

**City of Ramsey**  
**Agenda**  
**Economic Development Authority (EDA)**  
**Thursday September 3, 2015**  
**7:30 am**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
  1. Approve the Following Meeting Minutes:
    - 1) EDA Regular Meeting - August 13, 2015
- 4. EDA Business**
  1. Consider Multiple Actions Related to a Potential Life Fitness Expansion Project
  2. Select Date and Speaker for EDA Fall Networking Event
  3. Consider Authorizing Economic Development Analysis for the City's Potential Future Business Park
  4. Preliminary Discussion Related to Annual Ramsey EDA Business Expo
- 5. Member/Staff Input**
- 6. Adjournment**

**Economic Development Authority (EDA)**

**3. 1.**

**Meeting Date:** 09/03/2015

**Submitted For:** Jo Thieling, Administrative Services

**By:** Jo Thieling, Administrative Services

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**Title:**

Approve the Following Meeting Minutes:

1) EDA Regular Meeting - August 13, 2015

**Purpose/Background:**

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month.

Background: The meeting minutes are attached for review and approval.

**Notification:**

**Observations/Alternatives:**

**Funding Source:**

**Recommendation:**

**Action:**

Motion to approve the following EDA meeting minutes:

1) EDA Regular Meeting - August 13, 2015

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**Attachments**

EDA Mts

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**Form Review**

Form Started By: Jo Thieling  
Final Approval Date: 08/25/2015

Started On: 08/25/2015 05:06 PM

**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, August 13, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Jim Steffen  
                          Member Brian Burandt  
                          Member Glen Hardin  
                          Member Chris Riley  
                          Member Wayne Skaff  
                          Member Kristine Williams

Members Absent:     Member Philip Brunt

Also Present:         Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator  
                          Tim Gladhill, Community Development Director  
                          Kurt Ulrich, City Administrator  
                          Brian Pankratz, Vice President of Land Services with CBRE

**1.     CALL TO ORDER**

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

**2.     APPROVE AGENDA**

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

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated July 9, 2015**

Motion by Member Hardin, seconded by Member Skaff, to approve the July 9, 2015, minutes as presented.

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

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

##### **4.01: Dedicated Networks: Consider Resolution in Support of Minnesota Job Creation Fund Application for a Proposed Facility Expansion at 14000 Unity St NW**

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the staff report with the Board.

Mr. Jerry Column, CEO of Dedicated Networks, and Mr. Andy Decker, Decklin Group, were in attendance.

Chairperson Steffen thought this was great and did not see any reason not to support this. The other EDA members concurred.

Motion by Member Steffen, seconded by Member Skaff, to recommend City Council adopt Resolution #15-08195, declaring the City of Ramsey's support of applying to the State of Minnesota Department of Employment and Economic Development Job Creation Fund program.

Further discussion: Member Riley stated the lack of discussion is not for lack of interest.

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

##### **4.02: CBRE Updates, Pricing Table, Advertising Plan, and Restaurant Discussion (Portions were closed to the Public).**

Econ. Dev. Mgr/Assistant City Administrator Brama introduced Brian Pankratz, Vice President of Land Services with CBRE.

Mr. Pankratz reviewed the marketing that has been done within the City as well as reviewed marketing opportunities.

Chairperson Steffen asked what the advertising plan has been to date.

Mr. Pankratz reviewed with the EDA all of the different advertising CBRE has done in the City including brochures that have been created. He stated there are also opportunities for listing on CBRE.com, MNCARD.com and he noted that they also can do email blasts out from their database and MNCARD database.

Chairperson Steffen asked if the City would pay for this or would there be some cost-share.

Mr. Pankratz stated the City would pay for it.

Chairperson Steffen asked what Mr. Pankratz has seen with the Highway 10 and Armstrong Boulevard improvements being done.

Mr. Pankratz stated he has had inquiries from a couple of convenience stores and large box stores. He indicated that things are picking up and as the population grows there will be more commercial development happening.

Member Williams asked who the City would advertise to in the print ads that they are not targeting now.

Mr. Pankratz stated that would target attorneys, architects, new deals or new developments that may not know about Ramsey as well as the groups that are out there currently. He reviewed with the Board restaurants in the City and how they can promote more restaurants to come to Ramsey.

Chairperson Steffen wondered why the City made a sunset clause for the restaurant subsidy and if they were losing restaurants because it is no longer in effect.

Mr. Pankratz indicated they were not.

Member Riley stated the City Council did the Sunset Clause on purpose because they wanted to get out of subsidizing restaurants. He indicated if the City would want to reinstate it they could but he would need additional discussion. They specifically had the subsidy for a short amount of time to hopefully get some businesses in and easily get out.

Member Skaff stated at that time they were not in the retail business and their emphasis was not necessarily promoting retail as far as the EDA and he was not against going back to that either if it helps in the total plan of building business.

Member Riley stated Ramsey was at a distinct disadvantage because if the business was going into a pre-established restaurant site in another city the water credits had already been paid and so with Ramsey, the business would have to go into a brand new site and they would have paid a minimum of getting that multi-tenant building and for a restaurant to go into the building there was a large additional cost to get the extra water credits so that was putting Ramsey at a disadvantage over another city were they could go into an existing restaurant site.

Member Burandt asked what the value was of the incentive Acapulco received.

Econ. Dev. Mgr/Assistant City Administrator Brama thought it was around \$150,000.

Member Riley stated it was tied to the building and the subsidy was given directly to the landlord but flowed through as a rent reduction and there was an earn-out attached to it.

Chairperson Steffen thought they would consider the subsidy again if they actually had a deal on the table.

Mr. Pankratz stated there is that distinction that needed to be made. They need to identify what kind of restaurant the City would want, a fast food type or sit down type of business.

City Administrator Ulrich stated the previous policy indicated the subsidy was for a full service sit down type and that language is in there defining it as well.

Member Williams asked if there was a specific type of rooftop needed.

Mr. Pankratz stated retailers look at the demographics of an area before bringing in a restaurant. The main criteria are the number of people and median income. He thought there was a lot of demand for apartments and single family homes.

Chairperson Steffen asked if they had a restaurant subsidy would that be a tool that would be used to bring business in.

Mr. Pankratz stated the question is if the City wants to get into the business of subsidizing. He indicated that would definitely be a tool that could be used on a case-by-case basis.

### **RECESS AND RECONVENE**

It was noted that under Minnesota Statutes, Section 13D.05, Subd.3, the meeting can move into Closed Session to discuss pricing strategies for EDA-owned property.

Motion by Member Riley, seconded by Member Skaff, to move to Closed Session.

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

The EDA moved into a Closed Session at 8:12 a.m.

The EDA reconvened in Open Session at 8:40 a.m.

To accommodate Kevin Kelb, the EDA agreed to next consider Case 4.04.

### **4.04: Review Future Business Park Infrastructure Analysis Preliminary Report**

Econ. Dev. Mgr/Assistant City Administrator Brama stated the purpose of this case is to review a finalized report from Bolton & Menk on required infrastructure improvements to the City's future business park. Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the staff report with the Board.

Mr. Kevin Kelb, Bolton and Menk, discussed the process they use.

Chairperson Steffen asked once the Council adopts this document what will happen next.

Econ. Dev. Mgr/Assistant City Administrator Brama explained the process going forward and noted this would be a policy discussion.

Chairperson Steffen asked if they were at a disadvantage relative to Elk River who is ready to go and has free land. He also wondered if they have to keep up with other cities.

Mr. Pankratz stated they could go up Highway 10 and see the number of city's that own industrial parks. He did not think they were at a disadvantage because nothing has really transpired in those locations.

Chairperson Steffen thought this was a start and should be discussed further at a future meeting.

#### **4.03: Consider Supporting 1<sup>st</sup> Annual Anoka County Broker/Developer Event**

Econ. Dev. Mgr/Assistant City Administrator Brama stated this item is to discuss consideration of participation in a new event: 1<sup>st</sup> Annual Anoka County Broker/Developer Networking Event on Tuesday, October 27, 2015 from 9-11 a.m. Staff is asking for EDA support to participate in this event.

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the staff report with the Board.

The EDA affirmed support for the 1<sup>st</sup> Annual Anoka County Broker/Developer event.

#### **4.05: 2016 Proposed EDA Budget & Levy**

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the 2016 proposed EDA Budget & Levy with the Board.

Chairperson Steffen asked how much cash on hand do they currently have.

Econ. Dev. Mgr/Assistant City Administrator Brama stated they currently have over \$600,000 unallocated and an unused loan fund of \$300,000.

Member Hardin thought it would be nice to see an EDA Balance Sheet and Income Statement at some point.

Econ. Dev. Mgr/Assistant City Administrator Brama stated he would present that at the next meeting and indicated he would email the 2015 EDA Dashboard to the Board.

The EDA was in favor of the 2016 EDA Budget & Levy.

Motion by Member Skaff, seconded by Member Hardin, to recommend to City Council approval of the budget as presented.

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

#### **4.06: Review Comparison Document of The COR Development Plan and Original Ramsey Town Center Master Plan Prepared by the Planning Commission.**

Community Development Director Gladhill stated the purpose of this case is to review a comparison document between the original Ramsey Town Center Mast Plan and the current The COR Development Plan as requested by the City Council and Planning Commission on May 26, 2015. Mr. Gladhill reviewed the staff report with the Board.

Chairperson Steffen asked what some of the big differences were between the original and the current development plan.

Development Services Manager Gladhill explained some of the differences; key piece is the idea of shared parking.

Econ. Dev. Mgr/Assistant City Administrator Brama thought one nice component of the process is they have developed an inventory of policy questions that different boards want to see addressed in the future.

Chairperson Steffen asked if they feel like the City has not followed the original master plan.

Community Development Director Gladhill stated things have changed to the vision. There are areas that have developed or plan on being developed in a much different manner than what was originally proposed.

Staff reviewed with the EDA Board differences in the development plan and the original Master Plan.

Mr. Pankratz, CBRE, stated the amount of retail land available and where Dominion was going has to do with the proximity to the rail. He stated people want to go with housing by retail and where high density can be placed in proximity to the light rail.

Development Services Manager Gladhill stated based on discussion he thought some of the questions brought up that need to be addressed are: How does the market bare the original or current vision. What key components have changed over time and what is the appropriate amount and locations for retail.

Motion by Member Steffen, seconded by Member Skaff, to recommend to City Council adoption of the Comparison Document for The COR.

Further discussion: Member Riley stated he would like to hear more discussion from the EDA. Steffen asked if this could be done at an upcoming meeting.

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

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

There were no updates.

**6. ADJOURNMENT**

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

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

The regular meeting of the Economic Development Authority adjourned at 9:42 a.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Patrick Brama  
Econ. Dev. Mgr/Assistant City Administrator

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

**Economic Development Authority (EDA)**

**4. 1.**

**Meeting Date:** 09/03/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

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**Title:**

Consider Multiple Actions Related to a Potential Life Fitness Expansion Project

**Purpose/Background:**

**PURPOSE:**

**(1) TIF PLAN:** Consider Support of Resolution to Modify Development District 1, Establish TIF District 15, and adopt TIF District 15 Plan. This step does not award TIF. This step allows the City to award TIF. *Attached to this case is a TIF Plan Summary; and Staff recommends the EDA concentrate their time on this document.*

--and--

**(2) TIF AGREEMENT:** Consider support of the attached Development Agreement (a.k.a. TIF Agreement). This would be considered the actual proposed TIF award to Life Fitness. *Attached to this case is a TIF Agreement Term Sheet; and Staff recommends the EDA concentrate their time on this document.*

**BACKGROUND (Project)**

This case was introduced to the EDA in July; at which time, detailed background information was provided on this project. Detailed background information on TIF was also included in said case. Attached is the July EDA MEMO.

**BACKGROUND (TIF Plan)**

Ehler's is managing the process to establish a new TIF district. Attached is an overview/ summary of the proposed district. Also attached is a resolution the City Council will consider on 09/22. Lastly, attached to this case is the TIF Plan. Again, the purpose of the TIF Plan is to allow the City to award TIF.

It should be noted, the attached TIF Plan includes a "maximum budget." This is a high and conservative *total eligible project costs* estimation (\$1,468,320). This number is different than what is included in the attached TIF Agreement; which is the actual proposed assistance (\$224,000). To be clear, the City is not proposing to award \$1,468,320 to Life Fitness. The City is proposing to award \$224,000 in present value (PV) terms.

**BACKGROUND (TIF Agreement)**

This agreement lays out the terms and conditions for the proposed TIF award; including the specific amount of TIF to be awarded. Present Value = \$224,000 @ 5% interest over 15 years. Future Value = about \$352,000.

This agreement was drafted by Ehlers, via Briggs and Morgan. This agreement is currently being reviewed by Staff, the City Attorney, the City's economic development consultant Mike Mulrooney, and Life Fitness. Changes to this draft document are likely to occur by the time it reaches the City Council on 09/22. Attached to this case is a summary of the TIF Agreement (term sheet).

**Notification:**

NA

**Observations/Alternatives:**

NA

**Funding Source:**

Tax Increment Financing, pay-as-you-go.

**Recommendation:**

This project enhances the City of Ramsey’s economic base by securing the operation of a Fortune 500 company’s manufacturing facility within Ramsey, Minnesota for the foreseeable future. The Life Fitness facility currently generates significant property taxes (about \$150,000 annually) and significant jobs (greatest number of jobs in Ramsey, about 300 FT and about 100 PT. Life Fitness is nearly out of space to grow on their existing site in Ramsey.

By completing the currently proposed project, the City of Ramsey will see significant tax base and job growth into the foreseeable future (*Expansion #1* and *Expansion #2*). Additionally, the City would see the removal of a blighted and vacant building located on highly visible intersection. This effort accomplishes the Ramsey EDA's three major goals: job creation (26+ plus jobs over two years), tax base creation (\$73,873 total property taxes, *Expansion #1 only*), and improvement to the quality-of-life within our community (removal of a blighted building).

By not completing this project, it would be logical for Life Fitness to consider a new, long-term, location for their manufacturing facility. Additionally, the Health Quest property would likely remain in its current state for the foreseeable future.

Staff recommends moving forward with this proposed project; and supporting the motions outlined in this case.

**Action:**

**Motion to recommend the City Council:**

Adopt the attached Resolution to Modify Development District 1, Establish TIF District 15, and Adopt a Plan for TIF District 15.

--and--

Finalize and adopt the attached Development Agreement between the City of Ramsey and Brunswick Corporation.

*Notes: the title of the Development Agreement will change to TIF Agreement. The Council will review this case on 09/22. Staff welcomes suggested amendments and comments to the TIF Plan and TIF Agreement. Ehlers will be at this meeting to answer questions. Included in your case a summaries for both the TIF Plan and TIF Agreement--Staff recommends the EDA concentrate their time on the summaries.*

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**Attachments**

Background (July EDA Meeting MEMO)

TIF Plan (summary)

TIF Plan (full document)

TIF Agreement (summary)

TIF Agreement (full document)

Resolution

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**Form Review**

Inbox

Reviewed By

Date

Kurt Ulrich  
Form Started By: Patrick Brama  
Final Approval Date: 08/31/2015

Kurt Ulrich

08/31/2015 03:32 PM  
Started On: 08/27/2015 04:30 PM

Meeting Date: 07/09/2015

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

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**Title:**

Consider Multiple Actions Related to a Potential Life Fitness Expansion and Redevelopment Project

**Purpose/Background:**

**PURPOSE**

Consider multiple actions related to a potential Life Fitness expansion and redevelopment project. In summary, the proposed project includes: (1) construction of a new \$4M - 48,325 square foot expansion on the existing Life Fitness property in Ramsey; and (2) \$585,000 acquisition and clean-up of the Health Quest property to prepare Life Fitness for their future second expansion in Ramsey.

Life Fitness has asked the City to investigate all financial incentives available for this project (see attached cover letter). Specifically, Life Fitness is interested in tools that will help overcome costs associated with the purchase and clean up the Health Quest property (redevelopment costs).

**STEP 1 (this case):** begin process to establish a new TIF district, apply for State funds and begin underwriting project. The purpose of this case is not to "award" any financial incentives to Life Fitness. However, this case begins the State required public process to "allow" the City to award financial incentives to Life Fitness in the future.

**STEP 2 (future case):** review underwriting of project, consider authorization to establish a new TIF district, consider awarding TIF agreement/ business subsidy agreement (which will include a specific amount of TIF), and consider awarding DEED program incentives.

**BACKGROUND (proposed project)**

This project includes three individual parcels. The first two parcels, totaling 17.12 acres are currently owned by Life Fitness (Brunswick Corporation). These two contiguous parcels are home to a 280,000 square foot state-of-the-art Life Fitness manufacturing facility. Life Fitness currently employs about 300 full-time and nearly 100 part-time people at their Ramsey facility. This facility is responsible for manufacturing Life Fitness (<http://www.lifefitness.com/index.html>) and Hammer Strength (<http://www.lifefitness.com/commercial/hammerstrength.html>) brand exercise equipment. Life Fitness is owned by Brunswick Corporation (<http://www.brunswick.com/>), a publicly traded company based out of Lake Forest, Illinois, with a market capitalization of \$4.88 billion and \$119M in world-wide sales for 2014 (NYSE: BC).

In addition to their primary facility in Ramsey, Life Fitness leases approximately 60,000 square feet of warehouse space in Coon Rapids. In order to improve their operations process and more effectively manufacture their products, Life Fitness would like to consolidate their Minnesota operations in into one facility—their Ramsey facility. This will require an expansion on their existing site in Ramsey. Currently, Life Fitness has space for a 48,325 square foot expansion on their existing Ramsey site. This proposed expansion is referred to as *Expansion #1* and would increase the size of the existing Life Fitness building in Ramsey from 280,000 square feet to 328,500 total square feet.

Life Fitness has indicated *Expansion #1* will result in the creation of 26 new full-time jobs paying a minimum \$16.85 per hour (with an additional \$7.08 of benefits per hour) over the course of two years. Life Fitness would like to begin construction on *Expansion #1* August 26, 2015. *Expansion #1* is anticipated to be completed by spring 2016.

In addition to *Expansion #1*, outlined above, Life Fitness would like to prepare for a second expansion of their Ramsey facility (*Expansion #2*). Because their existing site does not have sufficient space available for *Expansion #2*, additional land is required. Life Fitness has targeted a 3.0 acre, bank-owned, parcel located directly south, and adjacent to their existing Ramsey facility for *Expansion #2*. This property is currently home to a 20,000 square foot vacant/ blighted former health club known as Health Quest. It is estimated, acquiring the Health Quest property for *Expansion #2*, will allow for construction of a 50,000-60,000 square foot future expansion of the primary Life Fitness facility.

Securing the Health Quest property does result in significant redevelopment costs for Life Fitness; including property acquisition \$450,000, demolition and site clean-up \$85,000, and capping of nearly 90 geo-thermal wells \$50,000.

In summary, the proposed project includes: (1) construction of a new \$4M - 48,500 square foot expansion on the existing Life Fitness property in Ramsey; and (2) \$585,000 acquisition and clean-up of the Health Quest property to prepare Life Fitness for their future second expansion in Ramsey.

### **BACKGROUND (Why are incentives being requested?)**

This project removes a 20,000 square foot, blighted, bank-owned, building that has sat vacant, and available for purchase, since 2004 (Health Quest property). In order to develop the Health Quest property, significant redevelopment costs need to be overcome; including: acquisition of a property that carries an existing building (\$425,000), demolition and site clean-up (\$71,000), and capping of 90 geo-thermal wells (\$46,000). Based on discussion with the current Health Quest property owner, and prospects previously interested in the Health Quest property, redevelopment costs outlined above have created a barrier to private market to reuse this property.

### **BACKGROUND (Tax Increment Financing)**

Because of the significant redevelopment costs identified above, Staff (along with our professional advisors) have identified a "*Renovation & Renewal TIF District*" as an applicable incentive. This tool would allow the City to capture 15 years of tax increment from the construction of *Expansion #1* and redirect said dollars to the redevelopment of the Health Quest Property. It is estimated about \$350,000 could be captured over 15 years (\$220,000 present value based on 5.5% interest).

For more information on TIF, please see the attached LMC TIF Information document (Section E, pages 15-19). Also attached is State Statute related to a *Renovation & Renewal District*. The purpose of this case is to begin the legal public process, as guided by State Statute, to establish a TIF District. The purpose of this case is not to "award" TIF to Life Fitness. However, this case begins the process to "allow" the City to award TIF to Life Fitness in the future. Attached is a timeline for the establishment of a TIF District.

### **BACKGROUND (DEED, Job Creation Fund (JCF))**

The State of Minnesota, Department of Employment and Economic Development, has indicated this proposed project would qualify for JCF dollars. JCF awards are provided based on two performance measurements: (1) job creation and (2) capital investment. Based on conversations with DEED Staff, it is anticipated this project could receive \$200,000+ from the State. The first step in this process is to apply--attached is an application.

It should be noted, private businesses cannot directly apply for DEED incentives. DEED requires a local municipality to apply on behalf of the benefiting business.

For more information on the State JCF program, please visit this link:  
<http://mn.gov/deed/business/financing-business/deed-programs/job-creation-fund.jsp>.

### **BACKGROUND (Why would Ramsey consider incentives?)**

This project enhances the City of Ramsey's economic base by securing the operation of a Fortune 500 company's manufacturing facility within Ramsey, Minnesota for the foreseeable future. The Life Fitness facility currently generates significant property taxes (about \$150,000 annually) and significant jobs (greatest number of jobs in Ramsey, about 300 FT and about 100 PT. Life Fitness is nearly out of space to grow on their existing site in Ramsey.

By completing the currently proposed project, the City of Ramsey will see significant tax base and job growth into the foreseeable future (*Expansion #1* and *Expansion #2*). Additionally, the City would see the removal of a blighted and vacant building located on highly visible intersection. This effort accomplishes the Ramsey EDA's three major goals: job creation (26+ plus jobs over two years), tax base creation (\$73,873 total property taxes, *Expansion #1 only*), and improvement to the quality-of-life within our community (removal of a blighted building).

By not completing this project, it would be logical for Life Fitness to consider a new, long-term, location for their manufacturing facility. Additionally, the Health Quest property would likely remain in its current state for the foreseeable future

**Notification:**

NA

**Observations/Alternatives:**

**Attached:**

Concept Map

Business Subsidy/TIF Application (City of Ramsey)

TIF Timeline (Ehlers)

TIF Information (League of Minnesota Cities)

TIF Information (State Statute)

TIF Run (Ehlers)

Job Creation Fund Application (DEED)

Cover Letter (Life Fitness)

Business Subsidy Policy

Business Subsidy Test

Resolution Calling for Public Hearing to Modify Development District 1, and Creation of TIF District 15

Resolution Supporting an Application to MN DEED on Behalf of Life Fitness for the JCF Program

**Business Subsidy Policy Review:**

Staff reviewed the proposed Life Fitness project in the context of the City's adopted "*Business Subsidy Policy*."

Based on State Statute and the City's 2009 adopted Business Subsidy Policy, this project is considered a business subsidy. As a result, a public hearing and annual reporting are required by the State.

**Funding Source:**

EDA Professional Services Account

Life Fitness Application Fee (\$7,500 received)

Tax Increment Financing (future increment proceeds, pay-go)

State of Minnesota DEED (State allocation)

**Recommendation:**

**STEP 1 (this case):** begin process to establish a new TIF district, apply for State funds and begin underwriting project. The purpose of this case is not to "award" any financial incentives to Life Fitness. However, this case begins the State required public process to "allow" the City to award financial incentives to Life Fitness in the future.

