

**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, January 12, 2017, 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 Chris Riley  
                          Member Kristine Williams (arrived at 7:51 a.m.)

Members Absent:     Member Wayne Skaff

Also Present:        Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator  
                          Tim Gladhill, Community Development Director  
                          Kurt Ulrich, City Administrator  
                          Mike Mulrooney

**1.     CALL TO ORDER**

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

**2.     APPROVE AGENDA**

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

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated December 8, 2016**

Motion by Member Steffen, seconded by Member Hardin, to approve the December 8, 2016, minutes as presented.

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

**4.     EDA BUSINESS**

#### **4.01: Stone Brook Academy Purchase Agreement for 1-acre of City-Owned Land located within The COR**

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA requested feedback from staff on various items related to Stone Brook's desired site location, Outlot B (Site #1), to review feedback from Stone Brook on other site location options and to review feedback from Planning Commission on the eight potential site locations/proposed use. He noted the desired outcome of this case for Stone Brook, is direction on what site location they can move forward with. Stone Brook still strongly desires Outlot B, their original proposed location. Stone Brook is hoping to get clear direction from the City as they want to enter into a purchase agreement and begin the entitlement process as soon as possible. They are hoping to have a project completed in 2017.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report and stated there are three alternatives staff has determined in regards to Stone Brook.

Alternative A - The City is comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. Stone Brook needs direction on whether or not Yolite Street is required public road connection, or if a private stub road is sufficient. Also, an agreed upon price per square foot is desired.

Alternative B - The City is not comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. The City is interested in helping with funding the financial gap on other sites via a formal business subsidy. Stone Brook is asking the City to address their questions/issues on other sites (mainly pricing). Likely, the gap in costs, from Site #1 to other sites would range from \$335,000-\$531,000. Stone Brook will only locate on another site if the City is telling them no to Site #1.

Alternative C - The City is not comfortable with Stone Brook's originally proposed location, Outlot B, Site #1. The City is not interested in helping out with funding the financial gap on other sites via a formal business subsidy. The City still remains interested in selling City owned land to Stone Brook. Stone Brook may need to reconsider their approach/expectations for this project altogether. If this alternative is selected, staff would recommend the EDA provide Stone Brook with as much feedback as possible, so they can understand and consider their options moving forward.

Chairperson Steffen asked what staff determined was the best solution for Yolite Street.

Economic Dev. Mgr/Assistant City Administrator Brama stated Yolite Street is the 'would be' connection and is a public road that was planned via the City's first master plan for Ramsey Town Center. It is not called for in the City's current plan for The COR. The street is defined by previous construction projects and land transactions and at this point in time there is an intersection on the north side of the site at Sunwood Drive where Yolite Street would enter and there is a cut out on the south side. There is also a stormwater line that runs through what would be Yolite Street which would prevent any buildings being set over the top of that stormwater line. He stated from a public safety perspective staff is recommending that this connection be made.

Member Riley asked if the Planning Commission had any comments for the EDA to consider.

Community Development Director Gladhill reviewed the Planning Commission discussion with the EDA. He noted staff believed this project, a daycare, would fit within the permitted use of the area. The major concern was carving out a smaller piece to develop. The Planning Commission does not prefer this location from an overall masterplan perspective and felt there were better sites for this.

Member Burandt asked what the vision was for the parcel.

Community Development Director Gladhill reviewed the site with the Board.

Member Hardin asked how large the parcel was across from the three acres and if the zoning was consistent with the zoning on that parcel.

Community Development Director Gladhill stated he did not know the exact size but that it would be the same zoning.

Member Hardin asked if it was still flexible for retail across the street.

Community Development Director Gladhill stated there would still be available retail use.

Member Riley thought they needed to concentrate on Yolite Street right now because if they decide it has to be built, they are locking the remnant parcel in. He asked if the storm sewer was being used or if it is just in the ground.

Economic Dev. Mgr/Assistant City Administrator Brama assumed it was in use but was not positive.

Member Williams arrived at 7:51 a.m.

Member Riley thought Yolite Street was the first thing they needed to make a decision on, which in turn will dictate other things to occur.

Community Development Director Gladhill stated the Planning Commission also thought there could be one building with multiple levels but that would need to be discussed with the building department.

Member Riley stated in regards to Yolite Street, it does not need to be there. For traffic flow he believed it does not need to be there at all. In an emergency, there are private drives along with a break-thru in the ramp that can be used so Yolite Street is not necessary as a City maintained street. It could be a private drive.

