

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, September 26, 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 Kristine Williams

Members Absent: Councilmember Melody Shryock

EDA Members
Present: Chairperson Jim Steffen
Member Brian Burandt
Member Glen Hardin

Also Present: City Administrator Kurtis Ulrich
Ramsey Police Sergeant Tim Frankfurth
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Human Resources Manager Colleen Lasher
City Engineer Bruce Westby
Asst. City Administrator/Economic Development Manager Patrick Brama

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:38 p.m.

2. TOPICS FOR DISCUSSION

2.01: Joint EDA/City Council Discussion

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

Chairperson Steffen asked for information on the traffic counts.

Asst. City Administrator/Economic Development Manager Brama provided additional details.

Mayor Strommen stated that the EDA Work Plan seems straight forward and asked if the group has additional questions on the background for the sale strategy.

Councilmember Riley stated that the EDA had momentum on the sale strategy but noted that there were a lot of changes occurring and therefore it was determined to place that item on hold. He asked for additional input from the group.

Mayor Strommen stated that there is a challenge in defining success for specific users. She stated that she tends to think of defining success as the outcomes and not specific users. She agreed that it would be helpful to have input on the eventual outcome to help shape the strategy to reach that outcome.

Councilmember LeTourneau asked if the Master Plan for The COR would provide the necessary guidance and mix of users. He was unsure if the strategy should be about changing that and believed that the City should hold true to the plan and instead focus on discussion of the market and what is driving the market.

Mayor Strommen stated that she would agree but stated that clearly something is being lost in translation as residents are defining success by bringing specific retail/restaurant users into Ramsey.

Councilmember LeTourneau stated that the City does have the guidance in the plan and believes that the City needs to have the courage to stay the course.

Councilmember Riley stated that the City has had two strategies to try to reach that outcome but perhaps those are not the best methods to reach that outcome. He stated that there is question as to whether that final picture is still the same. He stated that the City has tried to be the developer in planning for specific parcels, but that did not work and he does not prefer that option. He stated that there was discussion in attempting to find someone that would take the vision of the City and make that happen but then things were picking up in terms of development and therefore that idea was paused.

Councilmember Kuzma stated that the EDA interviewed three developers and noted that he would like to hear how that went. He stated that he has not been impressed with the performance of CBRE.

Member Hardin stated that the EDA was not necessarily recommending CBRE and did not necessarily want to just stop investigating the new strategy. He explained that the EDA was being told that now is not the time to initiate that strategy. He stated that the only option at that time was to wait six to 12 months to see what happens, as there is a lot of development within The COR right now.

Mayor Strommen asked if there were any benchmarks provided on when it would be time to re-evaluate and whether that would be linked to rooftops and traffic counts.

Chairperson Steffen stated that there would only be two other strategies, bringing in a developer to buy the land but no one was interested in doing that unless there is a tenant to build for. He stated that the other option would be to pay a consultant to develop a new plan or switch brokers,

and there was not an appetite for those choices either so the EDA decided to stay the current course and re-evaluate.

Mayor Strommen asked if there is an appetite from developers to purchase land to develop.

Councilmember Williams stated that in the market right now, developers are not buying on speculation. She stated that multi-family housing is a hot market right, with demand and incentives available. She stated that is the market that is doing well and the retail market is not doing well right now across the metro area. She stated that retail is fickle and there are higher ups and lower lows and this is a low point in that market. She stated that it would take one retailer coming to Ramsey to bring in interest from other retailers that use the same checklist and market to the same type of customers. She explained that it would then be hard for developers to build with the expectation that retailers would want to come to Ramsey because of the different checklists that each retailer has. She stated that CBRE has a relationship with certain retailers and developers and stated that if the City changed brokers they would gain a different network that the brokers market to. She stated that CBRE is one of the largest raw land developers in the state. She stated that if the City is looking to market to certain types of businesses, then it may be helpful to find a different broker that has contacts within that business community. She explained that there is not an easy clear answer.

Councilmember Riley stated that never once has someone said that they want more apartments in The COR, as the comments are always regarding retail and restaurants. He stated that is what residents were sold on the idea for The COR. He recognized that housing was part of the plan and is an element of the plan but believed that there should be focus on what the residents want.

Mayor Strommen stated that it appears that the recommendation of the EDA is to hold on the current course and focus on marketing to retail and restaurants within the part of the strategy that the City controls. She stated that the City cannot control whether a developer wants to buy land.

Chairperson Steffen stated that the City could give the land away and that still would most likely not bring in a user like Chipotle.

Mayor Strommen stated that if that is the focus she is curious on the comment from Councilmember Williams regarding brokers. She stated that if the focus is going to shift from one thing to another, when would the City consider switching brokers.