**STEP 2 (future case):** review underwriting of project, consider authorization to establish a new TIF district, consider awarding TIF agreement/ business subsidy agreement (which will include a specific amount of TIF), and consider awarding DEED program incentives.

**Action:**

**MOTION TO:**

Recommend City Council adopt Resolution #15-07-171 to call for a public hearing on August 25, 2015 to modify development district 1, create TIF district 15, and award a business subsidy.

-and-

Recommend City Council adopt Resolution #15-07-172 declaring the City of Ramsey's support of applying to the State of Minnesota Department of Employment and Economic Development Job Creation Fund program.

-and-

Direct Staff to accept a business subsidy application from Life Fitness and begin underwriting.

-and-

Recommend the City Council execute attached LHB contract for State required TIF district analysis; subject to review and amendments by the City of Attorney.

**Attachments**

Resolution 15 07 172 Support of Business Applying to the Job Creation Fund

Resolution 15 07 171 Calling for a Public Hearing for Development District Modification and Creation of TIF District 15

Site Map

Project Budget

Life Fitness MEMO

TIF Application (preview draft)

TIF Information (State Statute)

TIF Information (League of MN Cities)

TIF Analysis Work Order

TIF RUN 07082015 Phase 1

TIF Schedule

Job Creation Fund Information (DEED)

Job Creation Fund Application (example)

**Form Review**

| <b>Inbox</b>                    | <b>Reviewed By</b> | <b>Date</b>                     |
|---------------------------------|--------------------|---------------------------------|
| Diana Lund                      | Diana Lund         | 07/06/2015 01:08 PM             |
| Kurt Ulrich                     | Kathy Schmitz      | 07/06/2015 02:21 PM             |
| Patrick Brama                   | Patrick Brama      | 07/06/2015 02:28 PM             |
| Kurt Ulrich                     | Kurt Ulrich        | 07/06/2015 05:04 PM             |
| Patrick Brama                   | Patrick Brama      | 07/08/2015 10:39 AM             |
| Form Started By: Patrick Brama  |                    | Started On: 07/02/2015 08:24 AM |
| Final Approval Date: 07/08/2015 |                    |                                 |



# Tax Increment Financing District Overview

## City of Ramsey

### Tax Increment Financing District No. 15 – Life Fitness

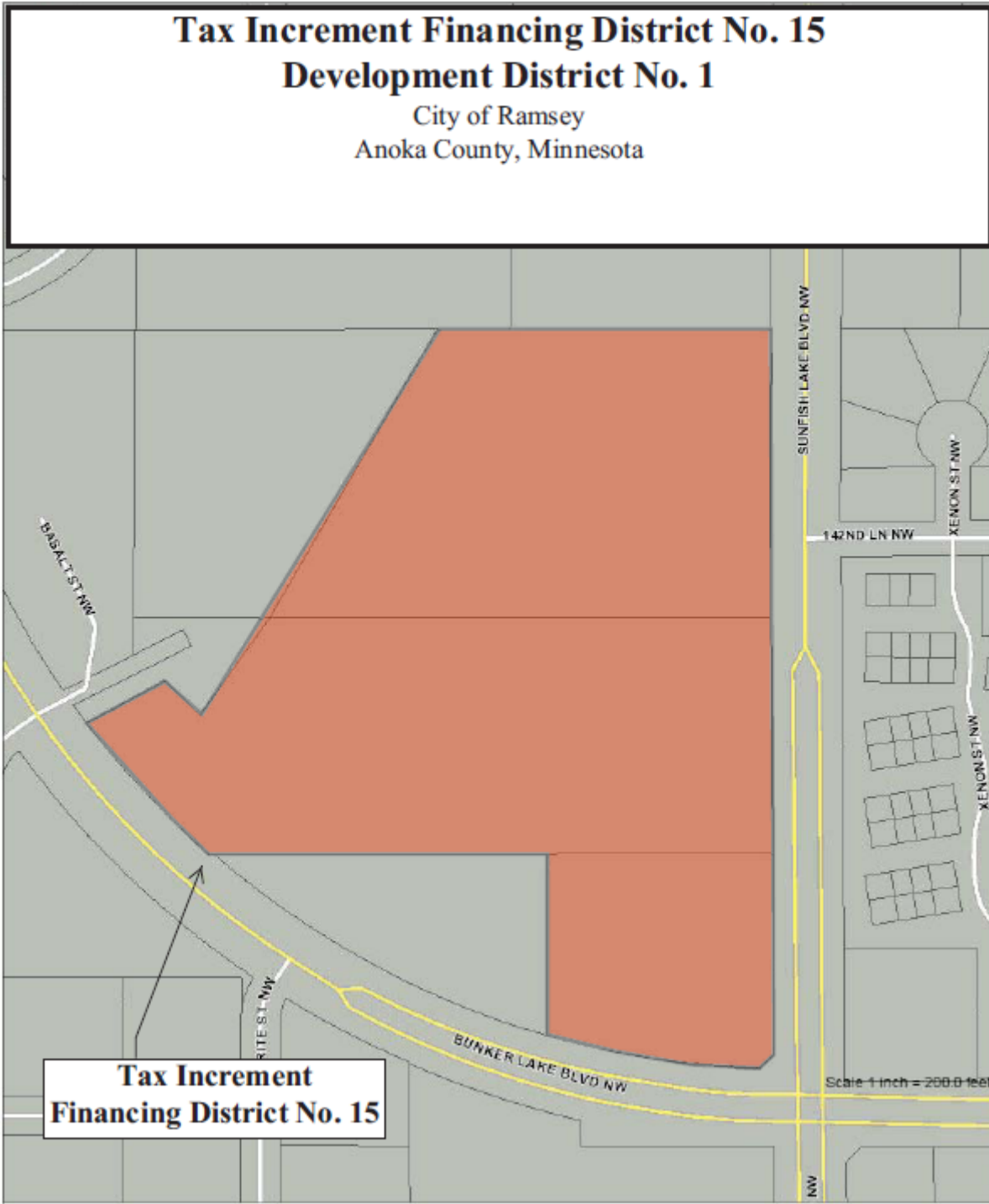
The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 15 – Life Fitness. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

|                                 |   |
|---------------------------------|---|
| Proposed action:                | <ul style="list-style-type: none"><li>➤ Recommending the City Council establish Tax Increment Financing District No. 15 – Life Fitness (District) and adopt Tax Increment Financing Plan (TIF Plan).</li><br/><li>➤ Recommending the City Council modify the Development Program for Development District No. 1 which includes the establishment of Tax Increment Financing District No. 15 – Life Fitness, a continuation of the goals and objectives set forth in the Development Program for Development District No. 1.</li></ul> |
| Type of TIF District:           | A renewal and renovation district   |
| Parcel Numbers:                 | 27-32-25-44-0012                      27-32-25-44-0018<br>27-32-25-44-0019  |
| Proposed Development:           | The District is being created to facilitate the construction of an approximately 98,500 square foot manufacturing/warehouse expansion in the City. Please see Appendix A of the TIF Plan for a more detailed project description.   |
| Maximum duration:               | The duration of the District will be 15 years from the date of receipt of the first increment (16 years of increment). The City elects to receive the first tax increment in 2017. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2032, or when the TIF Plan is satisfied.   |
| Estimated annual tax increment: | Up to \$135,914   |

|  |   |
|--|---|
| Authorized uses:                         | The TIF Plan contains a budget that authorizes the maximum amount that may be expended:<br><br>Land/Building Acquisition.....\$425,000<br>Site Improvements/Preparation.....\$350,000<br>Public Utilities .....\$100,000<br>Other Qualifying Improvements .....\$55,528<br>Administrative Costs (up to 10%).....\$133,484<br><b>PROJECT COSTS TOTAL</b> .....\$1,064,012<br>Interest .....\$404,308<br><b>PROJECT COSTS TOTAL</b> ..... <b><u>\$1,468,320</u></b>   |
|  | See Subsection 2-10, on page 2-5 of the TIF Plan for the full budget authorization.   |
| Form of financing:                       | The project is proposed to be financed by a pay-as-you-go note and an interfund loan.   |
| Administrative fee:                      | Up to 10% of annual increment, if costs are justified.  |
| Interfund Loan Requirement:              | If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.   |
| 4 Year Activity Rule (§ 469.176 Subd. 6) | After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: <ul style="list-style-type: none"> <li>• Demolition</li> <li>• Rehabilitation</li> <li>• Renovation</li> <li>• Other site preparation (not including utility services such as sewer and water)</li> </ul> If the activity has not been started by approximately September 2015, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity. |
| 5 Year Rule (§ 469.1763 Subd. 3)         | Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended.<br><br>Any obligations in the District made after approximately September 2015, will not be eligible for repayment from tax increments.  |

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.

MAP OF DEVELOPMENT DISTRICT NO. 1 AND  
TAX INCREMENT FINANCING DISTRICT NO. 15 – LIFE FITNESS





*As of August 27, 2015  
Draft for EDA*

**Modification to the Development Program  
for Development District No. 1**

**and the**

**Tax Increment Financing Plan**

**for the establishment of**

**Tax Increment Financing District No. 15 - Life Fitness  
(a renewal and renovation district)**

**within**

**Development District No. 1**

City of Ramsey  
Anoka County  
State of Minnesota

Public Hearing: September 22, 2015  
Adopted:



**EHLERS**

Prepared by: EHLERS & ASSOCIATES, INC.  
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105  
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(for reference purposes only)

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***Section 1 - Modification to the Development Program  
for Development District No. 1***

**Foreword**

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 15.

For further information, a review of the Development Program for Development District No. 1 is recommended. It is available from the City Administrator at the City of Ramsey. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within Development District No. 1.

## **Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 15 - Life Fitness**

### **Subsection 2-1. Foreword**

The City of Ramsey (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 15 - Life Fitness (the "District"), a renewal and renovation tax increment financing district, located in Development District No. 1.

### **Subsection 2-2. Statutory Authority**

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.124 to 469.133, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

### **Subsection 2-3. Statement of Objectives**

The District currently consists of three parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of an approximately 98,325 square foot manufacturing/warehouse expansion in the City. Please see Appendix A for further District information. The City will enter into an agreement with Life Fitness as the owner of the business expanding within the District. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

### **Subsection 2-4. Development Program Overview**

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

## **Subsection 2-5. Description of Property in the District and Property To Be Acquired**

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

## **Subsection 2-6. Classification of the District**

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10a* as defined below:

- (a) *"Renewal and renovation district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the City finds by resolution that:*
- (1) (i) *parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures;*
- (ii) *20 percent of the buildings are structurally substandard; and*
- (iii) *30 percent of the other buildings require substantial renovation or clearance to remove existing conditions such as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; and*
- (2) *the conditions described in clause (1) are reasonably distributed throughout the geographic area of the district.*
- (b) *For purposes of determining whether a building is structurally substandard, whether parcels are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures, or whether noncontiguous areas qualify, the provisions of subdivision 10, paragraphs (b) through (f) apply.*

In meeting the statutory criteria the City relies on the following facts and findings:

- The District consists of three parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures.
- An inspection of the buildings located within the District finds that more than 20 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix F).
- Observation of the remaining buildings located within the District finds that more than 30 percent of the buildings require substantial renovation or clearance to remove existing conditions such as defined in the

TIF Act. (See Appendix F).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

### **Subsection 2-7. Duration and First Year of Tax Increment of the District**

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 15 years after receipt of the first increment by the City (a total of 16 years of tax increment). The City elects to receive the first tax increment in 2017, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2032, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

### **Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements**

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2015 for taxes payable 2016.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2017) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2016, assuming the request for certification is made before June 30, 2016. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2017. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

|  |                  |          |
|--|------------------|----------|
| <b>Project Estimated Tax Capacity upon Completion (PTC)</b>  | <b>\$362,576</b> |          |
| <b>Original Estimated Net Tax Capacity (ONTC)</b>            | <b>\$158,584</b> |          |
| <b>Fiscal Disparities Election</b>                           | <b>\$78,622</b>  |          |
| <b>Estimated Captured Tax Capacity (CTC)</b>                 | <b>\$125,370</b> |          |
| <b>Original Local Tax Rate</b>                               | <b>1.0841</b>    | Pay 2015 |
| <b>Estimated Annual Tax Increment (CTC x Local Tax Rate)</b> | <b>\$135,914</b> |          |
| <b>Percent Retained by the City</b>                          | <b>100%</b>      |          |

Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 15. The tax capacity of the District in year one is estimated to be \$166,316.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

**The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.**

**Subsection 2-9. Sources of Revenue/Bonds to be Issued**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note and an interfund loan. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

| <u>SOURCES OF FUNDS</u> | <u>TOTAL</u>       |
|-------------------------|--------------------|
| Tax Increment           | \$1,334,836        |
| <u>Interest</u>         | <u>\$133,484</u>   |
| <b>TOTAL</b>            | <b>\$1,468,320</b> |

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,064,012. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

## Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of an approximately 98,325 square foot manufacturing/warehouse expansion in the City. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

| <u>USES OF TAX INCREMENT FUNDS</u>      | <u>TOTAL</u>       |
|---|--------------------|
| Land/Building Acquisition               | \$425,000          |
| Site Improvements/Preparation           | \$350,000          |
| Utilities                               | \$100,000          |
| Other Qualifying Improvements           | \$55,528           |
| <u>Administrative Costs (up to 10%)</u> | <u>\$133,484</u>   |
| PROJECT COST TOTAL                      | \$1,064,012        |
| <u>Interest</u>                         | \$404,308          |
| <b>PROJECT AND INTEREST COSTS TOTAL</b> | <b>\$1,468,320</b> |

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

## Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (within the District) are followed, the following method of computation shall apply:

- (1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity*

*is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.*

- (2) *The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.*

**The City will choose to calculate fiscal disparities by clause b.**

According to *M.S., Section 469.177, Subd. 3*:

- (c) *The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

**Subsection 2-12. Business Subsidies**

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;

- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

### **Subsection 2-13. County Road Costs**

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

### **Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

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**IMPACT ON TAX BASE**

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|                           | <b>2014/Pay 2015<br/>Total Net<br/>Tax Capacity</b> | <b>Estimated Captured<br/>Tax Capacity (CTC)<br/>Upon Completion</b> | <b>Percent of CTC<br/>to Entity Total</b> |
|---------------------------|---|--|---|
| Anoka County              | 252,501,492   | 125,370  | <b>0.0497%</b>                            |
| City of Ramsey            | 18,605,528  | 125,370  | <b>0.6738%</b>                            |
| Anoka-Hennepin ISD No. 11 | 131,670,082   | 125,370  | <b>0.0952%</b>                            |

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**IMPACT ON TAX RATES**

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|                           | <b>Pay 2015<br/>Extension Rates</b> | <b>Percent<br/>of Total</b> | <b>CTC</b>     | <b>Potential<br/>Taxes</b> |
|---------------------------|-------------------------------------|-----------------------------|----------------|----------------------------|
| Anoka County              | 0.381230                            | 35.17%                      | 125,370        | <b>47,795</b>              |
| City of Ramsey            | 0.422590                            | 38.98%                      | 125,370        | <b>52,980</b>              |
| Anoka-Hennepin ISD No. 11 | 0.224820                            | 20.74%                      | 125,370        | <b>28,186</b>              |
| Other                     | <u>0.055460</u>                     | <u>5.12%</u>                | <u>125,370</u> | <u><b>6,953</b></u>        |
| <b>Total</b>              | 1.084100                            | 100.00%                     |                | <b>135,914</b>             |

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2015 rate. The total net capacity for the entities listed above are based on actual Pay 2015 figures. The District will be certified under the actual Pay 2016 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,334,836;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new investment.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

**The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the**

**City's ability to issue future debt or on the City's debt limit.**

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$276,845;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$469,462;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

**Subsection 2-15. Supporting Documentation**

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the City's findings:

- A list of applicable studies will be listed here prior to the public hearing.

**Subsection 2-16. Definition of Tax Increment Revenues**

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
3. Principal and interest received on loans or other advances made by the authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

**Subsection 2-17. Modifications to the District**

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF

Plan;

4. Increase in the portion of the captured net tax capacity to be retained by the City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a renewal and renovation district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10a*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2)(A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

### **Subsection 2-18. Administrative Expenses**

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District;
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

### **Subsection 2-19. Limitation of Increment**

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

*if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.*

The City or a property owner must improve parcels within the District by approximately September 2019 and report such actions to the County Auditor.

### **Subsection 2-20. Use of Tax Increment**

The City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Development District No. 1 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Anoka County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

#### **Subsection 2-21. Excess Increments**

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 1 or the District.

#### **Subsection 2-22. Requirements for Agreements with the Developer**

The City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from

property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the City should the development or redevelopment not be completed.

### **Subsection 2-23. Assessment Agreements**

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

### **Subsection 2-24. Administration of the District**

Administration of the District will be handled by the City Administrator.

### **Subsection 2-25. Annual Disclosure Requirements**

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

### **Subsection 2-26. Reasonable Expectations**

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

### **Subsection 2-27. Other Limitations on the Use of Tax Increment**

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.133*. Tax increments may not be

used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.
4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district or renewal and renovation district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

## **Subsection 2-28. Summary**

The City of Ramsey is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

## Appendix A

The District is being created to facilitate the expansion of Life Fitness in the community. The proposed project includes construction of a first expansion totaling 48,325 square feet on the existing Life Fitness property in the District, and the demolition of an existing building in the District, the capping of all existing geothermal wells, and the preparation of the property for development.

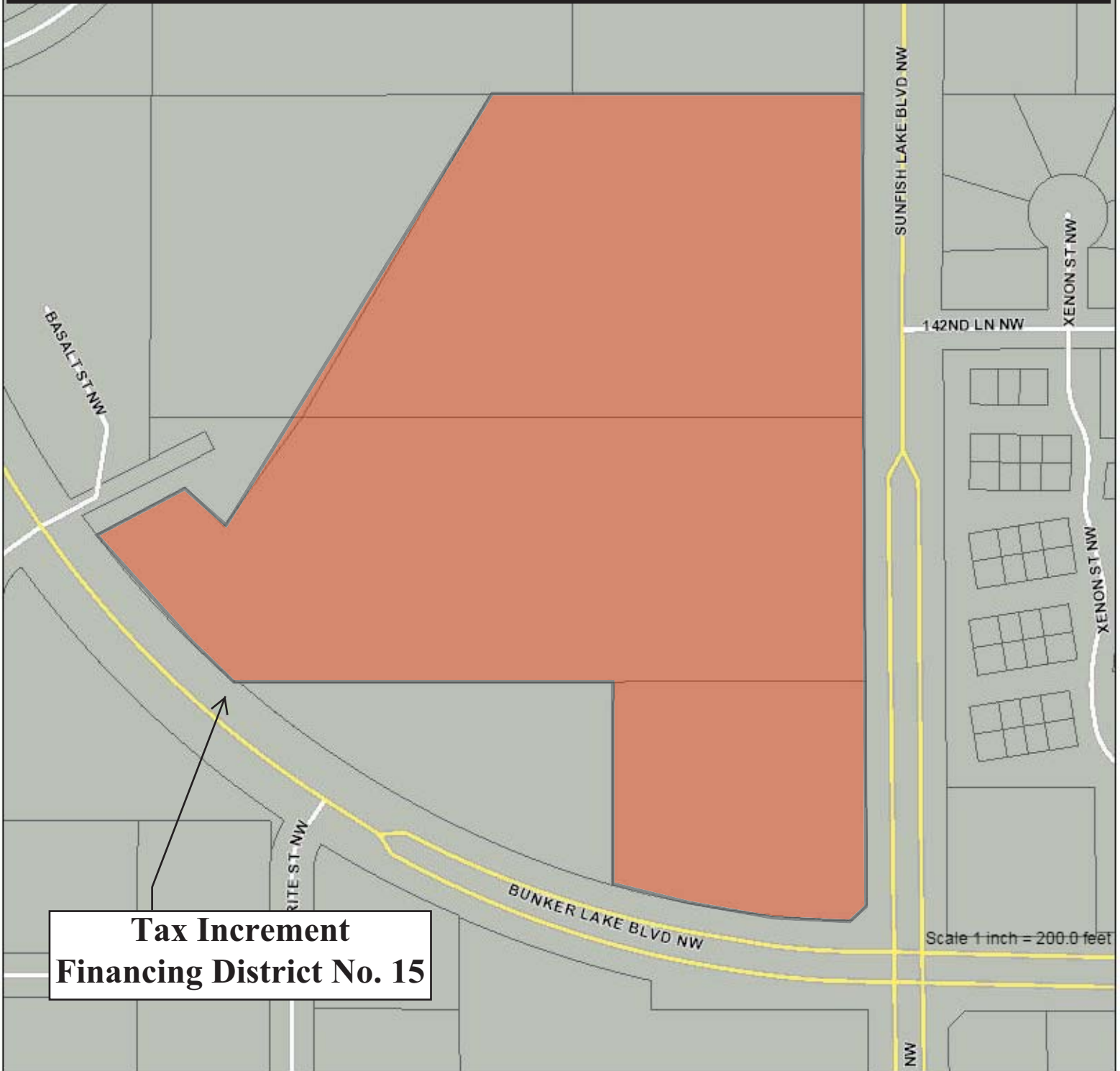
Appendix B

Map(s) of Development District No. 1 and the District

# Tax Increment Financing District No. 15

## Development District No. 1

City of Ramsey  
Anoka County, Minnesota



**Tax Increment  
Financing District No. 15**





## TIF District No. 15

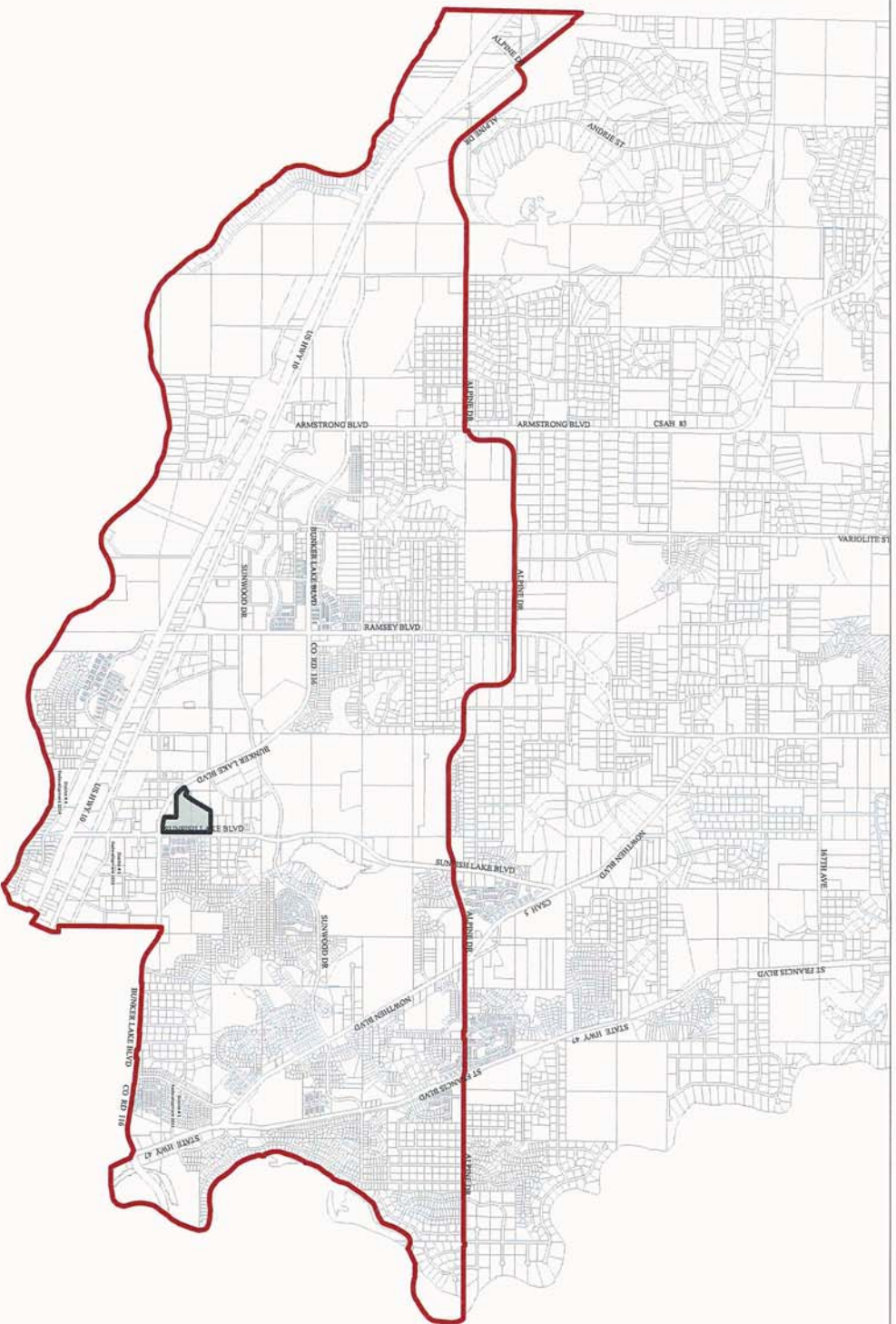
### Tax Increment Financing District No. 15

### Development District No. 1

City of Ramsey  
Anoka County, Minnesota

Map Prepared by the City of Ramsey  
Data Source: Anoka County, City of Ramsey  
August 27, 2015  
1. Import: Contoural Conic Projection  
IGDS\Users\Ym\TIF Properties

This map has been compiled using information gathered from various governmental offices and other sources. The City of Ramsey is not responsible for errors or omissions. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map. The City of Ramsey is not liable for any damages, including consequential damages, arising from the use of this map.



Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

| <u>Parcel Numbers</u> | <u>Address</u>             | <u>Owner</u>          |
|-----------------------|----------------------------|-----------------------|
| 27-32-25-44-0012      | 14100 Sunfish Lake Blvd NW | First Minnesota Bank  |
| 27-32-25-44-0018      | Unassigned                 | Brunswick Corporation |
| 27-32-25-44-0019      | 14150 Sunfish Lk Blvd NW   | Brunswick Corporation |
|                       |                            |                       |
|                       |                            |                       |
|                       |                            |                       |
|                       |                            |                       |
|                       |                            |                       |
|                       |                            |                       |

Appendix D

Estimated Cash Flow for the District



**Life Fitness**

City of Ramsey

98,325 sq. ft. Manufacturing / Warehouse Expansion

**ASSUMPTIONS AND RATES**

|  |                               |
|--|-------------------------------|
| <b>DistrictType:</b>   | <b>Renewal and Renovation</b> |
| <b>District Name/Number:</b>                                 |                               |
| <b>County District #:</b>                                    |                               |
| <b>First Year Construction or Inflation on Value</b>         | <b>2015</b>                   |
| <b>Existing District - Specify No. Years Remaining</b>       |                               |
| Inflation Rate - Every Year:                                 | <b>3.00%</b>                  |
| Interest Rate:   | <b>4.00%</b>                  |
| Present Value Date:  | <b>1-Aug-16</b>               |
| First Period Ending  | <b>1-Feb-17</b>               |
| Tax Year District was Certified:                             | <b>Pay 2016</b>               |
| Cashflow Assumes First Tax Increment For Development:        | <b>2017</b>                   |
| Years of Tax Increment                                       | <b>16</b>                     |
| Assumes Last Year of Tax Increment                           | <b>2032</b>                   |
| Fiscal Disparities Election [Outside (A), Inside (B), or NA] | <b>Inside(B)</b>              |
| Incremental or Total Fiscal Disparities                      | <b>Incremental</b>            |
| Fiscal Disparities Contribution Ratio                        | 38.5419% Pay 2015             |
| Fiscal Disparities Metro-Wide Tax Rate                       | 161.6250% Pay 2015            |
| Maximum/Frozen Local Tax Rate:                               | 108.410% Pay 2015             |
| Current Local Tax Rate: (Use lesser of Current or Max.)      | 108.410% Pay 2015             |
| State-wide Tax Rate (Comm./Ind. only used for total taxes)   | 50.8400% Pay 2015             |
| Market Value Tax Rate (Used for total taxes)                 | 0.21266% Pay 2015             |

| Tax Rates  |  |       |
|--|--|-------|
| Exempt Class Rate (Exempt)                             |  | 0.00% |
| Commercial Industrial Preferred Class Rate (C/I Pref.) |  |       |
| First \$150,000  |  | 1.50% |
| Over \$150,000   |  | 2.00% |
| Commercial Industrial Class Rate (C/I)                 |  | 2.00% |
| Rental Housing Class Rate (Rental)                     |  | 1.25% |
| Affordable Rental Housing Class Rate (Aff. Rental)     |  |       |
| First \$100,000  |  | 0.75% |
| Over \$100,000   |  | 0.25% |
| Non-Homestead Residential (Non-H Res. 1 Unit)          |  |       |
| First \$500,000  |  | 1.00% |
| Over \$500,000   |  | 1.25% |
| Homestead Residential Class Rate (Hmstd. Res.)         |  |       |
| First \$500,000  |  | 1.00% |
| Over \$500,000   |  | 1.25% |
| Agricultural Non-Homestead                             |  | 1.00% |

**BASE VALUE INFORMATION (Original Tax Capacity)**

| Map # | PID              | Owner       | Address | Land Market Value | Building Market Value | Total Market Value | Percentage Of Value Used for District | Original Market Value | Tax Year Original Market Value | Property Tax Class | Current Original Tax Capacity | Class After Conversion | After Conversion Orig. Tax Cap. | Area/Phase |
|-------|------------------|-------------|---------|-------------------|-----------------------|--------------------|---------------------------------------|-----------------------|--------------------------------|--------------------|-------------------------------|------------------------|---------------------------------|------------|
|       | 27-32-25-44-0018 | Brunswick   |         | 666,900           | 0                     | 666,900            | 100%                                  | 666,900               | Pay 2016                       | C/I                | 13,338                        | C/I                    | 13,338                          |            |
|       | 27-32-25-44-0019 | Brunswick   |         | 788,800           | 5,882,300             | 6,671,100          | 100%                                  | 6,671,100             | Pay 2016                       | C/I Pref.          | 132,672                       | C/I Pref.              | 132,672                         |            |
|       | 27-32-25-44-0012 | 1st MN Bank |         | 310,300           | 318,400               | 628,700            | 100%                                  | 628,700               | Pay 2016                       | C/I Pref.          | 11,824                        | C/I                    | 12,574                          |            |
|       |                  |             |         | <b>1,766,000</b>  | <b>6,200,700</b>      | <b>7,966,700</b>   |                                       | <b>7,966,700</b>      |                                |                    | <b>157,834</b>                |                        | <b>158,584</b>                  |            |

**Note:**

1. Base values are for pay 2016 and based upon review of County website on 6-1-15.



**Life Fitness**

City of Ramsey

98,325 sq. ft. Manufacturing / Warehouse Expansion

| PROJECT INFORMATION (Project Tax Capacity) |              |   |                                       |                     |                            |                    |                      |                           |                           |                           |                           |                           |                               |
|--|--------------|---|---------------------------------------|---------------------|----------------------------|--------------------|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|
| Area/Phase                                 | New Use      | Estimated Market Value Per Sq. Ft./Unit | Taxable Market Value Per Sq. Ft./Unit | Total Sq. Ft./Units | Total Taxable Market Value | Property Tax Class | Project Tax Capacity | Project Tax Capacity/Unit | Percentage Completed 2015 | Percentage Completed 2016 | Percentage Completed 2017 | Percentage Completed 2018 | First Year Full Taxes Payable |
|  | Expansion #1 | 40                                      | 40                                    | 48,325              | 1,933,000                  | C/I                | 38,660               | 1                         | 20%                       | 100%                      | 100%                      | 100%                      | 2018                          |
| 27-32-25-44-0018                           | Existing     | 666,900                                 | 666,900                               | 1                   | 666,900                    | C/I                | 13,338               | 13,338                    | 100%                      | 100%                      | 100%                      | 100%                      | 2017                          |
| 27-32-25-44-0019                           | Existing     | 6,671,100                               | 6,671,100                             | 1                   | 6,671,100                  | C/I Pref.          | 132,672              | 132,672                   | 100%                      | 100%                      | 100%                      | 100%                      | 2017                          |
| 27-32-25-44-0012                           | Existing     | 628,700                                 | 628,700                               | 1                   | 628,700                    | C/I                | 12,574               | 12,574                    | 100%                      | 100%                      | 100%                      | 100%                      | 2017                          |
|  | Expansion #2 | 40                                      | 40                                    | 50,000              | 2,000,000                  | C/I                | 40,000               | 1                         | 0%                        | 0%                        | 0%                        | 100%                      | 2020                          |
| <b>TOTAL</b>                               |              |   |                                       |                     | <b>11,899,700</b>          |                    | <b>237,244</b>       |                           |                           |                           |                           |                           |                               |
| <b>Subtotal Residential</b>                |              |   |                                       | <b>0</b>            | <b>0</b>                   |                    | <b>0</b>             |                           |                           |                           |                           |                           |                               |
| <b>Subtotal Commercial/Ind.</b>            |              |   |                                       | <b>98,328</b>       | <b>11,899,700</b>          |                    | <b>237,244</b>       |                           |                           |                           |                           |                           |                               |

**Note:**

1. Market values are based upon estimates from the county assessor.

| TAX CALCULATIONS |                    |                                 |                    |                      |                          |                           |                    |                |                        |
|------------------|--------------------|---------------------------------|--------------------|----------------------|--------------------------|---------------------------|--------------------|----------------|------------------------|
| New Use          | Total Tax Capacity | Fiscal Disparities Tax Capacity | Local Tax Capacity | Local Property Taxes | Fiscal Disparities Taxes | State-wide Property Taxes | Market Value Taxes | Total Taxes    | Taxes Per Sq. Ft./Unit |
| Expansion #1     | 38,660             | 14,900                          | 23,760             | 25,758               | 24,083                   | 19,655                    | 4,111              | 73,606         | 1.52                   |
| Existing         | 13,338             | 5,141                           | 8,197              | 8,887                | 8,309                    | 6,781                     | 1,418              | 25,395         | 25,394.63              |
| Existing         | 132,672            | 51,134                          | 81,538             | 88,395               | 82,646                   | 67,450                    | 14,187             | 252,678        | 252,678.04             |
| Existing         | 12,574             | 4,846                           | 7,728              | 8,378                | 7,833                    | 6,393                     | 1,337              | 23,940         | 23,940.02              |
| Expansion #2     | 40,000             | 15,417                          | 24,583             | 26,651               | 24,917                   | 20,336                    | 4,253              | 76,157         | 1.52                   |
| <b>TOTAL</b>     | <b>237,244</b>     | <b>91,438</b>                   | <b>145,806</b>     | <b>158,068</b>       | <b>147,787</b>           | <b>120,615</b>            | <b>25,306</b>      | <b>451,776</b> |                        |

**Note:**

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

| WHAT IS EXCLUDED FROM TIF? |               |
|----------------------------|---------------|
| Total Property Taxes       | 451,776       |
| less State-wide Taxes      | (120,615)     |
| less Fiscal Disp. Adj.     | (147,787)     |
| less Market Value Taxes    | (25,306)      |
| less Base Value Taxes      | (105,659)     |
| <b>Annual Gross TIF</b>    | <b>52,409</b> |

| MARKET VALUE BUT / FOR ANALYSIS                           |                  |
|---|------------------|
| Current Market Value - Est.                               | 7,966,700        |
| New Market Value - Est.                                   | 11,899,700       |
| Difference  | 3,933,000        |
| Present Value of Tax Increment                            | 888,804          |
| Difference  | 3,044,196        |
| Value likely to occur without Tax Increment is less than: | <b>3,044,196</b> |



**Life Fitness  
City of Ramsey  
98,325 sq. ft. Manufacturing / Warehouse Expansion**

| <b>TAX INCREMENT CASH FLOW</b> |                      |                                      |                                |                       |                |                            |                                 |                     |                  |                               |                           |                    |          |              |
|--------------------------------|----------------------|--------------------------------------|--------------------------------|-----------------------|----------------|----------------------------|---------------------------------|---------------------|------------------|-------------------------------|---------------------------|--------------------|----------|--------------|
| % of OTC                       | Project Tax Capacity | Original Tax Capacity                | Fiscal Disparities Incremental | Captured Tax Capacity | Local Tax Rate | Annual Gross Tax Increment | Semi-Annual Gross Tax Increment | State Auditor 0.36% | Admin. at 10%    | Semi-Annual Net Tax Increment | Semi-Annual Present Value | PERIOD ENDING Yrs. | Tax Year | Payment Date |
| 100%                           | 166,316              | (158,584)                            | (2,980)                        | 4,752                 | 108.410%       | 5,152                      | 2,576                           | (9)                 | (257)            | 2,310                         | 2,220                     | 0.5                | 2017     | 02/01/17     |
|                                |                      |                                      |                                |                       |                |                            | 2,576                           | (9)                 | (257)            | 2,310                         | 4,397                     | 1                  | 2017     | 02/01/18     |
| 100%                           | 202,002              | (158,584)                            | (16,734)                       | 26,684                | 108.410%       | 28,928                     | 14,464                          | (52)                | (1,441)          | 12,971                        | 16,380                    | 1.5                | 2018     | 08/01/18     |
|                                |                      |                                      |                                |                       |                |                            | 14,464                          | (52)                | (1,441)          | 12,971                        | 28,127                    | 2                  | 2018     | 02/01/19     |
| 100%                           | 208,062              | (158,584)                            | (19,070)                       | 30,408                | 108.410%       | 32,965                     | 16,483                          | (59)                | (1,642)          | 14,781                        | 41,253                    | 2.5                | 2019     | 08/01/19     |
|                                |                      |                                      |                                |                       |                |                            | 16,483                          | (59)                | (1,642)          | 14,781                        | 54,120                    | 3                  | 2019     | 02/01/20     |
| 100%                           | 254,303              | (158,584)                            | (36,892)                       | 58,827                | 108.410%       | 63,775                     | 31,887                          | (115)               | (3,177)          | 28,595                        | 78,526                    | 3.5                | 2020     | 08/01/20     |
|                                |                      |                                      |                                |                       |                |                            | 31,887                          | (115)               | (3,177)          | 28,595                        | 102,453                   | 4                  | 2020     | 02/01/21     |
| 100%                           | 261,933              | (158,584)                            | (39,832)                       | 63,516                | 108.410%       | 68,858                     | 34,429                          | (124)               | (3,430)          | 30,874                        | 127,781                   | 4.5                | 2021     | 08/01/21     |
|                                |                      |                                      |                                |                       |                |                            | 34,429                          | (124)               | (3,430)          | 30,874                        | 152,612                   | 5                  | 2021     | 02/01/22     |
| 100%                           | 269,790              | (158,584)                            | (42,861)                       | 68,345                | 108.410%       | 74,093                     | 37,047                          | (133)               | (3,691)          | 33,222                        | 178,808                   | 5.5                | 2022     | 08/01/22     |
|                                |                      |                                      |                                |                       |                |                            | 37,047                          | (133)               | (3,691)          | 33,222                        | 204,489                   | 6                  | 2022     | 02/01/23     |
| 100%                           | 277,884              | (158,584)                            | (45,981)                       | 73,320                | 108.410%       | 79,486                     | 39,743                          | (143)               | (3,960)          | 35,640                        | 231,500                   | 6.5                | 2023     | 08/01/23     |
|                                |                      |                                      |                                |                       |                |                            | 39,743                          | (143)               | (3,960)          | 35,640                        | 257,981                   | 7                  | 2023     | 02/01/24     |
| 100%                           | 286,221              | (158,584)                            | (49,194)                       | 78,443                | 108.410%       | 85,040                     | 42,520                          | (153)               | (4,237)          | 38,130                        | 285,757                   | 7.5                | 2024     | 08/01/24     |
|                                |                      |                                      |                                |                       |                |                            | 42,520                          | (153)               | (4,237)          | 38,130                        | 312,988                   | 8                  | 2024     | 02/01/25     |
| 100%                           | 294,807              | (158,584)                            | (52,503)                       | 83,720                | 108.410%       | 90,761                     | 45,381                          | (163)               | (4,522)          | 40,695                        | 341,481                   | 8.5                | 2025     | 08/01/25     |
|                                |                      |                                      |                                |                       |                |                            | 45,381                          | (163)               | (4,522)          | 40,695                        | 369,416                   | 9                  | 2025     | 02/01/26     |
| 100%                           | 303,652              | (158,584)                            | (55,912)                       | 89,156                | 108.410%       | 96,654                     | 48,327                          | (174)               | (4,815)          | 43,338                        | 398,581                   | 9.5                | 2026     | 08/01/26     |
|                                |                      |                                      |                                |                       |                |                            | 48,327                          | (174)               | (4,815)          | 43,338                        | 427,174                   | 10                 | 2026     | 02/01/27     |
| 100%                           | 312,761              | (158,584)                            | (59,423)                       | 94,754                | 108.410%       | 102,723                    | 51,362                          | (185)               | (5,118)          | 46,059                        | 456,967                   | 10.5               | 2027     | 08/01/27     |
|                                |                      |                                      |                                |                       |                |                            | 51,362                          | (185)               | (5,118)          | 46,059                        | 486,175                   | 11                 | 2027     | 02/01/28     |
| 100%                           | 322,144              | (158,584)                            | (63,039)                       | 100,521               | 108.410%       | 108,975                    | 54,487                          | (196)               | (5,429)          | 48,862                        | 516,554                   | 11.5               | 2028     | 08/01/28     |
|                                |                      |                                      |                                |                       |                |                            | 54,487                          | (196)               | (5,429)          | 48,862                        | 546,337                   | 12                 | 2028     | 02/01/29     |
| 100%                           | 331,808              | (158,584)                            | (66,764)                       | 106,460               | 108.410%       | 115,414                    | 57,707                          | (208)               | (5,750)          | 51,749                        | 577,261                   | 12.5               | 2029     | 08/01/29     |
|                                |                      |                                      |                                |                       |                |                            | 57,707                          | (208)               | (5,750)          | 51,749                        | 607,579                   | 13                 | 2029     | 02/01/30     |
| 100%                           | 341,763              | (158,584)                            | (70,600)                       | 112,578               | 108.410%       | 122,046                    | 61,023                          | (220)               | (6,080)          | 54,723                        | 639,010                   | 13.5               | 2030     | 08/01/30     |
|                                |                      |                                      |                                |                       |                |                            | 61,023                          | (220)               | (6,080)          | 54,723                        | 669,825                   | 14                 | 2030     | 02/01/31     |
| 100%                           | 352,015              | (158,584)                            | (74,552)                       | 118,879               | 108.410%       | 128,877                    | 64,439                          | (232)               | (6,421)          | 57,786                        | 701,727                   | 14.5               | 2031     | 08/01/31     |
|                                |                      |                                      |                                |                       |                |                            | 64,439                          | (232)               | (6,421)          | 57,786                        | 733,004                   | 15                 | 2031     | 02/01/32     |
| 100%                           | 362,576              | (158,584)                            | (78,622)                       | 125,370               | 108.410%       | 135,913                    | 67,957                          | (245)               | (6,771)          | 60,941                        | 765,341                   | 15.5               | 2032     | 08/01/32     |
|                                |                      |                                      |                                |                       |                |                            | 67,957                          | (245)               | (6,771)          | 60,941                        | 797,044                   | 16                 | 2032     | 02/01/33     |
| <b>Total</b>                   |                      |                                      |                                |                       |                |                            | <b>1,339,659</b>                | <b>(4,823)</b>      | <b>(133,484)</b> | <b>1,201,352</b>              |                           |                    |          |              |
|                                |                      | <b>Present Value From 08/01/2016</b> | <b>Present Value Rate</b>      | <b>4.00%</b>          |                |                            | <b>888,804</b>                  | <b>(3,200)</b>      | <b>(88,560)</b>  | <b>797,044</b>                |                           |                    |          |              |

## Appendix E

### Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F

Redevelopment Qualifications for the District

*To be added to prior to the public hearing*

Appendix G

Findings Including But/For Qualifications

*To be added to prior to the public hearing*

| <b>But-For Analysis</b>                                |                  |
|--|------------------|
| Current Market Value                                   | 7,966,700        |
| New Market Value - Estimate                            | 11,899,700       |
| Difference   | 3,933,000        |
| Present Value of Tax Increment                         | 888,804          |
| Difference   | 3,044,196        |
| <b>Value Likely to Occur Without TIF is Less Than:</b> | <b>3,044,196</b> |

**City of Ramsey**  
**Life Fitness TIF Agreement Outline**  
**TIF District #15 – Life Fitness**

1. Developer: Brunswick Corporation (Life Fitness)
  
2. Properties: Existing location: 14100 SUNFISH LAKE BLVD NW, RAMSEY, MN 55303  
Parcel #1: PID #27-32-25-44-0018  
Parcel #2: PID #27-32-25-44-0019  
  
Expansion Parcel – To be acquired  
4100 SUNFISH LAKE BLVD NW, RAMSEY, MN 55303  
PID #27-32-25-44-0012
  
3. Developer Conditions:
  - a. Execution of Development Agreement
  - b. Acquisition of the Expansion Parcel (noted Above)
  
4. City Conditions:
  - a. Establishment of new Renewal and Renovation TIF District
  - b. City approval of Construction Plans
  - c. Execution of Development Agreement and Business Subsidy Agreement
  - d. City determination that Developer has sufficient financial means to construct Minimum Improvements
  
5. Minimum Improvements:
  - a. 48,500 square foot expansion of Life Fitness' existing manufacturing building
  - b. Capping of all existing geothermal wells located on the Expansion Parcel
  - c. Demolition of the existing building located on the Expansion Parcel and readying the site for development
  
6. Construction Schedule: Commence construction by October 31, 2015, and complete by October 31, 2015. For the purpose hereof, "Commence" shall mean beginning of physical improvement to the Property, including grading, excavation, or other physical site preparation work; and "Completed" shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy.
  
7. Public Assistance: Subject to all terms and conditions of the Development Agreement, the City will reimburse Developer for up to \$224,000 (present value) of Qualified Costs related to the Minimum Improvements (out of an estimated total of \$622,000). "Qualified Costs" shall mean redevelopment costs incurred in connection with the construction of the Minimum Improvements. Payments will be issued on a pay-as-you-go basis over 16 year term of the district with interest at a rate of 5% per annum.

8. Jobs: The Development Agreement and Business Subsidy Agreement will require the creation of at least an additional 26 new full time equivalent jobs on the Property at wage rates that are \$16.85 per hour, not including benefits.
9. Building Value: The building to be constructed upon the Property is anticipated to have a value of approximately \$40.00 per square foot.
10. Fees: The Developer remitted to the City the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction.

