

City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, October 8, 2015
7:30 am
The COR 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 - September 3, 2015
 - 2) EDA Special Meeting - September 17, 2015
- 4. EDA Business**
 1. Consider Approving a TIF Agreement between the City of Ramsey and Parkview East LLC (PSD LLC)
 2. Consider Support of Anoka Area Chamber of Commerce Manufacturer's Coalition
- 5. Member/Staff Input**
- 6. Adjournment**

Economic Development Authority (EDA)

3. 1.

Meeting Date: 10/08/2015

Submitted For: Jo Thieling, Administrative Services

By: Jo Thieling, Administrative Services

Title:

Approve the Following Meeting Minutes:

- 1) EDA Regular Meeting - September 3, 2015
- 2) EDA Special Meeting - September 17, 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 - September 3, 2016
 - 2) EDA Special Meeting - September 17, 2015
-

Attachments

09 03 15 Mts

09 17 15 Mts

Form Review

Form Started By: Jo Thieling
Final Approval Date: 10/05/2015

Started On: 10/05/2015 02:20 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, September 3, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Philip Brunt
 Member Chris Riley (arrived at 7:37 a.m.)
 Member Wayne Skaff
 Member Kristine Williams (arrived at 7:40 a.m.)

Members Absent: Member Glen Hardin

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Kurt Ulrich, City Administrator
 Mike Mulrooney, ACG
 Jason Aarsvold, Ehlers

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:35 a.m.

2. APPROVE AGENDA

Chairperson Steffen indicated he would like Case 4.03 moved up to Case 4.02.

Motion by Member Skaff, seconded by Member Steffen, to approve the agenda as amended.

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated August 13, 2015

Motion by Member Skaff, seconded by Member Burandt, to approve the August 13, 2015, minutes as presented.

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

4. EDA BUSINESS

4.01: Consider Multiple Actions Related to a Potential Life Fitness Expansion Project

Econ. Dev. Mgr/Assistant City Administrator Brama presented the staff report and reviewed the background of the project, TIF Plan and TIF Agreement with the Board.

Member Riley arrived at 7:37 a.m.

Member Williams arrived at 7:40 a.m.

Mr. Jason Aarsvold, Ehlers reviewed the Development Agreement with the Board.

Chairperson Steffen asked if the purchase price was \$425,000 as a part of the budget.

Mr. Aarsvold stated budgets are usually an estimate but he believed that was taken from an actual TIF application figure.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the purchase agreement on this deal is supposed to be signed this week and the amount he was told for the purchase price was \$425,000.

Chairperson Steffen asked if the budget in the packet was the EDA budget or the Life Fitness budget.

Mr. Aarsvold stated this was the TIF budget so in a sense it is the EDA budget.

Chairperson Steffen asked how they calculate the \$135,000.

Mr. Aarsvold stated that is located in the big documents in the back where there is a cash flow and every year there is an amount of TIF that is generated. He reviewed the process with the Board.

Member Riley asked if there were funds available in TIF District 1 rather than creating a new TIF District within it.

Econ. Dev. Mgr/Assistant City Administrator Brama stated there is \$200,000 to \$300,000 available within that fund.

Member Riley asked if there was a reason why they would want to create a new TIF District rather than utilize the existing one.

Econ. Dev. Mgr/Assistant City Administrator Brama stated he would need to look at this. He indicated the TIF District was created back in the 80's or 90's so the money should be available for other projects but would need to research this.

Mr. Mulrooney explained to the Board the reason why they would want to create a new TIF District rather than use the money in the current TIF District.

Chairperson Steffen asked where Life Fitness is at in terms of projects.

Econ. Dev. Mgr/Assistant City Administrator Brama stated they have not and cannot start their project until this process is complete.

Chairperson Steffen thought staff and the advisors explained why this is the best solution.

City Administrator Ulrich stated he could see if the City Finance Director would be available to come down to discuss with the Board the options available.

Mr. Aarsvold stated they can help on what the pooling requirements would be.

Chairperson Steffen stated he liked the idea that this project fits into the District and they will have extra funds to use elsewhere.

Motion by Member Skaff, seconded by Member Burandt, to recommend the City Council adopt the Resolution to Modify Development District 1, Establish TID 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.

Further discussion: Chairperson Steffen indicated he would like the additional piece available for the City Council.

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

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

Econ. Dev. Mgr/Assistant City Administrator Brama presented the staff report to the Board and asked Mr. Mulrooney to discuss the analysis with the Board.

Mr. Mulrooney reviewed the three phases of the project with the Board. He believed they could complete each phase within a 90-day timeline.

Chairperson Steffen asked if they decided to proceed would he envision being back before the Board in October with a market analysis. Mr. Mulrooney indicated that was correct.

Econ. Dev. Mgr/Assistant City Administrator Brama stated to note in the recommendations section, when they consider the funding source for this work, the EDA annually does budget as significant dollar amount for miscellaneous professional services and staff would consider this in line with that work. They do have nearly sufficient funding left in that account to complete this

work for the remainder of the year. If there is a spill over that can be accounted for in a different account within the EDA's budget next year for this exact type of work.

Chairperson Steffen asked if they lean on the Bolton and Mink work they just wrapped up to complete this.

Mr. Mulrooney indicated they would and it is valuable information.

Member Riley asked if the alternatives are part of the scope they are being given and is there any thinking outside of the box.

Mr. Mulrooney stated that is part of the scope they are being given to look at in order to find out what would work best for the City.

Chairperson Steffen thanked Mr. Mulrooney for taking the time to discuss this item with the Board and indicated they will look forward to hearing from him in October.

Motion by Member Brunt, seconded by Member Burandt, to authorize the ACG to complete the work outlined in the attached proposal, not to exceed 170 hours.

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

4.02: Select Date and Speaker for EDA Fall Networking Event

Econ. Dev. Mgr/Assistant City Administrator Brama presented the staff report to the Board.

Chairperson Steffen asked if there is a well-known business owner or entertainer such as Famous Dave or Dick Enricho that they could invite to speak. He thought someone that would be of interest would bring more people out to the event. He stated he would like to stay away from having a person from the State or MnDOT or Highway 10 Representative.

Member Burandt stated it depends on what the goal is of the event, is it to entertain or educate.

Member Skaff thought a Congressman might be interesting as a speaker.

Member Williams would prefer they focus on content because she thought that would add value to the business community. She stated one of the themes she has heard since last year was businesses looking for employees. She thought they should try to focus around that angle of employment and provide tools from many of their local businesses on how to find and retain the skills needed and provide some connections of local tech schools and other ways they can give their community something they can take away with them. She would like to see something along the lines of content rather than entertainment.

Chairperson Steffen thought the information that Mr. Mulrooney will be putting together may be of interest to the group.

Member Skaff thought the group would want an overview of what the City is doing but he thought they would also need a keynote speaker to make it worthwhile.

Member Williams thought in order to make this a success they need to pick a topic and then find a panel that has a similar theme. They could incorporate some other points into the presentation. She found a turn off is having a lot of different speakers because that makes people feel disjointed.

City Administrator Ulrich stated what comes to mind is they might have an overall Arcean theme, building your business in Ramsey with three different components with a speaker for each one.

Member Burandt thought those are good options and what he has heard recently from people is how they are fixing transit. He thought that was a common theme they have heard that should be addressed.

There was discussion regarding the date of the event. The EDA moved the meeting date to November 12, 2015 with a contingency of November 19, 2015 if needed.

Econ. Dev. Mgr/Assistant City Administrator Brama recapped the discussion of the EDA.

4.04: Preliminary Decision Related to Annual Ramsey EDA Business Expo

Econ. Dev. Mgr/Assistant City Administrator Brama presented the staff report to the EDA Board.

Member Skaff stated they would have to have some type of tent structure available for the vendors to use rather than asking them to bring their own tent like canopy. He stated they would have some mixed messages from craft people but it could work and would bring more people to the front table of some businesses that that will come over to the Fountains. He thought it was worth looking at.

Chairperson Steffen asked if there was some overlap of vendors from both events.

Econ. Dev. Mgr/Assistant City Administrator Brama indicated there would be. He stated they do have a budget and could get some large tents that would cover the expo.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

Econ. Dev. Mgr/Assistant City Administrator Brama indicated there is a need for assistance from the City of Ramsey from PSD, LLC. in order to move forward with the project. He stated staff intends to bring an initial case for an initial reaction from the City Council, to the Council on the

8th. If the Council does give them the nod then the EDA will need to review this and put together a recommendation for the City Council.

Chairperson Steffen asked why the project has not moved forward.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the reason the project has not moved forward is by choice from PSD, LLC, and not by lack of City support or cooperation. Their proforma came in lower than what was expected and they have chosen to stop the project. One of the major costs miscalculated was fill for the project along with construction costs. They are at a point now that they are pumping the brakes on the project until they hear from the City as to whether or not the proforma can be subsidized so they can move forward with the project. They do not have a building permit today. Their plans are completed for the project and they are ready to go but financially they are on pause right now.

Member Skaff recommended if there needed to be a special meeting he would be in favor of that to keep the project going.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the other update for the group is they authorized training for him through the National Development Council. Previous to this year all of the training took place nationally around the County and next year it is available in Minneapolis. There will be an update in the budget to reflect the decrease in funds needed.

Member Riley stated the Super Value sign is being taken down.

Member Burandt stated Minnesota Marketing Partners will be having a fan tour for members. There will be a helicopter flight showing the region and he will be sure to point out Ramsey.

City Administrator Ulrich updated the Board on activities happening in the City.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:12 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator Brama

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

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

The City of Ramsey Economic Development Authority (EDA) conducted a special meeting on Thursday, September 17, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Philip Brunt
 Member Brian Burandt
 Member Glen Hardin
 Member Wayne Skaff

Members Absent: Member Chris Riley
 Member Kristine Williams

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Tim Gladhill, Development Services Manager
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:40 a.m.

2. APPROVE AGENDA

There were no changes or additions.

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

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

3. EDA BUSINESS

3.01: Consider Request from PSD LLC

Member Skaff stated through his church employment he has had a past relationship with PSD but does not have any current relationship so he will be voting on this item if the Board is agreeable with it.

Chairperson Steffen stated he does have a relationship with PSD and will be abstaining on voting.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the meeting is to consider a request from PSD LLC for \$500,000 of City assistance to their proposed 122-unit apartment complex in The COR.

Member Hardin asked what has caused the scoring to be lower than expected.

Econ. Dev. Mgr/Assistant City Administrator Brama stated within the housing assistance application there are a number of scoring matrixes, a number of goal initiatives and individual scoring items. In some particular instances PSD rated them as being compliant with certain specific items and staff felt they were not one hundred percent in compliance or were partially compliant.

Development Services Manager Gladhill reviewed some of the items in regards to scoring of the project.

Econ. Dev. Mgr/Assistant City Administrator Brama noted some items were counted twice and should not have been.

Development Services Manager Gladhill stated they could award partial points for some of the items but not full points. He stated other energy efficient and stormwater regulations were being counted although they were not necessarily providing them. He noted they did add some points that were not in there also. This project falls within the eighty percent area median income and is considered affordable by definition so extra points were awarded for that which were not included in PSD's original scoring matrix.

Chairperson Steffen stated they had 68 points out of a possible 152 points. He thought that looked like a failing grade and wondered if this was good or bad.

Development Services Manager Gladhill stated there is no minimum points. He stated there is not any one project that will be at one hundred percent of the points. He stated there will be times that if you meet a certain percentage of quality they are looking for there is a sliding scale. He stated there is no pass/fail and it is impossible for any one project to get one hundred percent of the points.

Chairperson Steffen stated they did not get half the points so what should the EDA glean from the 68 points.

Development Services Manager Gladhill stated he would ask the EDA to look at the specifics on what they are providing. He noted the location scores high for them because of its proximity to transit and industrial parks.

Member Hardin asked if they keep some type of spreadsheet on how the different developments scored so the EDA can compare how the project stacks up to others.

Development Services Manager Gladhill stated this is a new policy, adopted in 2014, and they do not have the history of applying that here but they could start a spreadsheet for future projects.

He stated this is showing on the side of affordable and there are some points there. He reviewed a few other projects done in the City with the EDA and noted what areas scored higher than PSD.

Econ. Dev. Mgr/Assistant City Administrator Brama stated reading through the application the only minimum thresholds or any qualifier that he has pulled out is that all applicants must be in one of the following thresholds that are outlined in the document and there are a handful of goals and based off of that one indicator, this project does meet one goal and partially meets two other goals.

Development Services Manager Gladhill stated on page 4 of the policy draft one of the goals is to provide a variety of housing options for people of all life stages and income levels so in looking back this does meet that goal.

Chairperson Steffen stated this is just one of the tools they would use to analyze a subsidy and is not the only one.

Development Services Manager Gladhill stated a lot of housing assistance programs out there with proximity to transit will score very high and as soon as Ramsey's rail station opened up they started to see requests for housing assistance quite frequently. He stated they needed a tool to try to gauge success amongst each other.

Member Burandt asked what the unanticipated project costs were.

Econ. Dev. Mgr/Assistant City Administrator Brama stated there are two major items PSD has outlined as unanticipated project costs. He stated the first was the increase in project costs over the past year has been significant so they have identified that as part of the reason for the gap in their Proforma and second is the amount of fill they have had to provide on the site. They have imported a significant amount of fill that was not anticipated for the project. He believed they were at an unanticipated cost much larger than \$500,000 however that is what they need to move the project forward.

Ms. Stacy Kvilvang, Ehlers, stated it is hard to compare each project to another because they are apples and orange and are meeting different goals. Ms. Kvilvang gave a brief overview of her memo to the EDA. She stated their recommendation is if the City chooses to move forward that it be a pay as you go TIF assistance and will be paid off in four years. With pay as you go, they have to construct the project and pay the taxes and as they pay the taxes they will get a portion of that rebated over a four-year period back to them.

Chairperson Steffen asked why costs differ from city to city and is that based on land cost and fill.

Ms. Kvilvang stated the biggest factor is land cost. Chairperson Steffen asked if they did not have fill brought in would they still be asking for TIF assistance.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the amount of fill brought in was close to \$500,000 so it was hard to say if they would have come in or not.

Member Hardin stated PSD response shows the single largest overage is the actual bid for the construction of the building.

Chairperson Steffen thought that was correct because it was bid a year ago versus today.

Member Skaff stated they have to go back to the time that the City sold the land to PSD, had they come to them knowing that there was \$500,000 in fill needed at that time they may have required the City to bring the land up to a buildable position and it is possible back then that the City would have acknowledged that.

City Administrator Ulrich stated this was probably an engineering calculation mistake. He thought they had more tagged on the construction costs that went up or there was some initial miscalculations that were made for this site.

Chairperson Steffen stated the requirement for the fill has not changed.

City Administrator Ulrich stated it has not.

Member Hardin found it frustrating that when they sold the parcel to PSD that they did not have requirements with financing in place and construction costs in place before they closed on the lot. He thought this is something that the City should put in place before they close going forward. He stated they need performance standards in their agreements and documents because they should not get themselves in a situation like this.

Chairperson Steffen stated it seemed a little late in the process but nobody wants to see this sit as it is for the next number of years.

Member Hardin stated he was not against the TIF financing, pay as you go basis but he thought they needed to look at these differently going forward.

City Administrator Ulrich thought the Council was somewhat divided on this in terms of if they sell the land with development guarantees to the user or do they sell the land on a speculative basis.

Econ. Dev. Mgr/Assistant City Administrator Brama stated as part of their due diligence process when reviewing the purchase agreement they can add in the option of performance standards. He noted they did briefly discuss it with the EDA before they moved the purchase agreement forward and they had a split opinion on whether they should have a performance agreement included.

Ms. Kvilvang thought this was the outlier because she thought the other ones that have come forward have had the performance standards included. She stated it was a Council decision at that time to do that on a speculative basis and she did not know if they would do that going

forward but the last two developers they have talked to the City has known what is going to be developed upfront.

City Administrator Ulrich stated the site has been graded and fill has been brought in and the site has been approved. They did have guarantees that this would not be an eyesore if not built upon.

Econ. Dev. Mgr/Assistant City Administrator Brama stated anytime they get involved in a deal financially it is their standard practice to have performance standards.

Chairperson Steffen stated the four-year payback on the TIF note seemed very short to him.

Ms. Kvilvang stated this is a very short time period versus other projects.

Member Skaff stated he would support approving this item.

Motion by Member Skaff, seconded by Member Brunt, to recommend to City Council the approval of the \$500,000 TIF program.

Further discussion: Member Hardin asked if the motion included funding from the TIF program. Econ. Dev. Mgr/Assistant City Administrator Brama stated it would.

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

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the next steps of the project.

4. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:15 a.m.

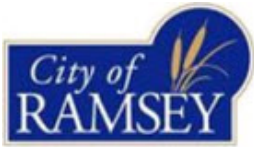
Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.



Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

Economic Development Authority (EDA)

4. 1.

