

**City of Ramsey**  
**Agenda**  
**Economic Development Authority (EDA)**  
Thursday, January 12, 2017  
**7:30 am**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
  1. Approve the Following Meeting Minutes:
    - 1) EDA Regular Meeting - December 8, 2016
- 4. EDA Business**
  1. Stone Brook Academy Purchase Agreement for 1-acre of City-Owned Land located within The COR [PORTIONS MAY BE CLOSED TO THE PUBLIC]
  2. Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund
  3. Extend CBRE Listing Agreement through July 2017
  4. 2017 Annual EDA Business Expo
  5. Consider Changing Regular Meeting Dates
  6. Updates
- 5. Member/Staff Input**
- 6. Adjournment**

**Economic Development Authority (EDA)**

**3. 1.**

**Meeting Date:** 01/12/2017

**By:** Kathy Schmitz, Administrative Services

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**Title:**

Approve the Following Meeting Minutes:

1) EDA Regular Meeting - December 8, 2016

**Purpose/Background:**

Purpose: The purpose is to approve the meeting minutes for the EDA meeting held the prior month.

Background: The meeting minutes are attached for review and approval.

**Notification:**

**Observations/Alternatives:**

**Funding Source:**

**Recommendation:**

**Action:**

Motion to approve the following EDA meeting minutes:

1) EDA Regular Meeting - December 8, 2016

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**Attachments**

[12-08-16 EDA Minutes](#)

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**Form Review**

**Inbox**

Patrick Brama

Kurt Ulrich

Form Started By: Kathy Schmitz

Final Approval Date: 01/06/2017

**Reviewed By**

Patrick Brama

Kurt Ulrich

**Date**

01/06/2017 12:05 PM

01/06/2017 01:32 PM

Started On: 01/03/2017 09:57 AM

**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, December 8, 2016, 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 Wayne Skaff  
                          Member Kristine Williams (arrived at 7:35 p.m.)

Members Absent:     None

Also Present:         Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator  
                          Tim Gladhill, Community Development Director  
                          Kurt Ulrich, City Administrator  
                          Mr. Michael Johnson  
                          Mr. Kristen Johnson

**1.     CALL TO ORDER**

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

**2.     APPROVE AGENDA**

There were no changes.

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

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated November 3, 2016**

Motion by Member Skaff, seconded by Member Riley, to approve the November 3, 2016, minutes as presented.

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

#### **4. EDA BUSINESS**

##### **4.01: Prestmore Academy & Daycare Purchase Agreement for OUTLOT B of CORE ONE**

Economic Dev. Mgr/Assistant City Administrator Brama stated the purpose of the case is to review a draft project concept. The case is expected to come back to the EDA/Council in January to be reviewed formally. The intent of the case is to provide the prospect with preliminary feedback, identify any major red flags, and to provide a counter offer of any major deal points, if desired.

Economic Dev. Mgr/Assistant City Administrator Brama reviewed the background of the case. He noted Mr. and Mrs. Johnson reviewed sites in Ramsey and neighboring cities. The COR is their ideal location, and where they are proposing their new facility. They looked at multiple site locations within the COR. This is their most desired site, they like that it is centrally located, is on Sunwood Drive, good access, good visibility and near residential development and future development. They like that the site is reasonably priced.

Member Williams arrived at 7:35 a.m.

Mr. and Mrs. Johnson were introduced to the Board, made a quick presentation and were available for questions.

Chairperson Steffen asked what kind of market research have they done that indicates 150 children would fit into the COR area.

Mr. Johnson stated there are numerous records and research that has been done through the State which they have reviewed. He stated the building market has increased and foreclosures have decreased and people are choosing to live here in Ramsey. There are a lot of people who commute from Elk River to Anoka or downtown. He felt there is a big call for child care in the area.

Chairperson Steffen asked what the price point would be for the child care.

Mr. Johnson stated they took the prices from the high end to the lower end to find out what the area would allow. He stated the prices will fit the market value for the area.

Member Skaff asked what the age range would be.

Mr. Johnson stated it would range from infant to pre-school and with the PACT school in the area they would like to work with them.

Member Skaff asked if they were planning on operating the business or just own it.

Mr. Johnson stated his wife, Kristen, will be the operator and seeing to the day to day operations.

Chairperson Steffen asked what the timeline would be in order to open the business.

Mr. Johnson stated it would take around a year or longer but they would like to open at least the preschool area of the business by September 2017.

Member Riley asked how far along were they with the SBA loan process.

Mr. Johnson stated the SBA is looking over the numbers and the process as a whole because they are a start up business. At this point, there is no doubt about the loan but they want to make sure it gets through the finance stage.

Chairperson Steffen asked if they would be the first franchisee of the fathers' business.

Mrs. Johnson stated her father is working with 2 other businesses right now but because laws are different in Minnesota than Florida it may not be a franchise but would be the same set up and her father is willing to help as much as possible.

The Johnsons left the meeting.

Chairperson Steffen asked if the Board wanted to go into a closed session to discuss this item further.

Economic Dev. Mgr/Assistant City Administrator Brama stated before they go into a closed session he wanted to make sure during the closed session the Board discusses the asking price and the Yolite Street cost share. All other items can be discussed at the open session.

Member Skaff asked if the sharing in the cost of the street included the entire portion of the street and are they going to cover the cost of the frontage of the remnant parcel or just the frontage of their property.

Economic Dev. Mgr/Assistant City Administrator Brama stated the cost that was provided was for the entire street, both sides. The twenty percent contribution will be for the entire street.

Member Riley asked if the City Staff suggested this spot or did the Johnson's suggest it. He thought it was a little weird putting it mid-block.

Economic Dev. Mgr/Assistant City Administrator Brama stated staff reviewed within the COR five sites and this is the site they liked due to a combination of reasons. The site is nice with infrastructure on both sides. The depth of the site is nice and rectangular. It is in the middle of The COR which they liked. The Johnson's liked being as close as possible to the middle of the urban COR with lots of apartments and there is good access and visibility as well. This is also the cheapest site. He noted this property is zoned COR Two Retail.

Member Williams asked how big the remnant parcel was.

Economic Dev. Mgr/Assistant City Administrator Brama stated it was a half-acre.

Member Burandt asked of the five sites recommended, is this the preferred site because it seems like there are several challenges.

Economic Dev. Mgr/Assistant City Administrator Brama stated this is in The COR Two zoning district so it meets the zoning perspective and from a master plan perspective this is more of a retail area. The issues on this site are going to be issues they will need to deal with regardless of Prestmore. They talked about different areas where this business could be placed but this site was the Johnson's preference.

Member Brunt asked what was the size and price of the lot across the street next to the Medical Examiners building

Economic Dev. Mgr/Assistant City Administrator Brama stated the lot next to the Medical Examiners site is a PSD lot and they are asking \$10 a square foot. PSD is currently considering a multi-tenant building deal and Prestmore wants to be the owner of their own project and are not interested in having a third-party developer.

Member Riley stated in regards to the remnant, it appears they are essentially deciding the remnant has to happen or does that issue need to be decided first and then after decide how else they want to proceed because they do not have a remnant yet but he felt a decision might be made where they will be creating it.

Economic Dev. Mgr/Assistant City Administrator Brama stated at some level they have already created the remnant parcel regardless of this project and they have set themselves up by selling off the common bond property the way they did, by having the road designed where it is and having the intersection run where it is. With moving forward, they are confirming what has already been decided.

City Administrator Ulrich did not think a remnant piece of land is particularly a bad thing. It is an opportunity for a small business to build onto a corner. This is a small parcel, potentially affordable in an urban area. This could be looked at as an opportunity.

Community Development Director Gladhill stated this is a very conceptual design. Planning and development has not had a chance to do a full analysis. This could be a part of a broader parking strategy and part of the parking district with surface parking or other parking strategies. There is use for a ½ acre parcel.

Chairperson Steffen wondered if a child care facility would fit into that area because he never envisioned something like that being there.

Member Skaff thought there was a need for a child care facility in The COR, maybe not on this site.

City Administrator Ulrich stated child care facilities are placed in transitional zoning areas in many cities.

Economic Dev. Mgr/Assistant City Administrator Brama stated in the closed session memo there is a staff recommendation and if the EDA is comfortable with what staff has put together then there is no need to go into a closed session at this time.

Chairperson Steffen asked if they are setting a precedent by selling this land at \$2.50 and have they sold anything else for that price and will it establish pricing to the west of this site.

Economic Dev. Mgr/Assistant City Administrator Brama stated the ability for someone to look up the price they have done deals at is public information. It is possible that the next person that comes in does some research and finds the City sold a property at a price that was lower than asking price and asked for the same deal but more than likely they will not get into that. He stated they can sell this parcel for \$2.50 and sell the next parcel for \$5 a square foot and the City gains discretion. There is no legal requirement for the City to continue selling property at \$2.50 a square foot.

Member Williams stated she strongly believed there should be a master developer on this site, which would alleviate some of the problems that they are dealing with. She stated they should not discount this remnant parcel. She was really concerned they would end up with another parcel like the u-shaped parcel where in the end they sit on it for a number of years and end up giving it away. She stated they would not only be discounting the value of the land to zero but also the potential of holding a portion of the contribution for construction of that road. When she looked at this development she not only looked at the discounting of the land, but the value of the twenty percent contribution to the road. This is an interesting project; however, she has some real concerns with the location of the project. She felt there are better solutions than what is being proposed and a master developer would be better suited for this area because there is potential for retail use.

Chairperson Steffen asked if the City Council has discussed holding out for one sale of the entire parcel.

Member Riley stated the City Council would not say no to a master plan.

Economic Dev. Mgr/Assistant City Administrator Brama stated if the area was master developed concerns would still be the intersection on the north side, dealing with the existing storm water pipe, and dealing with the curb cut. These items would not be huge problems, if master developed.

The EDA discussed potential master planning of the site and other parcels within the City that staff could pitch to the prospects for a site rather than the site the Johnson's desired.

The Board directed staff to discuss with the Johnson's other potential sites within the City and consider having the area master planned. Staff is also ready to propose a counter offer for the current site.

#### **4.02: Continue Discussion RE Strategy for Marketing and Selling City Owned Land**

Economic Dev. Mgr/Assistant City Administrator Brama stated the Board is requested to continue discussion regarding the City's strategy for selling city owned land and marketing the COR.

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

Chairperson Steffen asked if anyone believed they should not continue with the current method of using a traditional broker. He thought this was an easier way of continuing because doing an RFP and looking for a new broker would be a disruption and maybe a temporary setback.

Member Williams stated she thought the EDA has received what CBRE has told them they would give to them. She stated they have a website that lists their sites, Brian answers questions that are asked of him, and they are the largest market share in the Twin Cities. There is a lot of other things that other firms/brokers could give them. Her biggest concern with CBRE is that last year they took on transit oriented development site in Anoka and Ramsey was never told about it. She stated when the City has asked CBRE and pushed them in both public and private meeting she has never received what she thought was a satisfactory answer to her question as to how that brokerage firm is distinguishing the uniqueness of Ramsey's property over the neighboring city's property. She stated as more and more sites are being represented by the same broker, closer to their properties, she was concerned that Ramsey's sites were just a commodity that are listed on different sites and searches and if that is all they are interested in having. CBRE is good at that. If they want someone to help make strategic decisions about planning, she did not think that is what they will get with CBRE. She thought they should decide if that level of expertise is something they are searching for. She thought there were a lot of other resources out there that can help them make better decisions as an EDA that they are currently not employing and she thought it was important they consider that.

Chairperson Steffen stated he agreed but, to get any of that, the EDA will have to pay for it because they will not get that by just increasing the five percent commission to a higher percentage. He thought they would still need to keep a broker and then add the services on top of that.

Member Williams stated most of them are brokers and thought a better way of addressing the question of how much the conversation would be is how do they want to structure that and do they want to structure someone as a partner and pay them monthly payments for their services or do they want to incent them by providing a structure where they get compensation on closing the deal and she thought it was important to evaluate alternatives and consider how that incentive has worked for them in the past in different ways. She thought there was also some positive reasons for paying someone to come and consult and provide information and to be a champion for Ramsey and their properties. Depending on what they pay them they could have conversations on whether or not they would represent the City of Anoka as well.

Chairperson Steffen asked if CBRE could do what Member Williams described or was that not in their purview.

