

**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, February 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 Wayne Skaff
 Member Kristine Williams

Members Absent: Member Philip Brunt

Also Present: Patrick Brama, Asst. City Administrator/Economic Development Manager
 Kurt Ulrich, City Administrator

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 Skaff, seconded by Member Hardin, to approve the agenda.

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated January 8, 2015

It was noted on page five, it should state, "...if it goes well..."

Motion by Chairperson Steffen, seconded by Member Hardin, to approve the January 8, 2015, minutes as presented.

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

4. EDA BUSINESS

4.01: 2015 Annual EDA Business Expo

Economic Development Manager/Assistant City Administrator Brama presented the staff report.

Member Skaff stated that the event does work and noted that he built a patio in his backyard which arose from discussions with a vendor at the event. He stated that perhaps the fee to join the event should be \$50 for Ramsey businesses and \$65 for those outside of Ramsey.

Chairperson Steffen questioned if vendors have been turned away from the event and whether the fee has ever been raised.

Economic Development Manager/Assistant City Administrator Brama stated that they do not turn away Ramsey businesses but they do turn away approximately 10 potential vendors/crafters each year. He stated that the fee had not been raised in the past three years but acknowledged that an increased budget could assist in marketing efforts.

Chairperson Steffen believed that increase to \$50/\$65 would be fair. He questioned if BOB FM had been brought in to increase marketing.

Economic Development Manager/Assistant City Administrator Brama confirmed that staff could reach out to BOB FM for the event.

Chairperson Steffen stated that perhaps "fifth annual" or whatever the year may be should be included on the event marketing.

4.02: Review Future Business Park RFQ and Updates

Economic Development Manager/Assistant City Administrator Brama presented the staff report. He reviewed the recommendation from staff for the EDA to narrow the two finalists down to one and noted that staff is recommending to choose Bolton and Menk. He stated that both groups are qualified but noted that Bolton and Menk stood out because of the amount of background information they gathered and the detailed information they provided. He noted that Bolton and Menk also have a lot of in house experts while the other candidate would have to go outside of their company to receive that expertise.

Chairperson Steffen questioned where the range of 40 to 60 percent sharing for the landowners was derived from.

Economic Development Manager/Assistant City Administrator Brama advised that calculation was taken from another road improvement project along Bunker Lake Boulevard.

Chairperson Steffen stated that perhaps one third from each of the three landowners would make sense. He questioned if a train track study had been conducted with any of the other tenants in the area such as the VA.

City Administrator Ulrich was not aware of a study that has been done but noted that the study would be completed to ensure that there would not be interference for precision manufacturing.

Economic Development Manager/Assistant City Administrator Brama described the study that would be completed, noting that it would most likely start by comparing other communities to determine if precision manufacturing businesses are located near train tracks in other communities, rather than a scientific measurement of ground vibrations.

Member Skaff questioned if the City would be involved in the selling of the parcels.

Economic Development Manager/Assistant City Administrator Brama confirmed that once the numbers are known it would be possible to determine if assistance could be provided by the City.

Member Riley stated that he would not like to see the City purchase land and act as the developer. He believed that the City has a role in the process but did not want to see the City act as developer. He questioned if this process is helping the City to determine if this would be economical and if this idea could move forward.

Economic Development Manager/Assistant City Administrator Brama agreed that this cost information is integral in the process and will assist in discussions with developers.

Member Riley stated the two major land owners should share the cost in thirds as this is their land to develop.

Member Hardin stated that there has been a history between the City and Hakanson Anderson and questioned if there was a clear difference between the two proposals.

Economic Development Manager/Assistant City Administrator Brama confirmed that Bolton and Menk really stood out because of the level of detail provided. He stated that this process will take a lot of back and forth between staff and the consultant and staff was confident that Bolton and Menk would be the best choice.

Member Riley referenced the potential funding and did not believe the EDA Revolving Loan Fund should be used.

Chairperson Steffen agreed that the EDA Revolving Loan Fund is meant for businesses to use and not the City to use.

Member Hardin questioned if the EDA Revolving Loan Fund were to be used, would the portion paid back by the landowners then become unrestricted.

Economic Development Manager/Assistant City Administrator Brama believed that may be the case but was unsure and stated that he would verify whether that would be correct.

Member Riley stated that there is a sufficient balance in the EDA Fund and believed that should be used.

Economic Development Manager/Assistant City Administrator Brama verified that he would follow up to determine the ratio of restricted to unrestricted funds.

Chairperson Steffen stated that he would abstain from the vote because he has ties to both companies.

Motion by Member Skaff, seconded by Member Hardin, to recommend approval of Bolton and Menk.