Meeting Date: 10/08/2015

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Consider Approving a TIF Agreement between the City of Ramsey and Parkview East LLC (PSD LLC)

Purpose/Background:

PURPOSE

Consider Approving the attached TIF Agreement between the City of Ramsey and Parkview East LLC (PSD LLC) to support the construction of a 121 unit apartment complex located within The COR.

BACKGROUND (Project Ownership/ Proposed Development)

PSD LLC is a significant land owner and well established developer in the City of Ramsey. PSD LLC recently purchased about 15 acres of City owned land located within The COR for \$1.89M. It is proposed, PSD LLC will develop their new property in three phases. The first phase of their development is proposed to be a 121-unit market rate apartment complex; and will be owned by Parkview East LLC.

Parkview East LLC consists of three owners: Jim Deal, Pam Deal, and Matt Kuker. In the future, Parkview East may add additional investors. PSD LLC will be the project manager for this development. PSD LLC is owned by Jim Deal and Pam Deal. The proposed apartment complex will be located on a property that was purchased by PSD LLC on May 28, 2015 (from the City of Ramsey). PSD LLC plans on hiring a third party professional property management company to manage the operations of the new apartment complex upon completion.

The proposed apartment complex will feature a tuck-under heated and secured parking on half of the first floor, quality entrance area (fire place, couches, chandeliers), high quality detached garages, a small park (including a playground), a community garden, a mix of 1-2-3 bedroom apartments, a full size workout facility, quality community grills/ patios/ seating, community room/ game room, and quality interior design (granite counter tops, granite window sills, wood blinds, vinyl plank wood floors, stainless steel appliances, quality solid-wood cabinetry design, full-size in-unit washer/ dryers, triple pane high energy efficiency windows, garbage chutes). The proposed project will front The Draw park along Ramsey Parkway, and will comply with the City's zoning regulations (i.e. architecture).

PSD LLC estimates the first phase of their development, a 121-unit apartment complex, is nearly a \$20M investment. Attached to this case is the most recent site plan and visuals of the proposed apartment complex. Because this project (and underlying property) will be owned by Parkview East LLC, the attached agreement is with Parkview East LLC (not PSD LLC).

BACKGROUND (Assistance Request)

PSD LLC experienced an unanticipated hike in project costs; and felt City assistance was needed in order to move the proposed project forward. PSD LLC was confident they could prove a financial gap existed in their pro-forma and was willing to have a third party underwrite their project (Ehlers); including paying the required \$7,000 fee. Staff accepted a complete subsidy application from PSD LLC on September 10.

The PSD LLC subsidy application was underwritten from two separate perspectives. (1) Financially. Is the PSD LLC reasonable and justifiable? Please see attached MEMO from Ehlers. (2) Qualitatively. How does the proposed PSD LLC request relate to the City's housing assistance policy? Please see attached "Staff Scoring" document and "Staff Notes."

The EDA originally reviewed this request, in concept, on 09/17. In summary, they were in favor of drafting a TIF Agreement for \$500,000 of pay-go assistance to PSD LLC. The EDA vote was 4-0-1. Attached are minutes.

The City Council originally reviewed this request, in concept, on 09/22. In summary, they were in favor of drafting a TIF Agreement for \$500,000 of pay-go assistance to PSD LLC. The Council vote was 6-1-0. Attached are minutes.

Notification:

NA

Observations/Alternatives:

The attached TIF agreement was drafted by Ehlers and Briggs & Morgan. This agreement has been reviewed by PSD LLC. This agreement is currently being reviewed by the City Attorney and City Staff. Moving forward, Staff anticipates minor changes to language in this agreement (coming from Staff and the Attorney).

Funding Source:

Subsidy Application, PSD LLC
Assistance, TIF District #14

Recommendation:

Please see background section of this case, "Assistance Request Section." Also, please see attached Ehlers MEMO, Staff MEMO, and Staff Notes.

Action:

Recommend the City Council:

Approve the attached TIF Agreement between the City of Ramsey and Parkview East LLC; subject to final review and amendments by the City Attorney.

Attachments

DRAFT TIF Agreement 10022015

PSD LLC Request Letter

PSD LLC Housing Subsidy Application

Staff Notes

Ehlers MEMO

Staff Scoring of PSD LLC Housing Subsidy Application

Layout and Visuals

Funding Source (Why TIF)

EDA Meeting Minutes DRAFT 09172015

Form Review

Inbox

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 10/05/2015

Reviewed By

Kurt Ulrich

Date

10/05/2015 02:07 PM

Started On: 10/02/2015 02:25 PM

TAX INCREMENT FINANCING (TIF) AGREEMENT

BY AND BETWEEN

CITY OF RAMSEY, MINNESOTA

AND

PARKVIEW EAST, LLC

This document drafted by:

BRIGGS AND MORGAN (MLI)
Professional Association
2200 IDS Center, 80 South 8th Street
Minneapolis, Minnesota 55402

Table of Contents

Page

ARTICLE I DEFINITIONS..... 2
 Section 1.1. Definitions..... 2

ARTICLE II REPRESENTATIONS AND WARRANTIES..... 4
 Section 2.1. Representations and Warranties of the City..... 4
 Section 2.2. Representations and Warranties of the Developer..... 4

ARTICLE III UNDERTAKINGS BY DEVELOPER AND CITY 6
 Section 3.1. Project, Site Improvements 6
 Section 3.2. Limitations on Undertaking of the City 6
 Section 3.3. Reimbursement: TIF Note 6
 Section 3.4. Legal and Administrative Expenses..... 7

ARTICLE IV EVENTS OF DEFAULT 8
 Section 4.1. Events of Default Defined 8
 Section 4.2. Remedies on Default..... 8
 Section 4.3. No Remedy Exclusive..... 9
 Section 4.4. No Implied Waiver 9
 Section 4.5. Agreement to Pay Attorney's Fees and Expenses 9
 Section 4.6. Indemnification of City..... 9

ARTICLE V DEVELOPER'S OPTION TO TERMINATE AGREEMENT 11
 Section 5.1. The Developer's Option to Terminate..... 11
 Section 5.2. Action to Terminate 11
 Section 5.3. Effect of Termination..... 11

ARTICLE VI ADDITIONAL PROVISIONS 12
 Section 6.1. Restrictions on Use 12
 Section 6.2. Conflicts of Interest..... 12
 Section 6.3. Titles of Articles and Sections 12
 Section 6.4. Notices and Demands 12
 Section 6.5. Counterparts..... 13
 Section 6.6. Law Governing 13
 Section 6.7. Expiration..... 13
 Section 6.8. Provisions Surviving Rescission or Expiration..... 13
 Section 6.9. Assignability of Agreement 13

EXHIBIT A Description of Development Property A-1
 EXHIBIT B Form of TIF Note..... B-1
 EXHIBIT C Site Improvements C-1

TAX INCREMENT FINANCING (TIF) AGREEMENT

THIS AGREEMENT, made as of the 1st day of _____, 2015, by and between the City of Ramsey, Minnesota (the "City"), a home rule charter city organized and existing under the constitution and laws of the State of Minnesota and ParkView East, LLC, a Minnesota limited liability company (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 Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16 ("Special Legislation") and 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 (Redevelopment) District No. 14 (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, do not apply to this Agreement pursuant to an exemption for housing.

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;

City Development Agreement means the Development Agreement for COR ParkView Addition dated as of _____ 1, 2015, as the same may be from time to time modified;

County means Anoka County, Minnesota;

Developer means ParkView East, LLC, a Minnesota limited liability company, 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;

Legal and Administrative Expenses means the fees or expenses incurred by the City in connection with the preparation of this Agreement and the establishment of the Tax Increment District;

Note Payment Date means August 1, 2018, and each February 1 and August 1 of each year thereafter to and including February 1, 2022; 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 121 units of market rate rental housing on the Development Property located in the City to include such amenities as set forth in Section 2.2 (10) of this Agreement;

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

Special Legislation means Minnesota Laws, 2010, Chapter 389, Article 7, Section 22, as amended by Minnesota Laws, 2011, Chapter 112, Article 11, Section 16;

State means the State of Minnesota;

Tax Increments means 85% of the tax increments derived from the Development Property as calculated by the City in its sole discretion and 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 (Redevelopment) District No. 14 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment 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 December 14, 2010, and any future amendments thereto;

TIF Note means the Tax Increment Revenue Note (ParkView East, LLC 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 "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10, and was created, adopted and approved in accordance with the Special Legislation.

(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 a portion of the costs of the installation 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 expressed 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' 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 Minnesota limited liability company 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 of organization, member control agreement or operating agreement, 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, the City Development Agreement, and all applicable 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) The construction of the Project will be substantially completed by June 30, 2017, 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 installation of the Site Improvements as provided in Article III.

(10) In connection with the Project the Developer shall include in the Project the following amenities: (i) the entrance lobby shall include a fire place, couches, and chandeliers; (ii) construction of a park, including a playground, of not less than 3,000 square feet; (iii) an onsite work out room; (iv) an onsite community room; (v) all units shall include granite countertops, wood blinds, stainless steel appliances, solid wood cabinetry, full size in-unit washers and dryers, vinyl plank wood flooring covering a minimum of 15% of the total square footage of each unit, and energy efficient windows.

(11) The Developer will not seek a reduction in the market value as determined by the Anoka County Assessor of the Project or other facilities, if any, that it constructs on the Development Property, pursuant to the provisions of this Agreement, for so long as the TIF Note remains outstanding.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Project, Site Improvements.

(1) The parties agree that the installation of the Site Improvements is essential to the successful completion of the Project. The costs of the Site Improvements shall be paid by the Developer. The City shall reimburse the Developer for the lesser of \$500,000 or the costs of the installation of the 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 installation of the 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 (i) the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the installation of the Site Improvements has been completed and that the Developer has incurred and paid the costs of the installation of the Site Improvements, as described in and limited by Section 3.1 and shall have submitted paid invoices for the costs of installation of the Site Improvements in an amount not less than the Reimbursement Amount; (ii) the Developer shall have demonstrated to the City that the Project includes the amenities described in Section 2.2 (10); and (iii) the Developer shall have completed all of the items required to be done by the Developer under the City Development Agreement.

(2) The unpaid principal of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at 4.00% 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, 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. Legal and Administrative Expenses. The Developer has deposited \$7,000 with the City to pay actual out of pocket Legal and Administrative Expenses and any excess will be returned to the Developer after payment of all Legal and Administrative Expenses. If the City determines the deposit to be inadequate, the Developer shall provide additional funds in the amount determined by the City to be escrowed.

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 by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement and the City Development Agreement.

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

(4) 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.

(5) 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.

(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 market rate rental housing project 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:

ParkView East, LLC
Attention: Matt Kuker, Chief Operating Officer
7533 Sunwood Dr NW, Suite 315
Ramsey, MN 55303

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
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

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, 2022, (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.

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

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota and ParkView East, LLC.

PARKVIEW EAST, LLC

By _____
Its _____

This is a signature page to the Tax Increment Financing Agreement by and between the City of Ramsey, Minnesota and ParkView East, LLC.

EXHIBIT A

Description of Development Property

Outlot A, RAMSEY TOWN CENTER 11TH ADDITION, Anoka County, Minnesota

-or upon recording-

Lot 1, Block 1 and Outlot A, COR PARKVIEW ADDITION, Anoka County, Minnesota

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
(PARKVIEW EAST, LLC PROJECT)

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 ParkView East, LLC (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 \$500,000 as provided in that certain Tax Increment Financing Agreement, dated as of _____, 2015, as the same may be amended from time to time (the "TIF 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 (4.00%) 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, 2018, and on each February 1 and August 1 thereafter to and including February 1, 2022, or, if the first should not be a Business Day (as defined in the TIF 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 85% of tax increments (the "Tax Increments") from the Development Property (as defined in the TIF Agreement) within the City's Tax Increment Financing (Redevelopment) District No. 14 (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 TIF Agreement under Section 4.2(2) thereof or the Developer shall have terminated the TIF 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 Tax Increment District includes properties other than the Development Property and Anoka County remits Tax Increment to the City on the basis of the Captured Tax Capacity of the entire Tax Increment District. For purposes of this Tax Increment Revenue Note, the City will determine Tax Increment generated from the Development Property and improvements thereon in its sole discretion.

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 TIF 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 TIF Agreement the City elects to cancel and rescind the TIF 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 TIF 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.

This Note is subject to prepayment in immediately available funds on any date at the option of the City, in whole or in part and without penalty.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the City Charter, 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 charter, 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 SITE IMPROVEMENTS ARE GIVEN TO THE CITY AND OTHER CONDITIONS ARE COMPLIED WITH BY THE DEVELOPER - REFER TO SECTION 3.3(1).

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of ParkView East, LLC, 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.

**NAME AND ADDRESS OF
REGISTERED OWNER**

**DATE OF
REGISTRATION**

**SIGNATURE OF
CITY ADMINISTRATOR**

ParkView East, LLC
7533 Sunwood Dr NW, Suite 315
Ramsley, MN 55303

<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

EXHIBIT C

Site Improvements

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 Facilities



September 2, 2015

City of Ramsey Council Members and Staff,

As you know, earlier this year PSD, LLC purchased approximately 14 acres from the City of Ramsey, of which a portion of this lot would be platted to develop an apartment project. The following is a summary of what has taken place, where we are today, and how the project will advance in the future.

Background Information:

In 2014 PSD, LLC ("PSD") submitted a Purchase Agreement to the City of Ramsey ("the City") for the purchase of Outlots A & B, RTC 11th Addition. At the time the PA was submitted, there were some zoning issues. The City did not accept the PA and re-evaluated the zoning and FAR in certain areas of the COR. The City worked through these zoning issues and made some policy changes earlier this year. Prior to PSD submitting the original PA, PSD developed assumptions and commissioned a market study for market rate apartments to verify that a new building could justify the need for market rate apartments in this area. Upon building a Proforma, which weighed heavily on the contractors and architects estimated building costs, as well as, the need determined by the market study for the quantity and types of units, we proceeded with the project. At that time we met the minimum threshold return rate of 7.5% which the bank and investors require.

Where We Are Today:

We have had major cost overruns in the project. The single largest overage is the actual bid for the construction of the building. Since we closed on the lot this spring the actual bid numbers are significantly higher. During the bidding process we obtained multiple bids and selected the lowest qualified bid. All bids that were submitted were qualified and complete. As an act of good faith, the GC we selected reduced their bid in order to close the gap of the unexpected costs. Currently the land is titled to PSD, and PSD is prepping the lot for construction. Upon commencement of the construction of this project, PSD will transfer the portion of the lot to the ownership group that will construct the complex. PSD will retain ownership of the balance of the raw land and will develop this raw land when the market can justify additional projects. The entity that will own, construct and operate the building will be Parkview East, LLC, which is comprised of multiple investors. After running a cost analysis, the project was approximately \$1M over the anticipated budget. Through cost cutting measures, having some items re-bid, having the GC reduce their overhead cost, and value engineering the shortfall is now slightly over \$500,000.

7533 Sunwood Drive, Suite 315
Ramsey, MN 55303

Phone: (763) 427-5955

Fax: (763) 427-4151

www.psdlanddevelopment.com

Going Forward:

PSD and Parkview East are requesting some type of assistance that totals \$500k in order to bridge the gap of these cost overruns. Without this assistance the project will not be able to proceed. There are many important factors that play into the timing of this project. They are as follows:

1) There is a group that is proposing an apartment complex in Anoka. The market study determined that demand in this area will overlap. Usually the first project in the ground will drive out any competitors; therefore, if our project does not start first it will stall for an undetermined amount of time.

2) Given the rising construction costs we are experiencing, we anticipate costs can only go higher. Apartment rental rates do not increase at the same proportion.

3) We are entering the fall season so if the project is pushed back too far we will incur winter heat charges for the footing and foundation. This additional expense only magnifies the shortfall.

In conclusion, initially we thought the project could be developed and constructed without any type of concessions or assistance. Once these additional costs were brought to our attention, we reassessed the cost of this project. We have provided you a project cost overview for your review. As you know we are dedicated to this City and want growth in all areas. To date, we have not received any assistance of any type for the numerous projects we have developed in the COR. Feel free to contact me if you have additional questions or would like clarification regarding the information in this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MK', with a long horizontal flourish extending to the right.

Matt Kuker
COO

Overview of costs for Parkview East Apartments

Construction costs:	\$13,927,100
Improved land:	\$1,886,052
Platting Fees and Permits	\$1,353,468
Soft Costs (Financing, Interest, Legal, Accounting)	\$780,189
Contingency	<u>\$300,000</u>
Total	\$18,246,809

Project Narrative:

The proposed project will be a 122 unit market rate apartment to be located in the COR. We have incorporated a high level of aesthetic items that will be visually pleasing to guests and residents of Ramsey, MN. The exterior will include Nichiwa panels, stone, brick, cantilevered balconies and building accents that complement both the residential and commercial districts. This project is adjacent to the Draw Park, there will be green spaces, patios and walking trails that connect to the Draw Park. We anticipate our tenants to be a diverse cross section of many demographics.