DRAFT

**DRAFT FORM, Changes WILL OCCUR.**

DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF RAMSEY, MINNESOTA

AND

BRUNSWICK CORPORATION

This document drafted by:

BRIGGS AND MORGAN (MLI)  
Professional Association  
2200 First National Bank Building  
St. Paul, Minnesota 55101

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the 1st day of September, 2015, by and between the City of Ramsey, Minnesota (the "City"), a municipal corporation existing under the laws of the State of Minnesota and Brunswick Corporation, a Delaware corporation (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 to 469.133, the City has heretofore established Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing District No. 15 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, apply to this Agreement; and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published; and

WHEREAS, the Council has approved this Agreement as a subsidy agreement under the Business Subsidy Law;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I  
DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement, as the same may be from time to time modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Ramsey, Minnesota, its successors and assigns;

County means Anoka County, Minnesota;

Developer means Brunswick Corporation, a Delaware corporation, its successors and assigns;

Development District means the real property included in Development District No. 1 heretofore established;

Development Program means the Development Program approved in connection with the Development District;

Development Property means the real property described in Exhibit A attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Expansion Property means the real property described in Exhibit D attached to this Agreement;

Note Payment Date means August 1, 2017, and each February 1 and August 1 of each year thereafter to and including February 1, 2033; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in St. Paul, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the construction of an approximately 45,800 square foot expansion to an existing manufacturing/warehouse facility on the Development Property located in the City;

Site Improvements means the site improvements undertaken or to be undertaken on the Development Property, more particularly described on Exhibit C attached hereto;

State means the State of Minnesota;

Tax Increments means 90% of the tax increments derived from the Development Property which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing District No. 15 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a renewal and renovation district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on September 22, 2015, and any future amendments thereto;

TIF Note means the Tax Increment Revenue Note (Brunswick Corporation Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "renewal and renovation district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10a, and was created, adopted and approved in accordance with the terms of the Tax Increment Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for acquisition of the Development Property and a portion of the costs of the construction of certain Site Improvements incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Delaware corporation and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its articles, bylaws, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely

manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.

(7) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(8) Construction shall begin by October 31, 2015 and the construction of the Project will be substantially completed by October 31, 2016, subject to Unavoidable Delays.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and the construction of the Site Improvements as provided in Article III.

(10) The Developer shall acquire the Expansion Property, demolish the existing facility and cap all unsealed wells on the Expansion Property on or before \_\_\_\_\_.

## ARTICLE III

### UNDERTAKINGS BY DEVELOPER AND CITY

#### Section 3.1. Project, Site Improvements and Development Property.

(1) The parties agree that the acquisition of the Development Property and the installation of the Site Improvements is essential to the successful completion of the Project. The costs of the Development Property and the Site Improvements shall be paid by the Developer. The City shall reimburse the Developer for the lesser of \$224,000 or the costs of acquisition of the Development Property and the construction of Site Improvements actually incurred and paid by the Developer (the "Reimbursement Amount"), as further provided in Section 3.2 hereof.

Section 3.2. Limitations on Undertaking of the City. Notwithstanding the provisions of Section 3.1, the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the costs identified in Section 3.1, if the City, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3. Reimbursement: TIF Note. The City shall reimburse the payments made by the Developer under Section 3.1 for costs of the acquisition of the Development Property and the construction of Site Improvements through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the construction of the Site Improvements has been completed and that the Developer has incurred and paid the costs of the acquisition of the Development Property and of the construction of Site Improvements, as described in and limited by Section 3.1 and shall have submitted paid invoices for the costs of construction of the Site Improvements and a settlement statement or other evidence of payment of the costs of the Development Property in an amount not less than the Reimbursement Amount.

(2) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at 5.00% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note and Section 3.5, the City shall pay, against the principal and interest outstanding on the TIF Note, any Tax Increments received by the City during the preceding 6 months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal and interest on the TIF Note. If, on any TIF Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future TIF Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that: (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement and (B) this Agreement shall not have been rescinded pursuant to Section 4.2.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

#### Section 3.4. Business Subsidies Act.

(1) In order to satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidies Act"), the Developer acknowledges and agrees that the amount of the "Business Subsidy" granted to the Developer under this Agreement is \$224,000 which is the Reimbursement Amount for the acquisition of the Development Property and the installation of the Site Improvements and that the Business Subsidy is needed because the Project is not sufficiently feasible for the Developer to undertake without the Business Subsidy. The Tax Increment District is a renewal and renovation district and the public purpose of the Business Subsidy is to encourage the renovation or demolition of substandard structures and construction of manufacturing/warehouse facilities in the City. The Developer agrees that it will meet the following goals (the "Goals") in connection with the development of the Development Property. It will create at least twenty-six (26) full time jobs at an hourly wage of at least \$16.85 per hour, not including benefits, within two years from the "Benefit Date", which is the earlier of the date the Developer completes or occupies the Project.

(2) If the Goals are not met, the Developer agrees to repay all or a part of the Business Subsidy to the City, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually. If the Goals are met in part, the Developer will repay a portion of the Business Subsidy (plus Interest) determined by multiplying the Business Subsidy by a fraction, the numerator of which is the number of jobs in the Goals which were not created at the wage level set forth above and the denominator of which is twenty-six (26) (i.e. number of jobs set forth in the Goals).

(3) The Developer agrees to (i) report its progress on achieving the Goals to the City until the later of the date the Goals are met or two years from the Benefit Date, or, if the

Goals are not met, until the date the Business Subsidy is repaid, (ii) include in the report the information required in Minnesota Statutes, Section 116J.994, Subdivision 7 on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the City. The Developer agrees to file these reports no later than March 1 of each year commencing March 1, 2017, and within 30 days after the deadline for meeting the Goals. The City agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, the Developer agrees to pay to the City a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

(4) The Developer agrees to continue operations within the City for at least five (5) years after the Benefit Date.

(5) There are no other state or local government agencies providing financial assistance for the Project other than the City.

(6) There is no parent corporation of the Developer.

(7) The Developer certifies that it does not appear on the Minnesota Department of Employment and Economic Development's list of recipients that have failed to meet the terms of a business subsidy agreement.

Section 3.5. Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

The Developer agrees that prior to the Termination Date:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under Minnesota Statutes, Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date.

(4) It will not seek a reduction in the Market Value (as defined in Minnesota Statutes, Section 273.02) for the tax collection years of 2029 through 2032. In the event that the Developer obtains a reduction in Market Value that results in the City having to make a payment to the County (the "County Payment") for the tax collection years of 2017 through 2029, the Developer agrees that:

(a) If the TIF Note remains outstanding, the next Tax Increments to be paid to the Developer shall be reduced by the County Payment, and

(b) If the TIF Note is no longer outstanding, Developer shall pay the amount of the County Payment to the City within thirty (30) days after written notice from the City as to the amount of the County Payment.

## ARTICLE IV

### EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed and special assessments or other City charges with respect to the Development Property.

(2) Failure of the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(3) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(4) If the Developer shall:

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) make an assignment for the benefit of its creditors; or

(c) admit in writing its inability to pay its debts generally as they become due;  
or

(d) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may cancel and rescind the Agreement and the TIF Note.

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 4.6. Indemnification of City.

(1) The Developer (a) releases the City and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon

from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Project causing the Tax Increment District to not qualify or cease to qualify as a "renewal and renovation district" under Section 469.174, Subdivision 10a, of the Act and Section 469.176, Subdivision 4j. or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

## ARTICLE V

### DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1. The Developer's Option to Terminate. This Agreement may be terminated by the Developer, if (i) the Developer is in compliance with all material terms of this Agreement and no Event of Default has occurred; and (ii) the City fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the City has failed to cure such noncompliance within ninety (90) days of receipt of such notice, or, if such noncompliance cannot reasonably be cured by the City within ninety (90) days, of receipt of such notice, the City has not provided assurances, reasonably satisfactory to the Developer, that such noncompliance will be cured as soon as reasonably possible.

Section 5.2. Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the City within sixty (60) days after the date when such option to terminate may first be exercised. A failure by the Developer to terminate this Agreement within such period constitutes a waiver by the Developer of its rights to terminate this Agreement due to such occurrence or event.

Section 5.3. Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.2.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a manufacturing/warehouse facility and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 6.2. Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3. Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

Brunswick Corporation  
Attention: \_\_\_\_\_  
1 North Field Court  
Lake Forest, IL 60045-4811

with a copy to:

- (2) in the case of the City is addressed to or delivered personally to the City

at:

City of Ramsey, Minnesota  
Attention: City Administrator  
Ramsey City Hall  
7550 Sunwood Drive NW  
Ramsey, MN 55303

with a copy to:

Briggs and Morgan, P.A.  
Attention: Mary Ippel  
W2200 First National Bank Building  
332 Minnesota Street  
St. Paul, MN 55101

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7. Expiration. This Agreement shall expire on the earlier of (i) February 1, 2033, (ii) the date the TIF Note is paid in full or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

Section 6.8. Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.9. Assignability of Agreement. This Agreement may be assigned only with the consent of the City. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

**DRAFT DOCUMENT, changes will occur.**

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF RAMSEY, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

DRAFT DOCUMENT, changes will occur.

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota and Brunswick Corporation.

BRUNSWICK CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

DRAFT DOCUMENT, changes will occur.

This is a signature page to the Development Agreement by and between the City of Ramsey, Minnesota and Brunswick Corporation.

EXHIBIT A

Description of Development Property

Property located in the City of Ramsey, Anoka County, Minnesota with the following parcel identification numbers:

27-32-25-44-0018

27-32-25-44-0019

DRAFT DOCUMENT, changes will occur.

EXHIBIT B

Form of TIF Note

No. R-1

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF ANOKA  
CITY OF RAMSEY

TAX INCREMENT REVENUE NOTE  
(BRUNSWICK CORPORATION PROJECT)

**DRAFT DOCUMENT, changes will occur.**

The City of Ramsey, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Brunswick Corporation (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$224,000 as provided in that certain Development Agreement, dated as of September 1, 2015, as the same may be amended from time to time (the "Development Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of five percent (5.00%) per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2017, and on each February 1 and August 1 thereafter to and including February 1, 2033, or, if the first should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date, subject to the provisions of Section 3.5 the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal.

The Payment Amounts due hereon shall be payable solely from 90% of tax increments (the "Tax Increments") from the Development Property (as defined in the Development Agreement) within the City's Tax Increment Financing District No. 15 (the "Tax Increment District") within its Development District No. 1 which are paid to the City and which the City is

entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V thereof, on the date the Tax Increment District is terminated, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, express or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.2 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only with the consent of the City which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date

hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of Ramsey, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

**DO NOT EXECUTE UNTIL PAID INVOICES FOR LAND ACQUISITION AND SITE IMPROVEMENTS ARE GIVEN TO THE CITY - REFER TO SECTION 3.3(1).**

**CERTIFICATION OF REGISTRATION**

**DRAFT DOCUMENT, changes will occur.**

It is hereby certified that the foregoing Note was registered in the name of Brunswick Corporation, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

| <u>NAME AND ADDRESS OF<br/>REGISTERED OWNER</u>                                   | <u>DATE OF<br/>REGISTRATION</u> | <u>SIGNATURE OF<br/>CITY ADMINISTRATOR</u> |
|---|---------------------------------|--|
| Brunswick Corporation<br>1 North Field Court<br><u>Lake Forest, IL 60045-4811</u> | _____                           | _____                                      |
| _____   | _____                           | _____                                      |
| _____   | _____                           | _____                                      |
| _____   | _____                           | _____                                      |

## EXHIBIT C

### Site Improvements

DRAFT DOCUMENT, changes will occur.

- Capping of geothermal wells
- Demolition
- Landscaping, including irrigation
- Foundations and Footings
- Grading/earthwork
- Engineering
- Survey
- Environmental Testing
- Soil Borings
- Site Preparation
- Onsite Utilities
- Storm Water/Ponding
- Outdoor Lighting
- Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements
- Parking

## EXHIBIT D

**DRAFT DOCUMENT, changes will occur.**

### Description of Expansion Property

Property located in the City of Ramsey, Anoka County, Minnesota with the following parcel identification number:

27-32-25-44-0012

**CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

Council member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. #15-09-216**

**RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 15 - LIFE FITNESS THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.**

BE IT RESOLVED by the City Council (the "Council") of the City of Ramsey, Minnesota (the "City"), as follows:

Section 1.     Recitals

1.01.     The City Council of the City of Ramsey (the "City") has heretofore established Development District No. 1 and adopted the Development Program therefor. It has been proposed by the City and the EDA that the City adopt a Modification to the Development Program for Development District No. 1 (the "Development Program Modification") and establish Tax Increment Financing District No. 15 - Life Fitness (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program and Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the "Act") all as reflected in the Program and Plan, and presented for the Council's consideration.

1.02.     The City has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03.     The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program and Plan, including, but not limited to, notification of Anoka County and Independent School District No. 11 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program and Plan by the City Planning Commission, a recommendation approving the Program and Plan by the EDA on September 3, 2015, and the holding of a public hearing upon published notice as required by law.

1.04.     Certain written reports (the "Reports") relating to the Program and Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program and Plan. The Reports, including the redevelopment qualifications reports and planning documents, include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05     The City is not modifying the boundaries of Development District No. 1, but is however, modifying the Development Program therefor.

Section 2. Findings for the Adoption and Approval of the Development Program Modification.

2.01. The Council approves the Development Program Modification, and specifically finds that: (a) the land within the Project area would not be available for redevelopment without the financial aid to be sought under this Development Program; (b) the Development Program, as modified, will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project by private enterprise; and (c) that the Development Program, as modified, conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 15 - Life Fitness

3.01. The Council hereby finds that the District is in the public interest and is a "renewal and renovation district" under Minnesota Statutes, Section 469.174, Subd. 10a of the Act.

3.02. The Council further finds that the proposed redevelopment would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Tax Increment Financing Plan, that the Program and Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program and Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

3.04. The City of Ramsey elects to calculate fiscal disparities for the District in accordance with Minnesota Statutes, Section 469.177, Subd. 3, clause b, which means the fiscal disparities contribution would be taken from inside the District.

Section 4. Public Purpose

4.01. The adoption of the Program and Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program and Plan

5.01. The Program and Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and to negotiate, draft, prepare and present to

this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Anoka County is requested to certify the original net tax capacity of the District, as described in the Program and Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Ramsey is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Program and Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

The motion for the adoption of the foregoing resolution was duly seconded by Council member \_\_\_\_\_, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Dated: September 22, 2015

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

(Seal)

## EXHIBIT A

### RESOLUTION NO. \_\_\_\_\_

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 15 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 15 is a renewal and renovation district as defined in M.S., Section 469.174, Subd. 10a.*

The District consists of three parcels, with plans to redevelop the area for commercial/industrial purposes. At least 70 percent of the area of the parcels in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 20 percent of the buildings in the District are structurally substandard, and 30 percent of the other buildings require substantial renovation or clearance. (See Appendix F of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan:* This finding is justified on the grounds that the cost of site improvements, clean-up, and capping of existing thermal wells, add to the total redevelopment cost. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total increase in market value will be \$3,933,000.
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$888,804.
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$3,044,196 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City.

**Economic Development Authority (EDA)**

4. 2.

**Meeting Date:** 09/03/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

---

**Title:**

Select Date and Speaker for EDA Fall Networking Event

**Purpose/Background:**

**Purpose of Case**

The purpose of this case is to provide an update on the 2015 Business Networking Event taking place on Thursday, November 19. In summary, Staff believes all planning/coordination is on-track. No action is required by the EDA--discussion and suggestions are welcomed.

**Detailed Background**

Annually, the Ramsey EDA hosts a 'Fall Networking Event.' Typically, this event includes a keynote speaker(s), and a free breakfast for attendees. Historically, this event has taken place at the Ramsey Municipal Center in the AR room and has averaged 50-75 attendees. The Ramsey EDA allocates \$1,500 to this event annually. EDA Fall Networking Event attendees are typically manufacturers and representatives from the services industry (banking, insurance, financial, etc.).

The purpose of the EDA Fall Networking Event is for the City to develop and maintain positive relationships with Ramsey Businesses. Additionally, this event provides an opportunity for Ramsey businesses to network, provide self-help/best-practices solutions and identify opportunities for Ramsey businesses to buy/sell goods locally.

**Notification:**

NA

**Observations/Alternatives:**

**Event Details:**

**Date:** 11/19/2015

**Location:** Alexander Ramsey Room, Ramsey Municipal Center --Secured/Confirmed

**Food/Drinks:** Wells Catering Service, \$1,500 or less.

**Keynote Speaker**

Alternative #1: Market Update (State, Bank, Developer, Financial Markets)?

Alternative #2: Focus on Employment?

Alternative #3: Other?City Updates: Pat/Kurt/Tim

**Emcee:** ???

**Small Stage:** Metro Tent Rental, \$100

**RVSPs:** 84 (2014), 68 (2013), 60 (2012), 43 (2011), 73 (2010), 71 (2009)

**Flyer:** See Attached 2014 example

**Funding Source:**

EDA Budget

**Recommendation:**

NA

**Action:**

General discussion. Staff is interested in selecting a "keynote speaker" alternative.

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## Attachments

Example Event Flyer (2014)

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### Form Review

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 08/31/2015

**Reviewed By**

Kurt Ulrich

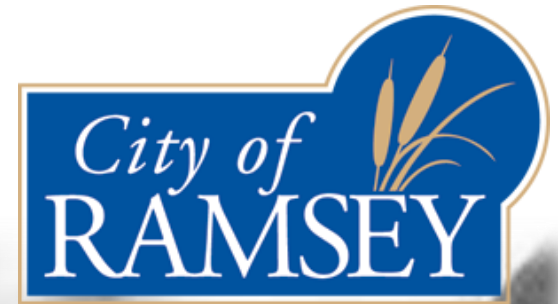
**Date**

08/31/2015 04:07 PM

Started On: 08/27/2015 04:17 PM

City of Ramsey  
Economic Development Authority

# 2014 BUSINESS NETWORKING EVENT



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Thursday, November 13<sup>th</sup>, 8:00-9:30 a.m.  
Alexander Ramsey Room, Ramsey Municipal Center  
7550 Sunwood Drive NW, Ramsey, MN 55303

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8:00am- Free Breakfast by Wells Catering

8:30am- Welcome & Introduction  
*Mayor Sarah Strommen*  
*Jim Steffen- Ramsey EDA Chair*

8:35am- City of Ramsey- Development Update & City News  
*Tim Gladhill- Community Development Director*  
*Kurt Ulrich- City Administrator*

9:00am- MnDOT- U.S. Highway 10 Access Planning Study Report  
*Scott McBride- Metro District Engineer*

9:25am- Closing Remarks  
*Jim Steffen- Ramsey EDA Chair*

Please contact us if you have questions about this event.  
Nichole Wenberg ▪ [nwenberg@cityoframsey.com](mailto:nwenberg@cityoframsey.com) ▪ 763-433-9831



**Economic Development Authority (EDA)**

4. 3.

**Meeting Date:** 09/03/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

---

**Title:**

Consider Authorizing Economic Development Analysis for the City's Potential Future Business Park

**Purpose/Background:**

**PURPOSE:**

Consider authorizing an economic development analysis for the City's potential future business park.

**BACKGROUND (Future Business Park):**

Please see attached "*Background*" and "*Process & Next Steps*" documents for details. In summary, the EDA/ Council are currently in the middle of a process to consider pursuing a new future business park for the City of Ramsey. The City completed step #3 of the attached six step process on August 25. The next step in the process, #4, is to complete an "Economic Development Analysis."

**Notification:**

NA

**Observations/Alternatives:**

**OBSERVATIONS:**

Attached to this case is a proposal from ACG (Mike Mulrooney), the City of Ramsey's Economic Development Advisor, to complete an "Economic Development Analysis" for the City's future business park. This proposal is meant to provide ACG a "not-to-exceed" budget authorization from the EDA. The work included in the proposal can be summarized into three separate phases: (1) Market Analysis, (2) Cost-Benefit Analysis, (3) Alternatives/ Recommendations. ACG plans to complete each item in stages, and provide the EDA/ Council with updates/ presentations accordingly.

The attached proposal shows a budget number not to exceed 170 hours, at \$175 per hour (\$29,750 total). Staff does have the ability to supplement ACG's work, and reduce the number of hours needed for this project. However, based on current work loads, staff believes said assistance will be minimal. Both Staff and ACG understand the desire to come in below 170 hours on this proposed work, and will aim for said goal.

ACG will be present at this meeting to provide more details on their proposal and their background. In summary, Staff feels strongly that ACG has a unique set of credentials for this proposed work; and to serve our specific community. Mike Mulrooney is a former Commissioner of the State Department of Employment and Economic Development (DEED), he currently works for the Central Minnesota Development Corporation (CMDCC), owns Advanced Consulting Group (ACG), has experience working with several communities/ counties, has extensive experience with several successful business parks, and has worked on thousands of "development deals" throughout his career. Mike has a unique background for the City of Ramsey; as he has been very involved with several of Ramsey's highly successful existing business parks.

**ALTERNATIVES:**

**Authorize the attached ACG proposal**

(+) staff is confident we will receive a quality product

(+) staff is confident ACG will provide quality advice/ assistance along the way/ and after the project is completed (including to individual elected officials)

(+) ACG has a unique set of experiences that make them qualified for this work

- (+) ACG is the City's preferred economic development consultant (authorized in 2012, to be used on an hourly basis as needed)
- (+) staff is confident ACG pricing is reasonable
- (+) ACG will be able to "jump in" this project quickly (they are up to speed now)
- (-) not to exceed 170 hours, notable cost
- (-) City could consider an RFP or RFQ process, could potentially decided to chose a different consultant

Complete a RFQ or RFP process

Staff would like to emphasize, this route would likely delay this work by about 60 days. From a timing perspective, allow ACG to start this work now would work well (when considering next steps). Other qualified consultants do exist. The City *may* be able to save money by pursuing this route. From legal perspective, RFQ (qualifications) or RFP (proposals) is not required in this scenario; as this work is considered "professional services." If the City was completing in improvement project exceeding \$100,000, it would need to comply with State Statute related to "bid-law." This route would require additional internal Staff time to complete.

Complete Analysis Internally

Existing workloads in the City's Economic Development Department do not permit this work to be completed in the near future. Likely, this work would take about six months. Additionally, Staff believes the quality of information/reporting from a third party consultant will exceed the ability of Staff. This route would save the City a significant amount of money.

**Funding Source:**

EDA Miscellaneous Professional Services Account (about \$30,000 available in 2015 from the adopted EDA budget). Remainder, if needed, could come from 2016 EDA budget.

**Recommendation:**

Staff believes this work will put the City Council and EDA in a strong position to make decisions and have an in-depth policy discussion (i.e. Step #5 of the attached process). This information will not only be helpful now, but will be important in the future as we evaluate our new business park, and as we receive inquires/ questions from the public/ businesses/ new agencies/ etc. Staff believes ACG is uniquely qualified to complete this work. This work fits within the City's 2015 EDA adopted budget (Miscellaneous Professional Services Account). The purpose of this account is this exact type of work. The City's future business park is a priority in both the EDA and City Council's work/strategic plans. On 08/25, the Council informally indicated they generally support the EDA completing this type analysis (no details were provided to the Council at that time). Authorizing this work now with ACG, from a timing perspective, helps this project continue to move forward as efficiently as possible.

**Action:**

**Motion to:**

Authorize the ACG to complete the work outlined in the attached proposal, not to exceed 170 hours.

