

**CITY COUNCIL WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Work Session on Tuesday, June 13, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Melody Shryock
Councilmember Kristine Williams (arrived at 5:40 p.m.)

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Public Works Superintendent Grant Riemer
Community Development Director Timothy Gladhill
Asst. City Administrator/Economic Development Manager Patrick Brama
Vice President of Land Services with CBRE Brian Pankratz

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:35 p.m.

2. TOPICS FOR DISCUSSION

2.01: Update: PSD LLC Business Park Project and City Assistance Requests

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report.

Councilmember Williams arrived.

Councilmember Kuzma asked for more information on the subsidy and the action requested of the Council tonight.

Asst. City Administrator/Economic Development Manager Brama stated that the purpose of the case was simply to provide an update and determine if there are any concerns that staff could work on before the Council reviews the item further at a future meeting.

Councilmember LeTourneau stated that he is excited that the developer would like to now build two buildings. He stated that he is in favor of allowing the project to move forward quickly but asked if staff has sufficient resources to meet the timeline.

Asst. City Administrator/Economic Development Manager Brama stated that staff has been discussing this project for the past few weeks to determine how the timeline could be met. He stated that staff has been doing their best to work with PSD to make this project work because it will be beneficial for the City. He stated that Community Development Director Gladhill has been working with his staff to determine how the timeline could flow through the process.

Community Development Director Gladhill noted that it is a very aggressive schedule for building one. He stated that staff will bring in additional resources to assist in the process, at the cost of the developer. He stated that the developer is aware that there is risk involved.

City Administrator Ulrich stated that Community Development Director Gladhill has set a clear expectation of how the timeline could be met and what would be needed from both parties.

Councilmember Shryock asked if the change in location for Adrenaline Sports would impact the previous site that the business was looking at.

Asst. City Administrator/Economic Development Manager Brama stated that the Council will actually consider a new purchase agreement from another party for the previous location.

Councilmember Riley stated that this would essentially be the same thing the City has done in the past with restaurants in attempting to bring them into town, subsidizing the building/landlord rather than the business. He stated that in this manner the City will be subsidizing the building, which would remain even if the tenant did not.

2.02: Update on McDonald's Project

City Administrator Ulrich reviewed the staff report.

Mayor Strommen noted that this seems to be the same story that McDonald's has provided time after time.

City Administrator Ulrich agreed that this is the same situation and response from McDonald's that they have used in the past. He stated that the difference in this case would be that McDonald's may be willing to pay an annual fee to reserve the property for development. He asked for input from the Council on whether they want to accept an annual fee or respond to McDonald's that the City is interested in being more aggressive.

Councilmember LeTourneau stated that he is done with McDonald's, is ready to move on and therefore it does not make much sense to delay action. He stated that is a prime piece of property.

Councilmember Kuzma stated that he agreed with the comments of Councilmember LeTourneau that the process should begin.

Councilmember Johns stated that she also agrees. She stated that in March the Council made the decision to try one more time and got the same response, therefore there is no point in waiting.

Councilmember Riley stated that he would like to see who is interested in the site.

City Administrator Ulrich stated that there has not been a lot of distinct interest in this parcel, but acknowledged that the parcel has not been out to the market.

Brian Pankratz stated that the restrictive covenant prevented any food use and therefore made it difficult to market. He stated that if the three parcels were all available there would be interest immediately.

Councilmember Riley stated that changes things, since it appears that parcel would make the entire strip of property more valuable.

Mayor Strommen stated that to continue to sit on the property while other opportunities pass the City by does not make sense. She stated that the time is past due to pull the plug and McDonald's either steps up to the plate or they move on.

Councilmember Riley asked the purchase price of the property.

City Administrator Ulrich replied that the purchase price was \$470,000. He confirmed that following this consensus staff will bring a formal resolution back to the Council for adoption.