Housing Assistance Policy

Affordable Housing

3/20/2014

City of Ramsey



Housing Assistance Policy – Affordable

BACKGROUND	2
HOUSING PRIORITIES	2
SCORING PROCESS	2
PROJECT BRIEF	4
PROJECT DETAILS	4
Number of Units.....	4
Minimum Threshold:.....	4
Rank Scoring.....	7
Total Points	11
FINANCIAL REQUIREMENTS/INFORMATION	12
Eligible Uses of Funding	12
Required Information	12
Sources and Uses	12

Housing Assistance Policy – Affordable

Background

The City of Ramsey is committed to supporting well planned single family, multi-family development and redevelopment as a necessary element to achieve the goals for well-balanced housing inventory meeting the needs of residents during all life stages. The City Council and the Housing and Redevelopment Authority (HRA) of the City of Ramsey have determined that a policy is necessary to review requests for financial assistance related to housing projects to ensure any financially supported project meets Housing Polices of the Comprehensive Plan and housing priorities established by the City and reviewed on a regular basis.

Housing Priorities

To maximize the impact of City and HRA involvement, a priority list was developed by the Ad-Hoc-Sub-Committee of the Planning Commission and is subject to City Council approval. This is a list of priorities that the City believes would qualify for or is in the highest need of assistance, if available. This is not a reflection of the amount of individual types of housing products that the City believes will develop overall.

This list is based off current market conditions, demographics and financial need for assistance. This list will evolve over time, and will be revisited at least annually. With each project completed, the priority for assistance will change. Priorities are listed below:

1. Senior Independent
2. Affordable/Workforce
3. Redevelopment
4. Energy Efficient
5. Rehabilitation of Existing
6. Amenity Rental (market rate)
7. Three plus bedroom Rental
8. Inclusion of Accessory Dwelling Units
9. Executive Single-Family (note: City funding not likely for this product)
10. Senior Skilled Nursing
11. Assisted Living/Memory Care
12. Condominium

Scoring Process

Projects will be scored on a two (2) step process: 1) Minimum Thresholds and 2) Priority Scoring. Priority scoring is divided between *affordable housing projects* (targeting households below 80% of AMI and *market rate housing projects* (targeting households 80% and above AMI).

Housing Assistance Policy – Affordable

All applicants shall meet at least one of the goals and related implementation strategies listed below. Please provide a check mark in the box and on a separate sheet provide a brief explanation as to how the proposed project will meet the goal.

Priority scoring will be used to gauge the quality of the project and used to rank projects in the event of multiple proposals. The City reserves the right to reject any and all applications if it deems necessary.

The amount of funds that may be provided will be based on several factors including:

1. Project meets a housing priority.
2. Ability to meet the minimum thresholds.
3. Priority scoring results and the overall quality of the proposed project.
4. Availability of funding. The City reserves the right to cap the maximum assistance given, if funds are available. Grant funding will be based on the grant type and related funding.
5. Third party review. Assistance is subject to third –party financial analysis and a ‘but-for’ analysis. Please contact City Staff for specifics on this analysis. Financial review is subject to look-back provisions traditionally found in Tax Increment Finance (TIF) analysis.

Housing Assistance Policy – Affordable

Project Brief

Please briefly describe your project. This section will be used as general background on the project, and is not intended to be a full analysis of the project. This project description will be used for short marketing pieces if assistance is approved.

PLEASE SEE ATTACHMENT #1

Project Details

Number of Units

	Market Rate	80% AMI	60% AMI	50% AMI	30% AMI	Total # of Units
# of Units	122					

Minimum Threshold: PLEASE SEE ATTACHMENT #2

All applicants must meet one of the following minimum thresholds listed below. These are goals and implementation strategies from the City’s Master Housing Plan, adopted as part of the City’s 2009 Comprehensive Plan update. Check which threshold best matches your project and describe how your project will meet the implementation strategies.

	Applicant	City
<p>Goal 1: Provide a variety of housing options for people at all life stages and income levels to encourage existing residents, and attract new residents, to stay in Ramsey throughout their lives. Housing opportunities should include a mixture of rental and owner-occupied to provide life-cycle housing choices meeting a full spectrum of demographics. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ol style="list-style-type: none"> 1) Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable. 2) Focus on providing choices for empty-nesters, including aging in place and downsizing, to allow the majority of current residents to stay in Ramsey. 3) Provide opportunities for young adults to continue to live in Ramsey after leaving their parents’ homes by supporting the development of quality rental housing. 		

Housing Assistance Policy – Affordable

<ul style="list-style-type: none"> 4) Provide a balanced housing supply, with approximately 90% ownership housing and 10% rental housing, to expand options for workforce housing and housing for young professionals. 5) Continue to develop more affordable single family housing such as condominiums and small-lot single family homes that includes higher architectural variety and quality. 6) Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City. 		
<p>Goal 2: Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized and/or has potential for future redevelopment consistent with the Comprehensive Plan. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ul style="list-style-type: none"> 1) Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space. 2) Provide options for residents to subdivide if consistent with and allowed by the Comprehensive Plan. 3) Encourage redevelopment where land has potential for future development consistent with the Comprehensive Plan. 		
<p>Goal 3: Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ul style="list-style-type: none"> 1) Encourage the development of homeowner’s associations or common interest communities for areas of older multifamily housing and new subdivisions of smaller lot neighborhoods. 2) Ensure that new housing developments provide appropriate density transition with existing established neighborhoods. 		

Housing Assistance Policy – Affordable

<p>3) Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.</p>		
<p>Goal 4: Provide a development environment that increases residential health and reduces energy consumption. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words]</p> <ol style="list-style-type: none"> 1) The development incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices. 2) The development meets sustainability standards, such as Minnesota Green Star Certification or LEED. 3) Use of sustainable development elements such as the use of storm water management BMP's to manage on site storm water 4) The development incorporates connections to existing pathways and creates natural and safe walkable areas. 		

Housing Assistance Policy – Affordable

Rank Scoring

Affordable Housing Project Scoring –Projects must target occupants that are below 80% AMI

<u>Affordable Housing - Rental:</u>	Applicant Point Allocation	City Point Allocation
Points will be given for units rented at greater affordability levels. Chose 1 (or chose all that apply) and insert total number and percent of units at each affordability level:	N/A	
40% of units at 60% AMI = 5 points	N/A	
20% of units at 50% AMI= 5 points	N/A	

<u>Long-Term Affordability:</u>	Applicant Point Allocation	City Point Allocation
Projects that demonstrate the ability to serve tenants for longest period of time. Chose 1 (or chose all that apply) and insert total number of units.	N/A	
30 years or more= 10 points	N/A	
15 years = 5 points	N/A	

<u>Number of Bedrooms</u> If applicable, insert total number of units:	Applicant Point Allocation	City Point Allocation
At least 25% of units include three + bedrooms = 5 points 18 3 BR , 14 2BR + DEN (could be 3rd BR)	5	
At least 50% of units includes three + bedrooms total units= 10 points	N/A	

<u>Development of Senior Housing</u>	Applicant Point Allocation	City Point Allocation
Senior independent (rental or owner-occupied) = 5 points. Insert total number of age restricted units.	N/A	

Housing Assistance Policy – Affordable

<u>Specialized Senior Housing:</u>		
At least 25% of total units include one (or combination) of specialized services. Chose 1 (or chose all that apply) and insert total number and percent of total. Maximum of 5 points		
Assisted Living units = 5 points	N/A	
Memory care units = 5 points	N/A	
Senior skilled nursing on site= 5 points	N/A	

<u>Mixed Income Development:</u>	Applicant Point Allocation	City Point Allocation
	N/A	
Inclusion of market rate and affordable within a single project (single or multiple buildings). All projects must have at least 50% of units at 80% AMI or above (market rate).	N/A	

<u>Proximity to Transit</u>	Applicant Point Allocation	City Point Allocation
Within quarter mile (.25) of Northstar Commuter Rail-Ramsey Station: 10 points.	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	10
Within one-half mile (.5) of Northstar Commuter Rail-Ramsey Station: 5 points.	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	5
<u>Proximity to Local Employment</u>	Circle: <input checked="" type="radio"/> Yes / <input type="radio"/> No	5
Within a two-mile radius of area zoned Employment= 5 points		

<u>Architectural Standards (check all that apply)</u>	Applicant Point Allocation	City Point Allocation
Use of Hardi-Board or equivalent= 2 points NICHIAARCH PANELS	2	

Housing Assistance Policy – Affordable

Horizontal siding accessory only = 2 points TOP BAND	2	
Minimum of 30% front elevation-brick or stone= 2 points	2	
50% brick or stone threshold = 2 points	2	
Building articulation= 2 points	2	
Roof articulation= 2 points	2	
Covered front porch > 50 square feet = 2 points	N/A	
Roof < 25% of front façade= 2 points	N/A	
2+ dormers (gabled ends to not count) for SF= 2 points	N/A	
Multiple dormers if townhome building or apartment building = 2 points	2	
Use of alley or internal drive for garage access (not visible from public street and HOA maintained) = 2 points	2	
Use of side loaded garages (SF and TH only) = 2 points	N/A	
House forward design (SF and TH only) = 2 points	N/A	
Architectural styled garage doors (15% of lots) (SF and TH only) = 2 points	N/A	
Anti-monotony elevation/color plan (applicable to developments with multiple buildings that have a minimum of three material colors that vary between buildings) = 2 points	2	
Four sided architecture (attached or detached) = 2 points	2	
High speed internet access in all units= 2 points	2	
Smoke free units/buildings= 2 points	2	

<u>Federal/Local or Philanthropic Partnerships:</u>	Applicant Point Allocation	City Point Allocation

Housing Assistance Policy – Affordable

Project funds from the federal, county, or state unit of government, , area employer and/or a private philanthropic, religious or charitable organization. If applicable, provide percentage:		
20.1% and above of the development cost= 10 points	N/A	
15.1%-20%= 8 points	N/A	
10.1%-10%= 6 points	N/A	
5.1%-10%= 4 points	N/A	
2.1%-5%= 2 points	N/A	

<u>Project Amenities - Check all that apply.</u>	Applicant Point Allocation	City Point Allocation
Community room/gathering area= 1 point	1	
On-site fitness center= 1 point	1	
Terrace/Courtyard or Roof top gathering area= 1 point	1	
Indoor theatre= 1 point	1	
Outdoor facilities= 1 point per element: (i.e. walking trails, ^{comm garden} tennis/basketball courts, playground, others as proposed by applicant)	3	
Indoor or outdoor swimming pool= 1 additional point	N/A	
Use of shared parking to reduce total parking installed= 2 points	N/A	

<u>Development Standards (check all that apply)</u> <u>Sidewalks, trails and streetscaping</u>	Applicant Point Allocation	City Point Allocation
Sidewalks to each front door (SF and TH) or main entry (apartment building)= 2 points	N/A	
Sidewalks/ trail on both sides of public streets (SF and TH); or sidewalk / trail on one side if project consists of only a single building = 2 points	N/A	

Housing Assistance Policy – Affordable

Installation of off-road trails within the development = 2 points	2	
Sidewalk “ bump-outs” or “chokers” = 2 points	2	
Trail connection beyond development (installed by developer)= 5 points	5	
Boulevard trees at 35 foot spacing (new installation provided by developer= 2 points	2	
Installation of development wide streetscaping and decorative lighting= 2 points	N/A	

<u>Energy Efficient Elements (check all that apply)</u>	Applicant Point Allocation	City Point Allocation
Storm water Best Management Practices= 2 points CANNOT HAVE IN-GROUND SYSTEM, CREDITS	2	
Energy efficient roofing material or colors = 2 points	N/A	
Buildings oriented on site to optimize passive solar and cooling= 2 points ORIENTATION REQUIRED BY CITY, SOUTH/NORTH FACING	2	
Installation of a green roof occupying a minimum of 30% of the total roof area= 2 points	N/A	
Use of resource efficient building materials= 2 points NICHIA HAS RECYCLED CONTENT	2	
Use of Green Star certified mechanical and appliances = 2 points	2	
Use of energy efficient windows/doors= 2 points	2	
Other energy efficient new technology as approved by the City= 2 points	N/A	

21

Total Points

	Applicant Point Allocation	City Point Allocation
Total Points Accumulated	77	

Housing Assistance Policy – Affordable

FINANCIAL REQUIREMENTS/INFORMATION

Financial award is based on availability of funds. Maximum funding is set based on actual project need after a detailed financial analysis of the Developer and the project. The City reserves the right to contract with a third-party for financial analysis, which costs of said analysis are the responsibility of the Developer unless otherwise waived by the City. Owner equity must be greater than 10%.

Eligible Uses of Funding

Eligible uses of funding include; site acquisition, land improvements, building construction, and payment of development fees. The City will not waive development fees (park dedication, trail development, sanitary sewer, stormwater) or permit fees). The City and Developer will need to work together to identify a funding source for these fees if assistance is required specific to these fees.

Required Information

1. Sources and Uses Statement (below)
2. Financial Scoring Scorecard
3. Organizational Financial Statements (2 years of P&L and Balance Sheet)
4. Personal Financial Statements of Stakeholders and Tax Returns (2 years)
5. Project Pro forma/Projections (two [2] year and fifteen [15] year projections)
6. Letter(s) of Commitment from other Funding Sources (terms, conditions)
7. Proof that the Property is not delinquent in Property Taxes

Sources and Uses

The Developer shall provide a detailed sources and uses statement. This shall include all sources of financing for the project and how those funds will be used. The Applicant shall provide a detailed listing of each. Owner equity shall be equity above and beyond any tax credit or grant source of funding. The City will exclude any tax equity.

SOURCES	AMOUNT (\$)	USES	AMOUNT (\$)
Owner Equity	4,600,000	Land Acquisition	1,350,000
Bank Loan	13,800,000	Site Development	550,000
Other Loan		Construction	14,300,000
Fed. Grant/Loan		Engineering/Arch. Services	250,000
State Grant/Loan		Debt Service	800,000
TIF		Contingencies	300,000
Tax Abatement		Other	1,350,000
Revolving Loan Fund		TOTAL	18,900,000
Other	500,000		
TOTAL	18,900,000		

The City reserves the right to request additional data regarding the above required information as well as sources and uses. Review of sources and uses is subject to third-party financial analysis.

Attachment #2

Listing of Minimum Threshold Goals Scoring

Goal 1: Answer

- 1) N/A
- 2) The apartment will be inviting as empty nesters downsize and want to live in a place that has nice amenities, close to town and safe. Options for accessibility are numerous given the proximity to the light rail.
- 3) Young adults will be able to rent a place while they are establishing their careers. The trend is that young professionals do not dire to have the maintenance and upkeep of a single family home.
- 4) N/A
- 5) N/A
- 6) Our offering will diversify the housing choices in this area; busy executives will find our amenities desirable while having access to the metro area.

Goal 2:

- 1) N/A
- 2) N/A
- 3) N/A

Goal 3:

- 1) N/A
- 2) Our facility will transition the exterior aesthetics; there are townhomes to the north of this site and multi story commercial building to the south. We have incorporated materials from both adjoining building type which blends the transition.
- 3) We have incorporated the following latest building elements: Nichiha panels, non building penetrating balconies with a girder system, cultured stone, shed roofs, and dormers on the detached garages

Goal 4:

- 1) When we planned a building on this site we considered the density, and best use of the lot. The building has numerous jogs and breaks to give some definition. We are using materials that are maintenance free and energy efficient. LED lighting, Very high efficiency heating and cooling, and low-E glass throughout.
- 2) N/A
- 3) Elements of the storm water include BMP's and infrastructure that will settle out most contaminants before it reached the City's storm system
- 4) The site utilizes both interior pathways and connections to the existing pathways located in the COR

(Attachment #1)

Parkview East Apartments overview

Parkview East, LLC is proposing to build a 122 unit Market Rate apartment in the COR development located in the City of Ramsey. This building will be a four story structure that will overlook The Draw Park. Our plan incorporates trail connection to existing walking trails that access the Draw Park and the boulevards that connect to the City's boulevards.

We have integrated many unique qualities in the exterior finishes we selected, the specs incorporate a high level of aesthetics. There is four sided architecture that consists will be over 50% of brick/cultured stone/Nichiha panels. The windows will have a mission style internal grid and will be energy efficient with multiple glazings. There will be two patios will gas grills and patio furniture for the tenants to use. The tenants will have access to a community garden that will be irrigated and can grow fresh vegetables. The complex will utilize both attached tuck under garages and detached garages that will use the same high level finishes as used in the apartment building.

Inside each rental unit we will incorporate the following items: Granite countertops and windowsills, Stainless Steel appliances, wood plank flooring, energy efficient front load washers and dryers, entry access key fobs, wood blinds. The community room will include dining room tables, sofas, coffee tables, oversized wall mounted TV, a Nintendo Wii, DVD/Blu Ray player, full kitchen and patio access. Tenants will have access to a fitness center with commercial exercise equipment, flat screen TV's and various small pieces of fitness equipment.

We anticipate a diverse make up of the type of tenants, which will include: Seniors downsizing their housing, new families with small children, single professionals, handicapped individuals, and most any other type of tenant that does not wish to live in a single family home. This complex will be a Market Rate building which is grossly lacking within a 5 mile radius from this site. Tenants will also desire to live here given the close proximity to the Northstar Commuter Rail, people may work downtown and take the light rail to work.