Member Williams stated she was still concerned about the remnant parcel but wants to see something happen on that site and if there is an eager buyer then she was confident with City Staff to make it work.

Economic Dev. Mgr/Assistant City Administrator Brama stated the remnant parcel is not something staff would promote to sell. He stated CBRE felt there is value but it is limited.

Member Williams stated the multi-tenant retail along Sunwood Drive is more appealing than a single level daycare and she did not think it was consistent with what she would like to see as a retail use on the corner of that parcel. She felt a daycare was better suited further out along the edge of The COR and believed the plan in place was a denser use of this space. She would like to see a multipurpose building on that parcel.

Chairperson Steffen thought they all agreed it is a great concept and felt it would do well. He also agreed it is not the best site for the daycare.

Member Hardin stated he did not disagree and thought it would be nice to have a multi-story building there but there is a willing buyer and seller before them and he was in favor of moving forward with Alternate A.

Member Burandt asked if not on this site where would they put a daycare because people living and working in the multi-level buildings will need daycare but he did agree that they did not need a City improved road on Yolite.

Community Development Director Gladhill noted the Planning Commission perspective was a daycare could be located next to the Medical Examiners' office. Another area from staff's perspective was the McDonald's site because roads are in and the pad is ready to be built on. Another site is south of Casey's but would need to be looked at more thoroughly. The first time this project came forward to them it was proposed to be located on the northeast corner of Bunker and Ramsey. The corner is zoned as retail and a daycare facility could be a part of that as well. From a land use perspective those are some of the primary spots.

Economic Dev. Mgr/Assistant City Administrator Brama stated if they moved forward with this site, the City would be in favor of Yolite Street because of the traffic load this user will create during peak times and the City wants to avoid the congestion on Sunwood Drive.

Community Development Director Gladhill asked if they could explore the private road concept that connects all the way through and secure an easement for public sidewalks so that way maybe the cost is reduced and their maintenance obligations are reduced. Also another public City street would be useful if Zeolite Street were to close down for maintenance, Yolite street could be used as the pass thru road.

Community Development Director Gladhill reviewed possible traffic issues on Sunwood Drive with the Board.

Member Riley thought everything being discussed regarding Yolite Street could be negotiated with the applicant.

Chairperson Steffen asked if all of this needed to be hammered out before the applicant can proceed with their project.

Economic Dev. Mgr/Assistant City Administrator Brama stated there are multiple ways to handle this but staff wanted to secure the site before they hammered out the final details of that purchase agreement. He stated staff would like to come back next month with the proposed purchase agreement for board review and approval.

Chairperson Steffen asked what the rationale was for the other sites to be four times the cost.

Economic Dev. Mgr/Assistant City Administrator Brama stated as they went through the pricing strategy exercise with the City Council, CBRE was their main advisor and it was his understanding that the parcels that are located on the edge of the site near the County road are convenience retail sites and those are one of the highest retail sites per square foot on the market in suburban areas.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council that staff continue to explore Alternative A and negotiate the remaining details with the potential buyer and that the EDA suggests Yolite Street should be a private drive.

Further discussion: Member Hardin thought staff could have Stone Brook price out what the construction costs would be to possibly construct the building with the option for a second story accessible at a later date.

Member Riley asked for clarification on Alternative A in regards to Yolite Street and if it should be a private or public road. He felt it should be a private drive.

Economic Dev. Mgr/Assistant City Administrator Brama asked for clarification if staff should negotiate price per square foot. The EDA supported this action.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Burandt, Brunt and Riley.  
Voting No: Williams. Absent: Skaff.

#### **4.02: Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund**

Member Hardin indicated this applicant is a business customer of the bank he works for so he recused himself from discussion and voting.

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA is asked to consider the request from Ramsey Business for use of EDA Revolving Loan Fund (RLF). This request is to allow for an exception and/or amendment to the EDA RLF Guidelines, related to minimum equity.

Economic Dev. Mgr/Assistant City Administrator Brama stated American Print & Digital has a purchase agreement in place for the former “All-Brite Printing” building located between Do-All Printing and Lano Equipment on US Highway 10. This building is just less than 15,000 sf, and is set up ideally for their operations. This purchase will allow for an expansion of their business, placement of their new machine, and room for small future expansion. Additionally, in the short

term, American Print & Digital plans to sub-lease a small portion of the property until they need it.

