this type of arrangement once before, with Legacy Christian Academy. However, he pointed out, that was a larger project. This project is little risk to the City. The City Attorney has noted the City is not obligated to approve this request, though his opinion is that this is an option if the City would like to allow it.

City Administrator Ulrich asked if Mr. Diers would give a history of this project.

Randy Diers, President of Village Bank, explained they have had this property for four years, and have tried to sell it for three years as it is currently zoned, which is commercial. There has not been interest. He said as they considered the property further, they started to envision residential lots, especially because of the proximity to the river. He stated they were aware of the soil issues that had to be considered. He noted the bank owns the property, but the bank is not a developer. He explained regulation is rather specific in this type of situation. One stipulation is the bank cannot be in speculation of real estate. In order to ready the property for development, the construction loan needed has been prohibitive to the developers that have shown interest thus far. He said the Bank had decided to ask the City for help in this issue and created the project to be of no risk to the City.

Don Kveton, Chairman of the Board of Village Bank, explained he has been living in Ramsey for 16 years. He is committed to follow through on the proposal. He noted that the real estate language in the banking law could be interpreted several ways. He stated he would like to keep this entire project as clean as possible to preserve both his and the Bank's reputations. He said he also wants to do what he can to keep taxes down. He reviewed some of the homes they have sold and areas he has developed. He commented this is a nice piece of land, and there will be nice homes. It is hard to show the land as

it is; it needs to be cleaned up and made ready to show. He said he is not worried about selling the land; it just needs to be cleaned up.

Commissioner Shryock stated it was good to hear their opinions on this project. She noted having these partnerships is beneficial. This development is in need of their expertise.

Commissioner Johns stated she is in favor of this agreement as well. The City has put everything in place, and has endorsed this to be developed from the beginning. Since the City has worked with the Bank before, we know they are a good partner and they will follow through. She said this will be a good development, and agreed that it is very low risk.

Chairperson Riley questioned if the Legacy Christian Academy assessment has been repaid to the City.

City Administrator Ulrich explained that assessment was to be paid over a 15 to 20 year period. He stated the Academy has been current on their taxes, and thereby current on their assessment.

Mr. Kveton pointed out when the lots sell, the City will get money back. Every time a lot is closed on, he said the funds go to the City for the assessments. He said he hoped his bank was out of this project in the next year.

Mr. Diers stated he did not want to hang onto this for the next few years, either. He noted the market is strengthening. He also pointed out this is not a development that would interest many developers as it is only seven homes.

Chairperson Riley asked where in the agreement it states the City would be paid as lots are sold. He said he only noted where it said the City would be paid twice a year; in October and May. He asked if the language could be added relating to payment as the lots are sold.

City Administrator Ulrich answered that language could be added. He explained the agreement is that the percentage that each lot is assessed would define the amount that is paid when the lot is sold.

Chairperson Riley questioned whether the City was the Bank's only viable source of financing.

Mr. Diers responded that is was. He said they cannot take out a loan from another bank and they cannot self-loan. He added that the assessments must be clear to deliver the title.

Councilmember Shryock asked if there are any repairs that need to be done in the adjacent existing neighborhood and if they would be done as this development is in progress.

Public Works Superintendent Reimer explained this development should not have much of an affect on the existing neighborhood. The roads in that neighborhood have recently been sealcoated, and the drainage is good.

Chairperson Riley noted the assessments will average to \$85,000 per lot. The allocation varies. He inquired if the amounts made sense with the anticipated selling price.

Mr. Diers responded the higher value is placed on Lot 1, which has better access and view of the river. He stated he would like to see someone take interest in lot 7, so they could put up a model. The property would show better. He explained they are planning to add berming, and trees to create a

buffer from the industrial area. This will add to the value of the homes, and ultimately to the tax base.

City Administrator Ulrich commented this has been a patient developer. He said this may not have been developed if were in the private sector. He noted there have been many issues with this property over the years. There have been several potential uses for it. This plan capitalizes on the river, as well as the trail. The development will hopefully raise the level of the homes in the area. This unique project with the bank backing it makes it less of a precedent-setting development for the City. This project is relatively small, which means the bank can do it as a project and get it done in 3 years. The Finance Director approves of the financial situation. The City will get its return back, with 3.5% interest, which is more than with other investments. He noted the language to clarify the timing of paying assessments will be added to the agreement.

Motion by Councilmember Johns, seconded by Councilmember Shryock to recommend that the City Council approve the draft Assessment Agreement for Ridgepoint residential development public improvements, Improvement Project 15-21 with the amendment of adding language that clarifies the City will be paid upon the sale of each lot.

Motion carried. Voting Yes: Chairperson Riley, Councilmembers Johns and Shryock. Voting No: None.

Mr. Kveton and Mr. Diers expressed gratitude for the staff's countless hours on this project and the staff's patience.