In conclusion, we feel we are proposing exactly what this area needs. For far too long the needs of the middle section of the rental market is not being addressed. By having all of these amenities in close proximity to both a park and light rail, tenants will find this location ideal.



720 Broadway Street
PO Box 309
Alexandria, Minnesota 56308-0309
phone: 320-763-6622
fax: 320-763-7274

September 3, 2015

Matt Kuker
Parkview Apartments, LLC
7533 Sunwood Dr #315
Ramsey, MN 55303

Mr. Kuker;

This letter is to confirm Bremer Bank's (Bank) interest in continuing discussions on providing financing options for the proposed Parkview Apartments in Ramsey's COR area. Preliminary information provided, including a formal feasibility study, seem to support the demand for the project. A financing proposal will be subject to underwriting and due diligence similar to the recent projects the Bank has financed for your group.

The list of anticipated requirements below is not intended to be all inclusive but represents some of the items necessary to proceed.

- Financing amount to be 75% of cost or appraised value, whichever is *less*.
- Pro-forma projections (including realistic assumptions) confirming the project can expect to generate adequate cash flow to service debt and a return to investors of at least 7.5%-8.0%.
- Underwriting of partners that illustrates financial wherewithal acceptable to the Bank.
- Finished property managed by a qualified 3rd party property management company.
- Compliance with local zoning, platting, and permitting requirements.
- A general contractor experienced with similar projects and acceptable to the Bank.
- Adequate title insurance, construction draw monitoring and other terms customary to this type of financing which are acceptable to both Bank and borrower.

It has been a pleasure working with your group and I look forward to future communication leading to a more formal financing proposal. Please feel free to contact me at (320) 762-4743 or jjpohlen@bremer.com at your convenience to discuss any questions or concerns you may have.

Regards,

Jason Pohlen
Vice President



Carlson Advisors LLP
Certified Public Accountants
Business Consultants

September 8, 2015

City of Ramsey
7550 Sunwood Drive
Ramsey, MN 55303

To Whom It May Concern:

ParkView East, LLC is a Minnesota limited liability company formed in May 2015 and therefore has no historical financial statements.

If you have questions, please contact Darren Kray at 763.535.8150.

Sincerely

Respectfully submitted,

Carlson Advisors, LLP

CARLSON ADVISORS, LLP
Minneapolis, Minnesota

www.carlson-advisors.com

SEATTLE

LOS ANGELES

MINNEAPOLIS

ST. CLOUD



Carlson Advisors ^{LLP}
Certified Public Accountants
Business Consultants

September 8, 2015

Ms. Stacie Kvilvang
EHLERS
3060 Centre Pointe Drive
Roseville, MN 55113-1105

City of Ramsey
7550 Sunwood Drive
Ramsey, MN 55303

To Stacie and City of Ramsey,

ParkView East, LLC is a Minnesota limited liability company wholly owned by 8 OI, LLC. 8 OI, LLC is owned by Mathias A. Kuker, the James D. Deal Revocable Trust and the Pamela S. Deal Revocable Trust.

Carlson Advisors, LLP has been the outside accountants for Jim and Pam Deal and Matt Kuker for over twenty years. Based on our experience with Jim and Pam Deal and Matt Kuker, they have the financial wherewithal to make the \$4.6 million investment in the apartment complex proposed in Ramsey, Minnesota.

If you have questions, please contact Darren Kray at 763.535.8150.

Sincerely,

Carlson Advisors, LLP

CARLSON ADVISORS, LLP
Minneapolis, Minnesota

www.carlson-advisors.com

SEATTLE

LOS ANGELES

MINNEAPOLIS

ST. CLOUD

PSD LLC Project: Request for City Assistance
STAFF NOTES

(1) Can PSD LLC justify a financing gap actually exists?

PSD LLC completed a “subsidy application” via the City’s financial advisor Ehlers. This process was a \$7,000 cost for PSD LLC. The purpose of this application, and subsequently underwriting process is to get a third party professional’s opinion ([Ehlers website](#)). Attached to this case is a MEMO from Ehlers (executive summary of their review). In summary, Ehlers feels the requested \$500,000 is reasonable and justifiable.

(2) Is this request reasonable in comparison to other projects in the TC Metro?

Ehlers provided the City of Ramsey with an analysis of 16 other large scale, quality, apartment complexes recently completed in the Twin Cities area. In summary, City assistance ranged from 3%-12% or \$7,000-\$20,000 per unit. The requested PSD LLC assistance is \$500,000. At \$500,000, this breaks down to about \$4,100 per unit; or about 2.5% of project costs (assuming the estimated \$20M project cost provided by PSD LLC is accurate).

(3) Financially, does this request make sense for the City of Ramsey?

In comparison to other projects, Staff believes the proposed project (and request for assistance) results in a favorable pay-back period for the City. It is estimated \$500,000 could be paid back within four years in present value terms (4.0% discount rate); or about three and a half years in future value terms *with* tax increment financing (TIF). It is estimated, the proposed project would generate about \$224,000 in total property taxes annually; and about \$156,000 in NET TIF annually. The proposed project would result in about \$3.5M in NET TIF over the course of TIF District #14. This project will pay about \$1.3M in city development fees (including over \$300,000 to parks and trails).

(4) Does the City have reasonable funding source available for the requested assistance?

Several funding sources exist. The two that Staff believes are most reasonable include: tax increment financing (TIF) and the Anoka County Housing & Redevelopment Authority (ACHRA) account. TIF could be drawn from the City’s TIF District #14 (The COR TIF district). The ACHRA account has a balance of about \$1M.

(5) How does this compare to the City's Housing Assistance Policy?

This question has two answers:

QUALITATIVE POLICY

Attached to this case is a Staff MEMO, which outlines our review of the PSD LLC application. In summary, Staff believes the proposed project complies with the City’s housing assistance policy. Although the proposed project does not score highly, it’s score is competitive and reasonable considering the level of assistance requested.

FINANCIAL POLICY

From a financial perspective, the Council recently directed Staff to utilize a MEMO produced from Ehler's to evaluate housing assistance requests. In summary, the Ehler's MEMO suggested the City consider about a \$10,000 per unit, or about 10% of total development costs, as maximum thresholds. From this perspective, the proposed request appears to comply.

(6) Outside of question #3, how does this project help the City of Ramsey?

--This project establishes 122 new rooftops in The COR.

--This project complies with the City's current zoning standards; which are fairly high within The COR. This results in a quality project/ construction/ architecture.

--122 new roof tops will support several other City priorities including but not limited to: Northstar Rail usage, The Draw Park usage, traffic to existing local businesses, increased demand for new retail development, use of existing infrastructure, TIF District #14 increment that can be used to pay off City obligations, and an increased demand for the sale of City owned land.

--The City's real estate broker, CBRE, has indicated noticeable positive momentum is building in Ramsey, in terms of development (within the real estate market). This proposed PSD LLC development helps build/ sustain that momentum.

--As mentioned in question #3, this project results in the creation of significant tax base, and the payment of significant development fees.

(7) What happens if this project doesn't move forward now?

Only speculative answers exist. Examples include: the land sits vacant for X number of years until the market can justify a development, PSD LLC sells the land to another developer and they potentially ask for City assistance, PSD LLC decides to move forward with their proposed project now potentially with modifications (depending on the change, may require City approval), a different apartment complex is proposed on a different property within Ramsey by a different developer.

(8) Why wouldn't the City consider the assistance request?

Providing City assistance is an elective practice. Timing of the PSD LLC request is not normal (based on past City practice). Typically, the City would consider a request before land is secured, and entitlements are provided (i.e. before site plan and development agreement).

From a land use perspective, this project has been discussed in detail by the City's Planning Commission (and City Council). As the Council knows, the COR-1 Zoning District was amended from .75 to .65; which, subsequently allowed this development to proceed without complete first floor parking or structured parking. To be clear, the proposed development is legal and does meet current zoning standards. From a high level, land use in The COR is being further addressed through City's current process to re-evaluate The COR (vision and master plan).

If the Council moves forward with project assistance, Staff would strongly recommend performance requirements be included in the appropriate agreement; and be considered on a "pay-go" perspective only (e.g. require certain amenities/ architecture, timing and completion of construction, etc. before assistance is provided). This specific situation may also warrant the need to re-evaluate the City's policy for the sale of City owned land—to potentially require performance items in all purchase agreements (regardless if assistance is requested up front or not).

(9) What amenities does this project include?

The proposed apartment complex will feature tuck-under heated and secured parking on half of the first floor, quality entrance area (fire place, couches, chandeliers), high quality detached garages, a small park (including a playground), a community garden, a mix of 1-2-3 bedroom apartments, a full size workout facility, quality community grills/ patios/ seating, community room/ game room, and quality interior design (granite counter tops, granite window sills, wood blinds, vinyl plank wood floors, stainless steel appliances, quality solid-wood cabinetry design, full-size in-unit washer/ dryers, triple pane high energy efficiency windows, garbage chutes). The proposed project will front The Draw Park along Ramsey Parkway, and will comply with the City's zoning regulations (i.e. architecture).

PSD LLC has indicated a strong desire to not move away from the quality-design proposed for this project in order to save money upfront; and has communicated to Staff their desire to make this building a long-term quality project.

(10) Why not tell PSD LLC to simply add more equity to the project to fill the gap?

This alternative does exist. The City could tell PSD, no we will not participate, and you will need to add equity to the project to move forward. However, based on attached analysis from Ehlers, by not providing the requested assistance, this project will make a very low rate of return, in comparison to other projects (5.9% or less). It is very unlikely PSD LLC (or any developer) would invest in a project with said rate of return.

(11) How does the timing of this request work with construction/government regulations?

Due to the approaching winter, PSD LLC would like to move forward with this project as quickly as possible. Their goal is to get the foundation and footings in this fall; and continue working on the project through the winter.

Based on preliminary input from Ehlers, this project (like F&C) is classified as a housing project and is exempt from State Statute related to the required public hearing process for business subsidies (which can take 2-3 months). Therefore, Staff would fall back on the City's meeting schedule, and "housing assistance policy," to develop a timeline.

Remaining process (assuming the project went forward):

- ~~1. PSD LLC complete and submit a "housing assistance policy" application (09/07)~~
- ~~2. Ehlers underwrite project and develop recommendation, send to staff (09/11)~~
3. Ehlers present report/recommendation to EDA, special meeting—EDA provide feedback (09/17)
4. Ehlers present report/recommendation to CC—CC provide feedback (09/22)
5. PSD LLC begins construction (09/23) with a non-formal commitment from City; or waits for the formal commitment from the City (i.e. step 6 below)
6. If the Council decides to move forward, a formal "housing assistance" subsidy agreement would need to be negotiated, drafted, approved, and executed by the EDA (10/01 or 10/08) and by the City Council (10/13)

NOTE: this timeline is preliminary. Changes may occur; details need to be confirmed by various parties. PSD LLC will need to attain all needed permits before construction (i.e. building permit); which may delay the above timeline. By PSD moving forward with construction before step #6 is completed, they are taking on additional risk.



Memo

To: Patrick Brahma – Economic Development Manager
From: Stacie Kvilvang - Ehlers
Date: September 17, 2015
Subject: Analysis of Request for Assistance - PSD Apartments

The City has received a proposal from PSD LLC to construct a 122-unit market rate rental project on land it purchased from the City in January of this year. The development is expected to commence construction this fall and be completed in 2016.

Due to increased costs in construction, the Developer is requesting \$500,000 in assistance from the City. This memo is intended to review the need for TIF assistance based on our analysis of the developer’s project budget and projections, generally known as a pro forma. This memo also includes a recommendation for an amount of assistance based upon this review.

Ehlers conducted a thorough review of the developer’s budget and operating pro forma to ensure all development costs, anticipated revenues, and expenditures were represented appropriately. The table below depicts the proposed sources and uses for the project.

SOURCES		
	Amount	Pct.
Developer Financing	14,165,515	75.00%
Developer Equity	4,721,838	25.00%
TOTAL SOURCES	18,887,353	100.00%

USES			
	Amount	% of Cost	Per Unit
Acquisition	1,339,252	7.09%	10,977
Construction	15,827,368	83.80%	129,733
Professional Services	542,923.00	2.87%	4,450
Financing Costs	902,810	4.78%	7,400
Developer Fee	275,000	1.46%	2,254
TOTAL USES	18,887,353	100%	154,814

Generally, this project meets the expectations of a multifamily housing development with regards to the financing structure, projected revenues, on-going operational costs and developer fee. Following are our findings with regards to the analysis completed for the development:

- Our analysis confirms the maximum supportable first mortgage the developer can secure for this project based on current underwriting criteria is \$14.165 million, assuming a 20 year loan at 4.0%. The developer is proposing to bring approximately \$4.7 million in equity, which is 25% of total project costs. This financing structure is in line with typical market rate projects.
- The total development costs for this project are approximately \$18.9 million, or \$154,814 per unit. Based on our experience with similar projects, we would expect total development costs to range between \$150,000 and \$200,000 per unit. This development is at the lower range, due primarily to the lack of underground parking which cannot be accommodated on the site due to high water table issues.
- The developer fee of \$275,000 is under two (2) percent of total development costs. For a project of this nature, we would expect to see a developer fee between 2% to 5%, so the fee is below typical industry standards.
- Land acquisition at \$10,977/unit is within the range of \$8,000 to \$12,000 we typically see. However, we are of the opinion that the market in Ramsey is closer to the \$8,000/unit.
- Proposed rents range between \$999 per month for a 1-bedroom unit, to \$1,625 for a 3-bedroom unit. The average rent is projected at \$1.33 per square foot. Typical market rate project rents range from \$1.50 to \$2.00 sq/ft, dependent upon location. Based upon the configuration of units (several 3-bedroom units) and area rents, we are of the opinion that the market for rents in Ramsey should be in the \$1.40 to \$1.50 range.
- The operating costs are projected at \$4,300/unit (The market range of operating costs is \$3,500 to \$4,500). The management costs are projected at 4.50% of effective gross income (EGI). We would expect to find management fees ranging between 3% and 5% of EGI. Based on our analysis and conversations with the developer, we conclude that the operating expenses may be a little high, primarily due to a higher maintenance budget and caretaker unit allowance.
- Vacancy is underwritten at 7%. Although this was typical several years ago, most lending institutions are allowing a 5% vacancy rate for underwriting purposes.
- Replacement reserves of \$287/unit are slightly below the *minimum* industry standards of \$300/unit. The developer is of the opinion this is sufficient to provide for future improvements and is an acceptable amount for their lender's underwriting criteria. Generally, we would prefer to see more reserves set aside for future viability.

- The projected cash-on-cash return (COC) on investment in year three (3) is 1.5% without assistance and 4.81% with assistance. This well below industry standards of 10%. Even with assistance, the cumulative COC return in year 15 is only 6.54%, which again is below industry standards.

Changes to the Proforma to Determine If Assistance Is Needed

Based upon our review, we reformatted the developer's proforma to adjust the following items to be in line with industry standard:

1. Land acquisition at \$8,000/unit
2. Increased rents to average of \$1.45 sq/ft (increased 1 & 2 bedroom units by \$100/month and 3 bedroom units by \$200/month)
3. Increased replacement reserves to \$300/unit
4. Reduced vacancy to 5%
5. Increased developer fee to \$565,000 (3%)

Based up these revisions, the developer's return in year 3 is still only 5.91%, which is below industry standard. If we add in the requested assistance, the return in year 3 goes to 9.21% with the cumulative return in year 15 at 11.50% (closer to industry standards).

Format of Assistance and Recommendations

Based on our review of the developer's pro forma and current market conditions, the proposed development may not reasonably be expected to occur solely through private investment within the reasonably near future. Due to the costs associated with constructing a market rate multifamily housing development, this project is feasible only through assistance, in part, from City contributions.

Our recommendation, however, is that the City provide the developer a pay-as-you-go note for \$500,000 at 4% interest, which is the interest rate on the developers first mortgage. The TIF note will be paid with 85% of the TIF generated by the project over the first 4 years. It should be noted that starting in year 5, 100% of the TIF generated (approximately \$184,000/year) will go to repay the City for its overall investment in the COR to date.

The developer has indicated that they are accepting of this proposal and are willing to move forward based upon the TIF assistance.

Please contact me at 651-697-8506 with any questions.

Housing Assistance Policy
Staff Review MEMO

STAFF SUMMARY:

The purpose of this policy is not to eliminate or accept projects. The purpose of this policy is to help policy makers rank projects, and provide a *basis* to accept or deny assistance requests. The grading/ scoring system set out in this policy is intended/ structured not to yield a perfect or very high score for any particular project.

PSD LLC partially complied with 2/12 housing priorities, 5/16 housing goals (minimum thresholds), and scored 68/152 within the scoring section of this policy. Staff believes, based on this policy, the PSD LLC request is reasonable and acceptable. Please see details below.

PROJECT BRIEF:

Please see project background included in case or in the attached application from PSD LLC.