**Attachments**

Economic Development Analysis (purpose of case)

Background

Process and Project Steps

Infrastructure Analysis (Summary)

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 08/31/2015

**Reviewed By**

Kurt Ulrich

**Date**

08/31/2015 03:37 PM

Started On: 08/31/2015 02:14 PM



August 28, 2015

Patrick Brama  
Assistant City Administrator  
City of Ramsey  
7550 Sunwood Drive  
Ramsey, MN 55303

Patrick:

The City of Ramsey has taken several steps toward identifying and evaluating a site for a new business park in the community. Ramsey has been very successful in the past with developing four business parks including Business Park 95, Energy Park, Sunfish Lake Business Park and the Azurite Business Park. Many of these business parks repurposed land in need of redevelopment resulting in a significant increase in tax base and jobs for the community.

Ramsey is currently considering a site west of Armstrong Blvd. adjacent to Bunker Lake Blvd for a new business park. The City's engineering consultant recently completed an estimate of costs related to improvements needed for the proposed business park. The Ramsey EDA and City Council are requesting additional information to arrive at a sound decision on how best to proceed toward the goal of developing a new business park.

The following is a summary of the desired "Scope of Work" as expressed to me by city staff:

## I. Market Analysis

What are Ramsey's neighboring communities doing? (Rogers, Otsego, Elk River, Anoka, Coon Rapids, Blaine)

What are other comparable cities doing? (Chaska, Shakopee, Cottage Grove)

The research should include:

1. Number of acres guided for industrial, number of business parks.
2. Ownership situation.
3. Asking price (and what does it include—i.e. is it shovel ready)
4. What improvements are available and included (Water, sewer, gas, electric, fiber/communications, road, etc.)
5. What incentives are they willing to or do they provide?
6. What is each city's marketing strategy (broker, City staff, etc.)?
7. Major advantages of each city's business park
8. Major obstacles of each city's business park
9. Other information

Include a chart comparing communities noted above.

Given the information above, is there room or demand in the market place for a new business park in Ramsey?  
Are there vacancy rates, absorption rates, and other data that demonstrate the need for a new business park from a market perspective?

## II. Cost-Benefit Analysis

Does a new business park make economic sense for the City of Ramsey?

The cost-benefit analysis should include:

1. An estimate of full build out valuations for each of the projected three phases of the business park
2. A concept map for entire business park
3. Tax base creation calculations for each phase (1, 10, 20, 30 years: show total taxes, show City only taxes)
4. Rough job creation estimations
5. Ancillary economic benefits (i.e. homeownership, The COR, retail, professional services, recirculation of dollars, biz retention, development fees to be collected by City that can help park and trail system, etc.)

## III. Alternatives And Recommendations

This research would include recommendations/ strategies for moving forward identifying the benefits and drawbacks of each alternative including:

1. Should the City move forward with pursuing a new business park? (Does it make sense?) If yes, how should the city proceed?
2. Should the city be proactive with constructing arterial infrastructure (i.e. shovel ready)?
3. Should the city own land, place an option to purchase land?
4. Should the city move forward with phase 1 improvements now (i.e. development unknowns)?
5. Timeline to fully develop a business park
6. What cost allocation method should be used?
7. How much land should be targeted now, and in the future?
8. If the City gets involved, what is the funding source?
9. What should be the targeted timeline?
10. Will the City need or be willing to provide incentives? If so which ones?
11. Do any state/ federal/ county funds exist to help?

## III. Timeline and Cost of Research

My estimated time for completing the analysis would be 90 days. The total amount of senior professional staff time allocated to complete the work is estimated to be approximately 170 hours. The hourly billing rate is \$175 per hour. Travel expenses would be billed at cost using the prevailing IRS mileage rate.

## IV. Report Purpose

This assignment will be completed with the understanding that the results of our work will be used by the City of Ramsey to evaluate the future demand and feasibility for a new business park. Our research report will be prepared for that purpose and will be subject to the following qualifications:

- ◆ Our report and analysis will be based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and discussions with the client and other communities actively engaged in economic development as well as professional developers. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved may vary from the analysis.
- ◆ Our analysis will not evaluate the effectiveness of the owner of the business park as this issue is yet to be decided. Nor will we be responsible for future marketing efforts and other management actions upon which actual results are dependent unless requested to do so.
- ◆ Our report will be intended solely for the purpose described above and should not be used for any other purpose without our prior written permission.

## Closing Remarks

I thank you in advance for the opportunity to work on behalf of the City of Ramsey. We have an established and successful working relationship that spans two decades. Our work together has yielded significant outcomes for the community that we can all be proud of. We believe that this assignment will yield similar results.

Best regards,

*Michael J. Mulrooney*

Michael J. Mulrooney  
President

**BACKGROUND (future business park):**

The City of Ramsey is home to hundreds of successful and growing businesses. Many of these businesses are located in the City's original "Business Parks" along Bunker Lake Boulevard, just north of U.S. Highway 10, east of Ramsey Boulevard. In recent years, available land for existing Ramsey businesses to expand, or for new businesses to locate in Ramsey, has become scarce. As a result, the Ramsey EDA and City Council have identified securing a new business park a priority.

In the winter of 2013-14, a new business park location was identified by the Ramsey Economic Development Authority (EDA), Planning Commission, and City Council. The newly proposed business park is located along Bunker Lake Boulevard, west of Armstrong Boulevard, on the north side of U.S. Highway 10; and will include nearly 100 acres of land available for development by businesses. The City is currently in the process amending its Comprehensive Plan and Zoning Ordinances to allow for the proposed business park. The proposed business park is, and will be, owned and operated by private developers, not the City of Ramsey.

The City's vision statement reads, "*Achieve economic vitality with strategic infrastructure investments through market-driven growth.*" This vision supports the City's exploration of bringing infrastructure improvements to this property in order to facilitate economic growth.

The future business park is one component (about 92 acres) of a larger green-field area ready for development (about 350 acres). This larger area green-field area includes areas for single-family residential development (about 118 acres), medium-density residential (about 31 acres) and room for a future private school campus (about 90 acres).

The City's future business park, and larger developable green-field area, will be served by the future U.S. Highway 10/Armstrong Boulevard (CSAH 83) interchange. This interchange will begin construction in the spring of 2015 and is expected for completion in the spring of 2017. The City expects the construction of this major interchange to increase the demand for development of this green-field area; and the future Ramsey business park.

# Future Business Park Process

## 1. Identify Need

Early 2013

- City is running low on space available in existing business parks. Outside of a couple challenged pieces, inventory has been nearly saturated in Ramsey. Direction received from EDA and City Council in early 2013 to investigate potential solutions. Due to the great recession, this issue has remained silent to-date, as the needs of expanding businesses have been filled by existing vacant industrial space.

## 2. Identify Potential Solution

2013/ Early 2014

- EDA reviewed six potential locations. With a public input process provided by the Planning Commission, the EDA/Council identified the area west of Armstrong Boulevard, on the north side of U.S. Highway 10 as the preferred location.

## 3. Develop Base Information Related to Development Costs

2015

- In order to have a competitive business park/ economic development program, the City's new business park needs to attain a development ready status. In other words, all "arterial/ trunk" public infrastructure and utilities need to be completed (to the edge of the business park).
- As a result, a public infrastructure feasibility analysis was completed by Bolton & Menk. This information sets a foundation for an "Economic Development Analysis" and future "policy discussions" (i.e. base input data was attained).

## 4. Develop Economic Development Analysis

2015

- Staff intends on contracting out an Economic Development Analysis to include the following items:
  - i. cost-benefit analysis (does this make sense for the City of Ramsey?)
  - ii. market analysis (is this viable in the marketplace?)
  - iii. comparison chart to other cities (what are other cities doing, including financing?)
  - iv. list of alternatives and recommendations (what options exist for moving forward?)

## 5. Policy Discussion

2015/ Early 2016

- The EDA and City Council will need to have a policy discussion regarding the follow items:
- Do we want to move forward with pursuing a new business park?
- If yes, how would we like to proceed?
  - i. should we be proactive with constructing arterial infrastructure?
  - ii. should we own land or place an option to purchase land?
  - iii. what should the relationship be with third party property owners?
  - iv. how much land should be targeted now, and in the future?
  - v. if the City gets involved, what is the funding source?
  - vi. what is our targeted timeline?
  - vii. are we willing to provide incentives?

## 6. Take Action/Implementation

2016

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## EXECUTIVE SUMMARY

The Ramsey City Council and Ramsey Economic Development Authority have identified the need to prepare for the development of a new business park within the City. The City is targeting a large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, for a future Ramsey Business Park. The primary roadway system serving the area is Bunker Lake Boulevard and Puma Street.

This analysis included studying traffic impacts resulting from the future business park (along with other users), examining the feasibility of constructing supporting infrastructure, and developing preliminary design layout plans.

A portion of the public improvements required to serve the area were completed in 2011. The street and utility improvements completed at that time included construction of the north side of Bunker Lake Boulevard and extension of sanitary sewer and watermain into the area.

Future improvements required to serve the area include:

- Expansion of Bunker Lake Boulevard (west of Armstrong Boulevard) to a four lane section,
- Expansion of the west end of Bunker Lake Boulevard and Puma Street to three lane sections,
- Construction of right turn lanes at entrances,
- Extension of an 18-inch sanitary sewer line along Bunker Lake Boulevard and Puma Street,
- North of the Puma Street/Bunker Lake Boulevard intersection, construction a lift station,
- North of the lift station, extension of a 12-inch sanitary sewer gravity main,
- Extension of a 16-inch water main along Bunker Lake Boulevard and Puma Street,
- Use of regional rate control basins to maintaining existing flow rates into the COR,
- Installation of street lighting, trails/sidewalks, and landscaping consistent with City Policy, and
- Obtaining of ROW required for improvements during the platting process.

Total costs for all public improvements is approximately \$6,752,000, assuming the project is constructed in three phases. The costs are considered project costs and include 30% contingencies and project development costs (administrative, engineering, and fiscal).

Costs related to trunk sanitary sewer and trunk watermain were assumed to be paid from City utility funds. The City will need to develop a funding strategy for the remaining \$5,414,000 in public improvement costs. Several strategies for consideration are included in the report.

The information presented in this report is intended to allow for discussions with property owners and developers, as well as allow the City to begin considering funding options.



# **Preliminary Report**

**for**

# **Future Business Park**

# **City of Ramsey**

**DRAFT**

**August 19, 2015**



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## INTRODUCTION

The Ramsey City Council and Ramsey Economic Development Authority (EDA) have identified the need to prepare for the development of a new business park within the City. The City is targeting a large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, for a future Ramsey Business Park. Currently, the City is in the process of rezoning this area to meet future land use goals. Figure 1 in Appendix A depicts the general area of the business park and study area.

The future business park is one component (about 92 acres) of a larger green-field area ready for development (about 350 acres). This larger green-field area includes areas for single-family residential development (about 118 acres), medium-density residential (about 31 acres) and room for a future private school campus (about 90 acres). In addition to green-field development, the City expects a portion of existing adjoining light-industrial space to be redeveloped into a traditional retail/commercial area (about 42 acres). See Figure 2 in Appendix A for future land use goals.

The City's future business park, and larger developable green-field area, will be served by the future Trunk Highway 10/Armstrong Boulevard (CSAH 83) interchange. Construction of this interchange began in the spring of 2015 and is expected for completion in the spring of 2017. The City expects the construction of this major interchange to increase the demand for development of this green-field area; and the future Ramsey Business Park.

The primary roadway system serving this developable area is Bunker Lake Boulevard and Puma Street. These roadways are both Municipal State-Aid (MSA) streets. This analysis includes studying traffic impacts resulting from the future business park (along with other users), examining the feasibility of constructing supporting infrastructure, and developing preliminary design layout plans and specifications.

## STUDY CONTENT

The primary purpose of this analysis is to determine minimum required infrastructure needs and costs associated with developing the green-field area. Roadways and intersections included in the study are as follows:

- Bunker Lake Boulevard from Armstrong Boulevard to Puma Street,
- Puma Street from Bunker Lake Boulevard to Alpine Drive,
- The Bunker Lake Boulevard/ Armstrong Boulevard intersection,
- The Bunker Lake Boulevard/ Puma Street intersection,
- The Puma Street/ Alpine Drive intersection, and

- 
- The Armstrong Boulevard/ Alpine Drive intersection.

Figure 3 in Appendix A depicts the roadways and intersections included in this analysis.

Our analysis consists of four separate components that, when tied together, provide an overview of the corridor needs:

- **Traffic Impact Study** – Defines the needs of the roadways and intersections in the study area,
- **Regional Storm Water Analysis** – Defines conceptual storm water ponding needs,
- **Preliminary Design Layout** – Provides a graphical depiction of the roadways and intersections, and
- **Final Report** – Describes required infrastructure improvements, layouts and costs.

## INITIAL INFORMATION

Prior to the study, the City of Ramsey provided the following information and guidance for the study area.

- The City is not master-planning this entire developable area. It is unknown where internal driveways, roadways and curb-cuts will be needed. Therefore, the design of Bunker Lake Boulevard and Puma Street should not include any new curb-cut locations.
- Stubbing of sewer and water utilities along Bunker Lake Boulevard and Puma Street should be completed at regular intervals based on future land use needs.
- Cost estimations and design should include: roadway, trails/sidewalks, storm water management, street lighting, trunk water service and trunk sewer service.
- The intersection of Bunker Lake Boulevard and Armstrong Boulevard was constructed in 2011. Verification that this intersection was constructed to accommodate traffic demands must be completed.
- The City has adopted Comprehensive Sanitary Sewer and Water Plans. These plans should be reviewed and consulted as forecasting and design work is completed.
- Regional storm water considerations and solutions should be included in the study.

## GENERAL DISCUSSION

While the primary focus of the analysis is related to providing infrastructure to serve development, additional considerations can influence decision-making. The following items were considered throughout the course of the analysis.

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## Right-of-Way Requirements

While it is anticipated that most of the improvements will be development driven, and Right of Way will be secured through the platting process, understanding and documenting the potential needs will allow the City to plan in advance for acquisitions. The City can then provide that documentation to developers as they begin to consider options within the study area.

## Phased Improvements

While there is a general understanding of the improvements required to ultimately serve the area, sequencing of the improvements will allow for planning and fiscal responsibility. Our understanding of the most logical phasing sequence includes:

- **Phase 1** – Complete construction of Bunker Lake Boulevard from Armstrong Boulevard to the westerly school property driveway. Sanitary sewer and water have already been extended to this point.
- **Phase 2** – Construction of Bunker Lake Boulevard from the Phase 1 limits to Puma Street. Construction of Puma Street from Bunker Lake Boulevard to the north. The northerly limits along Puma Street will be the approximate location of a lift station required to serve areas further to the north and west.
- **Phase 3** – Completion of improvements along Puma Street.
- **Future Phases** – We verified the improvements considered can service areas beyond Phase 3. For instance, the gravity sanitary sewer can serve areas west of Puma Street. No further work was completed beyond Phase 3 other these verifications.

Costs for each phase were developed to allow for the City to plan for the sequenced implementation of the improvements. The anticipated phasing is depicted on Figure 4 in Appendix A.

## Jurisdictional Authority/Approvals/Permits

As the project moves from the planning stages to design and construction, permits will be required from various agencies. Understanding and planning for requirements associated with obtaining permits and approvals at this time will be critical to the ultimate success of the process. The following agencies will be permitting entities for considered improvements:

- Minnesota Department of Transportation State Aid: Bunker Lake Boulevard and Puma Street are State Aid routes,
- Minnesota Pollution Control Agency: NPDES Storm Water Permit,
- Minnesota Pollution Control Agency: Sanitary Sewer Extension Permit,
- Minnesota Department of Health (MDH): Watermain Extension and Dewatering,

- 
- Anoka County: Work in Right of Way, and
  - Lower Rum River Watershed Management Organization: Storm Water.

### **Recent Improvements**

Improvements to the area were completed in 2011. The street and utility improvements completed at that time included:

- Extension of sanitary sewer along the west side of Armstrong Boulevard from just north of Sunwood Drive to Bunker Lake Boulevard,
- Extension of watermain from the east side of Armstrong Boulevard to the west side of Bunker Lake Boulevard,
- Extension of sanitary sewer and watermain in newly platted Bunker Lake Boulevard right-of-way,
- Development of a storm sewer system to service the street and right-of-way requirements,
- Extension of Bunker Lake Boulevard roadway,
- Paving of Puma Street, and
- Extension of a bituminous trail along Puma Street from Bunker Lake Boulevard to Alpine Drive.

All of the improvements completed at that time were consistent with the City's Comprehensive Plans.

## **UNDERSTANDING PREVIOUS IMPROVEMENTS**

Significant consideration and planning was completed prior to completion of the improvements constructed in 2011. Understanding the thoughts behind previous improvements can help avoid omissions when considering future improvements.

### **Street and Trail Improvements**

#### Bunker Lake Boulevard

The previous improvements provided a two-lane roadway from Armstrong Boulevard to Puma Street. The roadway was designed to allow for future widening and expansion as development and other potential transportation improvements surrounding the area increased traffic on this roadway. It was anticipated that ultimate expansion of Bunker Lake Boulevard to two lanes in each direction with center turn lane would be required for future development along Bunker Lake Boulevard.

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The Comprehensive Plan indicates that projected traffic on this roadway could be 11,000 ADT if the street is part of a future Mississippi River crossing. Without being part of a River crossing, the Comprehensive Plan provides 20-year projections of 5,000 ADT.

The roadway was located within the right-of-way to provide future flexibility in roadway expansion with minimal modifications to what will be constructed.

#### Puma Street

Improvements to Puma Street were evaluated because of the need to extend Bunker Lake Boulevard to Puma Street, a distance of about one-half mile.

Puma Street received only minimal improvements, being widened from 18 feet width to 24 feet and paved with 2 inches of bituminous over 6 inches of aggregate base. More significant upgrades to the roadway were anticipated, but not completed at that time.

The anticipated future requirements included a 32 foot wide street with curb and gutter with full base and pavement improvement.

#### Bituminous Trails

A 10-foot wide bituminous trail was constructed along the north side of the Bunker Lake Boulevard from Armstrong Boulevard to Puma Street and on the west side of Puma Street from Bunker to Alpine Drive.

#### Intersections

Bunker Lake Boulevard and Armstrong Boulevard was reconstructed to include turn lanes and signalization.

### **Sanitary Sewer Improvements**

Sanitary sewer was extended north along the west side of Armstrong Boulevard from 146th Avenue/Sunwood Drive NW to Bunker Lake Boulevard. To meet the Comprehensive Sanitary Sewer Plan and serve additional areas beyond the study area, a 21-inch sewer main was constructed. It was intended to extend the 21-inch trunk sewer further to the north to service Fire Station No. 1 and the proposed future location of the water treatment plant.

In accordance with the Comprehensive Plan, an 18-inch sanitary sewer was extended westward along Bunker Lake Boulevard. This line will provide service to the study area, as well as future development that may occur on the south side of Bunker Lake Boulevard, and could be further extended in accordance with the Comprehensive Plan.

### **Water Distribution and Supply Improvements**

Watermain was extended across Armstrong Boulevard from the main on the east side of Armstrong Boulevard. From there, the watermain was further extended westward in Bunker Lake Boulevard.

It was planned to extend this trunk watermain west to Puma Street and north to Alpine Drive via

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Puma Street to provide future looping and provide water to un-serviced areas and future developments. Loops within future development would be utilized to promote reliability and functional flexibility as well as promoting fresh water moving throughout the system.

It was previously determined that the elevated storage for the City of Ramsey is adequate to provide fire flow to the study area. The distribution system was also found to be adequate to move the water from the City's three towers to the study area.

***Additional Consideration:***

*The right-of-way of Bunker Lake Boulevard could be utilized for a future route of a 30-inch raw watermain from a future intake on the Mississippi River to the proposed site of the water treatment plant, just south of Fire Station No. 1. Because the exact location of the intake and raw watermain alignment had not yet been determined, no provisions were made during the previous improvements.*

**Storm Water Management**

Drainage for the study area is essentially sheet flow to the center of the site to existing wetlands, and then easterly through the wetlands and through a culvert under Armstrong Boulevard. Runoff continues to flow into the actively developing COR area.

A storm sewer system was installed in Bunker Lake Boulevard to manage the storm water runoff within the right-of-way. We anticipate that this included considerations for the future widening and extension of Bunker Lake Boulevard as well.

Extensive hydraulic modeling was refined and detail added to represent preliminary storm water management conditions for future development scenarios.

## **ADDITIONAL ANALYSIS**

As a portion of this analysis, we completed traffic and storm water studies and reviewed City Comprehensive Plans for sanitary sewer and water main needs for the study area. The traffic study is included as Appendix B and the storm water study is included as Appendix C to this report. The following is a summary of results for the various analyses and reviews.

### **Traffic Analysis**

The traffic analysis was completed to determine required lane geometry for Bunker Lake Boulevard and Puma Street, along with turn lane requirements at four intersections in the study area.

The Future Business Park development is proposed north of Trunk Highway (T.H. 10) and west of Armstrong Boulevard. Armstrong Boulevard is a critical north-south corridor for the City of Ramsey, Anoka County, and the region carrying traffic from T.H. 10 to surrounding areas. The Business Park development includes residential, business park, commercial, and institutional land uses. These land uses result in an increase of 18,500 to 23,300 trips per day into and out of the area at full build.

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The traffic increase from both the background growth and the development results in a need for capacity improvements at individual roadways and intersections in the study area. The following concise summary of improvements should be completed based on the mitigation necessary to achieve acceptable operations. For the 2040 Full-Build scenario, operations can be improved, but will still be considered unacceptable at many of the intersections. This is due to the large amount of traffic entering and exiting on Bunker Lake Boulevard and Armstrong Boulevard. Short term improvements are intended to mitigate current safety or operations problems, mid-term improvements are needed to accommodate both development and background traffic growth, and long-term improvements are needed to handle the overall development to year 2040.

Exact timing for improvements will be based upon the actual development timing and background traffic growth. Short Term improvements can be considered as the minimum requirements based on projected traffic growth. Mid Term and Long Term improvements are considerations and may ultimately be required to serve the area.

#### Short Term Improvements

- Bunker Lake Boulevard (west of Armstrong Boulevard): Expand to a four lane section for development.
  - The eastbound approach should include a 300 foot left turn lane, two through lanes, and one right turn lane.
  - A full median should be provided to the west end of the commercial area.
  - A full access should be at least 845 feet from Armstrong Boulevard and a right in/right out access should be at least 470 feet from Armstrong Boulevard.
- Bunker Lake Boulevard (west of commercial section): Expand to a four lane section for development (two westbound through lanes, one eastbound through lane and one center left turn lane).
  - Right turn lanes (locations and lengths) will be determined based on development type.
  - Outside westbound through lane drops to a right turn lane into the school property.
- Puma Street: Expand to a three lane section for development (two through lanes and one center left turn lane).
  - Right turn lanes (locations and lengths) will be determined based on development type.
- Bunker Lake Boulevard & Puma Street: An all-way stop, two-way stop, or roundabout will operate adequately at this intersection for the 2040 Full-Build conditions. The roundabout option may offer better operations than the other two options at 2040 Full-Build.

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### Mid-Term Improvements

- Armstrong Boulevard & Alpine Drive: Add northbound and southbound left turn lanes. Modify eastbound and westbound lanes to include a thru/left and a right turn lane.
- Alpine Drive & Puma Street: Add a westbound left turn lane and eastbound right turn lane.
- Armstrong Boulevard & Bunker Lake Boulevard: Re-stripe southbound lanes to include a dual southbound left turn lane. A southbound double left turn lane will help reduce queues entering the COR development. Improvements were done in 2011 to this intersection and a future southbound left turn lane was designed, but not striped.