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

4.03: Consider Purchase Agreement with WESTCO Properties LLC (portions may be closed to the public)

Economic Development Manager/Assistant City Administrator Brama presented the staff report. He reviewed the net proceeds and noted that the amount included in the packet is slightly different and would be closer to \$77,000, after commission and payment to the County is made. He stated that the potential buyer has been great to work with and the City has experience working with Restore 24 in past projects. He stated that Mr. West is proposing a subgrade loading dock and staff has mentioned that the elevation of existing stormwater facilities is somewhat high and therefore that dock would have trouble draining and there would be additional cost incurred to move forward with that option.

Chairperson Steffen stated that this will give the opportunity for an existing Ramsey business that is successful to become more successful directly across the street from his current location.

Member Hardin referenced if the issue discussed the previous month regarding the PCA and the land south of the landfill and questioned if that would have an impact on this site.

Economic Development Manager/Assistant City Administrator Brama confirmed that would not have an impact on this site.

Member Hardin questioned if there were existing surveys on this property and questioned if the policy of the City is to fund a survey for City owned property.

Economic Development Manager/Assistant City Administrator Brama stated that it is his understanding that there is not a survey that has been done on this property. He confirmed that the policy for City owned land does include a provision in which the City will provide a basic survey of the land.

Member Williams questioned if the net proceed figure of \$77,000 included the survey cost.

Economic Development Manager/Assistant City Administrator Brama confirmed that the survey cost was not included in that figure and noted the survey cost could range from \$2,000 to \$3,000. He confirmed that title work, the survey cost and closing costs were not included in the proceeds and believed the net proceed figure would be closer to \$70,000.

Member Riley commented that this is a great case and would love to see more of these in the future.

Member Williams referenced the language used regarding environmental testing and expressed concern with the language used. She believed that perimeters should be placed on the type of testing that could be completed.

Economic Development Manager/Assistant City Administrator Brama agreed that additional language could be placed into the document that would address that concern. He also confirmed that staff would work with CBRE to draft a standard purchase agreement that could be used by the City moving forward.

Motion by Chairperson Steffen, seconded by Member Skaff, to recommend to the City Council approval of the purchase agreement with WESTCO Properties LLC for .95 acres of City owned land located at 6590 141st Avenue NW, contingent upon final review and amendments from the City Attorney.

Further discussion: Member Williams referenced the timeline and proposed closing date and questioned if that timeline would be sufficient.

Economic Development Manager/Assistant City Administrator Brama confirmed there would be sufficient time. He noted that if the closing date were to be pushed back the earnest money would become hard.

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

Economic Development Manager/Assistant City Administrator Brama indicated he will review the next steps for this process with the City Attorney as well as develop a boiler plate purchase agreement.

5. MEMBER / STAFF INPUT

The EDA reviewed the Staff Update.

5.01: Updates

Economic Development Manager/Assistant City Administrator Brama provided an update regarding the residential property adjacent to City Hall, referencing City loans that were provided. He stated that F & C is in the process of refinancing their property and will then pay back the large loan to the City of \$7,000,000 and the small loan of \$1,500,000. He stated that

with those loans paid off the City will no longer have risk in the project. He advised that the City Council will review amendments to agreements related to that issue the following Tuesday. He also provided an update regarding the City's four active purchase agreements, soon to become five, noting that the due diligence of the buyers has been ongoing and has not stalled. He stated that it appears that all projects are moving forward and believed that closings would occur beginning in April and ending in June. He stated that if all of those move forward 2015 could be a good year for the City. He confirmed that the Dollar General agreement has been terminated.

City Administrator Ulrich stated that their concern was access to the property. He reported that the Highway 10 Subcommittee will meet tonight with the consultant and a potential extension of that consultant agreement will come before the Council the following week. He stated that there is also a County Working Group for Highway 10 that the City has been participating in on a monthly basis. He advised of additional funds that may be available to the City because of the issue of rail separation. He stated that the Council reviewed the issue regarding the land south of the landfill and chose not to move forward with an industrial park in that area. He advised that the Council did approve a sewer and water connection to the City of Anoka on the far east boundary, through a Joint Powers Agreement. He stated that the City is working with Elk River to reconstruct Jarvis Street, which is on the boundary of the two cities and will provide an alternative route and whistle free zone for those residents in that area. He noted that with this project the City will become a whistle free zone.

Chairperson Steffen questioned the timeline for obtaining a new Member for the EDA.

City Administrator Ulrich stated that appointments will be made by April 1st.

Member Williams questioned if there will be discussion on moving this meeting to the first Thursday of the month.

Economic Development Manager/Assistant City Administrator Brama agreed that staff would recommend that the meeting be moved to the first Thursday of the month which would allow potential purchase agreements to move to the Council the following week. He confirmed that the date change could become effective March 5th.

It was the consensus of the EDA to change the meeting date to the first Thursday of the month.

6. ADJOURNMENT

Motion by Member Skaff, seconded by Member Hardin, to adjourn the meeting.

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

The regular meeting of the Economic Development Authority adjourned at 8:54 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Asst. City Administrator/Economic Development Manager

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.