PROJECT DETAILS:

122 units at 80% area median income.

HOUSING PRIORITIES:

1. NA
2. NA
3. NA
4. NA
5. NA
6. Partially. This project does include a handful of amenities. The proposed apartment complex will feature tuck-under heated and secured parking on half of the first floor, quality entrance area (fire place, couches, chandeliers), high quality detached garages, a small park (including a playground), a community garden, a mix of 1-2-3 bedroom apartments, a full size workout facility, quality community grills/ patios/ seating, community room/ game room, and quality interior design (granite counter tops, granite window sills, wood blinds, vinyl plank wood floors, stainless steel appliances, quality solid-wood cabinetry design, full-size in-unit washer/ dryers, triple pane high energy efficiency windows, garbage shoots). The proposed project will front The Draw Park along Ramsey Parkway, and will comply with the City's zoning regulations (i.e. architecture).
7. Partially. This project does include 18 3 bedrooms, and 14 2 bedrooms with dens.
8. NA
9. NA
10. NA
11. NA
12. NA

MINIMUM THRESHOLDS

Attached to this case is the application provided by PSD LLC; which includes details.

GOAL 1:

1. NA
2. Complies
3. Complies
4. NA
5. NA
6. NA

GOAL 2:

1. NA
2. NA
3. NA

GOAL 3:

1. NA
2. NA. However, this project does provide “architectural transition.”
3. Partially. This project does not go above and beyond minimum design standards for The COR. However, it is a quality project, with quality architecture.

GOAL 4:

1. Partially. This project does include maintenance free/energy efficient siding, triple pane energy efficient windows, energy efficient appliances, energy efficient heating/ AC systems, and LED lighting.
2. NA
3. NA
4. Partially. This project will connect “The Draw” to the central portion of The COR via new pedestrian walkways.

SCORING SHEET:

Affordable Housing – Rental

1. NA
2. NA
3. Complies with 80% AMI. (5 points)

Long-Term Affordability

1. NA
2. NA

Number of Bedrooms

1. Partially. This project does include 18 3 bedrooms, and 14 2 bedrooms with dens. (2 points)
2. NA

Development of Senior Housing

1. NA

Specialized Senior Housing

1. NA

2. NA
3. NA

Mixed Income Development

1. NA
2. NA

Proximity to Transit

1. Complies (10 points)
2. Complies (5 points)
3. Complies (5 points)

Architectural Standards

1. Complies (2 points)
2. Complies (2 points)
3. Complies (2 points)
4. NA, not 50%, but includes some.
5. Complies (2 points)
6. NA, building roof does not, garages do.
7. NA
8. NA
9. NA
10. NA, end of building does.
11. NA
12. NA
13. NA
14. NA
15. Complies (2 points)
16. Complies (2 points)
17. Complies (2 points)
18. Complies (2 points) follow up needed

Federal/ Local Philanthropic Partnerships

1. NA
2. NA
3. NA
4. NA
5. NA

Project Amenities

1. Complies (1 point)
2. Complies (1 point)
3. NA
4. NA
5. Complies (3 points)
6. NA
7. NA

Development Standards

1. NA
2. NA

3. Complies (2 points)
4. NA
5. NA
6. Complies (2 points)
7. NA

Energy Efficient Elements

1. NA, will be providing storm water credits for offsite project
2. NA
3. NA
4. NA
5. Complies (2 points)
6. Complies (2 points)
7. NA

TOTAL Points (68 or 152 possible)

PARK VIEW EAST APARTMENTS

121 UNIT APARTMENT

RAMSEY, MN.

PROJECT TEAM:

OWNER: MATT KUKER
1533 SUNWOOD DR. - SUITE 315
RAMSEY, MN. 55303
-
PHONE: (763) 427-5955
FAX: (763) 427-4151
CONTACT: MATT KUKER

GENERAL CONTRACTOR: -
-
PHONE: -
FAX: -

ARCHITECT: COLE GROUP ARCHITECTS
216 PARK AVENUE SOUTH
SUITE 102
SAINT CLOUD, MN 56301
PHONE: (320) 654-6510
FAX: (320) 230-4510
CONTACT: NORM COLE

STRUCTURAL ENGINEER: DUFFY ENGINEERING & ASSOCIATES, INC.
350 HWY 10 SOUTH, SUITE 101
ST. CLOUD, MN 56304
PHONE: (320) 259-6515
FAX: (320) 259-4991
CONTACT: RYAN SEAVERT

CIVIL ENGINEER: BOLTON & MENK, INC.
1533 SUNWOOD DRIVE, NW,
SUITE 204
RAMSEY, MN. 55303
PHONE: 763-433-2851
FAX: 763-427-0833
CONTACT: JERRY NEU

MECHANICAL ENGINEER: (DESIGN/BUILD DEFERRED SUBMITTAL)

ELECTRICAL ENGINEER: (DESIGN/BUILD DEFERRED SUBMITTAL)

INDEX TO DRAWINGS

ARCHITECTURAL:

T1 TITLE & CODE INFO
A1 SITE PLAN & DETAILS
A2 OVERALL FIRST FLOOR PLAN
A3 OVERALL SECOND FLOOR PLAN
A4 OVERALL THIRD FLOOR PLAN
A5 OVERALL FOURTH FLOOR PLAN
A6 ROOF PLAN / DOOR SCHEDULE
A7 FIRST FLOOR A-PLAN
A8 FIRST FLOOR B-PLAN
A9 FIRST FLOOR C-PLAN
A10 SECOND FLOOR A-PLAN
A11 SECOND FLOOR B-PLAN
A12 SECOND FLOOR C-PLAN
A13 THIRD FLOOR A-PLAN
A14 THIRD FLOOR B-PLAN
A15 THIRD FLOOR C-PLAN
A16 FOURTH FLOOR A-PLAN
A17 FOURTH FLOOR B-PLAN
A18 FOURTH FLOOR C-PLAN
A19 UNIT PLANS
A20 UNIT PLANS
A21 UNIT PLANS
A22 UNIT PLANS
A23 UNIT PLANS
A24 ADA DETAILS
A25 CROSS SECTION & DETAILS
A26 STAIR & ELEVATOR SECTION
A27 REFUSE & GARAGE SECTION
A28 LOBBY SECTION & DETAILS
A29 UL DETAILS
A30 UL DETAILS
A31 EXTERIOR ELEVATIONS
A32 EXTERIOR ELEVATIONS
A33 EXTERIOR ELEVATIONS
G1 GARAGE A/C PLANS
G2 GARAGE B PLANS

STRUCTURAL

SEE STRUCTURAL SHEETS

CIVIL

C.0 TITLE SHEET
C.1.0 LEGEND
C.1.1 DETAILS
C.1.2 DETAILS
C.1.3 DETAILS
C.1.4 DETAILS
C.1.5 DETAILS
C.2.0 SWPPP
C.2.1 SWPPP
C.2.2 SWPPP
C.2.3 EXISTING CONDITIONS AND REMOVALS
C.2.4 SITE PLAN
C.2.5 GRADING AND STORM UTILITY PLAN
C.2.6 EROSION CONTROL PLAN
C.2.7 LANDSCAPE / TREE PLAN
C.3.0 PLAN AND PROFILE - 145TH AVE. NW.
C.3.1 PLAN AND PROFILE - PARKVIEW SITE
C.3.2 STORM PROFILES - PARKVIEW SITE

CODE SUMMARY

1. BUILDING DESCRIPTION:

A NEW (4) STORY 152,321 TOTAL GROSS S.F. APARTMENT BUILDING WITH 12,453 S.F. OF TUCK-UNDER PARKING GARAGES. A (2) TWO HOUR FIRE WALL IS PROVIDED TO MAINTAIN FIRE AREAS UNDER MAX. ALLOWABLE PER CODE
FIRST FLOOR = 39,518 GROSS S.F. FIRE AREA #1 = 22,818 S.F. FIRE AREA #2 = 15,931 S.F.
SECOND FLOOR = 31,583 GROSS S.F. FIRE AREA #1 = 21,111 S.F. FIRE AREA #2 = 15,008 S.F.
THIRD FLOOR = 31,583 GROSS S.F. FIRE AREA #1 = 21,111 S.F. FIRE AREA #2 = 15,008 S.F.
FOURTH FLOOR = 31,583 GROSS S.F. FIRE AREA #1 = 21,111 S.F. FIRE AREA #2 = 15,008 S.F.

2. CODE SUMMARY: 2012 I.B.C., MINNESOTA STATE BUILDING CODE, AND OTHER RELATED CODES.

- A. OCCUPANCY:**
A-3 COMMUNITY ROOM AND EXERCISE ROOM (SECTION 303.1) ACCESSORY USE (SECTION 508.2) (AGGREGATE ACCESSORY USE AREAS ARE UNDER 10% OF FLOOR AREA)
R-2 MULTI-FAMILY RESIDENTIAL (SECTION 310.4)
S-2 ENCLOSED PARKING GARAGE (SECTION 311.3) INCIDENTAL USE (TABLE 508.4) (1 HR. SEPARATION REQ'D. PER TABLE 508.4)
- B. INCIDENTAL USE SEPARATION: (TABLE 508.4)**
1 HOUR FIRE BARRIER PROVIDED BETWEEN R-2 & S-2 OCCUPANCIES
- C. TYPE OF CONSTRUCTION: TYPE VA - ONE HOUR (SECTION 602.5)**
- D. BASIC ALLOWABLE FLOOR AREA:**
BASIC ALLOWABLE FLOOR AREA: 11,500 S.F. PER FLOOR @ A-3 OCCUPANCY
ALLOWABLE INCREASE FOR SPRINKLER: (11,500)(2) = 23,000 S.F.
ALLOWABLE INCREASE FOR FRONTAGE: (.68)(11,500) = 7,820 S.F.
ALLOWABLE AREA: 11,500 S.F. + 23,000 S.F. + 7,820 S.F. = 42,320 S.F. PER FLOOR
BASIC ALLOWABLE FLOOR AREA: 12,000 S.F. PER FLOOR @ R-2 OCCUPANCY
ALLOWABLE INCREASE FOR SPRINKLER: (12,000)(2) = 24,000 S.F.
ALLOWABLE INCREASE FOR FRONTAGE: (.68)(12,000) = 8,160 S.F.
ALLOWABLE AREA: 12,000 S.F. + 24,000 S.F. + 8,160 S.F. = 44,160 S.F. PER FLOOR
LARGEST FLOOR AREA IS FIRST FLOOR FIRE AREA #1: 22,818 S.F.
BASIC ALLOWABLE FLOOR AREA: 21,000 S.F. PER FLOOR @ S-2 OCCUPANCY
ALLOWABLE INCREASE FOR SPRINKLER: (21,000)(2) = 42,000 S.F.
ALLOWABLE INCREASE FOR FRONTAGE: (.68)(21,000) = 14,280 S.F.
ALLOWABLE AREA: 21,000 S.F. + 42,000 S.F. + 14,280 S.F. = 77,280 S.F.
MORE THAN ONE STORY ABOVE GRADE: (SECTION 506.5.2)
A-3 AREA = 1,418 S.F. / 42,320 S.F. = .03
R-2 AREA = 24,824 S.F. / 44,160 S.F. = .56
S-2 AREA = 12,453 S.F. / 77,280 S.F. = .16
TOTAL FIRST FLOOR = .75
SECOND FLOOR R-2 AREA = 36,100 S.F. / 44,160 S.F. = .83
THIRD FLOOR R-2 AREA = 36,100 S.F. / 44,160 S.F. = .83
FOURTH FLOOR R-2 AREA = 36,100 S.F. / 44,160 S.F. = .83
TOTAL ALL FLOORS (.75 + .83 + .83 + .83) = 3.24 > 3
TWO HR. WALL REQUIRED & PROVIDED:
LARGEST FLOOR AREA IS FIRST FLOOR FIRE AREA #1: 22,818 S.F.
FIRST FLOOR FIRE AREA "1" 22,818 S.F. FIRST FLOOR FIRE AREA "2" 15,008 S.F.
A-3 = 1,418 S.F. 1,418 S.F./42,320 S.F. = .03 R-2 = 9,334 S.F. 9,334 S.F./44,160 S.F. = .21
R-2 = 14,561 S.F. 14,561 S.F./44,160 S.F. = .33 S-2 = 5,674 S.F. 5,674 S.F./77,280 S.F. = .07
S-2 = 6,779 S.F. 6,779 S.F./77,280 S.F. = .09 .21 + .07 = .28 < 1 OK
.03 + .36 + .09 = .48 < 1 OK
- E. BUILDING HEIGHT: (SECTION 504)**
A-3 = 2 STORIES OR 50'-0" (PER TABLE 503)
ACTUAL = 1 STORY
R-2 = 4 STORIES OR 10'-0" (PER SECTION 504.2)
ACTUAL = 4 STORIES
S-2 = 5 STORIES OR 10'-0" (PER SECTION 504.2)
ACTUAL = 1 STORY
- F. FIRE PROTECTION**
FIRE SPRINKLERS PROVIDED PER NFPA 13 THROUGH OUT BUILDING (SECTION 903.3.1.1)
FIRE SPRINKLER HEADS PROVIDED AT ALL DECKS
STAND PIPES PROVIDED PER NFPA 14 IN ALL STAIR SHAFTS
- G. MEANS OF EGRESS: (CHAPTER 10)**
FIRST FLOOR - 2 EXITS REQUIRED FROM EACH FIRE AREA - 5 ARE PROVIDED FOR FIRE AREA "1" (1 IS HORIZONTAL)
3 ARE PROVIDED FOR FIRE AREA "2" (1 IS HORIZONTAL)
SECOND, THIRD & FOURTH FLOORS - 2 EXITS REQUIRED FROM EACH FIRE AREA - 3 ARE PROVIDED FOR FIRE AREA #1 (1 IS HORIZONTAL)
2 ARE PROVIDED FOR FIRE AREA "2" (1 IS HORIZONTAL)
- I. ACCESSIBILITY: (CHAPTER 11)**
APARTMENT BUILDING WITH 121 TOTAL UNITS
REQUIRED 2% TYPE "A" UNITS (3 TOTAL) (SECTION 1107.6.2.1.1)
THE BALANCE OF UNITS TO BE TYPE "B" UNITS

COLE GROUP ARCHITECTS LLC
216 Park Avenue South
Suite 102
Saint Cloud, MN 56301
(320) 654-6510
www.colegrouparchitects.com