Member Williams suspected CBRE could expand on their current role and provide more service to the EDA. She stated they should consider something other than the structure they currently have in place and not just reconsider their dealings with CBRE.

Chairperson Steffen stated the EDA was not involved with hiring CBRE so they were not involved in the RFP process. He thought the City Council handled that so he did not know what else was out there and what that price is.

Member Riley stated they had other businesses that they reviewed and they went with CBRE with the name, size, reach and presentation and the traditional broker.

Chairperson Steffen asked if they felt they received some additional services with CBRE versus local.

Member Riley thought CBRE has a much larger reach, bigger base and better name recognition globally than other firms.

Chairperson Steffen thought they were looking for something more than shiny signs and web links. He thought maybe now they are looking for additional services which would be taking the next step.

Economic Dev. Mgr/Assistant City Administrator Brama thought Member Williams had a good point. He thought this case and this discussion was more about the City setting their expectations for a broker. He stated as far as brokers go, on one end they had some lower price brokers with a straight commission and on the other end of the broker spectrum they have value added; what they did get back as far as 2013, RFP was Coldwell Banker, now IAG and they proposed a 7% commission with a \$500/month fee and with that they provided monthly updates, status reports and they were going to take a much more grass roots, pro-active cold calling approach and they were going to act more as a consultant and broker versus purely listing property. That was at the time, service wise, the most effective product they could get while balancing and not dishing out as much money as when they went the Landform route, but still receiving a valuable product at an efficient price. He stated at the time the City was going through budget cuts and chose to go with the firm that had a good reach, good reputation, well established and at no risk to the City.

City Administrator Ulrich stated one of the solutions suggested is to go back and review the different packages and what they could provide and what it would cost to provide additional services. Another option would be to look for a different brokerage firm that would give the City a more personal relationship because CBRE is huge and he was not sure they that they are geared to get down to a more personal level but maybe they are for the right price.

Member Burandt asked if they have benefited by CBRE's wide global reach.

Economic Dev. Mgr/Assistant City Administrator Brama stated CBRE has brought forward Common Bond and the U-shaped parcel is looking to close and the third deal would be the Platinum Properties. He stated CBRE also brought in Dominion, the Dollar Store and OGA. Some of the deals that fell through were not CBRE's fault. He stated with that set aside, they have not received a significant amount of feedback from legitimate prospects interested in The COR that are outside of their normal networks. This is not necessarily CBRE's fault, as the market plays a huge role.

Member Williams asked if she was the only one concerned that CBRE lists Anoka's properties.

Member Burandt stated he shared the same concerns and he was concerned about going with the low-cost solution. He felt CBRE thought of Ramsey as a commodity and not a deep personal investment. He thought that opening the RFP process isn't the end of the world and might provide some good and might be worth looking at what companies would be willing to provide for a five to six percent commission.

Member Williams did not think it was a conflict of interest in what CBRE does in providing brokerage services but she thought that someone who truly understood and was a part of the vision the City has of this development would understand why their Council and EDA might wonder. She thought that from that perspective, she was concerned that listing a property in an adjacent city that is so very similar to the property Ramsey has highlights a lack of goal congruency.

Member Brunt stated he did have some of the same concerns. He wondered what other kind of services the brokers have. He stated the City has a vision and thought it was pretty well thought out in terms of what they want to do with the center of the City and having someone that would drive that forward and he did feel uncomfortable knowing that CBRE is doing something in an adjacent city which because of their reach, who do they give the pamphlet to. He thought it behooves them to look at something else.

Chairperson Steffen thought they were willing to look at "Action two" option, the value add broker and what they could get that they are not getting today. He asked how they start the RFP process.

Economic Dev. Mgr/Assistant City Administrator Brama stated assuming they are heading down the broker route he asked the EDA what they were looking for.

Member Hardin stated if they are really interested in getting rid of the property why don't they drop the price or consider giving the property away. He thought they could get the same job from local brokers as they do from CBRE. He asked how quickly they want to move the land because other cities are giving their land away.

Member Burandt thought they are always discounting the land to get businesses to purchase and build in the COR.

Member Skaff asked if a master developer route has ever been pursued.

Member Williams stated there are a lot of firms out there that do master development. Kraus Anderson acts as a master developer but they do not own the land. There are other firms like that which come and discuss with the EDA what they would provide and how they would partner with the City. She thought that whatever the City wants that partnership to look like they could find someone that would be able to provide that. They need to think about the partnership and structure the payment for that. She suggested they get people in to talk to the EDA and learn the options before they decide.

Member Skaff asked if the new agreement were to start the first of February and is there an interim agreement that could run until a decision is made.

Economic Dev. Mgr/Assistant City Administrator Brama stated CBRE is willing to work with the City until a decision is made.

Chairperson Steffen thought they needed to discuss this further with the City Council and have some consultants come in to talk to them to provide them options before a decision can be made.

Economic Dev. Mgr/Assistant City Administrator Brama stated based on EDA input, what they should do over the next few meetings is to have people come in and discuss the options, and then the EDA can define the scope of expectations and staff can do an RFP. He thought having the first few interviews will give the EDA a better base of knowledge and what is available that will allow the EDA to define the scope that they want for an RFP.

The EDA consensus was to bring this back to the February 2017 meeting with various agencies for review and discussion in order to define the scope of what the EDA is looking for a brokerage firm to provide.

#### **4.03: Future Business Park: Consider Rezoning Hageman Holdings Site**

Economic Dev. Mgr/Assistant City Administrator Brama stated the purpose of this item is to consider directing staff to rezone Lot 1 Block 1, and Outlot B, of Alpha Plat, to allow for a business park and quasi-public uses and to consider updating the previously completed Bolton and Menk infrastructure analysis to account for the change to Legacy Christian Academy parcel, and the change to the Pearson parcel.

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

Chairperson Steffen asked if they have started conversations with Capstone regarding the cost sharing.

Economic Dev. Mgr/Assistant City Administrator Brama stated staff met with Capstone recently and they are in the process of completing their first site concept for the ninety acres. He stated a lot of the expectation they have set with Capstone is that the City is not committed to anything now and they are starting from zero and it is a renegotiation process.

City Administrator Ulrich stated they are not able by a charter to force assessments on Hageman on this case; however, Capstone could front the cost and as property develops the hook up fee or assessment cost could go back to Capstone for reimbursement. The City does not want to pay that entire cost.

Chairperson Steffen asked if the City was getting ahead of itself if they were to rezone Hageman before Capstone because it could fall through.

Economic Dev. Mgr/Assistant City Administrator Brama stated from purely a business park perspective this layout might be better for the City. He reviewed the advantages with the Board.

Member Skaff asked if zoning would allow for a potential school to go in there again.

Community Development Director Gladhill stated they do not have a zoning district right now that allows for both, they would have to create that district.

Member Hardin asked if the study should be done before they embark on a zoning change and do they know what the price per square foot will be upon completion of the infrastructure. How much would they have to sell this land for and would it be competitive with other cities.

Economic Dev. Mgr/Assistant City Administrator Brama stated the price per square foot is \$2.00 a square foot on the Hageman properties and he thought it would be logical to eliminate risk that they will jack up prices on the back end so they will need to come to some sort of agreement on asking price on the property to protect the City. He stated the market asking prices for industrial land ranges from \$2.50 to \$3.50 per square foot in the surrounding cities. Deal prices are lower. He indicated the \$2.00 per square foot includes the current assessments. He thought they will need to discuss future assessments and come up with an agreement with Hageman on those items. He stated internal assessments will need to be paid for by the developer.

Member Hardin indicated the explanation did not answer his question of what the future price would be of this land because they are talking about rezoning the property without knowing what the future price will end up being.

Economic Dev. Mgr/Assistant City Administrator Brama stated the Board could do an analysis of what internal infrastructure would look like and how it would affect project prices they could do that in the future.

Member Hardin stated he was concerned with how they are competing with neighboring communities and if the future costs will be consistent or too high/low.

Member Hardin left the meeting at 9:45 a.m.

Chairperson Steffen asked what happens to the \$8,000 the EDA will be spending for rezoning.

Community Development Director Gladhill stated they can discuss this. The City does not charge the applicants that amount of cost if there is a Comp Plan Amendment. This is a little bit

broader than just a future business park. Running parallel to this is the Capstone project and the analysis will go with that as well. He felt this was a very conservative cost to show that is not an easy task to go through this and will also trigger some environmental review as well. They can refine that number and is more than a few hours of staff time to get this done.

Member Skaff agreed with the direction they are going.

Consensus of the group was to move forward with the Comp Plan Amendment.

Motion by Skaff, seconded by Steffen, to recommend staff to move forward with the Comp Plan Amendment.

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

## **5. ADJOURNMENT**

Motion by Member Skaff, seconded by Member Burandt, to adjourn the meeting.

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

The regular meeting of the Economic Development Authority adjourned at 9:48 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.*

**Economic Development Authority (EDA)**

**4. 1.**

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

**Title:**

Stone Brook Academy Purchase Agreement for 1-acre of City-Owned Land located within The COR [PORTIONS MAY BE CLOSED TO THE PUBLIC]

**Purpose/Background:**

**REVIEW**

This case was reviewed by the EDA on 12/08/16 and by the Planning Commission on 01/05/2017.

**PURPOSE**

The EDA requested the feedback below before they provided a recommendation on this project to the Council.

- (1) Review feedback from staff on various items related to Stone Brook's desired site location, Outlot B (Site #1). Items include clarification of Yolite Street costs/ constraints, utility stub locations, master planning, and remnant lots.
- (2) Review feedback from Stone Brook on other site location options. This includes comments on eight potential site locations.
- (3) Review feedback from Planning Commission on the eight potential site locations/ proposed use (see attached Site #1 log).

**OUTCOME**

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--a 1-acre parcel just west of the existing Yolite intersection (Site #1). 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 ASAP. They are hoping to have a project completed in 2017.

**BACKGROUND**

**-Site Locations-**

Attached to this case are logs for eight potential site locations. The first site (site #1) contains the most information, as it has drawn the most discussion/ and continues to be Stone Brook's desired location. Sites #2 and #4 are potential alternative options--Stone Brook would accept these sites if the City opposed Site #1, and was able to obtain like costs. Sites #3, #5, #6, #7, and #8 are not options for Stone Brook (regardless of price). Staff would ask the EDA review these site logs before the meeting. EDA comments on these site locations will be helpful for the Council.

**-Stone Brook/ Prestmore Academy-**

Mr. Michael and Mrs. Kristen Johnson are former Ramsey residents (now Andover residents) and are both practicing professionals. They would like to establish a new children's academy in The COR.

This is a project they've been researching/ planning and saving up equity for, for over two years. They have reviewed the project with two developers, an architect, and with two banks. At this point, they are ready to

make their dream a reality--they have their equity lined up--financing arranged--they are ready to apply for State Licensing--they are ready to go through the real estate entitlement process--they are ready to begin hiring/ training employees--and they are ready to enter into a purchase agreement with the City. Their goal is to begin construction in early summer 2017.

The new children's academy will be called Stone Brook. This start up company has an advantage--Mrs. Johnson's father started a children's academy franchise in Florida--called Prestmore Academy. Mr. and Mrs. Johnson will have the support of Mrs. Johnson's father--to make sure they are planning/ preparing correctly, and to help them get up and running. Here is a link to the Prestmore Academy website <http://www.prestmoreacademy.com/>. Please see "about" page for details. To begin, Mrs. Johnson will quit her current practice to operate Stone Brook. Mr. Johnson will continue his practice, until the businesses is self sustaining.

For Mr. and Mrs. Johnson, Stone Brook Academy is much more than a business idea. This project is the accumulation of several personal/ professional goals, and a deep rooted passion to give back to the world--through the education and development of children. This is their dream--rather than retire at this stage in their careers.

It is very important to Mr. and Mrs. Johnson to make strong connections to other users in The COR (and the community), to have a high-quality/ high-tech/ high-security facility, and to provide high-quality service offerings (academy). They have indicated they are much more than a daycare, they are an educational institution/ asset to the community, and should not be compared to a daycare center (i.e. they are not a New Horizon).

Both Mr. and Mrs. Johnson strongly believe in the vision of The COR-- especially the center of The COR. They believe in the principles of a walkable development, with close proximity to residential, close proximity to rail, high-quality architecture, and density. They believe their project is best located in/ near the center of The COR, as a destination (140 kids, 20 employees). This is the main reason they want to be on Site #1.