Councilmember Williams stated that any broker can access the land for sale within Ramsey. She stated that if there continues to be requests for multi-family homes, the City could talk with other retail focused brokers to determine if those brokers think that they could bring that element to Ramsey. She stated that perhaps the EDA could speak with brokers rather than developers to find out more information and if there would be more opportunity to bring in retail and restaurant users.

Mayor Strommen stated that she is hearing that there is no reason to switch brokers immediately but perhaps research retailers the City would like to attract and determine which brokers those retailers use to determine if Ramsey would be a good fit.

Chairperson Steffen stated that those retail brokers could bring their clients to Ramsey now and would not have to be the broker for Ramsey. He stated that brokers for retailers should be aware of available listings whether or not they hold those listings.

Councilmember Riley agreed that brokers representing those retailers are aware of the City but explained that real estate is about relationships and therefore there can be benefit from using a specific broker.

Councilmember LeTourneau stated that perhaps when staff is reviewing the work CBRE is doing are they reviewing the amount of work that is being focused on retail. He suggested that perhaps CBRE is directed to focus on building retail relationships and could include the City in those conversations so that staff can also hear that input.

Asst. City Administrator/Economic Development Manager Brama stated that he connects with CBRE on a weekly, or almost daily basis, with the direction that there is a high demand for retail and restaurant users. He stated that one thing that is hard to measure about relationships is that someone can say that a conversation was had on a spreadsheet but it can be difficult to measure the tone, duration, and the direction of those conversations and therefore there has to be an element of trust. He stated that any time he has the opportunity to meet with a retail developer, he is doing that directly, outside of CBRE in attempt to build additional relationships.

Councilmember LeTourneau stated that he is unsure that the City would be able to learn anything different until something changes in the market. He stated that changing brokers would not necessarily change the interest the City is seeing.

Councilmember Williams stated that she disagrees as it helps to have someone that is excited about the location and the City and is able to market that direction. She stated that it is difficult to believe that the current broker has that level of enthusiasm for Ramsey when they represent communities across the metro including Elk River and Anoka. She used the example of development that occurred because of a passionate developer that connected with a passionate broker. She stated that they were able to work together to sell that location and build a development from the ground up. She stated that she believed that element is missing with the current broker.

Mayor Strommen stated that she would agree with exploring other brokerage options to determine what those options may be.

Councilmember LeTourneau agreed that the City is in search of that passionate broker and would support those type of inquiries being made.

Member Burandt asked if that needle in the haystack actually exists; a broker with that passion that does not have conflicts of interest with neighboring cities that also have sufficient contacts.

Councilmember Williams believed that would exist. She felt that perhaps the group did a disservice in the way the interview process occurred noting that instead of asking what could be

great, they had asked about the hurdles the City may have and therefore in a way set that up for failure.

Chairperson Steffen stated that the City just needs one catalyst to spark the interest of other retailers and restaurants.

Mayor Strommen stated that there seems to be consensus with a factfinding mission regarding other retail focused brokers.

Councilmember LeTourneau stated that price needs to be talked about, noting that if you are going to stimulate a market there may need to be subsidies. He stated that would be one element that the City could control. He stated that destination users should also be a focus as that would drive traffic counts.

Councilmember Williams stated that she liked the manner in which the Platinum Properties agreement was setup with incentives for reaching the goals the community wants, even though that deal did not move forward. She stated that dropping the price of land is not always the answer.

Mayor Strommen stated that in that case the City did not use penalties but offered incentives for building out within a shorter timeline. She stated that perhaps that type of incentive would help the City to yield the desired result.

Councilmember LeTourneau agreed that it would be helpful to be dynamic and not so rigid in order to consider options that come forward and opportunities that could arise.

Mayor Strommen noted that this has been a thoughtful discussion and thanked the EDA for their time tonight.

2.02: Discussion Regarding an Amendment to the City's Personnel Policy

Human Resources Manager Lasher reviewed the staff report.

Councilmember Kuzma used the example of a Councilmember that is on the program and then is no longer on the Council. He asked if that Councilmember would be eligible for Cobra.

Human Resources Manager Lasher confirmed that the Councilmember would be eligible for Cobra for up to 18 months. She continued to review the staff report.

Councilmember Kuzma asked the direction requested of the Council tonight.

Human Resources Manager Lasher stated that she would simply want the consensus of the Council and the item could then appear on the Consent Agenda for the next meeting.

The consensus of the Council was to direct staff to move forward with the amendment of the personnel policy as presented.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

City Administrator Ulrich stated that the City had a ratings boost for the insurance ratings of the Fire Department which should benefit the rates of homeowner's insurance for residents.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:47 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.