PSD, LLC
MATT KUKER
7553 SUNWOOD DR
SUITE 315
RAMSEY, MN 55303
PHONE: (763) 427-5955

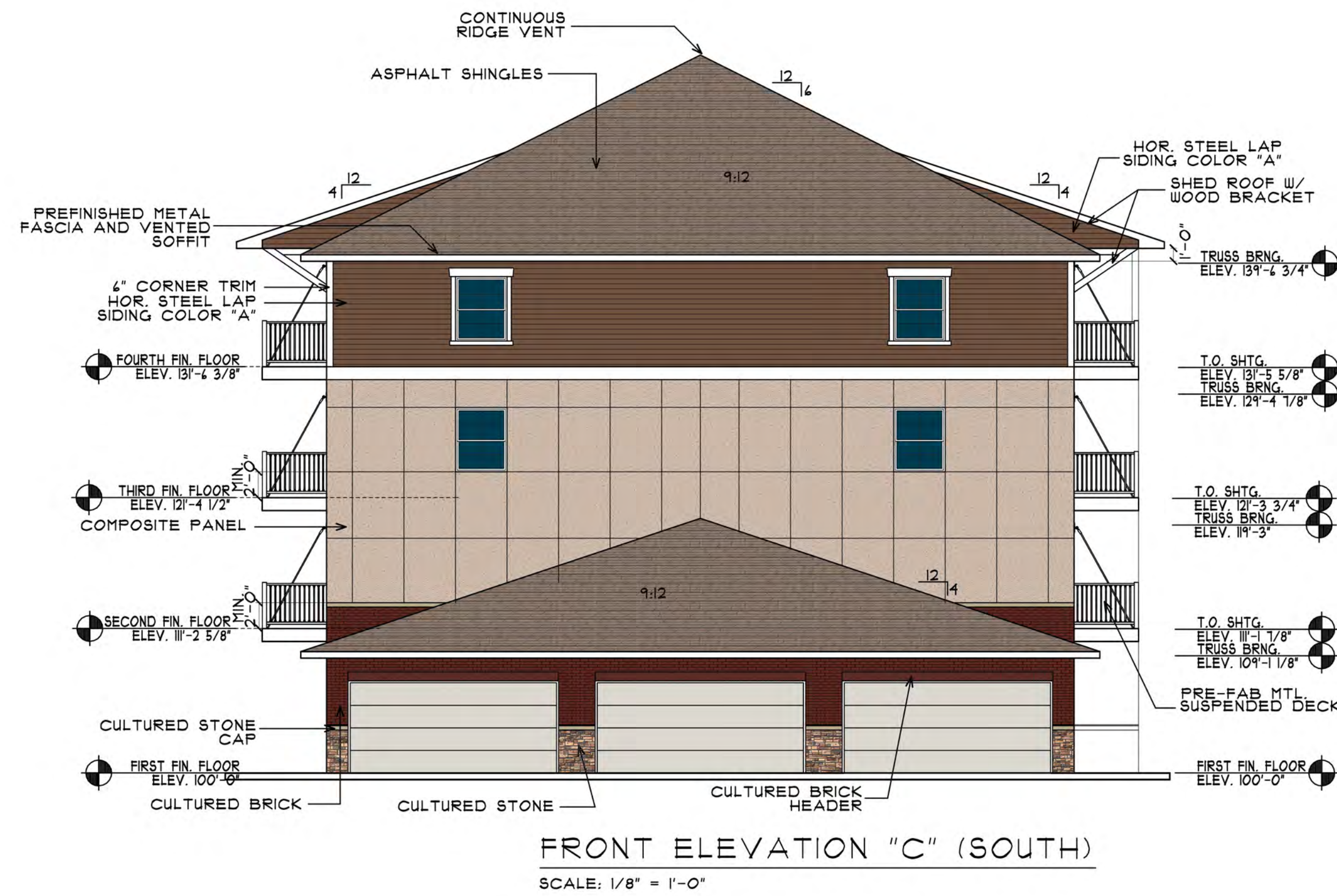
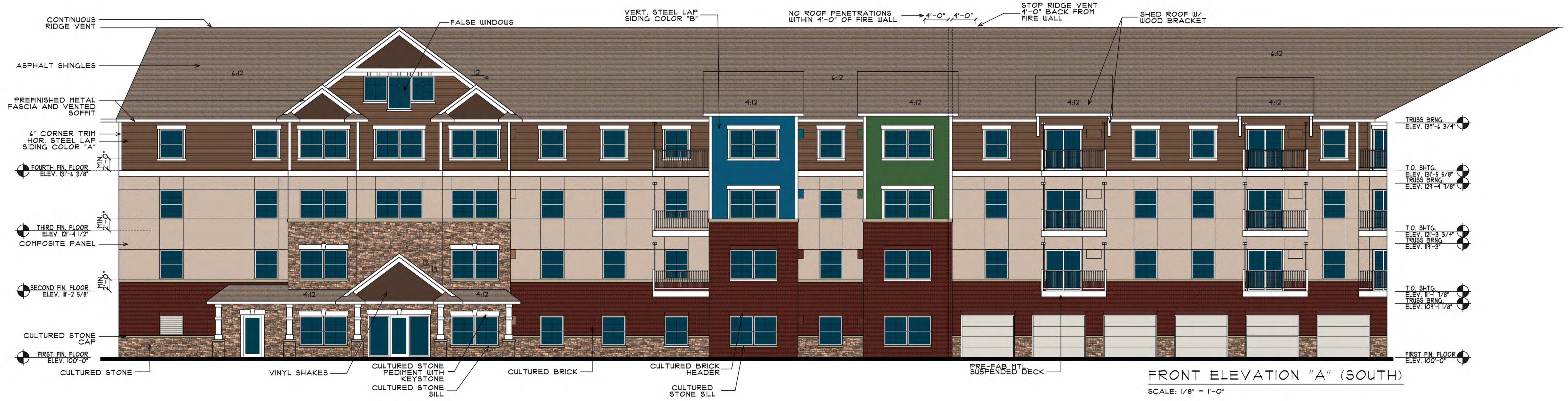
PROPOSED:
PARKVIEW EAST
APARTMENTS
RAMSEY, MN

Project No:
14082
Issue Date:
Revision:
1

T1
OF 1

PLOTTED: 4-28-15 FILE: 14082E COM: 1

These documents are not valid for building permit unless signed in ink and notarized. Copies are not valid. I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA. Date: 4/28/15 # 22288 Name: NORMAN E. COLE Signature



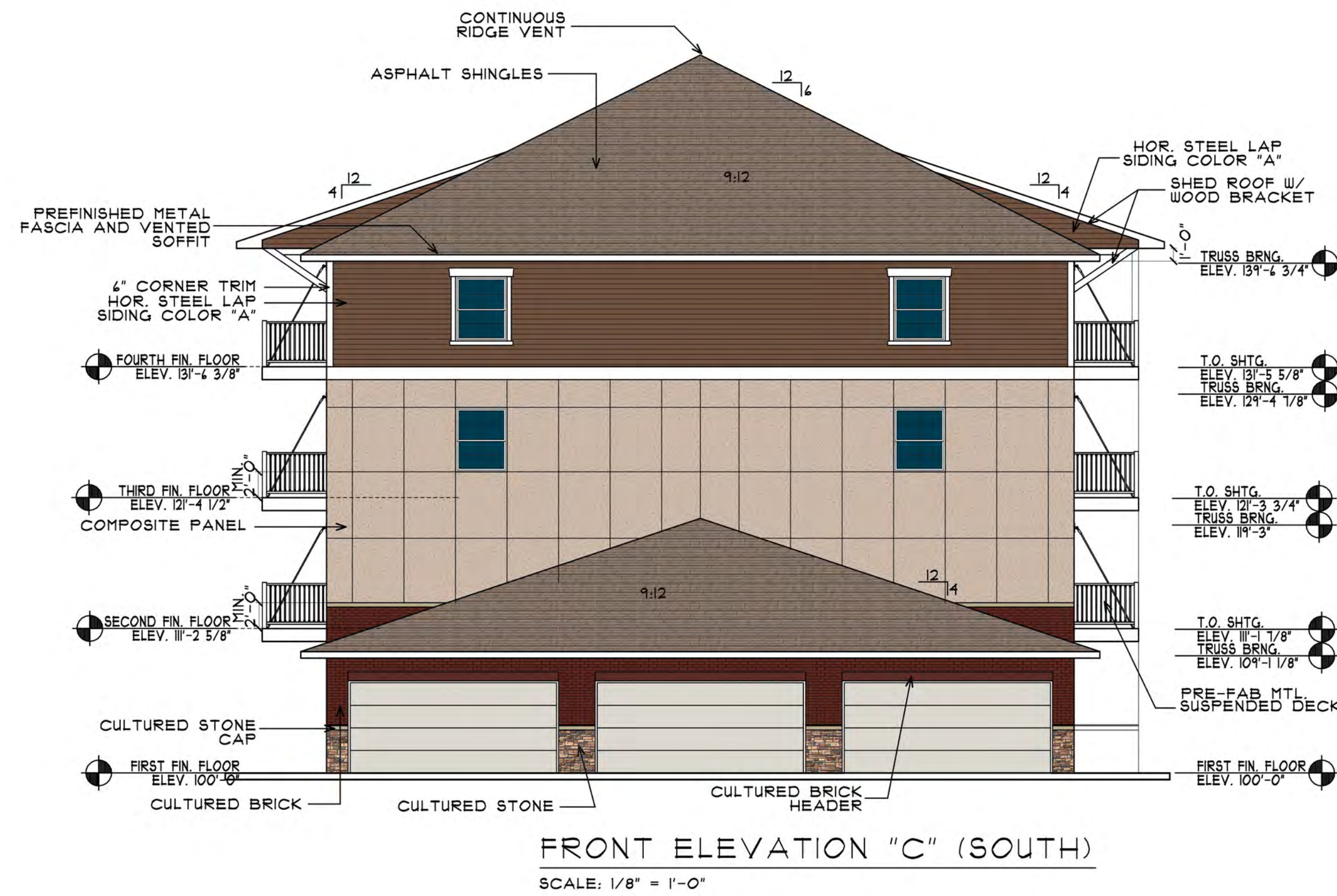
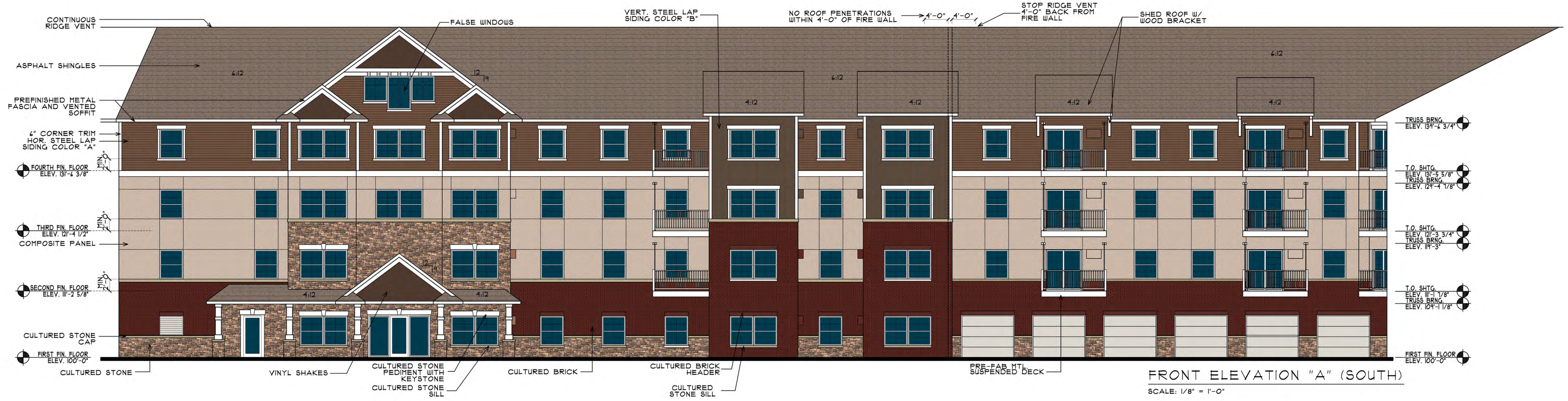
COLE GROUP
 ARCHITECTS LLC
 214 Park Avenue South Suite 102
 Saint Cloud, MN 56301
 (320) 454-4510
 www.colegrouparchitects.com

These documents are not valid for building permit unless signed in ink and oversealed. Copies are not valid. I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA. Date: _____ # 22288 Name NORMAN E. COLE Signature _____

PSD; LLC
 MATT KUKER
 7533 SUNWOOD DR
 SUITE 315
 RAMSEY, MN 55303
 PHONE: (763) 427-5955

PROPOSED:
PARKVIEW EAST
APARTMENTS
 RAMSEY, MN

FILE: 14082E COM: 4 PLOTTED: 4-28-15
 Project No. 14082
 Issue Date: **A31**
 Revision: OF 33



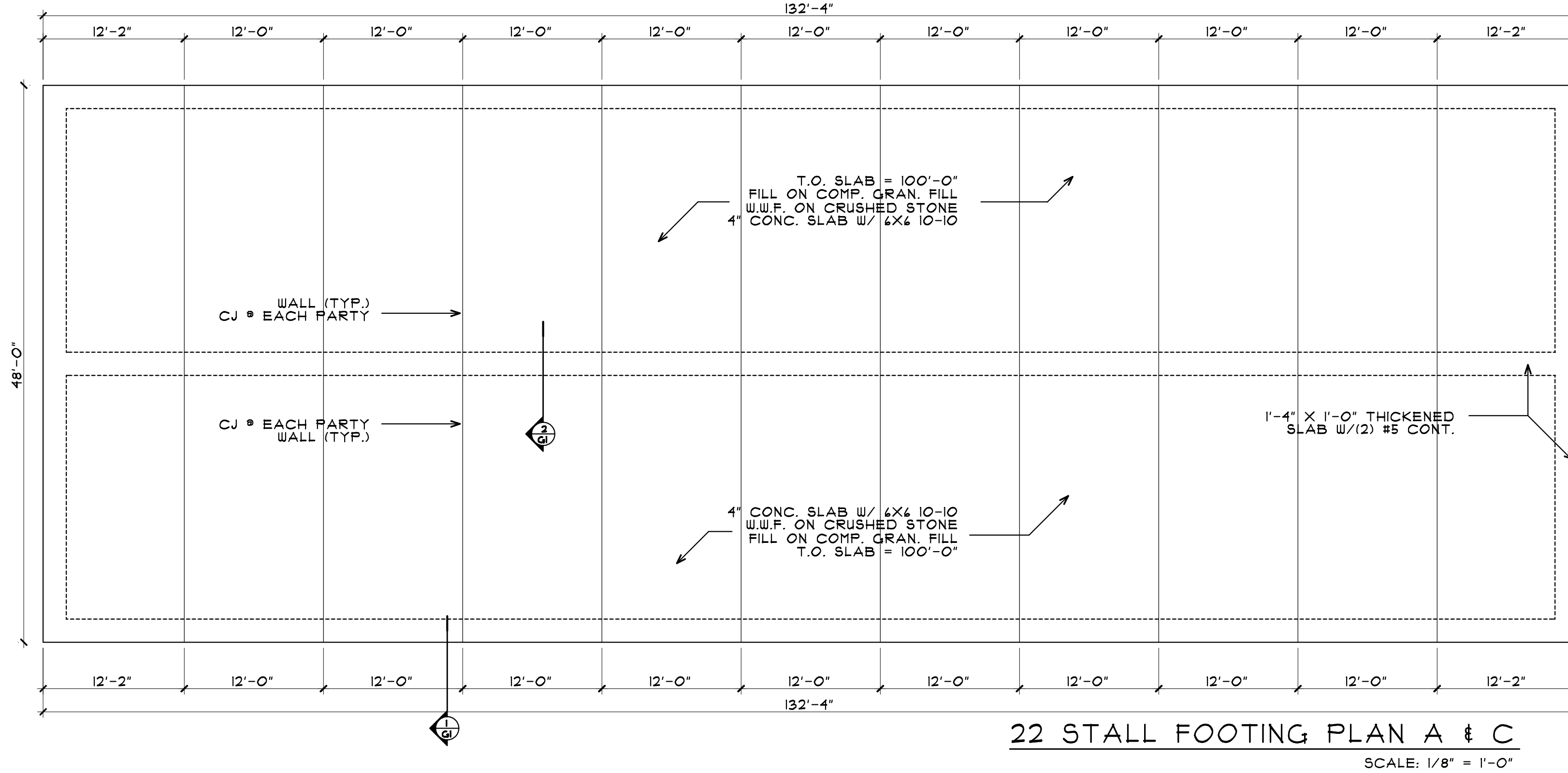
COLE GROUP
 ARCHITECTS LLC
 214 Park Avenue South
 Suite 102
 Saint Cloud, MN 56301
 (320) 454-4510
 www.colegrouparchitects.com

These documents are not valid for building permit unless signed in ink and oversealed. Copies are not valid. I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA.
 Date: _____ # 22288
 Name NORMAN E. COLE Signature _____

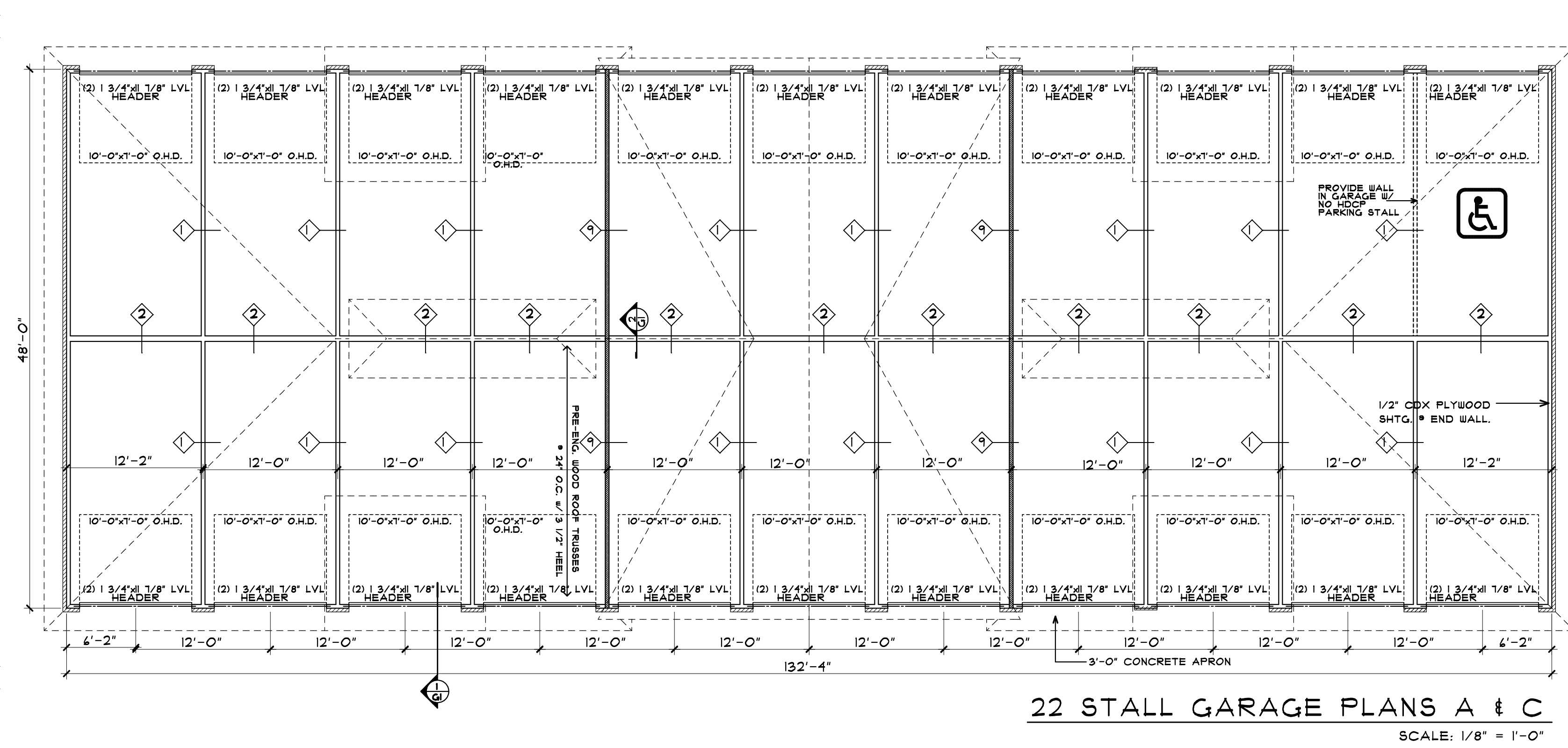
PSD; LLC
 MATT KUKER
 7533 SUNWOOD DR
 SUITE 315
 RAMSEY, MN 55303
 PHONE: (763) 427-5955