### **-Proposed Project-**

The proposed 10,000 sf, 1-story, Stone Brook Academy & Daycare facility will include seven class rooms, a gym, kitchen, offices, reception area, and a playground. The academy will be staffed by 15-20 employees (including State certified instructors), and will serve 140 children. Mr. and Ms. Johnson have indicated they intend to construct a very nice looking building (including brick/ glass) and they generally understand design standards for The COR. Also, they want to create a facility that becomes an asset for the community, interacts with residents, and draws people to The COR.

Mr. and Ms. Johnson reviewed sites in Ramsey and neighboring cities (Coon Rapids, Andover, Elk River, Otsego, Rogers, etc.). The central part of The COR is their ideal location, and where they are proposing their new facility. They looked at multiple site locations within The COR. Site #1 is their most desired location. At this point, they estimate a need for 0.9-1-acres of land.

### **Notification:**

NA

### **Observations/Alternatives:**

#### **OBSERVATIONS**

Listed below are terms/ conditions/ observations related to the a future proposed purchase agreement that staff considers important to highlight for potential discussion. At this point, due to the unresolved site location discussion, staff did not attached a detailed/ actual purchase agreement.

#### ***(1) Offer Price***

\$3.00 per square foot is being offered by Stone Brook. Asking price is \$5.00 per square foot. They expect to purchase about 1-acre (\$130,680). Please referrence Site #1 log for details on the land price negotiation process.

***(2) Earnest Money***

\$10,000 or 5% (whichever is more).

***(3) Contingency Period***

07/01/2017. Closing takes place 10 days after.

***(4) Extension Option***

If the buyer decides to extend the PA, they will be required to place \$2,500 of additional non-refundable dollars in earnest for each 30 day extension, maximum two extensions.

***(5) Construction Deadline***

This agreement does include a construction deadline. 9,900 sf commercial building must be constructed by 08/01/2018. If the buyer defaults, City can either collect a \$25,000 payment or reclaim property.

***(6) Assignment***

The buyer intends to establish a new entity to own/ manage this project. The principals of that new entity will be Mr. and Ms. Johnson. Therefore, staff expects this agreement to be reassigned at some point. We intend to include language in this agreement that allows.

***(7) Development Agreement***

This agreement requires the buyer to complete the entitlement process before closing. This ensures the City knows what will be constructed, and that it will comply with zoning code.

**CONSIDERATIONS**

**(A)** An acre of development fees is estimated at about \$60,000 (2016): \$3,966 park, \$1,090 trail, \$6,131 water, \$3,391 sewer, \$4,577 storm water management, \$40,000 COR storm water.

**(B)** Tax base is estimated at about \$45,000 per year gross. Typically, the city receives about 1/4 of property taxes. However, in this particular scenario, the project is located in an existing TIF District (#14). Therefore, the City would collect roughly just over 50% of the tax base via TIF. This tax base is helpful for the city--as their is need to develop funding sources for other improvements in The COR.

**(C)** Stone Brook believes this project will drive 100+ families, and 15-20 employees, to The COR on a daily basis (2x). Increased traffic counts help drive retail and restaurants.

**(D)** Stone Brook has indicated they intend to construct an impressive looking building that will fit in well with The COR, and they intend to become engaged in the community and The COR--and would like to develop relationships with organizations such as PACT Charter School.

**Funding Source:**

NA

**Recommendation:**

**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 a required public road connection, or if a private stub road is sufficient. Also, an agreed upon price per square foot is desired. RE the land price--staff recommends the EDA make a general recommendation on making another counter offer, or not, in open session. Please see Site #1 log for details on this subject (and a staff recommendation).

**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 (i.e. #2 and #4), would range from \$335,000-\$531,000. It should be noted, Stone Brook has made their opinion clear to staff, that even if they are able to get another site for like cost, they would still strongly prefer to be located on Site #1. They will only locate on another site if the City is telling them no to Site #1.

With this mind, Stone Brook needs 0.9 - 1.0 acre of land. If Site #1 was purchased at \$3 psf, it would cost \$117,612 to \$130,680. If Stone Brook paid 20% of arterial infrastructure costs (Yolite, \$284,880) it would cost them about \$56,976. The combined costs of the Site #1 and a 20% portion of Yolite would be roughly \$174,588 for Stone Brook, as proposed.

The McDonald's site (Site #2) and the PSD site (Site #4) are the two other locations Stone Brook would consider. They range in cost from \$522,720 to \$705,672 (asking prices). Therefore, a gap of roughly \$335,000 to \$531,000 exists. Stone Brook is requesting, for the City to discount that gap, in order to make those sites "like costs." In summary, get prices on other sites down to \$3-\$4 psf. Below are some options to consider, to fill the funding gap.

(1) The City has the ability write down the cost of land (i.e. selling the land for less market rates). For example, the McDonald's sites could be sold at \$3-4 psf rather than \$12 psf. Staff believes this level of discount goes beyond a standard land price negotiation process, and will trigger the need to comply with the City's formal business subsidy policy. Staff is concerned this project would require an "exception" to our business subsidy policy due an insufficient number of jobs being created at a high enough wage level. Staff is also generally uncomfortable with the general level of subsidy that would be required in this scenario (doesn't compare well to past projects).

(2) The City has the ability to subsidize the project via Tax Increment Financing (TIF) via TIF District 14. This project is anticipated to collect \$315,000 of PV TIF over the next 20 years (or \$500,000 FV). Although we do have the "ability" to cover the gap for this project via TIF, staff is also cognizant of the City's many other financial obligations for The COR--in which TIF District 14 would be an ideal funding source. This option would also trigger the need to comply with the City's formal business subsidy policy.

**ALTERNATIVE C**

**The City IS NOT comfortable Stone Brook's originally proposed location (Outlot B, Site #1). The City IS NOT interested in helping out with the funding 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 (land acquisition costs, potentially timing, location, city willingness to formally subsidize, etc.). 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. Examples below:

(1) The McDonald's sites are available (Site #2), and the City believes these sites are a good fit for this project, the City encourages Stone Brook to make an offer on these sites. The City would be happy to come to a non "formal business subsidy" negotiated price (i.e. the City still could agree on a price less than the asking price). Please see Site #2 log for details/ comments from Stone Brook/ Staff.

(2) The Casey's parcel sites are available (Site #3), the City thinks these sites are a good fit for the project, the City encourages Stone Brook to make an offer on these sites. The City would be happy to come to a non "formal business subsidy" negotiated price (i.e. the City still could agree on a price less than the asking price). Staff would note, these sites result in many land use questions/ concerns. Please see Site #3 log for details/ comments from Stone Brook/ Staff.

**Action:**

Please see "Recommendation Section" of this case.

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### Attachments

Site 1

Site 2

Site 3

Site 4

Site 5

Site 6

Site 7

Site 8

Site 1 Support Info (Yolite)

Site 1 Support Info (Ref Maps)

Site 1 Support Info (Example Master Plans)

CBRE MEMO (RE site 1)

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### Form Review

**Inbox**

Kurt Ulrich

Patrick Brama (Originator)

Patrick Brama (Originator)

Form Started By: Patrick Brama

Final Approval Date: 01/06/2017

**Reviewed By**

Kurt Ulrich

Patrick Brama

Patrick Brama

**Date**

01/05/2017 04:36 PM

01/06/2017 12:05 PM

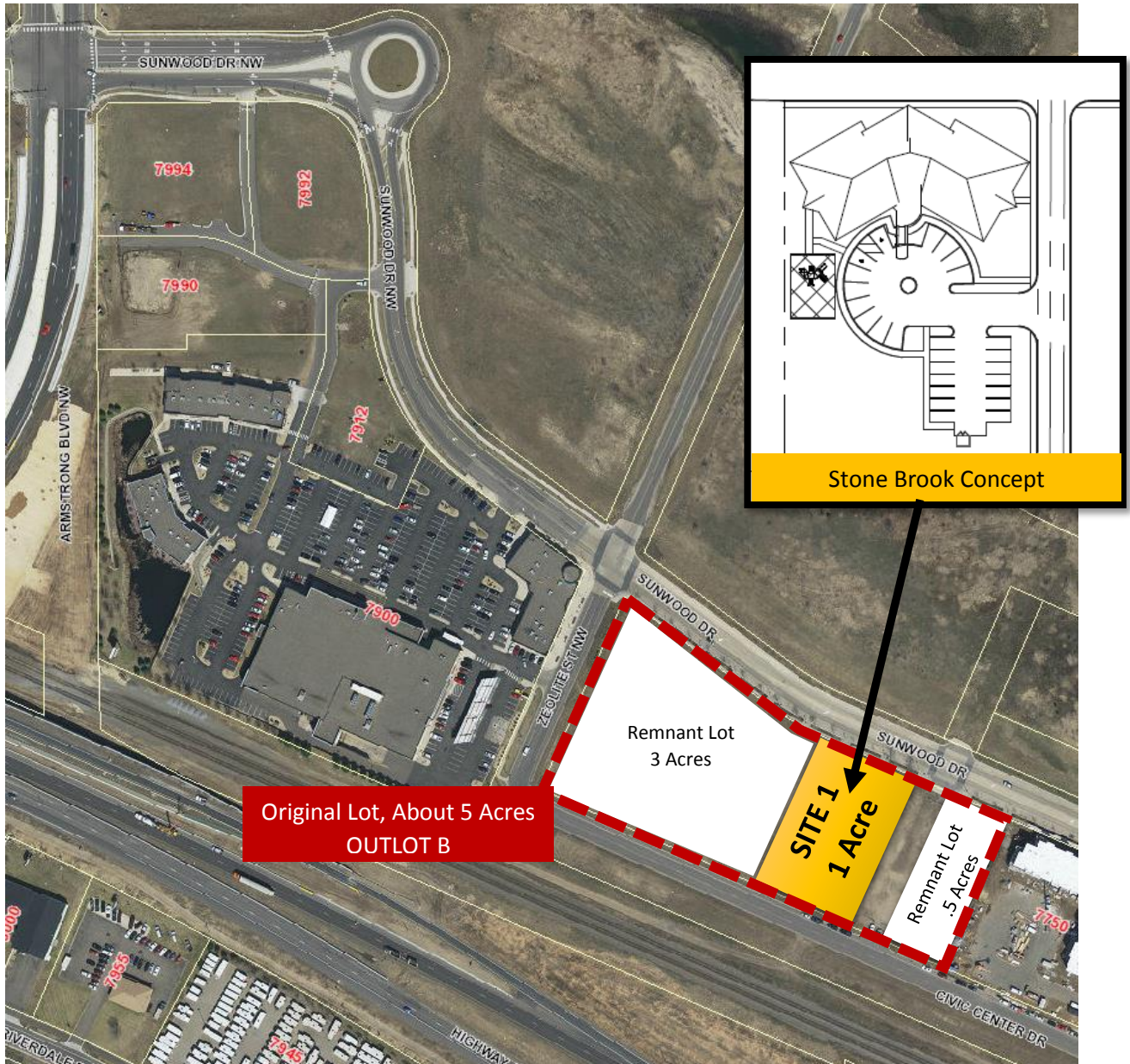
01/06/2017 12:13 PM

Started On: 01/05/2017 08:18 AM

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 1**  
01/06/2017

# SITE 1



Outlot B is a roughly 4.95-acre parcel. The user, Stone Brook Academy, would like to utilize a roughly 1-acre portion of the property. This site is located in the COR-2 Retail district, on the border of the COR-1 Mixed district.

The shape/ dimensions of this site is ideal for development (rectangular). This site will require fill (is low), which will increase project costs for Stone Brook. Infrastructure generally is in place, and surrounds this site. The one question mark RE infrastructure is the potential Yolite Street connection. The other item worth noting, is this project will solidify the two remnant lots.

