

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, August 10, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Acting Chairperson Chris Riley  
                          Member Philip Brunt  
                          Member Glen Hardin  
                          Member Kristine Williams

Members Absent:     Chairperson Jim Steffen  
                          Member Brian Burandt  
                          Member Wayne Skaff

Also Present:         Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator  
                          Kurt Ulrich, City Administrator  
                          Councilmember Mark Kuzma

**1.     CALL TO ORDER**

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

**2.     APPROVE AGENDA**

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

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated July 13, 2017**

Motion by Member Hardin, seconded by Member Williams, to approve the July 13, 2017, minutes as presented.

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

**4.     EDA BUSINESS**

#### **4.01: Inland Group**

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

Keith James, Inland Group, stated that the company is a multi-family contractor based out of Spokane, Washington, and provided examples of projects that the company has built in the senior home market. He stated that the Affinity concept is an apartment building that is age restricted and would be market rate apartments and would be amenity rich with all-inclusive rents. He stated that the company has 16 stable developments in three states, Washington, Texas, and Colorado. He noted that they are building additional developments and have a development in Eagan, Minnesota. He reviewed some of the amenities the buildings include which range from a fitness center, theater room, internet café, craft room, pub, pool, and spa. He stated that rents would range from \$1,400 to \$2,400 depending on the unit and number of bedroom and bathrooms. He stated that the demographics in Ramsey are strong and they would like to be here. He noted that there are some similar projects in this area but they are a bit different, such as a co-op. He believed that the specific activity in The COR would be perfect for the Affinity brand and the transit hub in Ramsey. He stated that he is simply looking for direction from the group as to whether they would be interested in the product and feel it would be a fit for Ramsey.

Acting Chairperson Riley stated that he is excited about the idea.

Economic Dev. Mgr./Assistant City Administrator Brama stated that staff has put together five concepts sketches, labeled A through E, that would include this development and other desired features in The COR to show how the uses would work together. He noted that the concepts with shared parking are a non-starter for the developer as there would be concerns with safety of the vehicles and views of the residents. He provided input on each of the concepts, highlighting the elements that work or do not work for Inland. He noted that Concept C would be the ideal site for the developer as the site would be adjacent to the proposed park and near the transit station. He noted that the concept is also support by staff as it still leaves space for retail along Sunwood Drive. He noted that Concepts D and E are against Sunwood Drive and therefore the needed infrastructure is already in place. He stated that the developer is comfortable with Concepts D and E, although those are not their preferred sites. He stated that staff would be comfortable with any of the five concepts.

Member Williams stated that the concept roads do not always line up with the Center Street loop and Ramsey Parkway. She asked for details on infrastructure locations.

Economic Dev. Mgr./Assistant City Administrator Brama provided clarification on the road alignments, noting that the sketches identify old road alignments as well as current and therefore the roads would align. He identified the current infrastructure and noted that he could follow-up to determine additional locations.

Member Williams stated that a four to five story building seems large for The COR and asked if that project would fit in with the development in The COR.

Mr. James replied that the sketches were a bit larger than what would be proposed for The COR. He noted that this would be similar to the Residence at The COR. He noted that this area is a transit oriented development. He stated that he would hope to separate from Sunwood to prevent the creation of a canyon feeling as people are driving down Sunwood.

Member Williams asked for information on the feelings towards structured parking.

Mr. James stated that there is a security issue with structured parking. He stated that the stalls furthest from the elevator are the least used. He stated that if residents can drive into an underground parking and walk a short distance to the elevator, that is preferred and access would only be given to residents. He stated that if the shared parking is incorporated, the first two levels would have views of the parking structure and that would not be preferred at the market rate the apartments would rent at.

Member Hardin asked if most of the tenants in their other complexes have one or two vehicles and the percentage of parking that is provided underground.

Mr. James stated that most of the units have a vehicle range of one to 1.5 vehicles per unit. He stated that they aim to match 1.5 stalls per unit. He noted that in Eagan there is an option to rent additional spaces in structured parking nearby, should that development need it. He stated that even in a location like this, where transit is an option, they would still most likely utilize a ratio of 1.3 to 1.5 vehicles per unit.

Acting Chairperson Riley asked and received confirmation that Concepts C and D would meet the floor area ratio standards.

Economic Dev. Mgr./Assistant City Administrator Brama stated that this project would meet the standards of The COR, most likely better than even the PSD project.