### Long-Term Improvements

- Armstrong Boulevard & Bunker Lake Boulevard: Modify the southerly eastbound through lane to a through-right lane. Another option would be to keep the two through lanes and modify the right turn lane into a free right with an add lane that runs south to T.H. 10.

### Alternative Improvements

At several locations along the corridor, opportunities exist for implementation of alternative alignments. These are depicted as options to consider based on development concepts. Alternative concepts are depicted at the intersection of Bunker Lake Boulevard and Puma Street (Figure 10) and the intersection of Puma Street and Alpine Drive (Figure 12). The alternatives are provided for future discussion and will not significantly impact project costs.

Figures 5 through 12 in Appendix A depict future roadway and intersection improvements in the study area.

### **Sanitary Sewer and Water Main**

An 18-inch sanitary sewer main was extended west along Bunker Lake Boulevard as a portion of the 2011 improvements. Based on information contained in the Comprehensive Plan, The 18-inch line will be extended along Bunker Lake Boulevard and north along Puma Street. North of the Puma Street/Bunker Lake Boulevard intersection, grade becomes an issue and a sanitary sewer lift station is required to serve areas further north and west. Phase 3 costs include the lift station, valve vault and forcemain. North of the lift station, the Comprehensive plan indicates a 12-inch gravity main will be adequate to convey sanitary sewer flows from the area. For this analysis, we included an allowance for 8-inch service lines to be extended to properties along the corridor.

A 16-inch water main was extended west along Bunker Lake Boulevard as a portion of the 2011 improvements. The Comprehensive plan indicated that either a 12-inch or a 16-inch water main would be required along Bunker Lake Boulevard and Puma Street, depending on the final selected location of a

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future water treatment plant to be constructed in this area. For our analysis, we assumed a 16-inch water main would be constructed, with hydrants and service lines extended to the properties.

Figures 13 through 15 in Appendix A depict sanitary sewer and water main improvements.

### **Storm Water Management**

Storm water management concepts were developed to maintain existing drainage patterns and preserve the conveyance and flood storage capacity of the primary wetland corridor that bisects the area. This will restrict development along the wetland corridor and retain the pre-development flood capacity, thereby maintaining existing flow rates into the COR.

The study area can be segmented into three drainage districts, generally delineated by future land use. Figure 16 in Appendix A displays the drainage area breakdown and a general regional pond layout. The drainage area consists of a multi-use site (Area 1), residential area (Area 2), and commercial and industrial sites (Area 3). The watersheds were modeled under future land use conditions to generally size retention ponds to meet existing flow rates. The ponds were also located with respect to potential storm sewer depths, reductions in wetland impacts, maximization of developable area and potential aesthetic function.

The ponds depicted on Figure 16 in Appendix A depict areas that are best suited for regional rate control basins only. Additional design parameters and regional storm water management planning should be further refined as the areas begin to develop.

Cost estimates were not developed for the regional pond construction or internal site storm sewer conveyance. It is anticipated that costs associated with pond construction will be completed by the developer as a portion of the site grading. Also, it is assumed that internal site drainage will be accommodated by dry swales and ditch systems to reduce storm sewer costs.

### **Street Lighting**

The costs included for street lighting were derived from recent projects within the City of Ramsey and are considered to be reasonable costs associated with providing street and pedestrian lighting along the corridors. Costs include conduit, wiring and the actual light fixtures to be installed. The density of the lighting fixtures is similar to the level provided along the recently constructed Riverdale Drive, east of Armstrong Boulevard. Our understanding is the spacing may be increased (decreasing the number of fixtures) for Phases 2 and 3. This may slightly reduce the costs associated with these phases. The costs provided are considered conservative for that reason and may be reduced depending upon the types of developments proposed.

### **Trails/Sidewalks**

Existing trails were previously constructed along the north side of Bunker Lake Boulevard and the west side of Puma Street. Project costs were prepared which include trails along the south side of Bunker Lake Boulevard and the east side of Puma Street.

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## **Phase Transitions**

There is the potential for portions of the roadways to be constructed to wider sections than currently exist. If this occurs, the new roadways will need to taper to meet the existing roadway widths. The tapered sections will then be removed as the next phase of improvements is completed. Costs were included in each phase for these tapering sections.

## **Right Turn Lane Additions**

The roadways depicted in the exhibits depict through lanes and left turn lanes. Right turn lanes will be required at each access off of Bunker Lake Boulevard and Puma Street. Individual access locations were not considered in this study, and so the locations and lengths of right turn lanes were not considered at this time. The actual access locations will be dependent upon the type of land use and internal site characteristics. We included allowances for the right turn lanes in each phase for budgeting purposes.

## **Landscaping**

The base project includes a very utilitarian approach to the area. Bituminous trails and lighting were included, but other features, such as trees, shrubs, decorative features and monuments are not included in the estimated project costs.

## **Right of Way and Easements**

Locations of right of way needs are depicted on the exhibits based on roadway and trail needs. The exact areas will need to be determined during the platting process. We assumed that the rights of way would be dedicated as a portion of the development process and no costs are included in the project costs for acquisitions.

## **Timing of Improvements**

While the improvements discussed and depicted in the exhibits will be required to support the area, timing of the improvements will most likely be dependent upon each proposed development. For instance, the portions of Lot 8 (See Figure 17) that are within Phase 1 could potentially be developed without further public improvements being required immediately. Roadways and intersections are adequate to support development of this parcel and trunk sanitary sewer and trunk water have been extended through this area. In cases such as this, the properties would most likely be assessed at such time as the City determines the public improvements are necessary.

As individual developments are considered, the public infrastructure will need to be reviewed and determinations made as to its adequacy. As upgrades, extensions and improvements are determined to be necessary, funding strategies will need to be developed which may include full or partial assessments to benefitting properties.

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## COST CONSIDERATIONS

Costs were developed based upon phased implementation. The phasing is as depicted on Figure 4 in Appendix A. All costs presented in the following pages are 2015 costs, with no allowance for inflation.

| <u>Improvement Type</u> | <u>Phase 1</u>   | <u>Phase 2</u>    | <u>Phase 3</u>    |
|-------------------------|------------------|-------------------|-------------------|
| Roadway                 | \$ 1,427,000     | \$ 1,383,000      | \$ 1,626,000      |
| Trails/Sidewalks        | \$ 220,000       | \$ 146,000        | \$ 175,000        |
| Storm Water Management  | \$ 0             | \$ 0              | \$ 64,000         |
| Street Lighting         | \$ 143,000       | \$ 104,000        | \$ 126,000        |
| Trunk Water             | \$ 19,000        | \$ 219,000        | \$ 247,000        |
| Trunk Sanitary Sewer    | <u>\$ 11,000</u> | <u>\$ 188,000</u> | <u>\$ 654,000</u> |
| Total Costs/Phase       | \$ 1,820,000     | \$ 2,040,000      | \$ 2,892,000      |

The above costs are considered project costs and include 30% contingencies and project development costs. Project development costs include administrative, engineering, and fiscal related costs.

The roadway costs include allotments for phase transitions associated with tapering pavements sections to match in-place sections where required, and subsequent removals of the transition areas. Right turn lanes are not depicted on the graphics, but will be required. The actual right turn lane locations and lengths will be determined by the entrance locations, land use and associated traffic impacts. Costs are included for right turn lanes in the roadway estimate.

Street lighting costs are based upon recent installations within the City of Ramsey.

For storm water management, costs were included for manholes, catch basins, and pipe within the street sections and included in the roadway costs. No costs for ponding were included for Phases 1, and 2. For Phase 3, ponding costs were included for excavation related activities. We assumed a ponding area would be acquired through the platting process, and ponding within a development site would be expanded to include volume for roadway drainage.

The Phase 2 limits are based upon the area that can be served by a gravity sanitary sewer system. The Phase 3 sanitary sewer costs include a lift station and forcemain.

## COST ALLOCATION ALTERNATIVES

The costs, or a portion of the costs, of the improvements are typically allocated back to adjacent properties through the use of assessments, fees and other methods. The costs are typically allocated in a way that is equitable to the properties benefitting from the improvements. Public improvements that will become City owned and maintained are typically constructed through a public process, while secondary improvements are constructed by the property owner. For our analysis, we assumed the following items would be constructed through the public process:

- Roadways, including storm water conveyance systems,
- Trunk Water Facilities,
- Trunk Sanitary Sewer Facilities,
- Trails, and
- Street Lighting.

While the street lights will most likely be installed by a private utility and the trails could potentially be constructed by the property owner, we have included these items as public improvements.

Other improvements were considered secondary and are typically the property owner’s responsibility to install:

- Sanitary Sewer Service Extensions,
- Water Service Extensions,
- Natural Gas Lines to Buildings,
- Telephone Service to Buildings,
- Electric Service to Buildings,
- Site Grading,
- Site Landscaping,
- Site Storm Water Conveyance,
- Storm Water Ponding, and
- Easement Dedication.

These types of improvements are typically inspected by the City for conformity with applicable codes and standards, but are constructed by the property owner.

Figure 17 depicts the lots considered for this report and also provides additional information related to each lot. Similar information is presented in the following table:

| <b>Identification Number</b> | <b>Zoning Classification</b> | <b>Gross Area (Acres)</b> | <b>Adjusted Frontage (Ft)</b> |
|------------------------------|------------------------------|---------------------------|-------------------------------|
| <u>Phase 1</u>               |                              |                           |                               |
| 8                            | E-2 Employment District      | 23.793                    | 712                           |
| 9                            | B-2 Business District        | 9.628                     | 630                           |
| 10                           | COR                          | 7.507                     | 631                           |
| <b>Phase 1 Totals</b>        |                              | <b>40.928</b>             | <b>1,973</b>                  |
| <u>Phase 2</u>               |                              |                           |                               |
| 2                            | E-2 Employment District      | 11.021                    | 369                           |
| 3                            | E-2 Employment District      | 9.231                     | 120                           |
| 7                            | R-2 High Density Residential | 3.000                     | 537                           |
| 8                            | E-2 Employment District      | 21.321                    | 638                           |
| <b>Phase 2 Totals</b>        |                              | <b>44.573</b>             | <b>1,664</b>                  |

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Phase 3

|                       |                                |                |              |
|-----------------------|--------------------------------|----------------|--------------|
| 1                     | R-2 Medium Density Residential | 38.915         | 1,289        |
| 2                     | E-2 Employment District        | 28.612         | 958          |
| 4                     | R-1 MUSA                       | 4.107          | 419          |
| 5                     | R-1 MUSA                       | 30.508         | 683          |
| <b>Phase 3 Totals</b> |                                | <b>102.141</b> | <b>3,349</b> |

Not Included in Calculations

|                          |                     |                |               |
|--------------------------|---------------------|----------------|---------------|
| 6                        | Public/Quasi-Public | 86.422         | 3,488         |
| <b>Totals all Phases</b> |                     | <b>274.064</b> | <b>10,474</b> |

The zoning classifications listed in the table above are based on anticipated future zoning for the study area. Gross areas and frontages are based on GIS information and will most likely be refined during subsequent phases of project development.

Several of the parcels were previously assessed for improvements constructed in 2011. The improvements made previously were in direct benefit to parcel 6 to allow for development. Although development did not occur at that time, no further improvements will be required to serve that parcel. Parcel 6 was therefore excluded from calculations that follow. A portion of the improvements will be paid by the City either through utility funds or other means. A list of assumptions is as follows:

- All trunk water and sanitary sewer system costs will be paid for through the City utility funds,
- Assessments will be made to benefitting properties as each phase is constructed,
- Three standard methods of assessments were analyzed including: Frontage, Area, and Per Lot.
- The City's existing assessment policy very closely matches the Frontage method, and
- Gross acreage was used in lieu of net developable acreage in the calculations below.

The table below depicts a distribution based on all costs being assessed to the benefitting properties. We have assumed for this analysis the costs would be assessed to properties benefitting from each phase of construction. For instance, properties directly benefitting from Phase 1 improvements would be assessed for Phase 1 costs at the time of Phase 1 improvements. Some lots benefit from more than one phase of construction and would be assessed as future phases are constructed.

Calculations were based on the areas and front footages (shown on page 12), along with the costs per phase (shown on page 10). Trunk sanitary sewer and trunk watermain were considered City costs and were not included in the calculations. For comparison, a summary of the unit costs used in the calculations is presented below:

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| <b>Phase</b> | <b>Frontage Method (Cost/FF)</b> | <b>Area Method (Cost/Acre)</b> | <b>Per Lot Method (Cost/Lot)</b> |
|--------------|----------------------------------|--------------------------------|----------------------------------|
| 1            | \$ 907.25                        | \$ 43,735.34                   | \$ 596,700                       |
| 2            | \$ 981.37                        | \$ 36,636.53                   | \$ 408,300                       |
| 3            | \$ 594.51                        | \$ 19,492.66                   | \$ 497,800                       |

Based on the above cost distribution, the potential assessments per lot per phase is depicted below:

| <b>Identification Number</b> | <b>Frontage Method</b> | <b>Area Method</b>  | <b>Per Lot Method</b> |
|------------------------------|------------------------|---------------------|-----------------------|
| <u>Phase 1</u>               |                        |                     |                       |
| 8                            | \$ 645,900             | \$ 1,040,600        | \$ 596,700            |
| 9                            | \$ 571,600             | \$ 421,100          | \$ 596,700            |
| 10                           | \$ 572,500             | \$ 328,300          | \$ 596,700            |
| <b>Phase 1 Totals</b>        | <b>\$ 1,790,000</b>    | <b>\$ 1,790,000</b> | <b>\$ 1,790,100</b>   |
| <u>Phase 2</u>               |                        |                     |                       |
| 2                            | \$ 362,100             | \$ 403,800          | \$ 408,300            |
| 3                            | \$ 117,800             | \$ 338,200          | \$ 408,300            |
| 7                            | \$ 527,000             | \$ 109,900          | \$ 408,300            |
| 8                            | \$ 626,100             | \$ 781,100          | \$ 408,300            |
| <b>Phase 2 Totals</b>        | <b>\$ 1,633,000</b>    | <b>\$ 1,633,000</b> | <b>\$ 1,633,200</b>   |
| <u>Phase 3</u>               |                        |                     |                       |
| 1                            | \$ 766,300             | \$ 758,500          | \$ 497,800            |
| 2                            | \$ 569,500             | \$ 557,700          | \$ 497,800            |
| 4                            | \$ 249,100             | \$ 80,100           | \$ 497,800            |
| 5                            | \$ 406,100             | \$ 594,700          | \$ 497,800            |
| <b>Phase 3 Totals</b>        | <b>\$ 1,991,000</b>    | <b>\$ 1,991,000</b> | <b>\$ 1,991,200</b>   |
| <b>Total all Phases</b>      | <b>\$ 5,414,000</b>    | <b>\$ 5,414,000</b> | <b>\$ 5,414,500</b>   |

Previously, improvements were completed in the area and assessed to benefitting properties. At that time, the City assessed 40 percent of the costs and funded the remaining costs. The following table depicts the 40 percent of the costs presented in the table above.

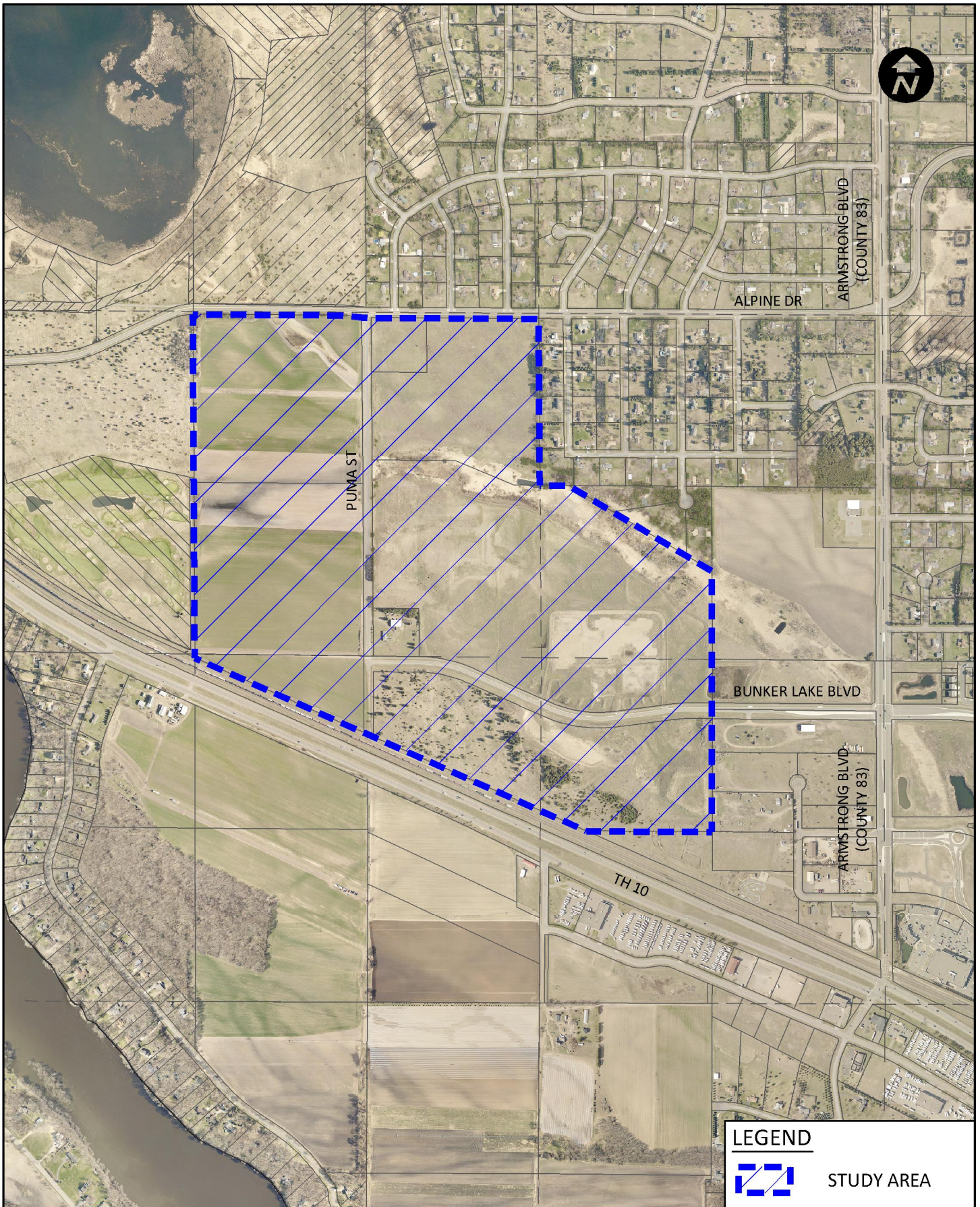
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| <b>Identification Number</b> | <b>Frontage Method</b> | <b>Area Method</b>  | <b>Per Lot Method</b> |
|------------------------------|------------------------|---------------------|-----------------------|
| <u>Phase 1</u>               |                        |                     |                       |
| 8                            | \$ 258,400             | \$ 416,200          | \$ 238,700            |
| 9                            | \$ 228,600             | \$ 168,500          | \$ 238,700            |
| 10                           | \$ 229,000             | \$ 131,300          | \$ 238,700            |
| <b>Phase 1 Totals</b>        | <b>\$ 716,000</b>      | <b>\$ 716,000</b>   | <b>\$ 716,100</b>     |
| <u>Phase 2</u>               |                        |                     |                       |
| 2                            | \$ 144,900             | \$ 161,500          | \$ 163,300            |
| 3                            | \$ 47,100              | \$ 135,300          | \$ 163,300            |
| 7                            | \$ 210,800             | \$ 44,000           | \$ 163,300            |
| 8                            | \$ 250,400             | \$ 312,400          | \$ 163,300            |
| <b>Phase 2 Totals</b>        | <b>\$ 653,200</b>      | <b>\$ 653,200</b>   | <b>\$ 653,200</b>     |
| <u>Phase 3</u>               |                        |                     |                       |
| 1                            | \$ 306,500             | \$ 303,400          | \$ 199,100            |
| 2                            | \$ 227,900             | \$ 223,100          | \$ 199,100            |
| 4                            | \$ 99,600              | \$ 32,000           | \$ 199,100            |
| 5                            | \$ 162,400             | \$ 237,900          | \$ 199,100            |
| <b>Phase 3 Totals</b>        | <b>\$ 796,400</b>      | <b>\$ 796,400</b>   | <b>\$ 796,400</b>     |
| <b>Total all Phases</b>      | <b>\$ 2,165,600</b>    | <b>\$ 2,165,600</b> | <b>\$ 2,165,600</b>   |


The information presented in this section of the report is been intended to allow for discussions with property owners and developers to be initiated. Refinement of the amounts presented is anticipated based on those discussions.