# **(1) Stone Brook Feedback**

## **A. This is the #1 desired site for Stone Brook (the buyer/ owner)**

- Stone Brook has reviewed all available site locations in The COR on multiple occasions, over the past six months. This includes reviewing sites with developers, architects, banks, and walking sites. Stone Brook wants to purchase this property now (purchase agreement). They have been saving for the past two plus years—and are very interested in this specific site. They desire to begin construction in early summer 2017.
- Look/ feel/ vision are very important to Stone Brook. This site (in the central part of The COR) meets the vision of Stone Brook. They want a high-class, high-tech, high-amenity, well-respected, nice looking academy, that fronts Sunwood Drive, and fits in *WELL* with the surrounding area—which they believe is the center of The COR. This facility will be much more of a state-of-the-art children’s academy, rather than simply just a daycare center. This will be an asset/ destination for this community.
- Stone Brook believes in the City’s vision of The COR—and they are drawn to this specific site. They believe the heart of The COR is where family oriented uses/ destination uses are best located—like academy’s, community centers, theaters, train stations, municipal, parks, etc. (details in location section below).
- Stone Brook believes destination users, located in the center of The COR, will produce significant ADT for The COR (in this particular case--140 children/ parents, nearly 20 employees 2x per day), which will help Ramsey achieve it’s retail goals (especially on the west end).

## **B. Location is ideal for Stone Brook**

- Being located in the center of The COR, versus on one end or the other, provides better ability for Stone Brook to evenly pull from Ramsey’s major population areas (north and east of Ramsey Boulevard), and also to pull from future developable areas (west of new Armstrong interchange).
- Being located in the center of The COR allows Stone Brook to draw from nearby dense housing—including apartments, townhomes, and other residential developments within The COR—as a result, in many cases, this location may be walkable. Being located in the center of The COR may also attract people using the Northstar Commuter Rail.
- Stone Brook believes being located on Sunwood Drive, in the center of The COR, is important for fit/ feel/ safety of the academy. Traffic flow (ease of access, congestion) and nearby users impact the perceived safety/ fit of their facility. Stone Brook believes being located on either end of The COR detracts from these principles.

## **C. Price is very important, and is ideal at this particular location.**

- Stone Brook is a quasi-start-up business (being modeled after Prestmore Academy in Florida, their parents started that group, and are mentoring Stone Brook). This business requires a lot of FFE (furniture fixtures and equipment), a lot of employees, several licenses, and significant working capital. As a result, Stone Brook will need to come up with significant equity to make this deal happen, and to fund their operations for the first year. The price of land will have a direct impact on the operations of this business (i.e. cash flow), and is very important to Stone Brook. They want to be below \$3 psf.
- This type of business, a high-end children’s academy, is not commonly seen in Anoka County, if at all (however, is common in Hennepin County for example). It is critically important, to the

owners, that they are able to *deliver* top-notch services in a high-class facility. They will not open a facility in Ramsey if they cannot achieve that goal. Stone Brook believes their pricing structure is very sensitive/ risky in Ramsey (unproven market for this product). They need to do everything they can to keep user costs as low as possible in Ramsey (hence their emphasis on the land price—something they have some control over).

- Price negotiation (1-acre)
  - City listing price is \$5 psf (\$217,800)
  - Stone Brook first offer \$0 psf (\$0)
  - Stone Brook second offer \$2.5 psf (\$108,900)
  - EDA counter offer \$3.5 psf (\$152,460)
  - Stone Brook third offer \$3 psf (\$130,680) <<current offer>>
  
- Stone Brook believes other properties are too expensive in The COR, and restrict their ability to effectively operate their business (the higher the land cost, the more debt service, the lower the operating cash flow, the higher the user fees needed). Below is a snap shot.
  - McDonald's Pads
    - 1.23 acres, \$12.00 psf, \$642,945
    - 1.35 acres, \$12.00 psf, \$705,672  
\*see site #2 for details
  
  - PSD LLC, \$12.00 psf, 1 acre, \$522,720\*  
\*see site #4 for details

#### **D. General comment from Stone Brook:**

- Stone Brook is open to purchasing other sites, if the City is willing to sell at “like-cost.” For example, \$150K-\$200K for the sites near McDonald's (NOTE: that would be a roughly 350-550K reduction in land price). However, even if costs were the same, Stone Brook still prefers/ requests to be on this specific site (site #1), in the center of The COR.
  
- With the above in mind, Stone Brook is generally concerned other site options will be significantly more expensive, and in some cases, open up even more policy discussions (re infrastructure and land use)—which will delay their project they hope to begin in early summer 2017.

#### **E. Yolite Street issue, Stone Brook open to what works best for the City.**

- Stone Brook doesn't desire the Yolite Street public road connection. However, they are open to the connection, if the city requires (at a 60/40 split, the 40 to be shared). They are more concerned about moving the project forward soon. Stone Brook is also open to the stub road design/ private road, if the city desires.
  
- Regardless if Yolite is constructed, or becomes a private road stub, Stone Brook wants to be located west of the Yolite Street intersection (due to lot width requirements for their facility and turn around/ drop off area). East of the intersection physically won't work—it is too narrow.

## (2) Staff Feedback

### A. YOLITE STREET CONNECTION, Background:

- Development of this site *could* trigger the construction of a 275' public roadway connection (known as Yolite Street)--which would connect Sunwood Drive with Veterans Drive. Yolite Street is the only potential public mid-block connection between Zeolite and Sapphire Street in The COR (which are a half mile apart). Requiring the construction of Yolite Street is a policy question for the City to answer—and is very important to this proposed development. Direction is needed in order to move this project forward on this particular site.



- Stone Brook Academy is proposing to pay for 20% of costs related to Yolite Street (if the City requires this road). Stone Brook would like to use the City's previously utilized cost share arrangement on public roads located in commercial areas in The COR--which is a 60/40 split (60% City, 40% developer). Stone Brook is proposing to pay 20%, as they are only utilizing one side of the road. They are proposing the user on the other side of Yolite Street pay for the remaining share of the 40% developer portion (i.e. 20%).
- If the City does require the construction of Yolite, staff's proposed funding source is TIF District #1 (an old TIF district with an available balance)--which is also the proposed funding source for Zeolite Street (in The COR). The City could also consider other funding sources (land proceeds, EDA dollars, County dollars, TIF 14 dollars, etc.). This item (source of city funding) can be discussed in further detail, if the construction of Yolite is required by the City.

### Feasibility Report

- WSB completed a feasibility report to help the City understand the cost implications of the potential Yolite Street connection. The WSB feasibility analysis was very conservative, at \$394,000. The WSB feasibility analysis was intended to be a starting point—and to include ALL potential costs.
- The City's Engineering team reviewed the WSB feasibility analysis, and was able to reduce the estimated project costs to \$284,880. The City's Engineering Department feels another \$10,000-

\$50,000 could potentially be cut from the project. Below is a summary (this includes 10% contingency and 25% indirect costs).

	WSB Original	City Engineering Revised
Surface Improvements	\$186,800	\$134,000
Streetscape Improvements	\$93,600	\$39,380
Sanitary Improvements	\$37,800	\$37,800
Watermain Improvements	\$52,000	\$52,000
Storm Sewer Improvements	\$24,700	\$21,700
TOTAL	\$394,500	\$284,880

- Why the change? Many of the utilities will only need to run about 1/3 of the way into the site, not all the way through, as indicated by WSB. Storm water improvements are less than what WSB anticipated, as storm water outlets are available in Sunwood and Veterans. Some landscaping was pulled. Likely, requirements will only be trees/ sod for the construction of this road. Sidewalks/ other landscaping will be required as part of the Stone Brook site plan. Roadway costs reduced due to good soils (no need to remove) and availability of city owned base materials.
- Below are example cost shares for the split of road costs (\$284,880). The City does not have an official policy for sharing the cost to construct new public infrastructure. 60/40 is past practice.

	Party 1	Party 2
80% : 20%	\$227,904	\$56,976
60% : 40%	\$170,928	\$113,952
50% : 50%	\$142,440	\$142,440

**B. YOLITE STREET CONNECTION, Staff Development Review Comments**

- The current COR Master Plan (left) does *NOT* call for a public road connection at Yolite Street. The original COR Master Plan (right) *DOES*.



- Yolite Street is *NOT* accounted for in the City’s capital improvement plan.
- Yolite has *NOT* been platted (ROW has not been secured) on the south side of Sunwood Drive (property currently being considered by Stone Brook). Yolite *HAS* been platted (ROW has been secured) on the north side of Sunwood Drive (to service a potential parking ramp).
- Sunwood Drive and Veteran’s Drive were constructed ahead of development, based on the original COR Master Plan. Yolite Street was stubbed in on both Sunwood and Veteran’s Drive. An intersection has been constructed on Sunwood (for the anticipated Yolite Street).
- There is an existing stormwater line that runs through the proposed Yolite Street connection (between Sunwood and Veteran’s Drive). Therefore, even if the Yolite Street connection is not made, this storm water line will effect where buildings can be constructed (i.e. cannot be built over the stormwater line).
- From a traffic flow/public safety perspective, staff recommends the City make the proposed public road connection of Yolite Street between Sunwood Drive and Veterans Drive. At this point, there is no public road connection for about a half mile. In the event of an emergency or heavy traffic in The COR, having this connection, to allow for detours/ alternative routes, will be very important.
  - i. Furthermore, if the Yolite Street connection is not made, and one of the two existing connections is blocked (in the case of an emergency/ major event/ construction), the next available connection will be more than a half mile away (which is a great distance in a dense/ walkable/ transit oriented development).
  - ii. Staff is also concerned that existing private driveways (such as Residents at The COR) will continue to experience significant public through traffic, due to the lack of public road connections. As The COR develops, this problem is expected to worsen—especially if connections like Yolite are not made.



- From a real estate development perspective, staff believes the Yolite Street connection is not needed. And, it is possible to run a private stub road into the proposed Stone Brook site. This alternative would save the City money (at this point, an estimated \$170,928).
- Additionally, from a real estate development perspective, an alternative does exist to wait for a developer that is willing to take down the entire available site (about 5 acres) at one time. In that scenario, circulation/ utilities/ infrastructure could be planned for the entire site as a whole, and would make this conversation much easier (they City wouldn't be in the role of master developer).
  - i. This scenario (waiting for a private master developer) would not allow Stone Brook to move forward with this proposed site. Stone Brook has respectfully opposed this option, and asked the City to reconsider. This site continues to be Stone Brook's #1 desired location. The challenge with this site location for the city is—timing/ opportunity cost (we have Stone Brook here today, but we don't have a private master developer that wants to take down the entire site today).

**C. REMNANT PARCELS, Staff Development Review Comments**

- If Stone Brook was allowed to move forward with this proposed 1-acre site, it would create two remnant lots.
  - i. The first remnant lot is roughly 1/2 acre, rectangular shaped, remnant parcel, located just east of the proposed 1-acre Stone Brook Academy site (just east of the potential Yolite Street connection). The lot would be roughly 85' wide and 275' deep.



Although this size of lot is not ideal/ and is not something the City should be seeking (staff would not recommend for standard practice), considering its location (within The COR), this remnant site still carries merit/ marketable value. The COR allows for zero setbacks/ does not require green spaces, allows for significant lot coverages, allows for on-street parking, and does not require storm water on-site. In fact, density is strongly

encouraged in this development. These characteristics allow for this particular remnant site to be viable and usable. Again, staff is not suggesting this site is ideal.

Staff anticipates a 4,000-8,000 sf “foot-print” building could be placed on this site (could be two stories). Water/ sewer stubs are available to this site. Furthermore, staff would like to note, this type sized lot/ building foot-print is not uncommon for downtowns/ urban developments in cities across the country.

In many ways, the 1/2 remnant parcel is the result of two previous decisions: (1) the Common Bond project, not extending their site to Yolite Street created the 1/2 parcel, and (2) the location of pre-installed/ pre-determined infrastructure on Sunwood and Veterans. These issues will need to be addressed, now or in the future (by the City as current master developer, or by a future master developer).

Lastly, staff would like to note, if Yolite Street was not required to be constructed, it is likely only a private stub road would be needed from Sunwood Drive (would not go through entire site). This alternative would likely increase the size of this remnant site from about .5 acres to about .75 acres (as the unused ROW would become available).

- ii. The second remnant lot is roughly 3-acres, located just west of the proposed Stone Brook Academy 1-acre lot, and is generally rectangular shaped.



Although this lot is smaller than the original larger 5-acre lot, this remnant 3-acre parcel is still of considerable size, and holds strong merit to be marketed/ developed. Sewer/ water stubs exist. Good access points exist. Location is good.