PROPOSED:
PARKVIEW EAST
APARTMENTS
 RAMSEY, MN

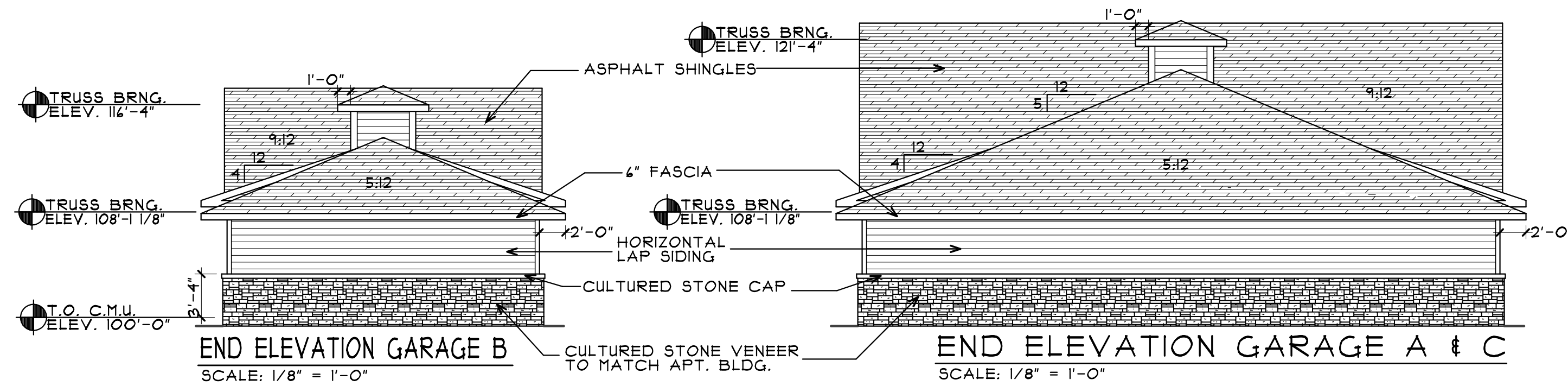
Project No. 14082
 Issue Date: _____
 Revision: _____
A31
 OF 33



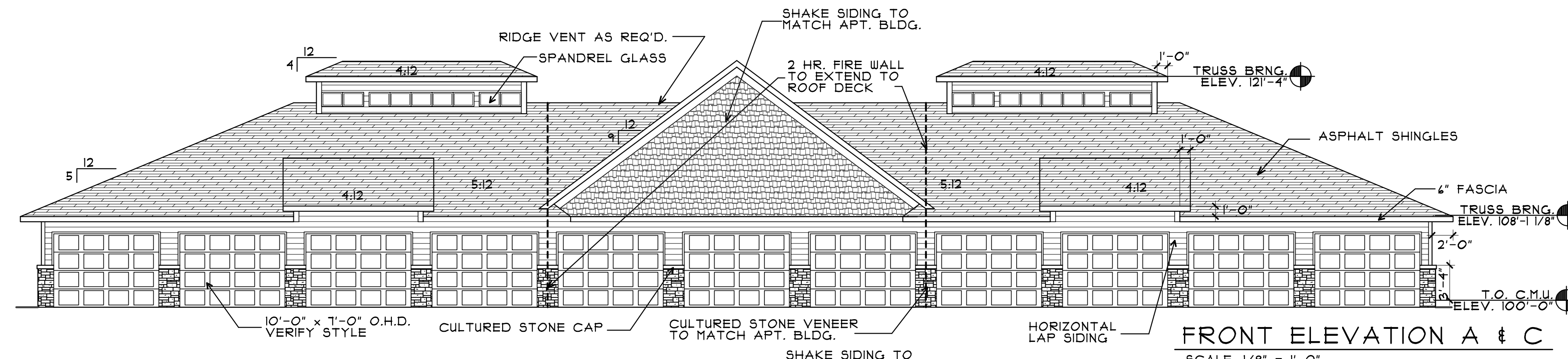
22 STALL FOOTING PLAN A & C
SCALE: 1/8" = 1'-0"



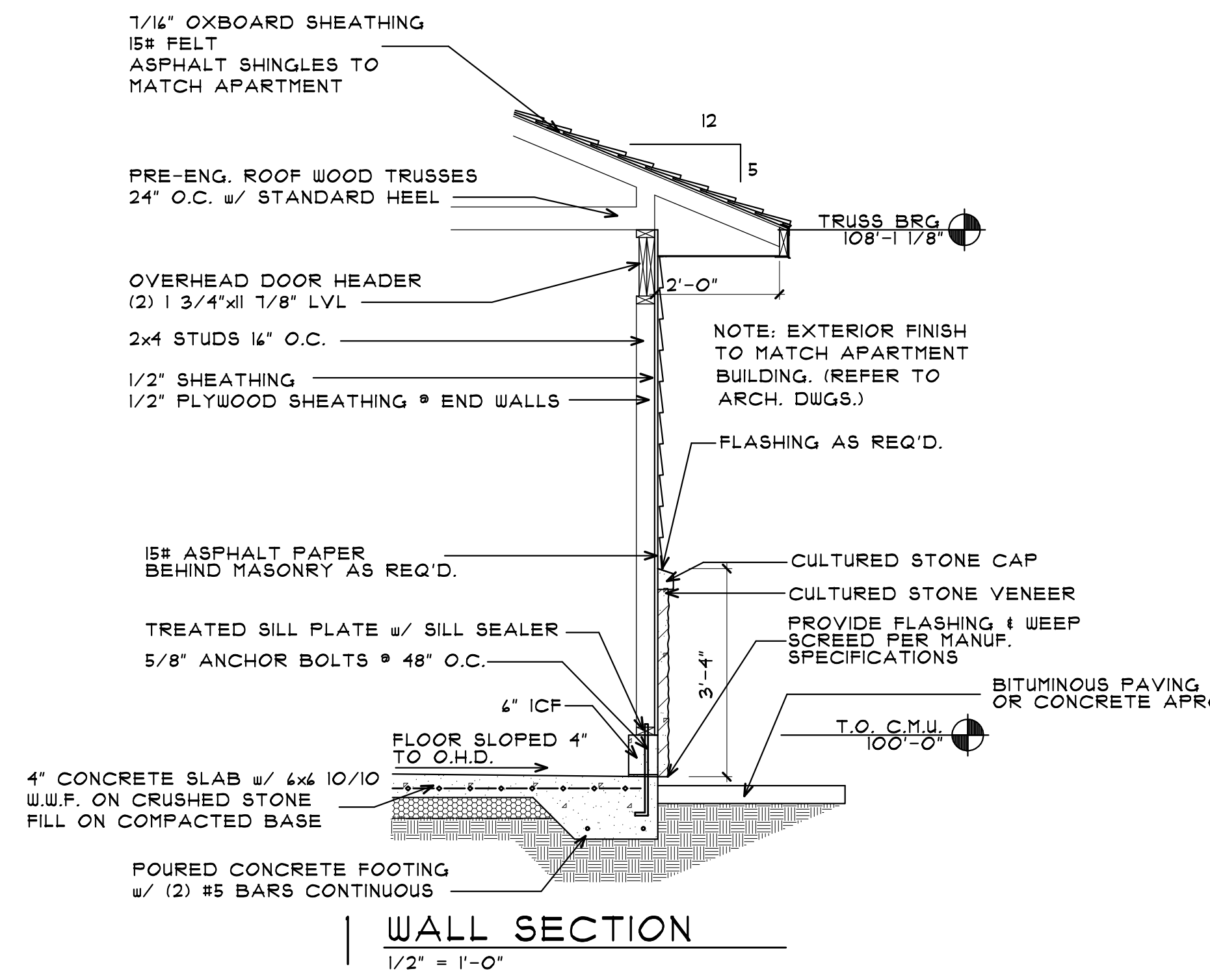
22 STALL GARAGE PLANS A & C
SCALE: 1/8" = 1'-0"



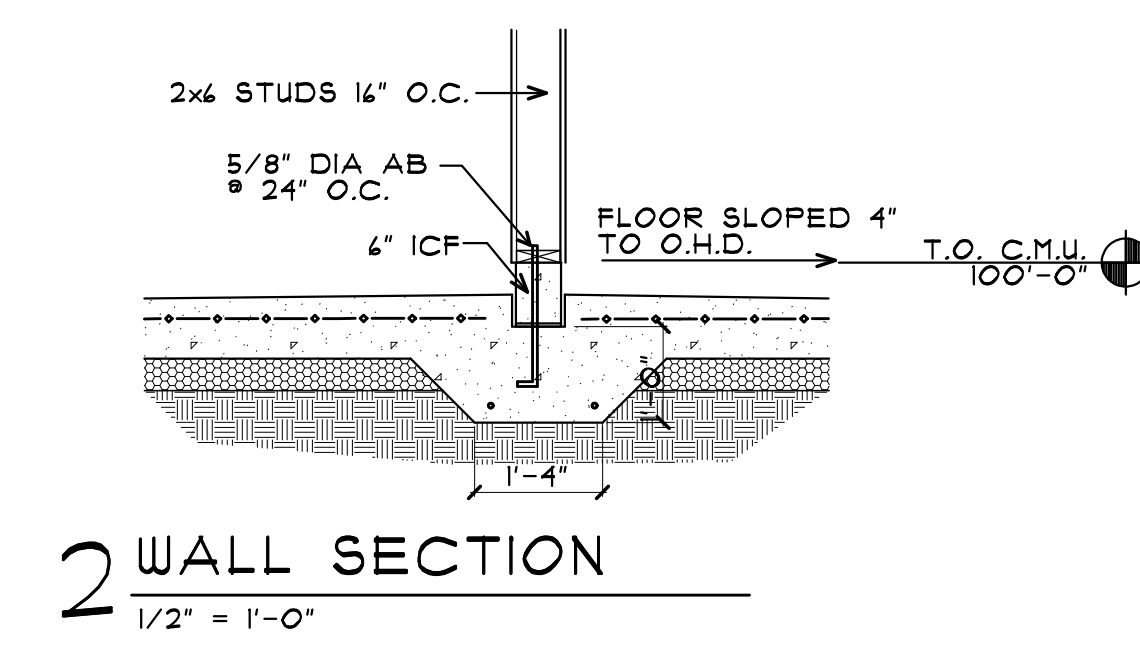
END ELEVATION GARAGE B SCALE: 1/8" = 1'-0"
END ELEVATION GARAGE A & C SCALE: 1/8" = 1'-0"



FRONT ELEVATION A & C SCALE: 1/8" = 1'-0"
REAR ELEVATION A & C SCALE: 1/8" = 1'-0"

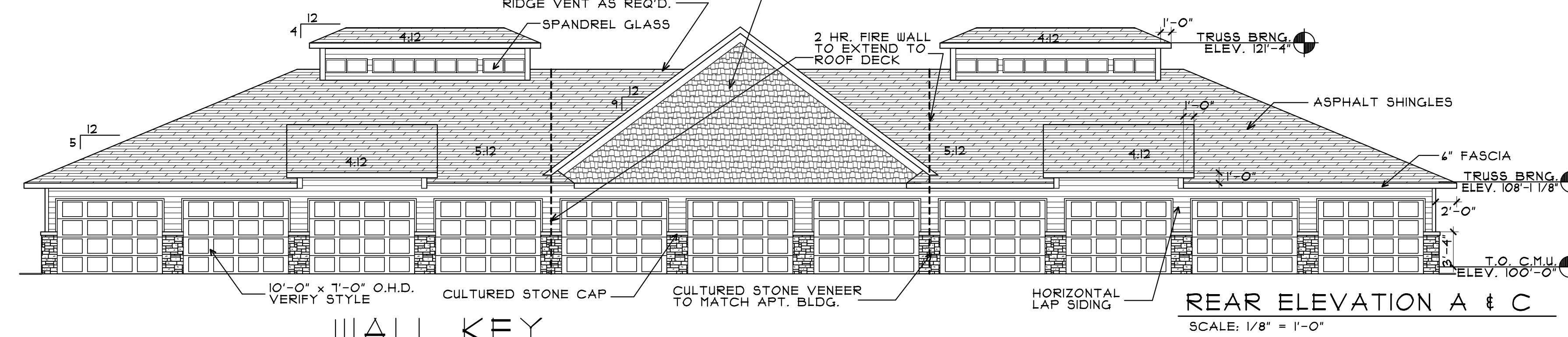


WALL SECTION
1/2" = 1'-0"



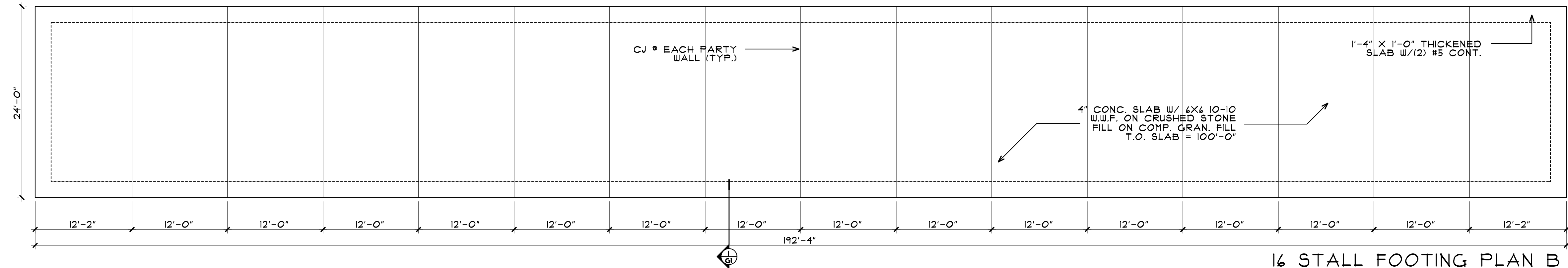
WALL SECTION
1/2" = 1'-0"

NOTE: VERIFY FINISH FLOOR ELEVATION FOR EACH GARAGE W/ CIVIL PLANS

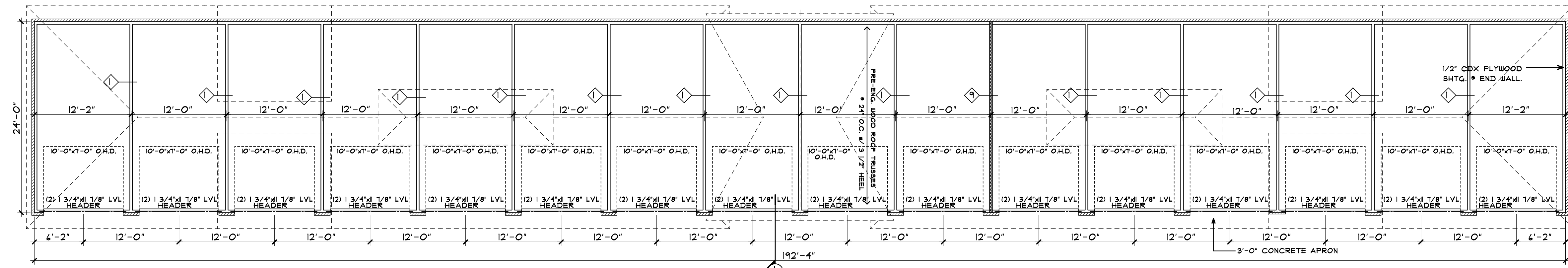


WALL TYPE	S.T.C. - 35	WALL TYPE	S.T.C. 30-34	WALL TYPE	S.T.C. - 43
1	RATING - NONE (LOAD BEARING)	2	RATING - NONE (LOAD BEARING)	3	RATING - 2 HOUR (LOAD BEARING)
SCALE: 3/4"=1'-0"		SCALE: 3/4"=1'-0"		SCALE: 3/4"=1'-0"	
U.L. DESIGN NO.		U.L. DESIGN NO.		U.L. DESIGN NO. U301	