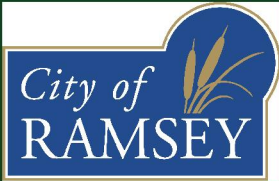


## APPENDIX A - FIGURES



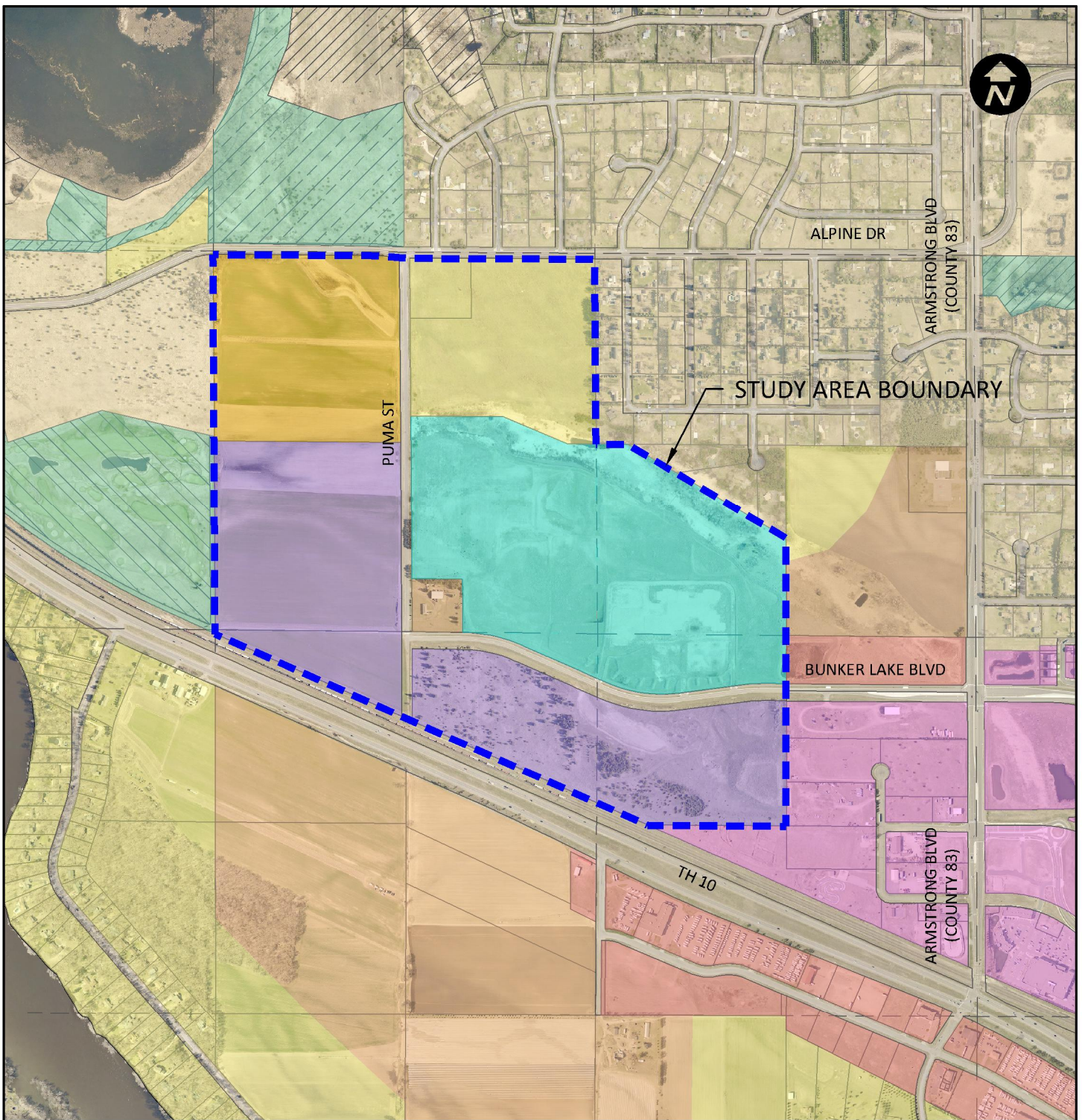
**LEGEND**

 STUDY AREA














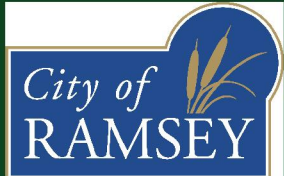
# FUTURE BUSINESS PARK CITY OF RAMSEY, MINNESOTA

FIGURE 1 - STUDY AREA  
July, 2015



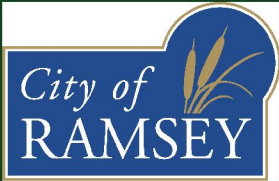
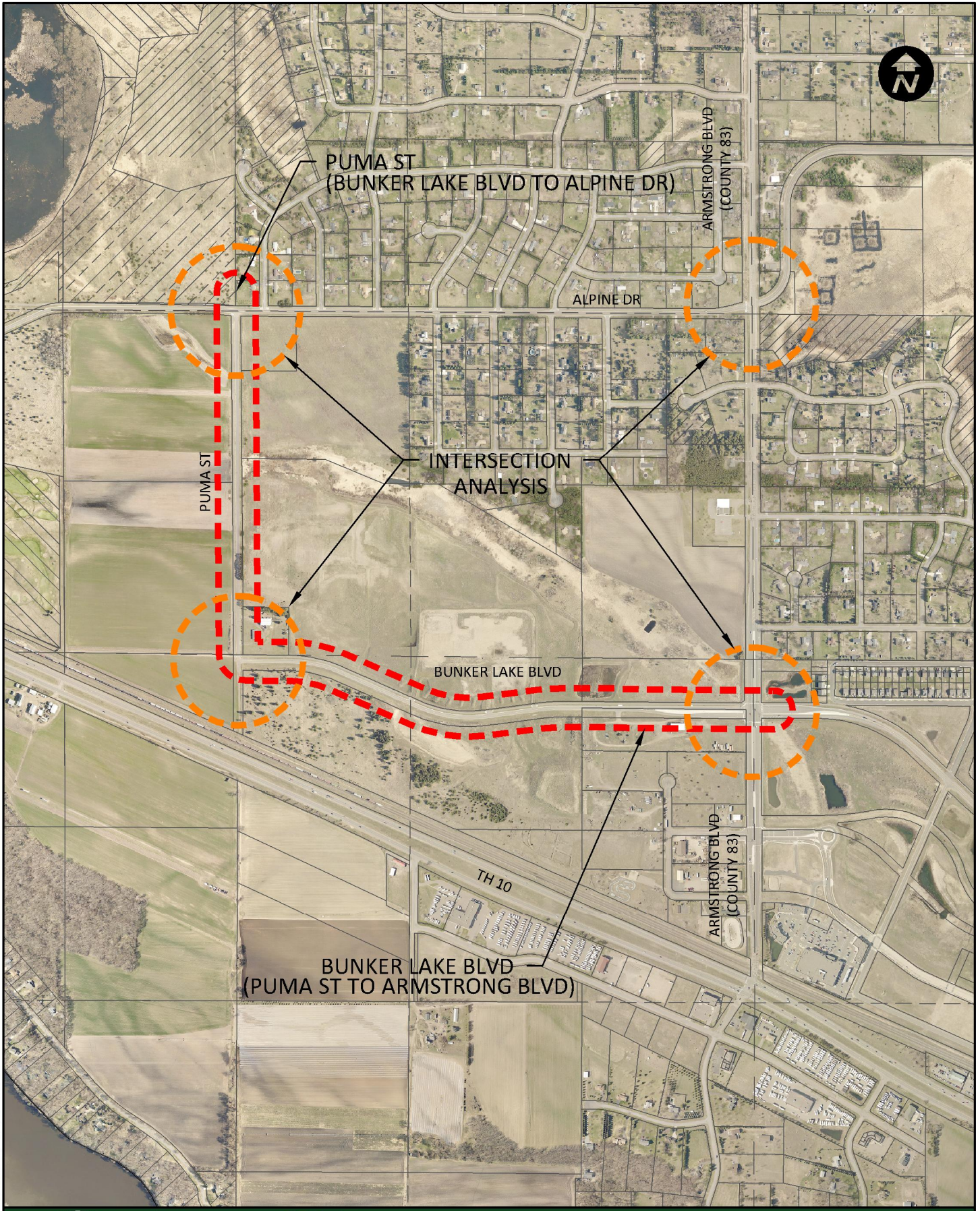
**LEGEND**

|  |   |  |  |
|--|---|--|--|
|  LOW DENSITY RESIDENTIAL    |  OFFICE PARK |  BUSINESS PARK    |  RURAL PRESERVE |
|  MEDIUM DENSITY RESIDENTIAL |  COMMERCIAL  |  PUBLIC           |  PARK           |
|  HIGH DENSITY RESIDENTIAL   |  MU          |  RURAL DEVELOPING |  |



**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

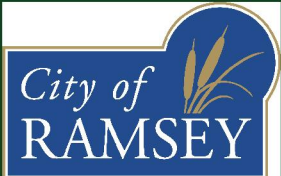
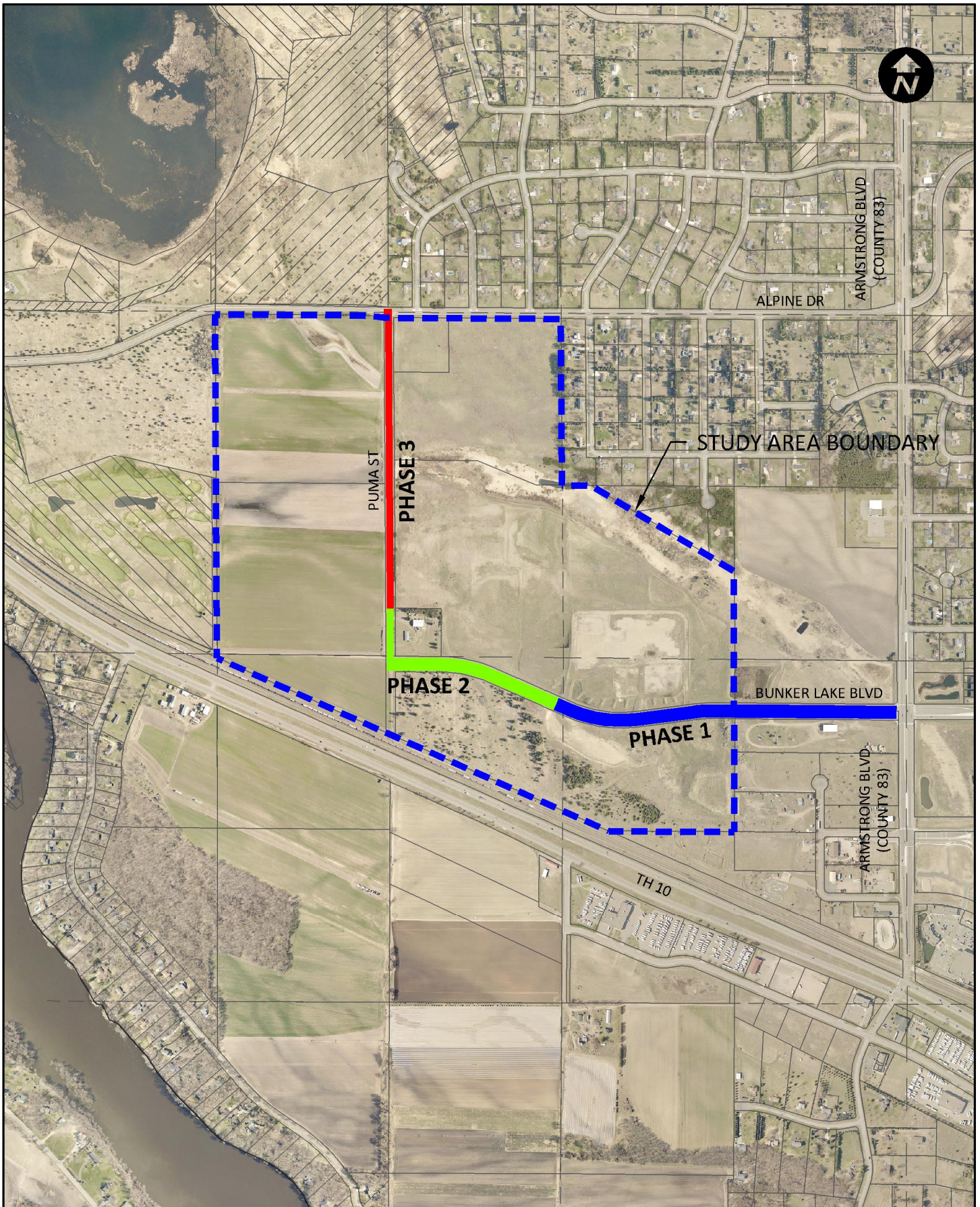
FIGURE 2 - LAND USE  
July, 2015



# FUTURE BUSINESS PARK CITY OF RAMSEY, MINNESOTA

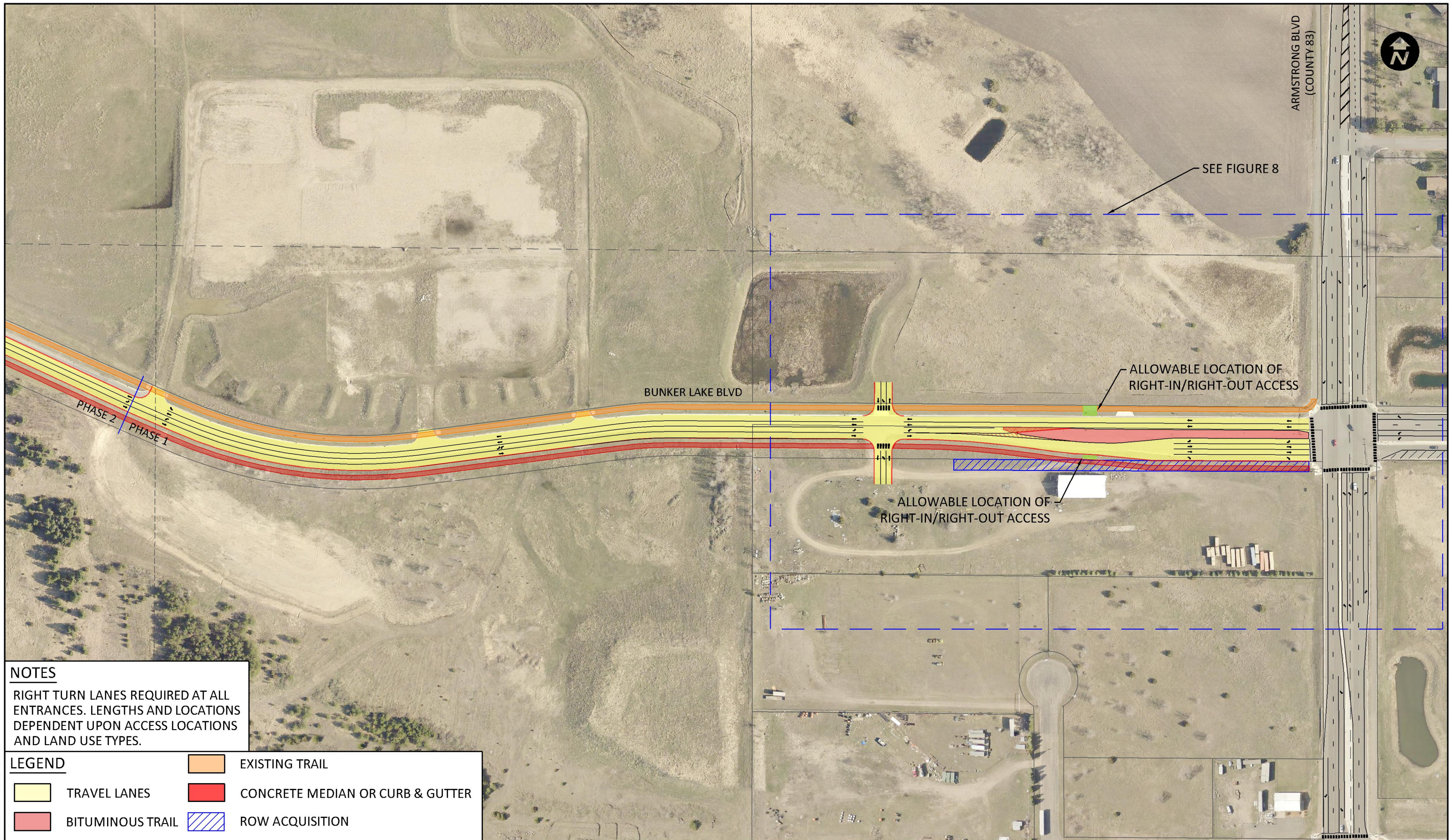
FIGURE 3 - INFRASTRUCTURE ANALYSIS

July, 2015








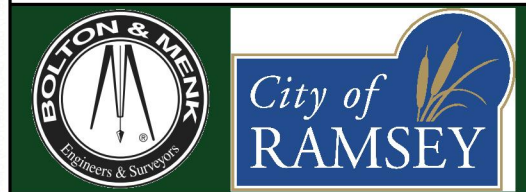
# FUTURE BUSINESS PARK CITY OF RAMSEY, MINNESOTA

FIGURE 4 - PHASING  
July, 2015



**NOTES**  
 RIGHT TURN LANES REQUIRED AT ALL ENTRANCES. LENGTHS AND LOCATIONS DEPENDENT UPON ACCESS LOCATIONS AND LAND USE TYPES.

| LEGEND  |                                  |
|---|----------------------------------|
|  | EXISTING TRAIL                   |
|  | TRAVEL LANES                     |
|  | CONCRETE MEDIAN OR CURB & GUTTER |
|  | BITUMINOUS TRAIL                 |
|  | ROW ACQUISITION                  |



**FUTURE BUSINESS PARK  
 CITY OF RAMSEY, MINNESOTA**

FIGURE 5 - GEOMETRICS  
 July, 2015



PUMA ST

PHASE 3  
PHASE 2

SEE FIGURES 9 & 10

BUNKER LAKE BLVD

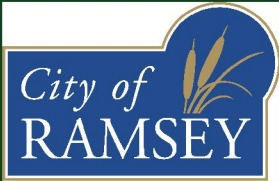
PHASE 2  
PHASE 1

**NOTES**

RIGHT TURN LANES REQUIRED AT ALL ENTRANCES. LENGTHS AND LOCATIONS DEPENDENT UPON ACCESS LOCATIONS AND LAND USE TYPES.

**LEGEND**

- TRAVEL LANES
- CONCRETE MEDIAN OR CURB & GUTTER
- EXISTING TRAIL
- BITUMINOUS TRAIL
- ROW ACQUISITION



**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

FIGURE 6 - GEOMETRICS  
July, 2015



ALPINE DR

SEE FIGURES 11 & 12






PUMA ST

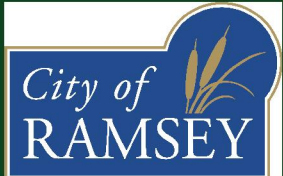
PHASE 3

**NOTES**

RIGHT TURN LANES REQUIRED AT ALL ENTRANCES. LENGTHS AND LOCATIONS DEPENDENT UPON ACCESS LOCATIONS AND LAND USE TYPES.

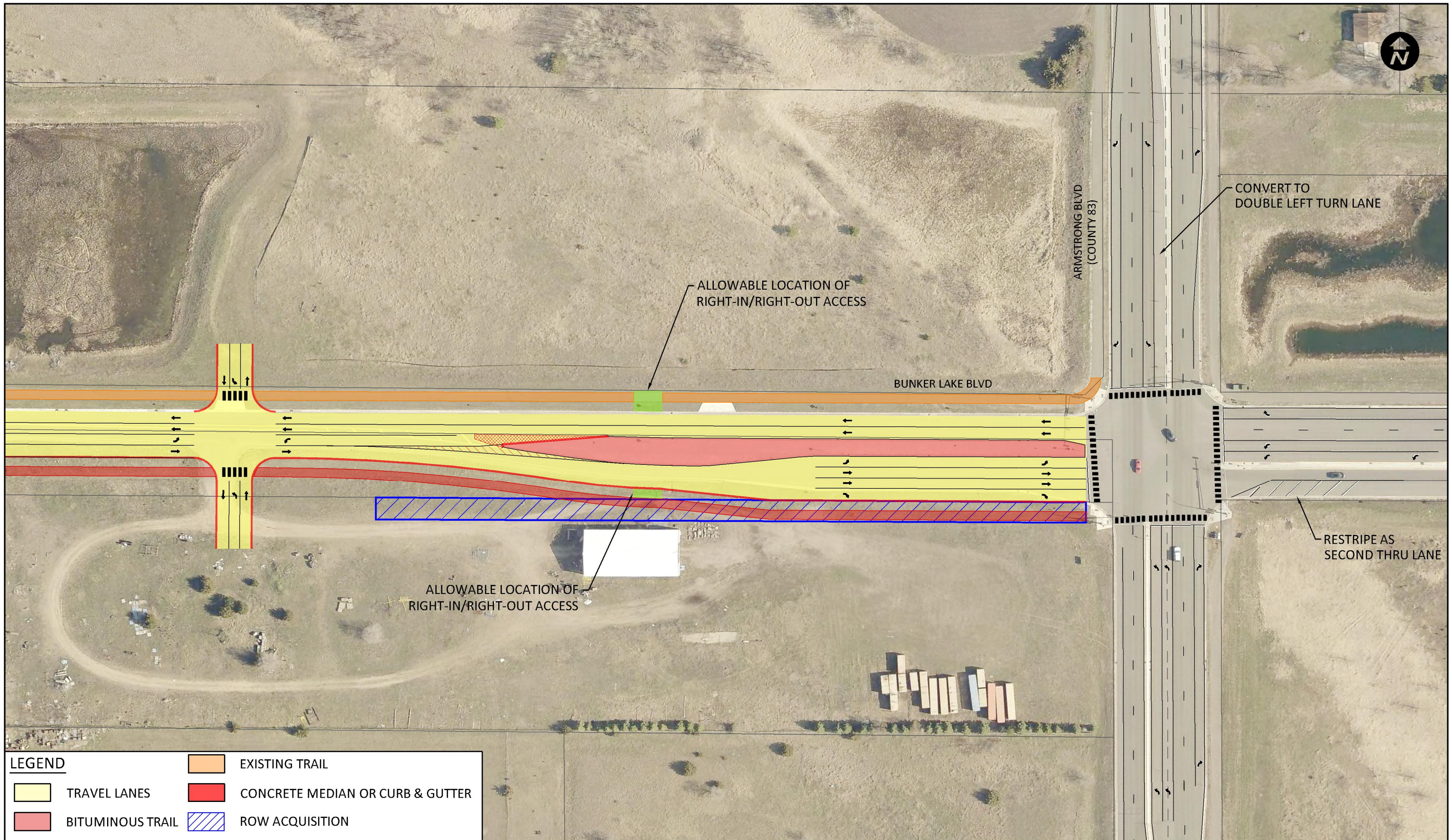
**LEGEND**






-  EXISTING TRAIL
-  TRAVEL LANES
-  CONCRETE MEDIAN OR CURB & GUTTER
-  BITUMINOUS TRAIL
-  ROW ACQUISITION

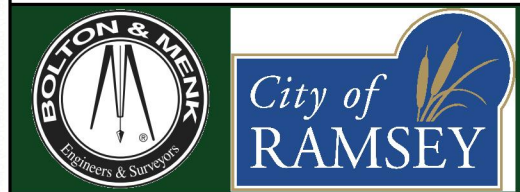


**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

FIGURE 7 - GEOMETRICS  
July, 2015

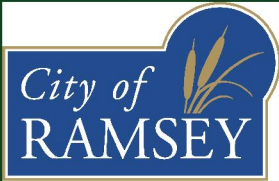
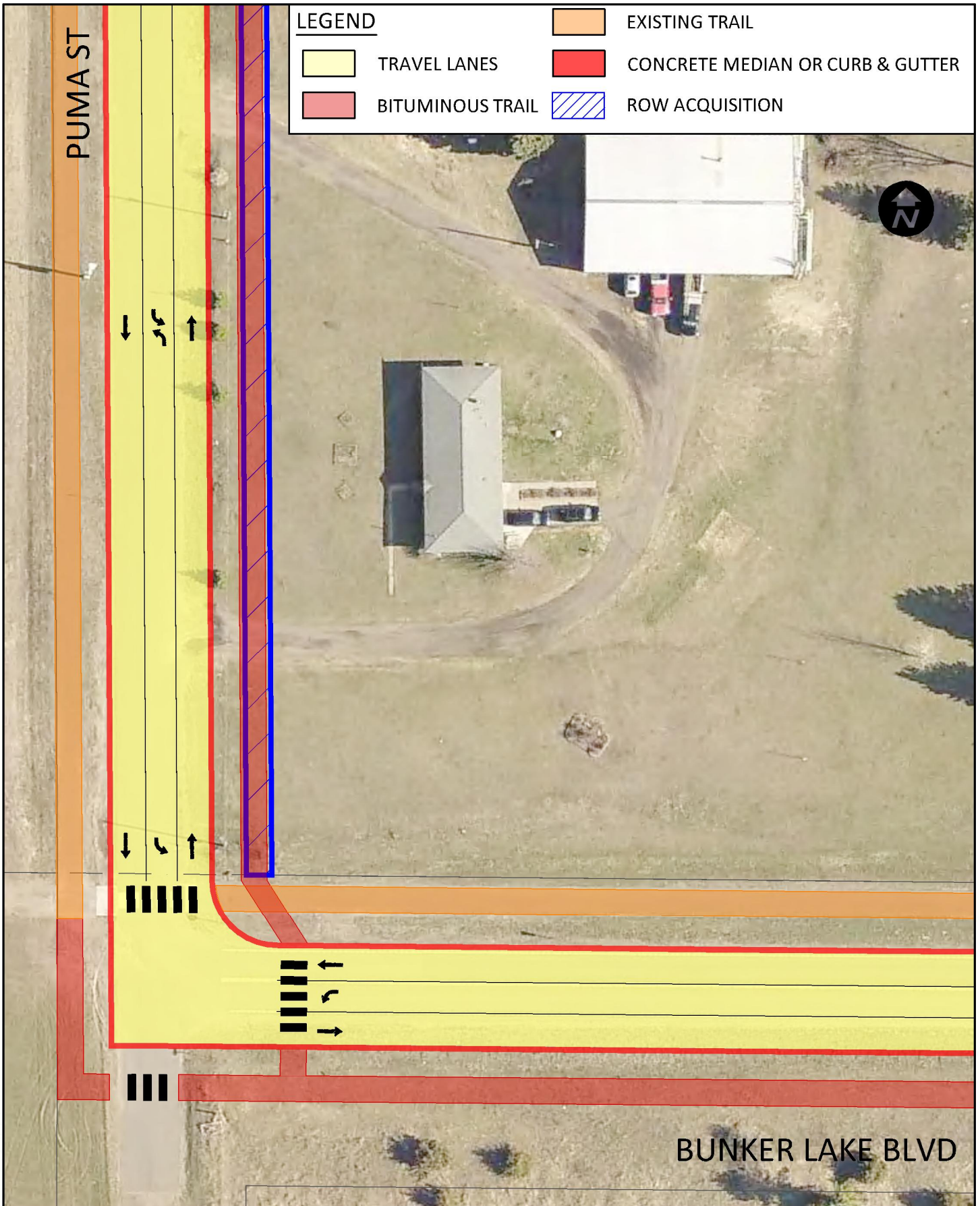


| LEGEND  |                                  |
|---|----------------------------------|
|  | EXISTING TRAIL                   |
|  | TRAVEL LANES                     |
|  | CONCRETE MEDIAN OR CURB & GUTTER |
|  | BITUMINOUS TRAIL                 |
|  | ROW ACQUISITION                  |