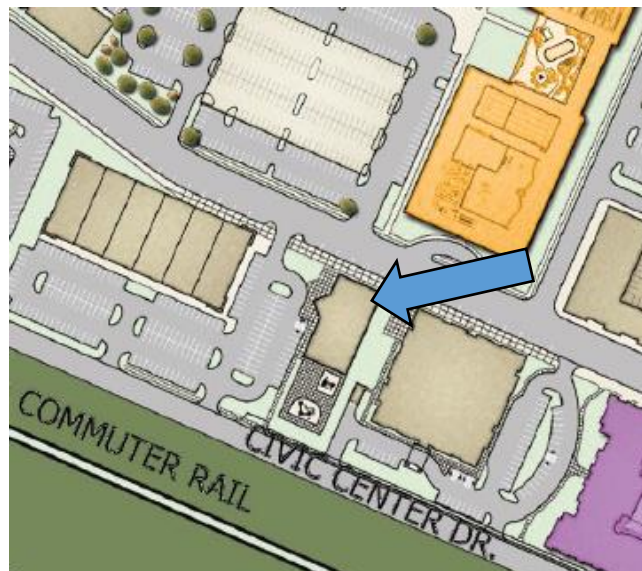
- Water/ sewer service have been pre-determined, ahead of development, for the larger 5-acre site. Stubs have been placed in the proposed Yolite row/ intersection, on Sunwood Drive; and stubs have been placed about midway within the remaining portion of the site.



- i. The location of these stubs would allow for services to be provided to the proposed Stone Brook site, and the two remnant lots. In summary, the pre-determined location of stubs is not a barrier to this proposed Stone Brook site location.

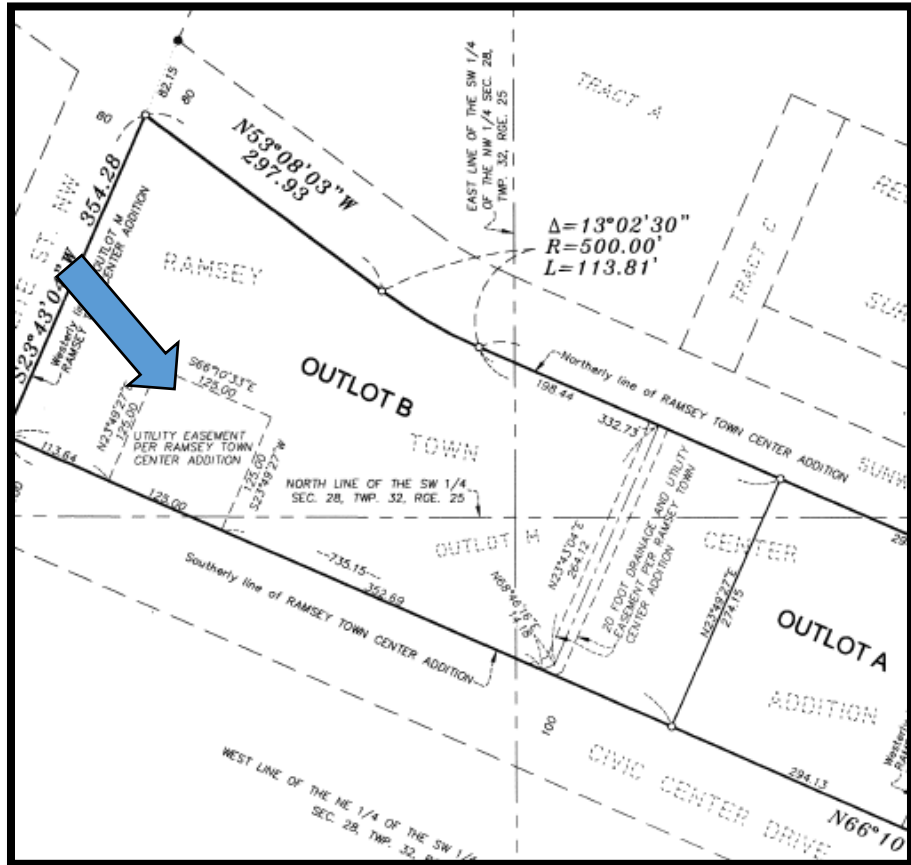
**D. PROPOSED USE, Staff Development Review Comments**

- The COR master plan coincidentally shows a day care center in this general location. This proposed use generally appears to be an allowed use in the designated zoning district (COR-2).



**E. WELL LOCATED ON LARGER PARCEL, Staff Development Review Comments**

- There is a public well in the SW corner of the larger 5-acre site. This well includes a 125' easement. The well/ easement is *NOT* located on the proposed Stone Brook site. However, it will affect the 3-acre remnant lot (located west of the 1-acre Stone Brook lot). Generally speaking, when the 3-acre remnant site is developed, the well easement it will restrict potential building layouts. Buildings can't be constructed over the easement—however, parking and greenspace may be allowed. Staff wanted to simply note this item. This will be an issue to deal with, regardless of Stone Brook.



### ***(3) EDA Feedback***

- The EDA first reviewed this site 12/08/2016.
- The EDA is very interested in this project, and would like to welcome Stone Brook to Ramsey (and The COR). The EDA wants this deal to happen, and is excited to work with Stone Brook to find a solution. The EDA understands the many benefits this project can bring to Ramsey.
- The EDA was generally interested in obtaining more information from staff (RE the Yolite Street discussion/ the remnant lots), and hearing back from Stone Brook (on other potential site locations), before making a final recommendation on this particular site.
- The EDA was generally concerned about this specific site location/ site layout. The EDA is most interested in a comprehensive approach to developing this larger site (nearly 5 acres). The EDA generally believes a master developer can most effectively/ efficiently plan around the current site limitations/ challenges (listed below).
  - Yolite intersection/ connection.  
The EDA was concerned this connection is un-needed, and a waste of public dollars (originally \$394K total cost, now about \$284K). The COR master plan no longer calls for the Yolite connection. The EDA was generally open to discussing a private connection/ and or private stub road solution.
  - Remnant Parcels  
The EDA was concerned with the relatively fixed location of existing public infrastructure (below). These items create development layout/ lot size limitations—which restrict future development options. Please see “Staff Feedback Section” for details/ background.
    - (A) Water/ sewer stub existing locations in Sunwood.
    - (B) Location of existing public well in SW corner of larger site.
    - (C) An existing storm water line running down the future Yolite Street.
    - (D) Existing Yolite Street intersection on Sunwood Drive.

This proposed Stone Brook 1-acre site will solidify two remnant parcels. The EDA is generally concerned about the potential affects these remnant parcels will have on future development projects. Please see “Staff Feedback Section” for details/ background.

## ***(4) Planning Commission Feedback***

- Assuming this project is classified as a daycare use (and academy as a secondary use), the Planning Commission believes this site generally works from a zoning/ COR master plan perspective.
- The Planning Commission is uncomfortable with the many development issues that encumber this site (remnant lots, storm sewer, well, Yolite, etc.). The Planning Commission is uncomfortable with Stone Brook etching out a 1-acre parcel on this site, and further solidifying the various encumbrances on this site. The Planning Commission believes great opportunity exists for the City on this site, and this project may remove the ability to make a large project(s) happen. The Planning Commission believes this site is better suited for a larger project(s), and/ or a master developer to take down the site all at once.
- The Planning Commission does not agree with Stone Brook, that this project is best fit on this particular site (Site #1). The Planning Commission believes Stone Brook is best suited on other sites: (i.e. #2, #3, #4, #6, #7, #8).

## (5) What about creative options staff?

- Below are some other creative options, proposed by the EDA and staff, for this particular site (the 5-acre Outlot B). Included below each map are comments from Stone Brook.



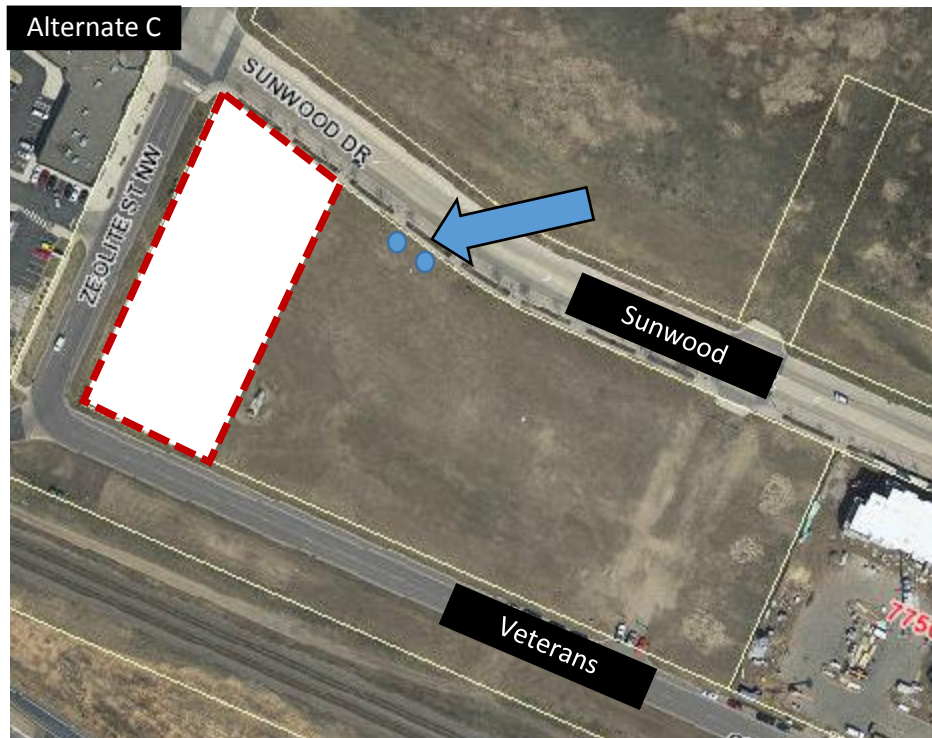
### Stone Brook Comments:

- Alternate A is physically too narrow, and too small to allow for what Stone Brook wants to accomplish (10,000 sf building plus a 1,500 sf playground). This was determined by their developer/ architect.
- Additionally, Stone Brook wants the focal point/ front of their building to be pressed up against Sunwood Drive (to be prominent). This layout would physically force the focal point of their building to be located central to the site (and the side of their building to be pressed against Sunwood). They feel this doesn't meet the "theme/vision" of The COR.
- Lastly, Stone Brook needs a round-about drop-off at their entrance—which requires a minimum 100' of site width (this remnant lot site is roughly 85' wide). Ideally, they want to have at least a 185' wide site.



Stone Brook Comments:

- Alternate B rendered identical comments from Stone Brook (compared to Alternate A).
- Although they are able to pick up additional land to the south, the shape/ constraints of the lot still make it undesirable (as they want to front Sunwood with their building, on the north). The shape of this lot creates issues with their desired site layout.