2.03: CBRE Update

Brian Pankratz provided the first quarter statistics metro wide, noting that net absorption for office and retail are negative. He stated that the retail world is changing as many retailers continue to close their doors and follow the virtual trend. He stated that the trend is now on food and fitness. He stated that traffic patterns take time to change and people are now utilizing the Armstrong interchange more often. He stated that the residential market is booming. He stated that Ramsey is in between two retail nodes and with large stores closing in Riverdale, retailers will most likely backfill in that location. He noted that the additional homes being built in Ramsey will help to attract businesses. He stated that the restrictive covenant is no longer in force, which is good for additional food locations that may want to come. He stated that the additional industrial and PSD projects will bring in additional traffic and could attract more business. He stated that they continue to see interest from medical office tenants. He provided an update on marketing. He noted that he has been pushing Ramsey for quick food users and hard goods and has heard that Ramsey is on their growth plans. He noted that he has also reached out to gas stations in attempt to bring a tenant to Armstrong as traffic patterns push more vehicles on that route. He reviewed the marketing suggestions and next steps.

Councilmember Riley stated that the Council and Planning Commission have talked about retail and the changing face of that in The COR. He asked how the large retailers closing in nearby areas, such as Riverdale, would impact Ramsey.

Mr. Pankratz stated that larger retailers would tend to stay where they are in the larger nodes. He stated that quick service food, cellular phone stores, and workout related uses are trending and

would be something Ramsey could attempt to attract. He noted that certain retailers will look to backfill the vacancies in the larger retail nodes.

Councilmember LeTourneau stated that it seems that it is not so much the idea of retail that the Councilmembers may have been thinking but that it will be driven by the market. He stated that although certain things are trending now, they may not be trending in another five years. He noted that the Council should be prepared to react to the requests that arise from the market.

Mayor Strommen stated that this is where the vision, land use plan and ultimate decision come together. She stated that the City has the benefit of not having large retailers that have become vacant in this changing time for retail and has the ability to be flexible. She noted that it is not always the individual element but what that would bring to the community.

Councilmember LeTourneau stated that this is a really good community with great pieces in place, but he was unsure if people were aware of those elements.

Mr. Pankratz stated that the comments usually revolve around not being directly on Highway 10. He reviewed some of the projects that are underway in Ramsey and stated that people are often surprised to hear all of the activity. He noted that the process is baby steps in reintroducing the City to developers but noted that increase in households and businesses will help to attract more developers.

Councilmember LeTourneau stated that he does appreciate the suggestions included in the Council packet and noted that he appreciates the relationships that Mr. Pankratz builds with developers to keep them updated on Ramsey.

2.04: Review 2016 Comprehensive Annual Financial Report (CAFR) Management Report and Special Purpose Audit Reports

Finance Director Lund reviewed the staff report. She noted that Aaron Nielsen is present to review the audit, report and findings. She noted that a brief presentation will be given at the regular Council meeting tonight as well with adoption included on the consent agenda.

Aaron Nielsen reviewed a summary of the audit noting that the City received an unmodified, or clean, opinion. He stated that there were no instances of non-compliance but there was one finding related to internal controls and provided additional details. He stated that there were no findings related to the Minnesota state legal compliance. He stated that in the testing this year related to the finding from the previous year, there were no additional issues as the City responded to the finding. He provided additional details related to changes in property tax values, tax capacity and comparison information for other metro and state-wide averages. He highlighted the governmental funds the City has and provided additional details on the general fund, other operating funds, and enterprise funds.

Finance Director Lund provided additional information on an item mentioned that was a large change from the previous year noting that resulted from the developer of the Residence of The COR.

Councilmember Riley referenced the CAFR and a transfer out.

Finance Director Lund replied that would be the excessive revenue transfer in accordance with the City's fund balance policy. It was clarified that it was not necessarily excess revenue but also included items that were not done in that year and pushed to another year and was more likely expenses that did not occur or were delayed.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Councilmember LeTourneau stated that perhaps internet capacity within City Hall should be a topic of discussion at a future meeting.

City Administrator Ulrich noted that July 11th will be the Council's first look at the budget for 2018. He noted that a legislative summary will be provided in the near future from Mr. Tinklenberg.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:49 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.