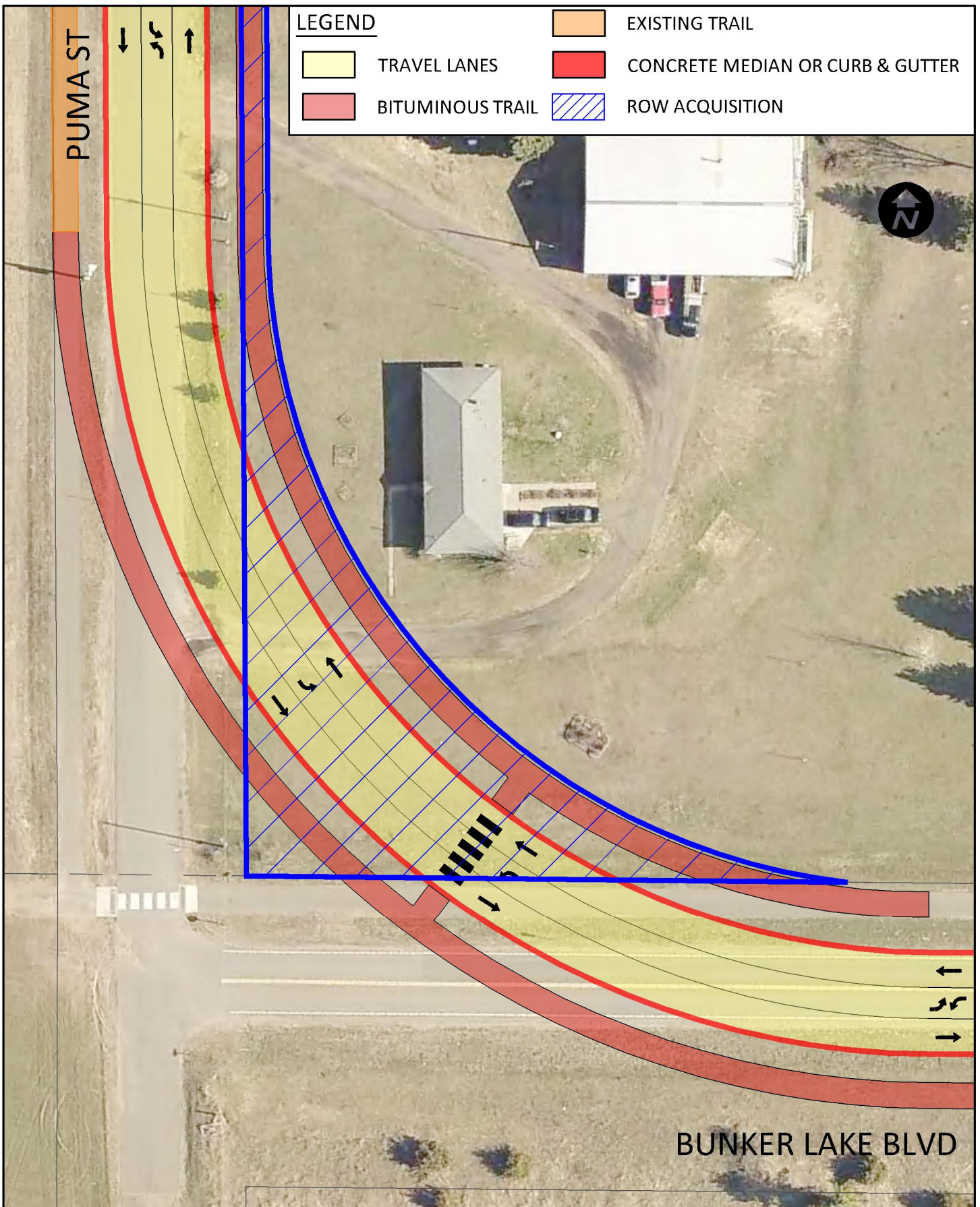
FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA

FIGURE 8 - BUNKER LAKE BOULEVARD AT ARMSTRONG BOULEVARD  
July, 2015

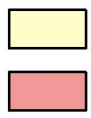


**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

**FIGURE 9 - BUNKER LAKE BOULEVARD & PUMA STREET**  
July, 2015



**LEGEND**



TRAVEL LANES

BITUMINOUS TRAIL



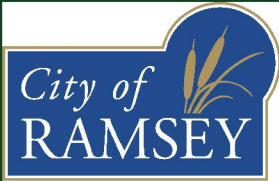
EXISTING TRAIL



CONCRETE MEDIAN OR CURB & GUTTER



ROW ACQUISITION



**FUTURE BUSINESS PARK**  
**CITY OF RAMSEY, MINNESOTA**  
 FIGURE 10 - BUNKER LAKE BOULEVARD & PUMA STREET  
 ALTERNATIVE CONCEPT

July, 2015

**LEGEND**



TRAVEL LANES



BITUMINOUS TRAIL



EXISTING TRAIL



CONCRETE MEDIAN OR CURB & GUTTER

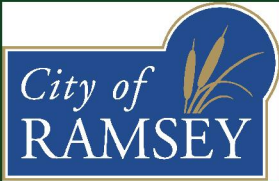
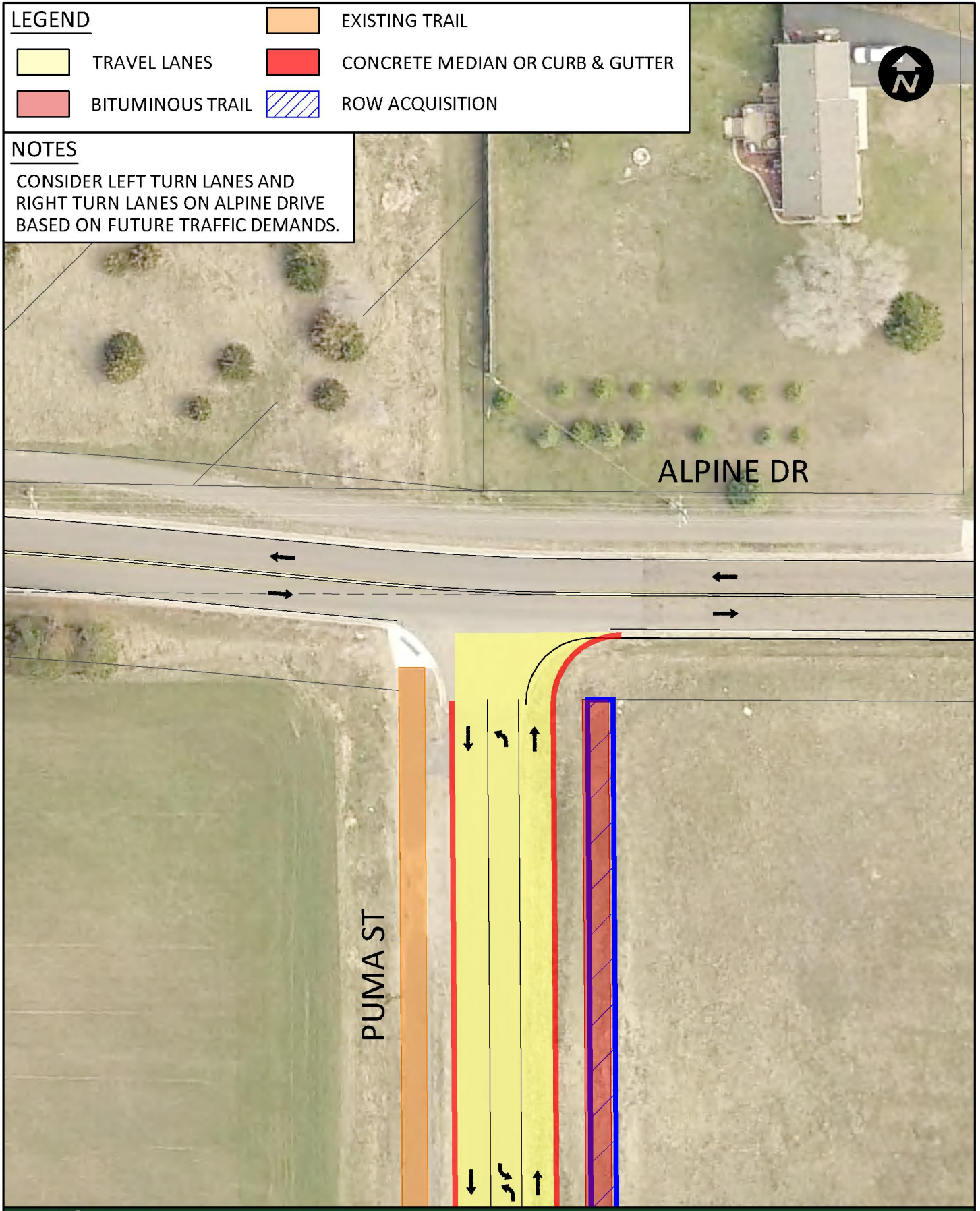


ROW ACQUISITION



**NOTES**

CONSIDER LEFT TURN LANES AND RIGHT TURN LANES ON ALPINE DRIVE BASED ON FUTURE TRAFFIC DEMANDS.



**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

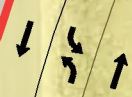
**FIGURE 11 - PUMA STREET & ALPINE DRIVE**  
July, 2015

ALPINE DR



PUMA ST

POTENTIAL ROW VACATION



**NOTES**

CONSIDER LEFT TURN LANES AND RIGHT TURN LANES ON ALPINE DRIVE BASED ON FUTURE TRAFFIC DEMANDS.

**LEGEND**



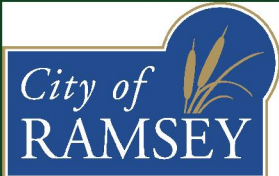
TRAVEL LANES



CONCRETE MEDIAN OR CURB & GUTTER



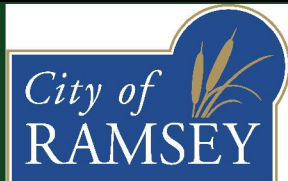
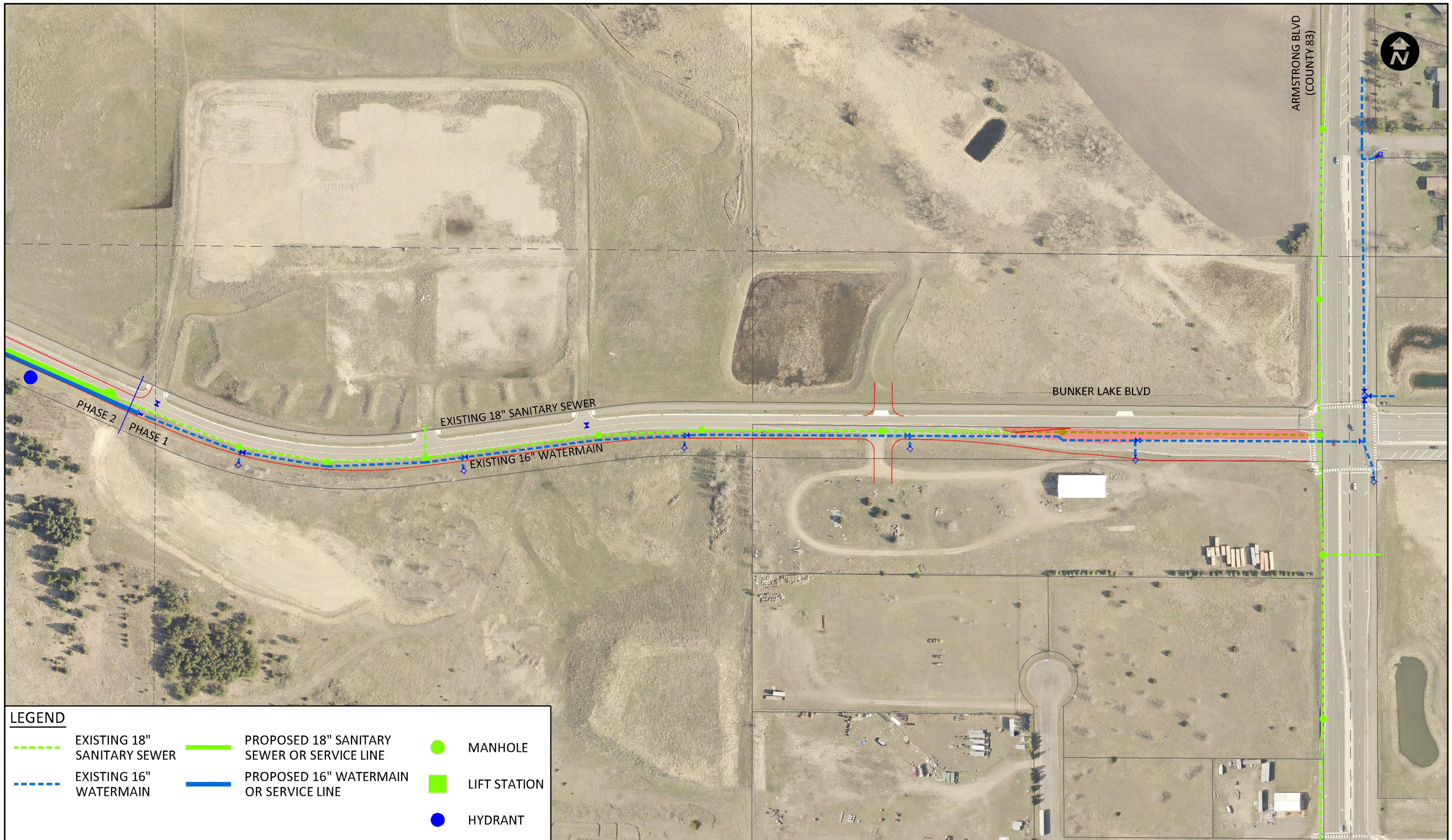
BITUMINOUS TRAIL



**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

FIGURE 12 - PUMA STREET & ALPINE DRIVE  
ALTERNATIVE CONCEPT

July, 2015



FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA

FIGURE 13 - SANITARY SEWER AND WATER  
July, 2015



PUMA ST

PROPOSED SANITARY SEWER LIFT STATION



PHASE 3  
PHASE 2

BUNKER LAKE BLVD

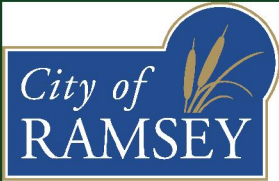
PHASE 2  
PHASE 1

**LEGEND**

-  EXISTING 18" SANITARY SEWER
-  EXISTING 16" WATERMAIN

-  PROPOSED 18" SANITARY SEWER OR SERVICE LINE
-  PROPOSED 16" WATERMAIN OR SERVICE LINE

-  MANHOLE
-  LIFT STATION
-  HYDRANT










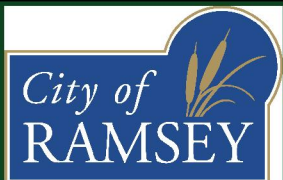
**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

FIGURE 14 - SANITARY SEWER AND WATER  
July, 2015



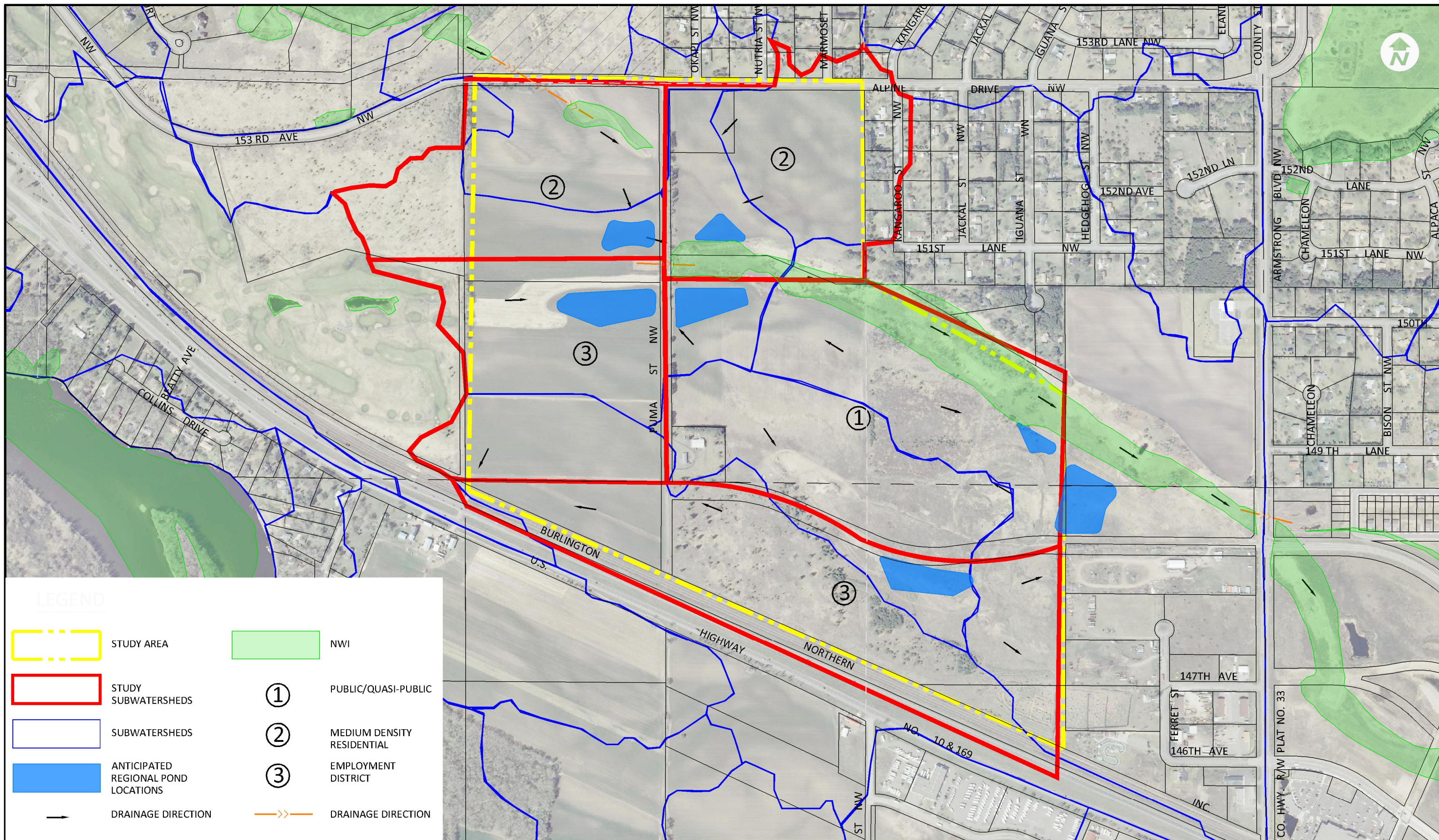
**LEGEND**

- |   |                             |   |   |   |              |
|---|-----------------------------|---|---|---|--------------|
|  | EXISTING 18" SANITARY SEWER |  | PROPOSED 18" SANITARY SEWER OR SERVICE LINE |  | MANHOLE      |
|  | EXISTING 16" WATERMAIN      |  | PROPOSED 16" WATERMAIN OR SERVICE LINE      |  | LIFT STATION |
|   |                             |   |   |  | HYDRANT      |


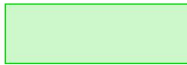










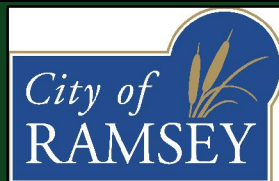
**FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA**

FIGURE 15 - SANITARY SEWER AND WATER  
July, 2015



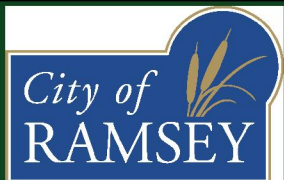
LEGEND

- |   |                                     |   |                            |
|---|-------------------------------------|---|----------------------------|
|  | STUDY AREA                          |  | NWI                        |
|  | STUDY SUBWATERSHEDS                 |  | PUBLIC/QUASI-PUBLIC        |
|  | SUBWATERSHEDS                       |  | MEDIUM DENSITY RESIDENTIAL |
|  | ANTICIPATED REGIONAL POND LOCATIONS |  | EMPLOYMENT DISTRICT        |
|  | DRAINAGE DIRECTION                  |  | DRAINAGE DIRECTION         |



FUTURE BUSINESS PARK  
CITY OF RAMSEY, MINNESOTA

FIGURE 16 - Regional Stormwater Considerations  
July, 2015



## FUTURE BUSINESS PARK CITY OF RAMSEY, MINNESOTA

FIGURE 17 - LOTS  
July, 2015

**Economic Development Authority (EDA)**

**4. 4.**

**Meeting Date:** 09/03/2015

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

**Title:**

Preliminary Discussion Related to Annual Ramsey EDA Business Expo

**Purpose/Background:**

Staff would like to have a very informal and very preliminary discussion with the EDA regarding the annual EDA Business Expo event. Intentionally, no details are attached to this case.

Staff would like to gather the EDA's initial reaction to the following proposal: combine the annual EDA Business Expo with the annual Happy Days Business Expo. This discussion was listed on the City Council's adopted strategic plan (as suggested by Staff). If this proposal warrants additional discussion, staff will back another case with more information/ analytics/ budgets/ etc.

**Notification:**

NA

**Observations/Alternatives:**

NA

**Funding Source:**

NA

**Recommendation:**

NA

**Action:**

Staff would like to gather the EDA's initial reaction to the following proposal: combine the annual EDA Business Expo with the annual Happy Days Business Expo. This discussion was listed on the City Council's adopted strategic plan (as suggested by Staff). If this proposal warrants additional discussion, staff will back another case with more information/ analytics/ budgets/ etc.

**Attachments**

*No file(s) attached.*

**Form Review**

| <b>Inbox</b>                    | <b>Reviewed By</b> | <b>Date</b>                     |
|---------------------------------|--------------------|---------------------------------|
| Kurt Ulrich                     | Kurt Ulrich        | 08/31/2015 04:08 PM             |
| Form Started By: Patrick Brama  |                    | Started On: 08/27/2015 04:32 PM |
| Final Approval Date: 08/31/2015 |                    |                                 |