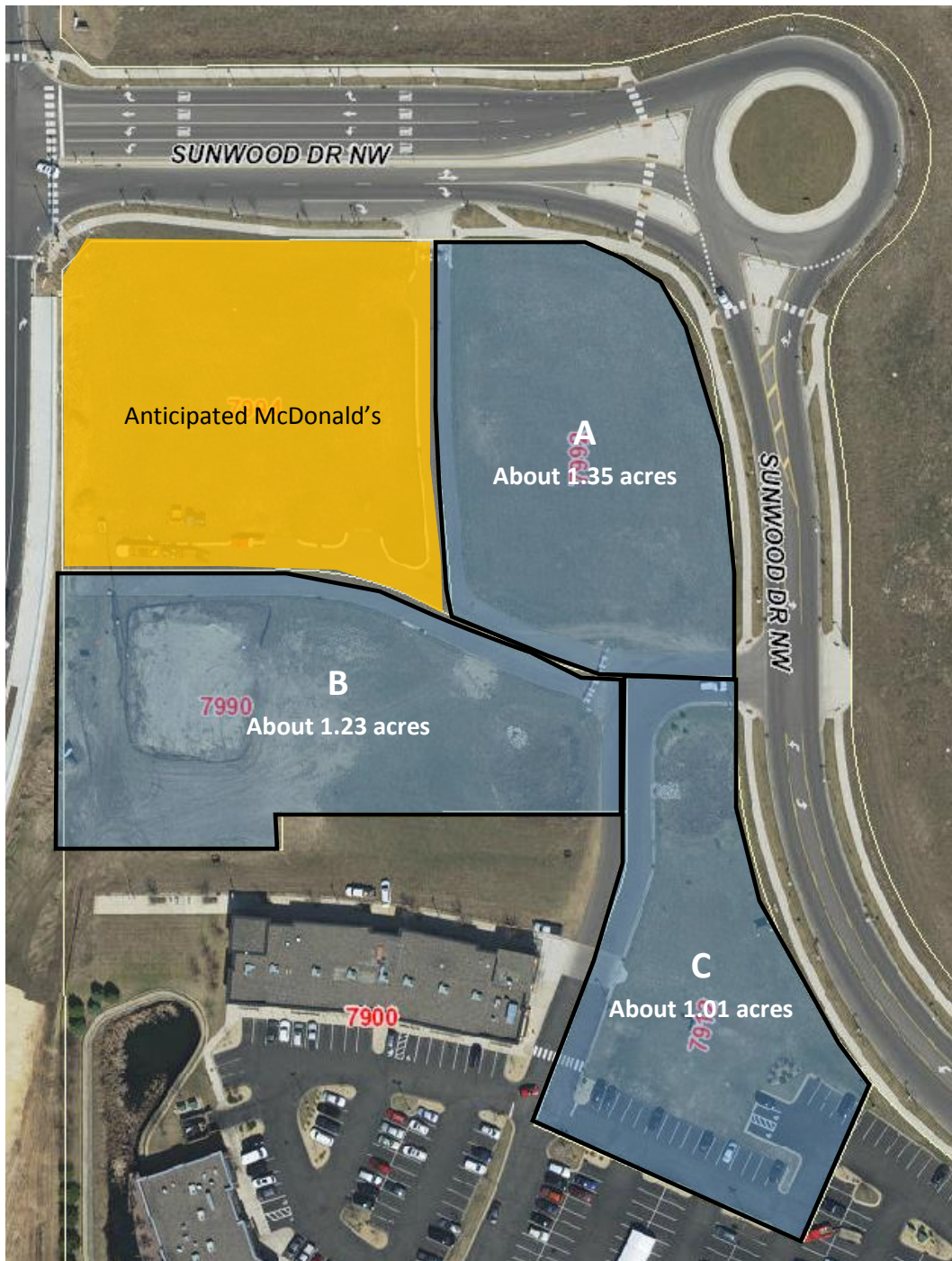
Stone Brook Comments:

- Alternate C works for Stone Brook. They understand the public well issue, and are willing to work around. This is not their #1 option—but would be willing to consider.
- Unfortunately, water/sewer stubs are located central to this site. Therefore, staff is concerned about how this user will access water/ sewer. One option is to punch into Sunwood Drive for new stubs (not recommended by staff). Another option is to run utilities internal to the property (also not recommended by staff).
  - RE the water/ sewer stubs--the easy/ desired route would be to require this lot to be taken down all at once, or at least require the Stone Brook lot to extend all the way out to the utility stubs. In that scenario, Stone Brook would be picking up nearly 2x the land they need (which they would oppose—as would staff recommend against).
- Staff would also like to note, this user may “fit” better on the east side of this site (the 5-acre Outlot B). The western portion of this 5-acre site may be better suited for retail (as it’s located adjacent to retail). An academy/ daycare makes for a good transition (between residential/ retail).
- This option does have merit. If desired, staff would be happy to further investigate.

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 2**  
01/05/2017

# SITE 2



Site 2 includes three options. All options are nearly pad ready sites, and include internal infrastructure. Sites A and B have restrictive covenants in place from McDonald's for competing uses (NOTE: the restrictive covenants are expected to expire in the next 90 days). This area is zoned COR-2 Retail, and has been anticipated to be developed into restaurants and/ or small format retail. Access is good. Location is good. Visibility from Hwy 10 is fair.

# ***(1) Stone Brook Feedback***

## **A. These sites are generally acceptable, but not desired**

- Stone Brook agrees these sites could work for their development, from a physical site layout perspective, and are willing to discuss. However, look/ feel/ vision are very important to Stone Brook. These sites don't meet their vision—and they don't believe having their facility located here meets the vision of The COR. Please see "Site 1 Log" for more information on their vision.

## **B. This location is not ideal for Stone Brook**

- Being located in the center of The COR is very important to Stone Brook. Please see "Site Log 1" for more background on their feedback on location.
- They believe this site pulls them too far west—away from Ramsey Boulevard, too far away from a "walkable location", and too far away from Northstar commuters. Lastly, traffic/ retail development doesn't provide the fit/ sense of safety they desire.

## **C. Price is an issue with these sites**

- These sites are more expensive than Stone Brook can afford (per square foot). Additionally, they are larger than what is needed (only 1 acre is needed—potentially .9 acres). As a result, placing Stone Brook on these sites will result in extra costs (land purchase), and wasted land.
- Stone Brook appears to like the 1.35 site (A) most—if they had to choose. However, the 1.23 site (B) results in less wasted land, and less cost for land. Site C only has about .45 acres of usable land available, and is too small for Stone Brook.
- Stone Brook would be happy to further consider these sites if the city was willing to drop the price down to \$150,000-\$200,000 per lot (similar to what they want to pay for the site near Yolite).
  - McDonald's Pads
    - 1.23 acres, \$12.00 psf, \$642,945
    - 1.35 acres, \$12.00 psf, \$705,672

## ***(2) Staff Feedback***

- Staff did not spend a significant amount of time reviewing these options. Generally, yes, these sites would work from a physical site layout perspective.
- These are nice sites (from a development readiness perspective). They include internal roadways, utilities, mass grading, have been platted, external arterial infrastructure in place, etc.
- Locating Stone Brook on these sites would make for a much easier/cleaner discussion for the City (from a real estate development perspective/ master developer perspective). These sites would generally allow for this type of use (from a zoning perspective).
- Staff would like to note—there are three potential issues with this site location for Stone Brook:
  - Stone Brook only needs 0.9 - 1.0 acres of land. Wasted land would result from development of Stone Brook on these pre-determined sized sites. Could range from about .25 acre to .45 acre of wasted land (depending on the site/ size of Stone Brook). Because of the pre-determined/ pre-platted lots—it would be challenging to reconfigure lots today. This would also result in a missed opportunity for tax base.
  - These sites are considered premium sites, listed at premium prices (\$12 per square foot). These are arguably the only pad ready sites in The COR (most other sites will result in various policy/ development issues). Staff believes the City has the ability to capture more dollars in land proceeds on these sites (in comparison to what Stone Brook is offering—\$3.00 psf). Selling these properties at \$3.00 psf (or close to)—it would likely trigger a business subsidy process/ request—which Stone Brook is trying to avoid.
  - The policy question of “fit” does surface with this particular site location. Does a children’s academy fit here (from a master developer perspective)? Or, was this area visioned for more traditional retail/ restaurants? If the City does move forward with recommending this site location, staff believes this question may need to be discussed.

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

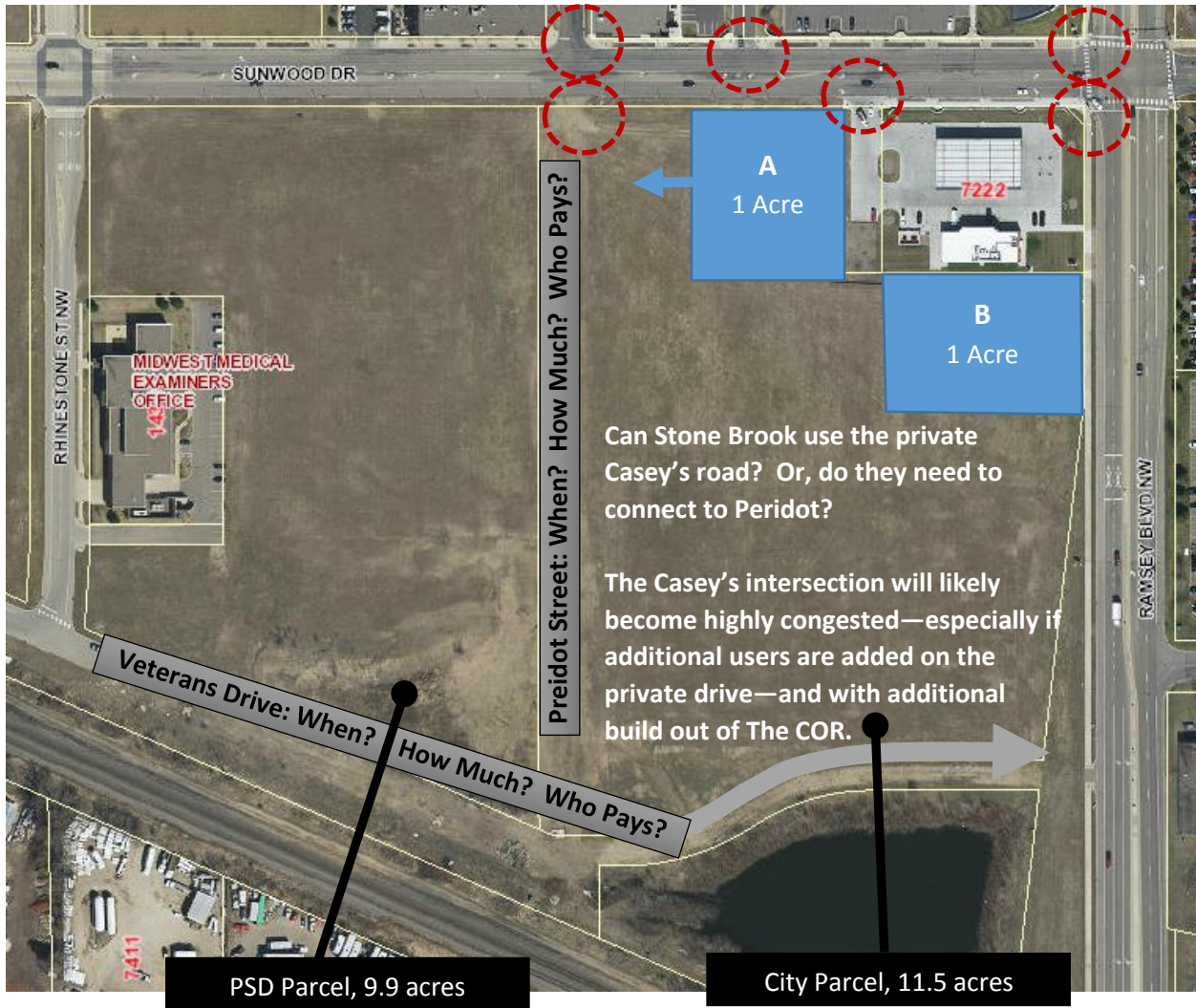
## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 3**  
11/05/2017

# SITE 3



Site 3 includes several options. Shown above are two general/ logical options. This area zoned for office park, and has been visioned for a medical office park (or corporate campus). Generally, the proposed use should be able to fit within this zoning district (due to the academy focus)—however, this should be further reviewed from a zoning perspective.

This site is not pad ready. As depicted in the above map, many development/ land-use related questions remain. Due to these many outstanding questions, it might be challenging to provide answers in a short timeframe for Stone Brook (i.e. less than six months)—as these questions will require research/ analysis and policy discussions.

# **(1) Stone Brook Feedback**

## **A. These sites are generally acceptable, but not desired**

- Stone Brook agrees these sites could work for their development, from a physical site layout perspective. However, look/ feel/ vision are very important to Stone Brook. These sites don't meet their vision. Please see "Site 1 Log" for more information on their vision. And, they feel this site location doesn't fit the vision of The COR for this area.

## **B. This location is not ideal for Stone Brook**

- Being located in the center of The COR is very important to Stone Brook. Please see "Site Log 1" for more background on their feedback on location.
- They believe this site pulls them too far east—away from Armstrong Boulevard, too far away from a "walkable location", and too far away from Northstar commuters. Lastly, potential traffic issues with the private access drive/ and a gas station development don't provide the fit/ sense of safety they desire.

## **C. Price is an issue with these sites**

- These sites are more expensive than Stone Brook can afford (per square foot)—this site is listed at \$6.00. "Site Log 1" for more background on their feedback on price.
- Stone Brook would be happy to further consider these sites if the city was willing to drop the price down to \$150,000-\$200,000 per acre, or about \$3 psf (similar to what they want to pay for the site near Yolite).
- Stone Brook is concerned these sites will create just as large, or even larger policy issues/ discussion RE remnant lots/ required public infrastructure (which will result in increased project costs not shown above, and delay their project).