City Administrator Ulrich asked for financing information.

Mr. James stated that the company is privately owned and the projects are privately financed. He stated that most often they have construction financing in place, noting that USBank was used for the Eagan project. He stated that once the project is built, long-term financing would be secured. He estimated a \$35,000,000 budget with \$6,000,000 to \$6,500,000 in equity. He stated that their preference would be to self-fund and retain ownership.

Economic Dev. Mgr./Assistant City Administrator Brama stated that the Planning Commission reviewed this case the previous week and was excited by the project. He stated that the Commission would like to keep the project in the COR 1 Zoning District and would not support the concept that straddles the COR 2 Zoning District. He noted that a comment was made that if the project were up against Sunwood, they would prefer a retail element. He stated that the Planning Commission would like to encourage this project to move forward.

Acting Chairperson Riley stated that it would seem the Concept C would be the best fit.

Councilmember Kuzma stated that the case states that no financial assistance is requested but noted that most projects that come along end up with an ask, he asked if there will be an ask.

Mr. James stated that they do not have knowledge of the soil conditions nor the cost-share for infrastructure. He stated that he would not be frightened of a 40 percent cost-share for roadways, but stated that without concrete information he cannot say there would not be an ask in the future. He stated that at this point he does not have an ask. He stated that the cost of the land and development fees are quite good, which puts him in a good spot competitively.

Member Williams stated that there are a lot of apartment units in Ramsey and asked if there is a demand for additional units in Ramsey.

Mr. James stated that the demographics are very strong to support this development. He stated that the market study would be in the next four to five weeks to ensure that the units would be supported by the market. He stated that if the demand were smaller than 150, then it would not be worth the effort.

Member Williams stated that when the market study is completed and there is a demand for the units, she would like to hear that clearly presented. She stated that the perception of the residents is that there is not a demand for additional apartment units and therefore that would help her position as a Councilmember if that information is clearly presented.

Mr. James stated that they are a privately funded company and the loans are secured by the principals in the company and therefore if the market does not support this development they would not continue.

City Administrator Ulrich asked if the market demand was strong, would the development then be interested in a second phase.

Mr. James replied that the Affinity product has never been built close by each other, noting that the closest proximity would be about ten miles. He stated that if the project was a huge success, they would maybe consider it. He stated that the other product type the company has is affordable senior housing and noted that the City already has that in The COR with more to come and therefore he was not sure there would be demand for that project. He stated that they have struggled with bringing that product to Minnesota.

City Administrator Ulrich asked for the opinion of Mr. James regarding retail.

Mr. James stated that the ideal location for this product would be near activity. He stated that the seniors are active and therefore choices are helpful for retail and entertainment in close proximity. He stated that they have not chosen traditional mixed-use development, as retail is not their expertise and they focus on multi-family development and senior development. He stated that incorporating commercial is not their choice. He stated that they would be willing to site plan around a commercial site that could be sold and developed by a commercial developer that has that experience. He stated that they would prefer to be nearby commercial development, but would not want to own that commercial development.

Economic Dev. Mgr./Assistant City Administrator Brama stated that it does not appear that there are any concerns and confirmed the consensus of the EDA to support this project moving forward with a preference for Concept C.

**4.02: Maple Investments LLC (dba Sharp & Associates) Purchase Agreements (Portions of this case may be closed to the public)**

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

Councilmember Kuzma asked if there would be exclusivity for the second purchase agreement or whether that would be open to anyone.

Economic Dev. Mgr./Assistant City Administrator Brama stated that the property would be tied up similar to any purchase agreement, with the exception being the timing.

Councilmember Kuzma asked if there is additional interest built in for the second purchase agreement, like an inflation to support the timing.

Dennis Sharp, Sharp and Associates, stated that the proposed separation of the purchase agreements would help the cost of the project. He noted that they are attempting to lower the costs as much as possible. He stated that while this is not a good short-term investment for him, he believes that the long-term return would be beneficial. He stated that he is attempting to lower the costs on the first building as much as possible and the suggestion was made to split the purchase agreement into two. He stated that his tenants are small users and there are requests to build their own buildings. He stated that they have not had a piece of property in Ramsey that has been available for that type of activity and therefore some of their businesses have ended up moving to other nearby communities. He stated that this would allow him to have that space available for additional businesses that want to expand in the future.

Acting Chairperson Riley asked if the proposed timeline for the second building fits within the timeline for the developer.