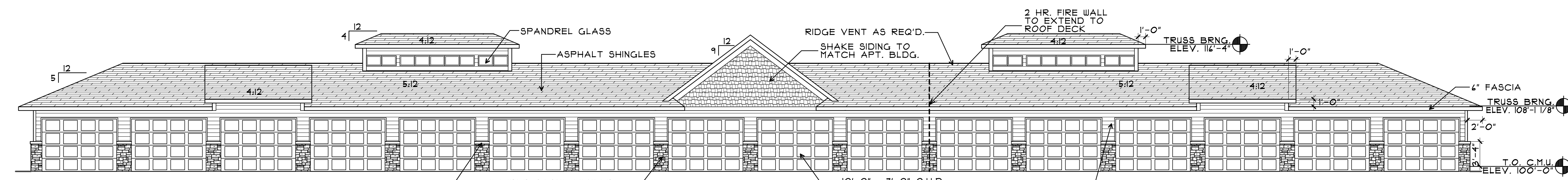
<p>COLE GROUP ARCHITECTS LLC 214 Park Avenue South Suite 102 Saint Cloud, MN 55901 (820) 454-4510 www.colegrouparchitects.com</p>	<p>These documents are not valid for building permit unless signed in ink and oversealed. Copies are not valid.</p> <p>I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA.</p> <p>Date: _____ # 22288</p> <p>Name: <u>NORMAN E. COLE</u> Signature: _____</p>	<p>PSD; LLC MATT KUKER 7535 SUNWOOD DR SUITE 315 RAMSEY, MN 55303 PHONE: (763) 427-5955</p>	<p>PROPOSED: PARKVIEW EAST APARTMENTS RAMSEY, MN</p>	<p>Project No. 14082 Issue Date: _____ Revision: _____</p>	<p>G1 OF 2</p>
	<p>FILE: 14082G COM: 4 PLOTTED: 4-28-15</p>				



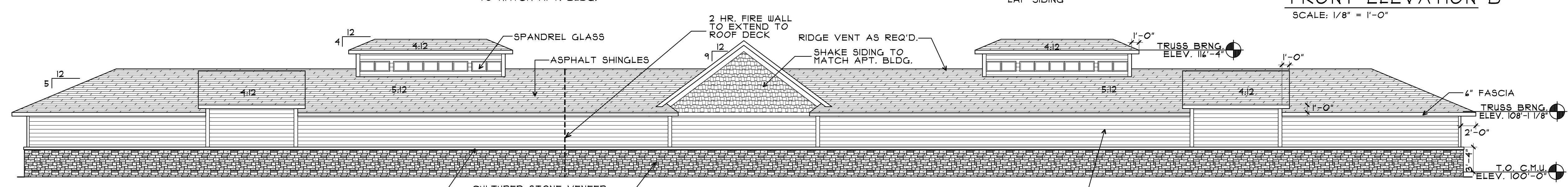
16 STALL FOOTING PLAN B
SCALE: 1/8" = 1'-0"



16 STALL GARAGE PLAN B
SCALE: 1/8" = 1'-0"



FRONT ELEVATION B
SCALE: 1/8" = 1'-0"



REAR ELEVATION B
SCALE: 1/8" = 1'-0"

WALL KEY

2 HOUR RATED FIRE SEPARATION WALL. MUST EXTEND FROM TOP OF FLOOR SLAB TO UNDERSIDE OF ROOF DECK ABOVE. NO MECHANICAL, ELECTRICAL OR PLUMBING ALLOWED WITHIN THE WALL.

WALL TYPE S.T.C. - 35 SCALE: 3/4"=1'-0" RATING - NONE (LOAD BEARING) U.L. DESIGN NO.	WALL TYPE S.T.C. 30-34 SCALE: 3/4"=1'-0" RATING - NONE (LOAD BEARING)	WALL TYPE S.T.C. - 43 SCALE: 3/4"=1'-0" RATING - 2 HOUR (LOAD BEARING) U.L. DESIGN NO. U301 G.A. DESIGN NO. WP 4135

 COLE GROUP ARCHITECTS LLC 214 Park Avenue South, Suite 102 Saint Cloud, MN 56301 (820) 454-4510 www.colegrouparchitects.com	These documents are not valid for building permit unless signed in ink and oversealed. Copies are not valid.	PSD; LLC MATT KUKER 7533 SUNWOOD DR SUITE 315 RAMSEY, MN 55303 PHONE: (763) 427-5955	PROPOSED: PARKVIEW EAST APARTMENTS RAMSEY, MN	Project No. 14082 Issue Date: G2 Revision: OF 2
	I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed Architect under the laws of the state of MINNESOTA. Date: _____ # 22288 Name NORMAN E. COLE Signature		FILE: 14082G COM: 4 PLOTTED: 4-28-15	

Why use TIF #14 as a funding source?

- TIF districts are a very common, and very powerful, economic development tool. TIF districts allow City's not only to capture their tax increment created in a project, TIF districts also allow Cities to capture County and School District tax increment as well. In summary, it's about 3x more powerful than only capturing the City's portion of local property taxes.
- TIF districts do not disrupt the current (or "base") property taxes. In other words, the taxes currently being received (before the proposed improvements) will remain for all effected jurisdictions.
- Tax increment, as proposed in this particular case, will not negatively affect the City's fiscal disparities calculation/ payment required form all other C./I. taxed properties in Ramsey—as fascial disparities will be paid for in this proposed project. In other words, this TIF district will not negatively affect fiscal disparities.
- In the case of the proposed PSD LLC project, it is estimated \$500,000 could be paid back within four years in present value terms (4.0% discount rate); or about three and a half years in future value terms *with* tax increment financing (TIF). It is estimated, the proposed project would generate about \$224,000 in total property taxes annually; and about \$156,000 in NET TIF annually. The proposed project would result in about \$3.5M in NET TIF over the course of TIF District #14.
- When TIF District #14 was originally created, project assistance was identified as an eligible use.

Why don't we use a different existing funding source?

- The City could use a handful of other, relatively unencumbered, funding sources for this project (i.e. EDA fund, EDA RLF, TIF #1, Anoka County HRA).
- Based on staff and consultant review, it is recommended the City keep the City's relatively unencumbered dollars for future development projects (i.e. Bunker Lake Boulevard, COR Improvements, Future Business Park, Highway 10 improvements, removing blighted properties, other project assistance requests, Shovel Ready certifications, etc.). Relatively unencumbered funding sources are a rare commodity for Cities. This is an opportunity to maximize/ capitalize on a powerful economic development tool (TIF).
- Staff would like to note, a TIF district is not the only/ or required funding source in this case. The Council does have the ability deviate from this strategy.

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, September 17, 2015, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Philip Brunt
 Member Brian Burandt
 Member Glen Hardin
 Member Wayne Skaff

Members Absent: Member Chris Riley
 Member Kristine Williams

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Tim Gladhill, Development Services Manager
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:40 a.m.

2. APPROVE AGENDA

There were no changes or additions.

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

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

3. EDA BUSINESS

4.01: CONSIDER REQUEST FROM PSD LLC

Member Skaff stated through his church employment he has had a past relationship with PSD but does not have any current relationship so he will be voting on this item if the Board is agreeable with it.

Member Steffen stated he does have a relationship with PSD and will be abstaining on voting.

Econ. Dev. Mgr/Assistant City Administrator Brama stated the meeting is to consider a request from PSD LLC for \$500,000 of City assistance to their proposed 122 unit apartment complex in The COR.

Member Hardin asked what has caused the scoring to be lower than expected. Econ. Dev. Mgr/Assistant City Administrator Brama stated within the housing assistance application there are a number of scoring matrixes, a number of goal initiatives and individual scoring items. In some particular instances PSD rated themselves as being compliant with certain specific items and staff felt they were not one hundred percent in compliance or were partially compliant.

Development Services Manager Gladhill reviewed some of the items in regards to scoring of the project. Econ. Dev. Mgr/Assistant City Administrator Brama noted some items were counted twice and should not have been. Development Services Manager Gladhill stated they could award partial points for some of the items but not full points. He stated other energy efficient and stormwater regulations were being counted although they were not necessarily providing them. He noted they did add some points that were not in there also. This project falls within the eighty percent area median income and is considered affordable by definition so extra points were awarded for that which were not included in PSD's original scoring matrix.

Chairperson Steffen stated they had 68 points out of a possible 152 points. He thought that looked like a failing grade and wondered if this was good or bad. Development Services Manager Gladhill stated there is no minimum points. He stated there is not any one project that will be at one hundred percent of the points. He stated there will be times that if you meet a certain percentage of quality they are looking for there is a sliding scale. He stated there is no pass/fail and it is impossible for anyone project to get one hundred percent of the points.

Chairperson Steffen stated they did not get half the points so what should the EDA glean from the 68 points. Development Services Manager Gladhill stated he would ask the EDA to look at the specifics on what they are providing. He noted the location scores high for them because of its proximity to transit and industrial parks.

Manager Hardin asked if they keep some type of spreadsheet on how the different developments scored so the EDA can compare how the project stacks up to others. Development Services Manager Gladhill stated this is a new policy and adopted in 2014 and they do not have the history of applying that here but they could start a spreadsheet for future projects. He stated this is showing on the side of affordable and there are some points there. He reviewed a few other projects done in the City with the EDA and noted what areas scored higher than PSD.

Econ. Dev. Mgr/Assistant City Administrator Brama stated reading through the application the only minimum thresholds or any qualifier that he has pulled out is that all applicants must be in one of the following thresholds that are outlined in the document and there are a handful of goals and based off of that one indicator, this project does meet one goal and partially meets two other goals. Development Services Manager Gladhill stated on page 4 of the policy draft one of the goals is to provide a variety of housing options for people of all life stages and income levels so in looking back this does meet that goal.

Chairperson Steffen asked this is just one of the tools they would use to analyze a subsidy and is not the only one. Development Services Manager Gladhill stated a lot of housing assistance programs out there with proximity to transit will score very high and as soon as Ramsey's rail station opened up they started to see requests for housing assistance quite frequently. He stated they needed a tool to try to gauge success amongst each other.

Member Burandt asked what the unanticipated project costs were. Econ. Dev. Mgr/Assistant City Administrator Brama stated there are two major items PSD has outlined as unanticipated project costs. He stated the first was the increase in project costs over the past year has been significant so they have identified that as part of the reason for the gap in their Proforma and second is the amount of fill they have had to provide on the site. They have imported a significant amount of fill that was not anticipated for the project. He believed they were at an unanticipated cost much larger than \$500,000 however that is what they need to move the project forward.

Ms. Stacy Kvilvang, Ehlers, stated it is hard to compare each project to another because they are apples and orange and are meeting different goals.

Ms. Kvilvang gave a brief overview of her memo to the EDA. She stated their recommendation is if the City chooses to move forward that it be a pay as you go TIF assistance and will be paid off in four years. With pay as you go, they have to construct the project and pay the taxes and as they pay the taxes they will get a portion of that rebated over a four year period back to them.

Chairperson Steffen asked why costs differ from city to city and is that based on land cost and fill. Ms. Kvilvang stated the biggest factor is land cost. Chairperson Steffen asked if they did not have fill brought in would they still be asking for TIF assistance. Econ. Dev. Mgr/Assistant City Administrator Brama stated the amount of fill brought in was close to \$500,000 so it was hard to say if they would have come in or not.

Member Hardin stated PSD response shows the single largest overage is the actual bid for the construction of the building. Chairperson Steffen thought that was correct because it was bid a year ago versus today.

Member Skaff stated they have to go back to the time that the City sold the land to PSD, had they come to them knowing that there was \$500,000 in fill needed at that time they may have required the City to bring the land up to a buildable position and it is possible back then that the City would have acknowledged that.

City Administrator Ulrich stated this was probably an engineering calculation mistake. He thought they had more tagged on the construction costs that went up or there was some initial miscalculations that were made for this site. Chairperson Steffen stated the requirement for the fill has not changed. City Administrator Ulrich stated it has not.

Member Hardin found it frustrating that when they sold the parcel to PSD that they did not have requirements with financing in place and construction costs in place before they closed on the lot. He thought this is something that the City should put in place before they close going

forward. He stated they need performance standards in their agreements and documents because they should not get themselves in a situation like this.

Chairperson Steffen stated it seemed a little late in the process but nobody wants to see this sit as it is for the next number of years. Member Hardin stated he was not against the TIF financing, pay as you go basis but he thought they needed to look at these differently going forward. City Administrator Ulrich thought the Council was somewhat divided on this in terms of if they sell the land with development guarantees to the user or do they sell the land on a speculative basis.

Econ. Dev. Mgr/Assistant City Administrator Brama stated as part of their due diligence process when reviewing the purchase agreement they can add in the option of performance standards. He noted they did briefly discuss it with the EDA before they moved the purchase agreement forward and they had a split opinion on whether they should have a performance agreement included.

Ms. Kvilvang thought this was the outlier because she thought the other ones that have come forward have had the performance standards included. She stated it was a Council decision at that time to do that on a speculative basis and she did not know if they would do that going forward but the last two developers they have talked to the City has known what is going to be developed upfront. City Administrator Ulrich stated the site has been graded and fill has been brought in and the site has been approved. They did have guarantees that this would not be an eyesore if not built upon.

Econ. Dev. Mgr/Assistant City Administrator Brama stated anytime they get involved in a deal financially it is their standard practice to have performance standards. Chairperson Steffen stated the four year payback on the TIF note seemed very short to him. Ms. Kvilvang stated this is a very short time period versus other projects.

Member Skaff stated he would support approving this item.

Motion by Member Skaff, seconded by Member Brunt, to recommend to City Council the approval of the \$500,000 TIF program.

Further discussion: Member Hardin asked if the motion included funding from the TIF program. Econ. Dev. Mgr/Assistant City Administrator Brama stated it would.

Motion carried. Voting Yes: Members Skaff, Brunt, Burandt, and Hardin. Voting No: None. Absent: Riley, William. Abstain: Steffen.

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed the next steps of the project.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:15 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Ted LaFrance
Economic Development Manager

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA)

4. 2.

Meeting Date: 10/08/2015**Submitted For:** Patrick Brama, Administrative Services**By:** Patrick Brama, Administrative Services**Title:**

Consider Support of Anoka Area Chamber of Commerce Manufacturer's Coalition

Purpose/Background:

The City of Ramsey is a member of the Anoka Area Chamber of Commerce (<http://www.anokaareachamber.com/>). The Anoka Area Chamber of Commerce has a rich history of success in catering to the needs of retail, food, and professional service industries. The Chamber specializes in events, marketing, and networking.

A few years back, the Chamber identified the need to better serve the large "manufacturing" sector physically located in the Chamber's service territory. Commonly, the Chamber's standard "events/ marketing/ networking" opportunities do not provide significant value to manufacturers.

With this in mind, the Chamber began a new "sub-group" known as the "Manufacturer's Coalition" about two years ago. Here is a link to their website: <http://www.anokaareachambermanufacture.com/>). The mission of the Manufacturer's Coalition is to: become a catalyst for strengthening community manufacturing; accelerating transformation into a more efficient and powerful engine of innovation, job creation and economic growth.

In summary, the Manufacture's Coalition is a group of leaders from local manufacturers that meet periodically to discuss/ address issues unique to their industry (they create the topic list). In some cases, meetings are purely the exchange of best practices/ discussion led by the Chamber... and in some cases, the Manufacture's Coalition asks the Chamber to implement develop a service/ product to help the group. In 2015-2016, the #1 topic the Manufacturer's Coalition would like to address is workforce.

Although the Chamber does receive some funding for the Manufacturers Coalition via subscriptions from manufacturing businesses, this new initiative needs financial support to get up and running. The purpose of this case is to consider supporting the Manufacturers' Coalition by donating \$5,000. These dollars would be utilized for "facilitation/ operation" expenses related to the Manufactures' Coalition (meetings/ website/ communications/ etc.).

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

EDA Fund (2015-2016 sponsorship)

Recommendation:

Based on input from various Ramsey manufacturers over the past 18 months, workforce shortages is the #1 issue facing Ramsey businesses. This issue is seemingly getting worse with each passing quarter.

With the above issue in mind, Staff connected with a few local organizations to "check-in" on what's being done/see if they are experiencing the same issue. As a result of that process, Staff was made aware of the Anoka Area Chamber Manufacturers' Coalition--and their #1 priority of addressing workforce. NOTE: Staff received a consistent message from our neighboring Cities (that workforce is a major issue for manufacturers).

Considering Ramsey's limited internal resources (Staff time) to address a large issue such as workforce, and the fact that workforce is not a Ramsey problem only (it is regional), the Manufacturers' Coalition provides the City an opportunity to get involved.

Action:

Consider supporting the Anoka Area Chamber Manufacturers Coalition with a \$5,000 donation from the Ramsey EDA.

Attachments

No file(s) attached.

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	10/05/2015 02:10 PM
Form Started By: Patrick Brama		Started On: 10/05/2015 09:53 AM
Final Approval Date: 10/05/2015		