## ***(2) Staff Feedback***

- A. Staff did not spend a significant amount of time reviewing these options. Generally, yes, these sites would work from a physical site layout perspective.
- B. These sites are nice in the fact that some arterial public infrastructure is in place today (however, much is not). These sites generally appear to be high and dry, and have access to utilities.
- C. Pricing is still higher than what Stone Brook wants. However, negotiating down from \$6.00 psf seems more reasonable than \$12.00 (as is the case on most other COR sites).
- D. Staff would like to note—there are other concerns with this site option:
  - Staff is generally concerned about traffic congestion/ flow/ safety on Sunwood Drive in this area of The COR.
    - i. Staff is concerned the private Casey's access drive is located too close to Ramsey Boulevard, and is offset from the access drive across the Sunwood Drive (north side, Allina). Staff is concerned the physical layout of these existing private accesses will cause problems now and into the future—especially as ADTs increase on Sunwood.
    - ii. Furthermore, staff is concerned about adding additional users to the Casey's private access drive, and making the traffic problem worse. The Stone Brook Academy with 140 kids and 20 employees will generate significant traffic.
    - iii. From a traffic/ safety perspective, staff believes future access to this site, from Sunwood Drive, should come from Peridot Street. Below are two exceptions:
      - 1. Low impact/ low traffic user wants to be located off the Casey's private access drive (example would be OGA or the Medical Examiners)
      - 2. Master developer/ master plan for the site all at once, that accounts for traffic flow globally.
  - This site has been visioned for medical parks/ corporate parks/ etc.
    - i. When considering the Casey's store. And, now, potentially a children's academy/ day care, staff feels the City may be pulling away from the vision for this part of The COR. Staff is comfortable with that direction—if it is the intention of our policy makers. However, it should be noted as a potential conflict to the vision for The COR.
    - ii. If the City is seeking a corporate campus/ medical office park for this 11.5 acre site—they may be wise to be patient. Retaining maximum flexibility/ layout/ size is ideal for a future developer. Staff has received unofficial interest from PSD to combine lots to create an even larger/ more attractive corporate campus/ medical campus site (20+ acres). The more the City pulls away from our vision on this site, and the more we subdivide, the harder it will be to land a big project/ master developer in the future. Staff would like to note—a corporate campus/ medical campus will likely take years to attract (not a short term goal).

### ***(3) EDA Feedback***

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- TBD, XXXXXXXXXXXXXXXX

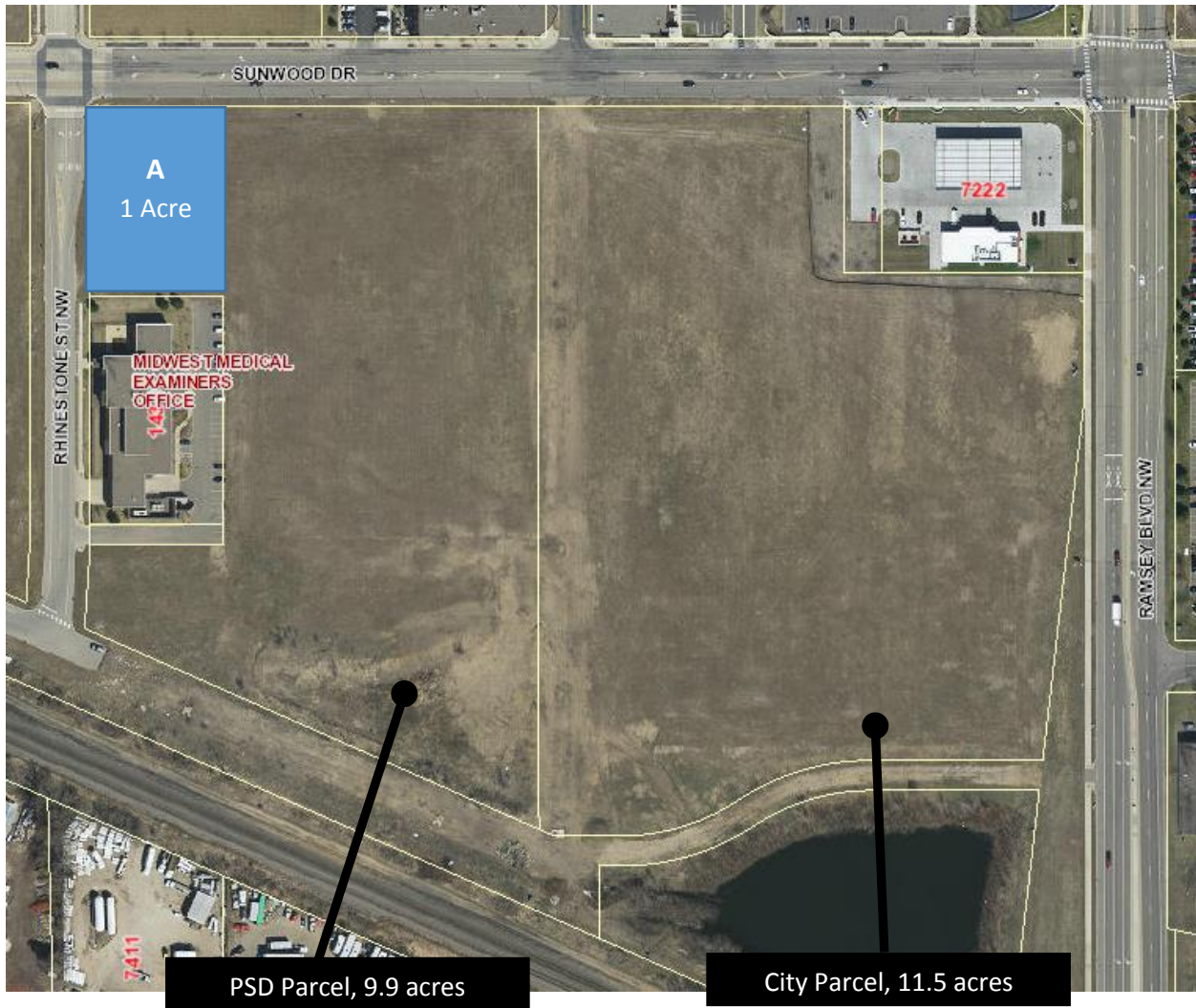
## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 4**  
01/05/2017

# SITE 4



Site 4 includes several options. Shown above is a logical option. This area is zoned for office park, and has been visioned for a medical office park (or corporate campus). Generally, the proposed use should be able to fit within this zoning district (due to the academy focus)—however, this should be further reviewed from a zoning perspective. This site is nearly pad ready. Infrastructure is in place, perfect shape/ size lot. Good location for Stone Brook—near the center of The COR.

# **(1) Stone Brook Feedback**

## **A. These site is desired by Stone Brook**

- Stone Brook does desire this site (as their second most desired site). Generally, it meets all of their needs. Please see “Site 1 Log” for details.

## **B. This location is ideal for Stone Brook**

- Being located in the center of The COR is very important to Stone Brook. Please see “Site Log 1” for more background on their feedback on location.
- PSD has expressed hesitancy towards this project. They would prefer owning the project and leasing back to Stone Brook. Stone Brook does not want to lease a project. With that said, PSD is willing to discuss selling land only if they can get \$12 psf.

## **C. Price is an issue with this site**

- This site is more expensive than Stone Brook can afford (per square foot)—this site is listed at \$12.00 (\$522,720). “Site Log 1” for more background on their feedback on price.
- Stone Brook would be happy to further consider this site if PSD was willing to drop the price down to \$150,000-\$200,000 per acre, or about \$3 psf (similar to what they want to pay for the site near Yolite).
- PSD is NOT willing to drop the price.

## ***(2) Staff Feedback***

- The only major conflict with this site location is the funding gap. The gap here (between what PSD wants, and what the Stone Brook wants) is about \$9 psf or \$392K.
- Staff did a TIF run on this project (for The COR TIF district). Over about 20 years, it would pull about \$510,000 in Future Value (FV) TIF or about \$315K in Present Value (PV) TIF—@4.00% discount rate. The City could use TIF to fill this gap. However, staff would note, this will pull the City’s property tax generation on this project for 20 years (and there are *many* projects within The COR that could use TIF funding).
- This route would also require a business subsidy process/ application. Likely, if possible, all parties involved would want to avoid said alternative.
- Lastly, this proposed TIF assistance (\$315,000 PV/ \$500,000 FV) on a roughly \$2.5M project is significant, and may be cause for caution. For example, the roughly \$20M PSD apartment project was subsidized \$500,000 FV; the roughly \$10M Platinum Properties project was subsidized \$455,000 FV; the \$7M Life Fitness project was subsidized at about \$350,000 FV. This subsidy would likely stretch or exceed our policy guidelines for subsidies (based on preliminary staff review).
- With the above in mind, this site does present the least amount of “development/ land use/ infrastructure” concerns of all viable sites. This site is perfectly sized/ shaped, and in an ideal location for Stone Brook. If the City desires, staff may be able to find a creative solution to secure dollars to fill the funding gap on this project (via City subsidy). This alternative will likely delay the development process for Stone Brook by at least 60 days—which they are generally concerned with (as they still need to go through the entitlement/ state licensing processes). This alternative does carry the risk of uncertainty (PSD’s official position, business subsidy process, public perception, etc.).

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 5**  
12/30/2016

# SITE 5



Site 5 includes a .37 acre option. This area is zoned for office park, and has been visioned for a medical office park (or corporate campus). Generally, the proposed use should be able to fit within this zoning district (due to the academy focus)—however, this should be further reviewed from a zoning perspective. This site is nearly pad ready. Infrastructure is in place and is perfect shaped lot. Fairly good location for Stone Brook.

## ***(1) Stone Brook Feedback***

- Stone Brook has indicated they have reviewed this site, and it is too small. They do not desire to further investigate. They generally liked the idea and location, and appreciate the suggestion.

## ***(2) Staff Feedback***

- NA—due to Stone Brook not willing to consider site.

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 6**  
12/30/2016

# SITE 6



Site 5 includes multiple layout options (as it is nearly 5 acres). This site is not owned by the City—it is bank owned. This site includes multiple zoning districts, and would require policy discussions/ potential zoning amendments. This site is located adjacent to The COR. This area is zoned for office park, and has been visioned for a medical office park (or corporate campus).

## ***(1) Stone Brook Feedback***

- Stone Brook has indicated they have reviewed this site, and it is not appropriately located (within The COR, near center of The COR). They do not desire to further investigate.

## ***(2) Staff Feedback***

- NA—due to Stone Brook not willing to consider site.

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 7**  
12/30/2016

# SITE 7



Site 5 includes multiple layout options (as it is about 2.5 acres). This is owned by the City. This site is zoned COR-2 retail. This site is located adjacent to The COR. This site is located adjacent to an existing old business park, with significant outside storage.

## ***(1) Stone Brook Feedback***

- Stone Brook has indicated they have reviewed this site, and it is not appropriately located (within The COR, near center of The COR). They are not okay with the neighboring uses. They do not desire to further investigate.

## ***(2) Staff Feedback***

- NA—due to Stone Brook not willing to consider site.

