

**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 14, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Glen Hardin
 Member Chris Riley
 Member Wayne Skaff

Members Absent: Member Phillip Brunt
 Member Kristine Williams

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Tim Gladhill, Development Services Manager
 Kurt Ulrich, City Administrator
 Councilmember John LeTourneau
 City Planner Chris Anderson

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated August 10, 2017

Motion by Member Riley, seconded by Member Skaff, to approve the August 10, 2017, minutes as presented.

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

4. EDA BUSINESS

4.01: Review Status of Request to Install and Maintain a Ground Mounted Solar Energy System on the Property Legally Described as Lot 3, Block 1, River Crossing Addition (Project No. 17-135); Case of Connexus Energy

- 1. Appeal for Issuance of a Development Permit on an Officially Mapped Parcel**
- 2. Zoning Amendment to Include Solar Energy Systems as a Principal Use with the Issuance of a Conditional Use Permit in the Public/Quasi-Public District**
- 3. Zoning Amendment to Rezone a Property from R-2 Residential to Public/Quasi-Public**
- 4. Conditional Use Permit to Install and Maintain a Solar Energy System**

Community Development Director Gladhill presented the staff report.

Economic Dev. Mgr./Assistant City Administrator Brama provided background information on the existing solar farm and bee habitat on the Connexus property. He stated that staff had a discussion with Connexus Energy about their desire to expand their solar farm on their outlot in mid 2016. He noted that the Connexus outlot would be a great fit for economic development and therefore staff suggested Connexus also consider other available properties as part of their process. He stated that as Connexus investigated other available sites, they landed on a site owned by Anoka County. He reviewed the economic development opportunity cost, explaining that generally, businesses pay twice the amount of taxes that residential properties pay. He reviewed the opportunity loss that would occur if the solar farm were not allowed on the Anoka County site. He explained, Connexus told staff that if the Anoka County site is not allowed, Connexus would move onto another community rather than pursuing a solar farm on the Connexus outlot.

Community Development Director Gladhill reviewed some of the challenges that the Planning Commission will consider when this item is returned for their discussion.

Councilmember LeTourneau stated that he found the tax base information helpful. He asked if the Anoka County site is also subject to a two percent tax rate.

Economic Dev. Mgr./Assistant City Administrator explained that the use determines the tax classification rate, not local zoning districts.

Chairperson Steffen noted that Anoka County owns that land and therefore is not a tax paying entity.

Community Development Director Gladhill stated that currently Anoka County leases the property, which is being used for agricultural purposes, so there are taxes being paid on the property. He noted that Connexus is a tax paying entity as well. He believed that there would most likely be tax credits because this is an alternative energy use.

Member Riley asked if it would make more sense to hold the parcel for commercial industrial use or suggest that the solar garden go on the Connexus outlot. He stated that he believes that the Connexus outlot would be better used for commercial industrial use and not a solar farm.

Member Burandt stated that he has been working on this project for well over one year and provided additional information on the tax credits that would be available. He stated that the membership of Connexus wants the renewable energy to increase as long as that does not increase the cost of membership. He stated that they are looking at doing three sites within Anoka County, which would be the largest renewable energy project in the country. He stated that when Ramsey stated that they did not want Connexus to use their outlot for the project, they began to look for alternative sites and the Anoka County site came forward. He noted that this would be the showcase property with solar plus storage. He provided additional information on the other sites that will be constructed in Saint Francis and Blaine, noting that they are contracting with local government units to lease the land rather than purchasing land. He noted that in order to be eligible for the tax credits, the properties need to be constructed and operational by a deadline. He stated that the Connexus Board has already made the decision not to use the Connexus outlot in Ramsey, and therefore that is no longer an option.

Chairperson Steffen asked how long Connexus has owned the outlot.

Member Burandt stated that Connexus has owned the outlot since 1997.

Chairperson Steffen asked why the land is being held for so long.

Member Burandt stated that they use the property for lineman training and would be open to selling the property to the right tenant. He confirmed that Connexus would be open to working with City staff to market the property to the right tenant.

Member Hardin asked if there is a corridor outlined for a bridge.

Community Development Director Gladhill stated that a bridge is not shown on the Highway 10 plan, but noted that a connection could be made at Armstrong, although there is not an official map showing that connection. He stated that the areas of impact would still affect the same property owners, although the location would be shifted.

City Administrator Ulrich stated that he agrees with the Anoka County owned location proposed over the Connexus outlot. He stated that this would take an agricultural property and put it into use and would provide a showcase for conservation as well. He stated that the high-profile pollinator plantings would also be a good fit for the corridor and the community partnership the City has had with Connexus over the years.

Chairperson Steffen agreed that the Connexus outlot is a prime commercial property that he would much rather preserve.

Member Skaff also agreed that the Connexus outlot would be valuable for commercial use.

Member Burandt stated that Connexus has spent more on property taxes for the outlot over the years than it is worth and therefore they do not plan to let it stay vacant.

Councilmember LeTourneau agreed that the Connexus outlot would be better used for commercial industrial use. He stated that staff directed Connexus to look at other parcels for their solar farm for that reason and that the Connexus Board also supports that use.

Motion by Member Skaff, seconded by Member Hardin, to recommend to City Council that the existing Connexus outlot property be reserved for future commercial industrial use.