Mr. Sharp replied that it is pretty quick but he has had a few interested calls already. He stated that more than likely the proposed timeline would work.

Member Hardin asked if there is an estimate of the holding costs for the other piece of land.

Economic Dev. Mgr./Assistant City Administrator Brama stated that he would have to look into that, as staff has not contemplated that in the past. He noted that it is City owned land and therefore there would not be taxes.

Member Williams asked how much in taxes the City would be giving up in that year delay.

Economic Dev. Mgr./Assistant City Administrator Brama stated that he did not have the figures.

Member Williams stated that there is value in a smaller parcel and believes that the City should be compensated for allowing this option for over a year. She stated that she was not in favor of the price of the parcel originally and the City needs to consider the opportunities and costs that would be missed. She stated that some key information is missing. She stated that she would be in favor of an increase in the purchase price for the future closing, non-refundable earnest money, and/or non-refundable option fee would assist her in supporting this change.

Councilmember Kuzma stated that he understands the reasoning for splitting this purchase agreement to decrease the costs. He stated that having the option for the second parcel is important for the growing of the builder but would put the City in a tough position for the holding costs and therefore would like to see the purchase agreement adjusted for the holding costs. He stated that if the builder walks away from the second parcel, the holding costs should be covered.

Acting Chairperson Riley asked if non-refundable earnest money would resolve the issue.

Member Williams stated that she is not comfortable negotiating a larger deal and then splitting that into two. She stated that in her opinion, the second parcel is worth more than the first parcel and with the delayed timeline, she would like to see something in addition to the non-refundable earnest money.

Member Hardin stated that there is already a signed purchase agreement with an agreed upon amount and therefore he would not be in favor of increasing that agreed upon price. He stated that there is not interest in the parcel from another development and delaying the development by one year does not cause additional holding costs. He stated that he would support the staff recommendation.

Member Williams stated that this parcel has never been marketed, although this is the second purchase agreement that has come forward.

Member Hardin stated that the City has owned this parcel for 10 to 15 years and only two offers have come forward.

Acting Chairperson Riley stated that there are only four EDA members present and therefore a consensus would need to be reached. He asked if Member Williams would agree to anything that would not involve changing the price, as the purchase agreement has already been agreed upon.

Member Williams stated that she would support the request if there was non-refundable earnest money.

Motion by Member Hardin, seconded by Member Riley, to recommend to City Council to approve the Purchase Agreement amendment and second Purchase Agreement, between the City of Ramsey and Maple Investments LLC; subject to final review and amendments by the City Attorney with the additional language added to specify the \$10,000 earnest money is non-refundable.

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

Councilmember Kuzma left the meeting.

#### **4.03: Select Date and Speaker for 2017 EDA Business Networking Event**

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

Acting Chairperson Riley stated that he likes the idea of having a specific topic. He asked if it would make sense for the City to purchase a small stage rather than continuing to rent the equipment.

Economic Dev. Mgr./Assistant City Administrator Brama agreed that would be an appropriate item to consider as the equipment could be used for multiple events. He confirmed the preference to focus on the Super Bowl this year and Coco next year.

#### **4.04: Update: Joint Council/EDA Case on September 26, 2017**

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

Member Hardin asked the length of the meeting.

Economic Dev. Mgr./Assistant City Administrator Brama replied that the length of the work session is from 5:30 p.m. to 7:00 p.m. but noted that there are typically other topics on the agenda. He estimated about 40 minutes for the discussion.

The EDA provided consensus direction to schedule a joint EDA/City Council Work Session Case on September 26, 2017, at 5:30 p.m. in the Lake Itasca Room to review the EDA Work Plan and the EDA strategy for marketing/selling land at The COR.

City Administrator Ulrich noted that he believed two Councilmembers may be absent at that meeting.

Economic Dev. Mgr./Assistant City Administrator Brama noted that a different date may be chosen.

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

The EDA reviewed the Staff Update.

City Administrator Ulrich noted that staff is going to bring forward a negotiated settlement with McDonald's to the City Council, which would free up that site.

Economic Dev. Mgr./Assistant City Administrator Brama stated that he received a tour of the PSD site and noted that it is exciting to see the dirt being moved from the PSD site to the Capstone site for use in their berm.

**6. ADJOURNMENT**

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

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

The regular meeting of the Economic Development Authority adjourned at 8:47 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 Amanda Staple  
*TimeSaver Off Site Secretarial, Inc.*