Economic Dev. Mgr/Assistant City Administrator Brama stated the project is about \$1.4 million in which American Print & Digital is seeking financing, and about \$600,000 of the total project costs are the new machine. The Bank of Elk River has tentatively indicated they would fund 50%, the SBA had tentatively indicated they would fund 40%, and the owner has indicated they would like the EDA RLF to cover 5%, and for owner equity to be 5%.

Economic Dev. Mgr/Assistant City Administrator Brama indicated the owner is requesting 5% EDA RLF financing to allow equity dollars to be dedicated to ongoing business working capital needs. The printing industry requires a significant level of working capital to upgrade machines, repair machines, and purchase ever-changing software. It is not uncommon for these unexpected costs related to machines to cost several hundred thousand dollars. American Print & Digital can physically make the deal happen without the EDA RLF. However, they want to be prudent/smart about how they are growing their business planning and they want to make sure they can digest their growth.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

Mr. Mulrooney stated he did not see in the policy an allowance for the exception. He thought it may be time to review the policy because he thought there were some inconsistencies within the policy in regards to referring to the EDA and the City. He thought there should be some clarification as to which entity is being talked about in terms of review of a loan. He reviewed his memo with the Board.

Chairperson Steffen stated they will not loan for working capital.

Mr. Mulrooney indicated that was correct.

Chairperson Steffen stated the applicant has the cash to do the ten percent down but they want to keep some cash for working capital.

Mr. Mulrooney stated that is what they have been told but he has not seen any paperwork to indicate that. The borrower has expressed a desire to retain cash for operating purposes.

Economic Dev. Mgr/Assistant City Administrator Brama reviewed with the EDA what the revolving fund could be used for.

Member Riley stated he would not like to see the loan extended to 20 years. He would like to see this kept as a revolving loan fund. The case talks about the interest rate and they have not talked about that. He noted he was still ok with the three percent rate. He thought as far as bringing it down to the equity, the City is third in line already so he did not know if that mattered much. He stated the reason why they have this is to help out businesses who cannot get additional financing.

Chairperson Steffen agreed and stated that is what the money is there for.

Motion by Member Steffen, seconded by Member Burandt, to recommend to City Council to allow for an exception to the EDA RLF Guidelines, to allow for minimum equity, in the amount of 5%, for American Print & Digital and direct staff to bring back a future case to discuss updating the EDA RLF Guidelines.

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

#### **4.03: Extend CBRE Listing Agreement through July 2017**

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

Chairperson Steffen asked if it still leaves the option open of continuing CBRE after that.

Economic Dev. Mgr/Assistant City Administrator Brama stated that was correct.

Motion by Member Hardin, seconded by Member Steffen, to recommend to City Council approve the short-term contract extension with CBRE (6 months).

Further discussion: Member Williams stated that by extending their contract, if new prospects come forward during that time they could have a new partner in place and CBRE could be compensated for bringing that prospect in.

Chairperson Steffen thought that would apply today if they found a deal as well and would just extend that.

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

#### **4.04: 2017 Annual EDA Business Expo**

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report. He noted the proposed date for the Business Expo is March 18<sup>th</sup>.

Member Riley thought this is a good thing they do and if staff could put a little creativity into it to make sure it is not the same every year that would be great. He suggested inviting a kids group to perform to bring in additional people or something like that.

#### **4.05: Consider Changing Regular Meeting Dates**

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report.

The EDA was in favor to change the meeting from the first Thursday to the second Thursday of the month.

#### **4.06: Updates**

Economic Dev. Mgr/Assistant City Administrator Brama updated the Board on Gleason (Life Style Properties), U-Shape property; M&G Trailer Sales lease extension and expansion; RALF program application (Sunfish Lake Boulevard Gas Station).

Community Development Director Gladhill updated the Board on planning items going on in the City. He noted Capstone Homes has pitched a concept plan for residential plan on the Pearson property, north of Highway 10. He noted this will be on the City Council agenda for January 24<sup>th</sup>.

City Administrator Ulrich updated the Board on various City projects. He recognized Patrick Brama for his completion of the Economic Development Finance Professional EDFP course work.

Economic Dev. Mgr/Assistant City Administrator Brama reviewed the EDFP final exam with the Board.

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

There were no items.

#### **6. ADJOURNMENT**

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

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

The regular meeting of the Economic Development Authority adjourned at 8:50 a.m.

Respectfully submitted,

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Kurtis G. Ulrich  
City Administrator

ATTEST:

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Patrick Brama  
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck

*TimeSaver Off Site Secretarial, Inc.*