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

4.02: Inland Group Purchase Agreement

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

Chairperson Steffen asked if staff believes that this is the best fit for this site.

Economic Dev. Mgr./Assistant City Administrator Brama stated that the staff reviewed this preliminarily and liked having this project in the correct zoning district and capitalizing on the park improvements. Staff did not have a preferred site.

Community Development Director Gladhill stated that from a land use and Planning Commission perspective, Concept C would be the preferred site. He noted that comments from the City Council have been incorporated to provide the Main Street look along Sunwood Drive.

Member Riley asked if the City is being smart drawing the boundaries and selling to the right lines to ensure that they are not creating unsellable land.

Economic Dev. Mgr./Assistant City Administrator Brama stated that staff spent some time with a designer laying out this concept to ensure the depth of the commercial building site and parking are realistic rather than simply lines on a map. He agreed that it is an odd shaped lot that will have challenges, but the parcel would be market relevant. He stated that before this moves onto City Council he will reach out to developers to ensure that this parcel would work in the market.

Member Riley asked if this park concept fits with the plans the City had.

Community Development Director Gladhill stated that the Parks Superintendent has seen the plans and agreed that this would fit with the plans for the park in the municipal square. He stated that the idea is to create this greenway corridor up to the Itasca Trail and The Draw. He stated that this would be another great example of how the residential properties work well with the City activities, noting that residents that live in the apartments within The COR are often seen on their patios watching the concert series at The Draw and the Happy Days parade.

Chair Steffen asked if it would be appropriate for the developer to share the cost in the Bolton & Menk work order.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed that the developer is open to a cost-share.

Chairperson Steffen agreed that this would be a great project and good fit for The COR.

Motion by Chairperson Steffen, seconded by Member Burandt, to recommend to City Council to approve the attached purchase agreement with CAP Acquisitions LLC for roughly 4.2 acres of City owned land.

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

Motion by Chairperson Steffen, seconded by Member Skaff, to recommend to City Council to authorize the Bolton & Menk work order, with a cost-share from the developer.

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

4.03: 2018 EDA Workplan

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

Member Hardin asked for more information on the proforma and asked if RFPs would be sent out.

Economic Dev. Mgr./Assistant City Administrator Brama stated that it would depend upon the scope of what is being done. He noted that some of the work orders are very specialized and have a lower cost, therefore the City could go with a preferred consultant that has experience with The COR. He noted that the more costly projects would go through the RFP process. He noted that the entire package may be put out to bid, allowing consultants to bid on the projects they desire. He stated that staff would come back to the EDA for further direction.

Chairperson Steffen noted that this item will move forward to a joint worksession with the City Council on September 26th.

Member Riley stated that he is excited to get the two groups together for discussion.

Motion by Chairperson Steffen, seconded by Member Hardin, to approve the 2018 EDA Work Plan.

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

4.04: 2018 EDA Budget

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

Chairperson Steffen asked if the EDA is on budget currently.

Economic Dev. Mgr./Assistant City Administrator Brama stated that the EDA is on budget. He noted that the professional services budget is running dry because of the large number of projects in 2017 but felt comfortable with the budget as proposed for 2018.

Member Hardin asked if there are sufficient funds in the miscellaneous professional services fund to cover the remaining shovel ready sites.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed that there would be adequate funds in the TIF 1 account.

Motion by Member Skaff, seconded by Member Hardin, to recommend to City Council to approve the 2018 EDA budget and levy as presented.

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

4.05: Resolution #17-09-232 Requesting Use of the Anoka County HRA Fund: Case of the City of Ramsey's New Business Park

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

Member Hardin asked if these would be existing funds or whether this would be a levy increase for Anoka County.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed that this would be a request for existing dollars and would not be an increase in the levy.

Motion by Member Burandt, seconded by Member Skaff, to recommend that the City Council adopt Resolution #17-09-232 Requesting the Anoka County Housing and Redevelopment Authority (ACHRA) allocate \$1,750,000 for infrastructure costs associates with the City of Ramsey's new business park development.

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

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update. He noted that EDA Member Phillip Brunt has submitted his resignation of his position on the EDA. He stated that the term on that seat would expire in March 2020, and therefore the City has started the application process for anyone that may be

interested. He noted that the application period expires on September 29th and noted that interested parties are encouraged to apply.

Member Riley asked if the City would consider reaching out to someone with real estate experience for the vacant position.

Economic Dev. Mgr./Assistant City Administrator Brama stated that while staff would not directly recruit, EDA Members could recruit members. He stated that all EDA members may not have to be Ramsey residents, as local business representatives could possibly become members as well.

City Administrator Ulrich noted that if the EDA Members are aware of someone that may be a good fit, they could pass that referral to staff and staff could reach out.

Economic Dev. Mgr./Assistant City Administrator Brama stated that Sharp and Associates walked away from their Purchase Agreement and provided an update. He stated that the group expects to come back within the next six months but staff is going to put real estate signs up for the property. He provided an update on Stonebrook Academy. He continued to review the staff update.

City Administrator Ulrich provided an update on upcoming activities.

Economic Dev. Mgr./Assistant City Administrator Brama identified potential sites that could potentially be a fit for the Amazon headquarters. Staff intended to investigate further and pitch something.

6. ADJOURNMENT

The regular meeting of the Economic Development Authority adjourned at 8:52 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.