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

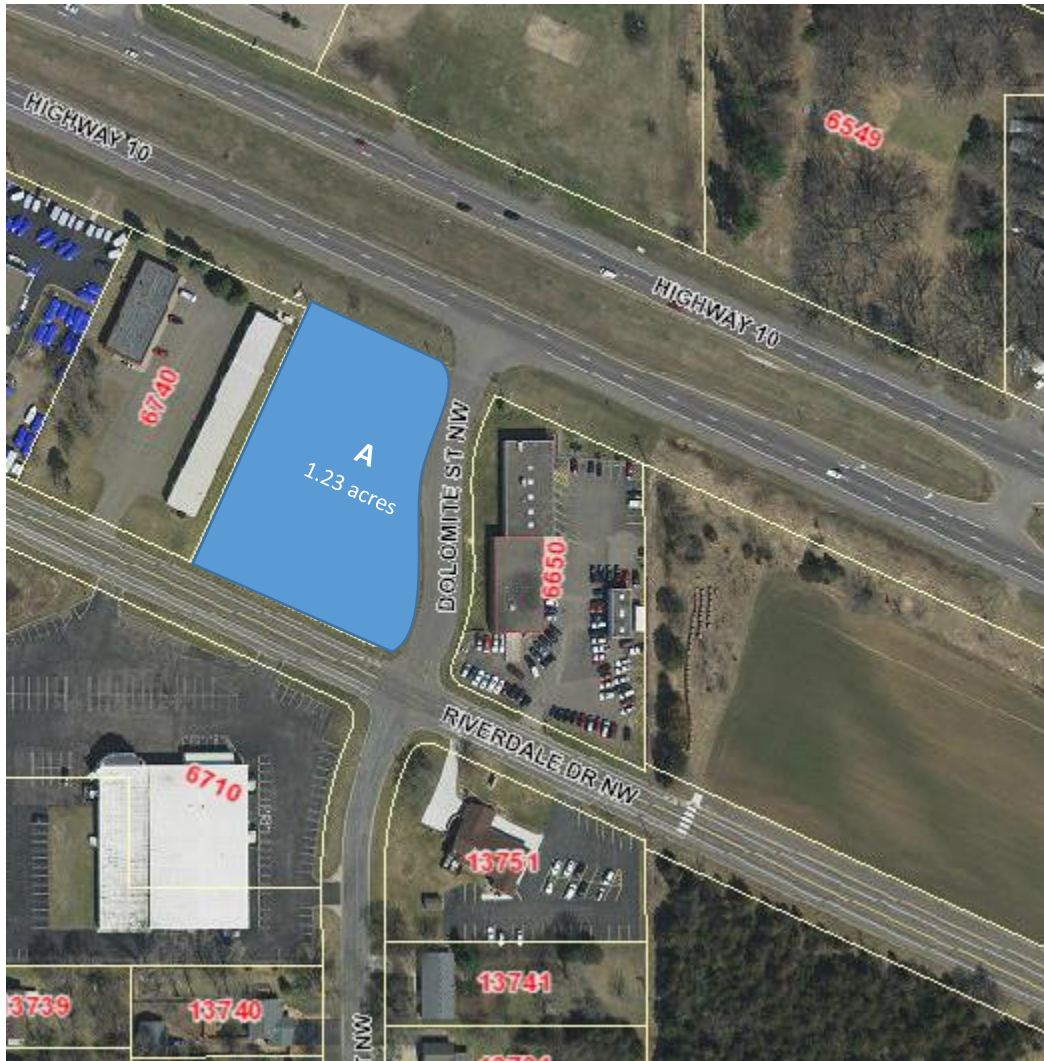
## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

Stone Brook Academy  
(previously known as Prestmore Academy)  
Site Selection Log

**SITE 8**  
12/30/2016

# SITE 8



Site 8 is about 1.23 acres. This is owned by the City, and within the price range of Stone Brook. This site is located off Highway 10/ Dolomite Street, and has great visibility. This site is not located within The COR. This site is located adjacent to an existing businesses significant outside storage.

## ***(1) Stone Brook Feedback***

- Stone Brook has indicated they have reviewed this site, and it is not appropriately located (within The COR, near center of The COR). They are not okay with the neighboring uses. They do not desire to further investigate.

## ***(2) Staff Feedback***

- NA—due to Stone Brook not willing to consider site.

### ***(3) EDA Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

## ***(4) Planning Commission Feedback***

- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX
- TBD, XXXXXXXXXXXXXXXX

## Memorandum

**To:** Patrick Brama, City of Ramsey

**From:** Jim Stremel, Project Manager, WSB & Associates

**Date:** December 2, 2016

**Re:** Yolite Street Improvements – Feasibility & Engineer Estimate

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Provided below is a brief feasibility with information and assumptions used to estimate the cost of constructing Yolite Street between Veterans Drive and Sunwood Drive NW. The total cost of street, storm sewer, watermain, and sanitary sewer improvements was estimated to be \$394,900.

### Existing Conditions

There is currently no roadway that connects Veterans Drive and Sunwood Drive NW in the proposed project area and no buildings exist on the adjacent sites. At each of the adjacent roadways, there are existing entry points into the site. Based on available aerial mapping, the width was measured to be 36' face-to-face.

It was assumed that storm sewer, watermain, and sanitary sewer do not exist within the proposed roadway corridor, but that stubs for these utilities are available at the entry point from Sunwood Drive NW.

No subsurface soil information was available for the preparation of this report. A conservative assumption that silty/clayey sands are located onsite was used.

### Proposed Improvements

The proposed street section for Yolite Street was assumed to be a 275-foot long, 36-foot wide (face-to-face) urban street section between Veterans Drive and Sunwood Drive NW. The proposed street section will consist of 1.5 inches of bituminous wearing course, 2 inches of bituminous base course, 8 inches of Class 5 aggregate base, and 12 inches of select granular borrow over an acceptable, compacted subgrade. It was assumed that the future site uses would not generate a significant amount of truck traffic.

A geotechnical study was not provided by the City and so it was conservatively assumed that a 12 inch sand section will be added to the City standard detail for an urban street. Concrete curb and gutter will be installed on both sides of the street and will tie into the existing curb and gutter at Veterans Drive and Sunwood Drive NW at each end. A 6-foot wide 6" concrete walk is proposed on both the east and the west side of Yolite Street.

Streetscape improvements, in accordance with the Ramsey COR design standards, are proposed for the 6-foot wide boulevards between the proposed curb and concrete walk. These improvements include deciduous trees, two types of lighting units, irrigation systems, and benches for pedestrians.

Due to the short section of roadway proposed, it was assumed that the electrical and irrigation components needed for control and operation will be part of a larger system within the development and was not included with this scope of work.

To serve the proposed development, sanitary sewer was assumed to be required along the majority of Yolite Street and connect to an existing sanitary stub from the main on Sunwood Drive NW. One manhole with a new casting will be installed where the new sewer dead ends. A chimney seal is proposed to prevent inflow and infiltration. Eight inch service stubs were included in each direction from the manhole (capped at end) for future property owners to connect.

The proposed water main work includes looping the existing water main between Veterans Drive and Sunwood Drive NW with 8” ductile iron pipe. The proposed service to the west was assumed to be an 8-inch pipe (large lot) and the site to the east a 6-inch along with a gate valve for each service stub. A hydrant was also included along Yolite Street.

Proposed storm sewer installation includes two catch basins located at a low point in the new street and reinforced concrete pipe to connect these new structures to existing storm sewer on Sunwood Drive NW. It is also suggested that perforated PVC drain tile be placed behind the curb at the new structures if a sand subbase is installed. The storm sewer pipe was sized only for runoff within the street; a larger pipe may be required to convey runoff from the adjacent sites. The estimate also did not include costs for permanent stormwater management.

**Cost Estimates**

A detailed opinion of cost for the project area can be found attached to this memorandum. The opinions of cost incorporate estimated 2017 construction costs and include a 10% construction contingency factor. Indirect costs are projected at 25% of the construction cost and include engineering, legal, financing, and administrative costs.

<b>Summary of Estimated Project Costs</b>	
	<b>Total</b>
Surface Improvements	\$186,800
Streetscape Improvements	\$93,600
Sanitary Improvements	\$37,800
Water Main Improvements	\$52,000
Storm Improvements	\$24,700
<b>TOTAL</b>	<b>\$394,900</b>

It was assumed that the project as estimated will be bid and constructed as a stand-alone project. If the project is constructed in conjunction with other site improvements, costs may be less due to economy of scale. Information pertaining to project funding or construction schedules were not provided by the City.

# Opinion of Probable Cost

**WSB Project:** Yolite Street Improvements  
**Project Location:** City of Ramsey  
**City Project No.:**  
**WSB Project No:** 01973-270

**Design By:** KJG  
**Checked By:** JLS  
**Date:** 12/1/2016

Item No.	MN/DOT Specification No.	Description	Unit	Estimated Total Quantity	Estimated Unit Price	Estimated Total Cost
<b>A. SURFACE IMPROVEMENTS</b>						
1	2021.501	MOBILIZATION	LUMP SUM	1	\$10,500.00	\$10,500.00
2	2104.501	REMOVE CURB AND GUTTER	LIN FT	20	\$6.00	\$120.00
3	2104.500	REMOVE CONCRETE PAVEMENT	SQ YD	20	\$15.00	\$300.00
4	2104.505	REMOVE BITUMINOUS PAVEMENT	SQ YD	20	\$15.00	\$300.00
5	2104.509	REMOVE POST	EACH	6	\$70.00	\$420.00
6	2104.511	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LIN FT	40	\$5.00	\$200.00
7	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN FT	40	\$4.00	\$160.00
8	2105.501	COMMON EXCAVATION (P)	CU YD	760	\$20.00	\$15,200.00
9	2105.507	SUBGRADE EXCAVATION	CU YD	420	\$20.00	\$8,400.00
10	2105.522	SELECT GRANULAR BORROW (CV)	CU YD	420	\$20.00	\$8,400.00
11	2112.501	SUBGRADE PREPARATION	ROAD STA	3	\$300.00	\$900.00
12	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOUR	15	\$100.00	\$1,500.00
13	2211.501	AGGREGATE BASE CLASS 5	TON	820	\$16.00	\$13,120.00
14	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GALLON	60	\$4.00	\$240.00
15	2360.501	TYPE SP 9.5 WEARING COURSE MIX (2,B)	TON	90	\$75.00	\$6,750.00
16	2360.502	TYPE SP 12.5 NON WEAR COURSE MIX (2,B)	TON	120	\$75.00	\$9,000.00
17	2521.501	6" CONCRETE WALK	SQ FT	3,380	\$10.00	\$33,800.00
18	2531.501	CONCRETE CURB & GUTTER DESIGN B618	LIN FT	570	\$14.00	\$7,980.00
19	2531.507	8" CONCRETE DRIVEWAY PAVEMENT	SQ YD	100	\$75.00	\$7,500.00
20	2531.618	TRUNCATED DOMES	SQ FT	32	\$45.00	\$1,440.00
21	2563.601	TRAFFIC CONTROL	LUMP SUM	1	\$2,000.00	\$2,000.00
22	2564.537	INSTALL SIGN	EACH	4	\$150.00	\$600.00
23	2573.502	SILT FENCE, TYPE MS	LIN FT	300	\$3.50	\$1,050.00
24	2573.533	SEDIMENT CONTROL LOG TYPE WOOD FIBER	LIN FT	300	\$4.00	\$1,200.00
25	2574.525	COMMON TOPSOIL BORROW	CU YD	20	\$30.00	\$600.00
26	2575.505	SODDING TYPE LAWN	SQ YD	190	\$8.00	\$1,520.00
27	2582.502	12" SOLID LINE WHITE-EPOXY	LIN FT	32	\$7.00	\$224.00
28	2582.502	4" BROKEN LINE YELLOW - EPOXY	LIN FT	280	\$2.50	\$700.00
29	2582.503	CROSSWALK MARKING - EPOXY	SQ FT	80	\$10.00	\$800.00
30	2573.530	STORM DRAIN INLET PROTECTION	EACH	6	\$150.00	\$900.00
<b>CONSTRUCTION TOTAL</b>						<b>\$135,820.00</b>
<b>CONTINGENCY TOTAL (10%)</b>						<b>\$13,582.00</b>
<b>SUBTOTAL TOTAL</b>						<b>\$149,402.00</b>
<b>INDIRECT COST TOTAL (25%)</b>						<b>\$37,350.50</b>
<b>TOTAL - SURFACE IMPROVEMENTS (RECONSTRUCTION)</b>						<b>\$186,800.00</b>

# Opinion of Probable Cost

*WSB Project:* Yolite Street Improvements  
*Project Location:* City of Ramsey  
*City Project No.:*  
*WSB Project No:* 01973-270

*Design By:* KJG  
*Checked By:* JLS  
  
*Date:* 12/1/2016

Item No.	MN/DOT Specification No.	Description	Unit	Estimated Total Quantity	Estimated Unit Price	Estimated Total Cost
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## B. STREETScape IMPROVEMENTS

31	2101.502	PARK BENCH	EACH	2	\$2,000.00	\$4,000.00
32	2504.601	IRRIGATION SYSTEM	LUMP SUM	1	\$8,000.00	\$8,000.00
33	2545.511	LIGHTING UNIT TYPE SPECIAL (14')	EACH	3	\$6,000.00	\$18,000.00
34	2545.511	LIGHTING UNIT TYPE SPECIAL (24')	EACH	2	\$9,000.00	\$18,000.00
35	2545.523	2" NON-METALLIC CONDUIT	LIN FT	660	\$3.00	\$1,980.00
36	2545.531	UNDERGROUND WIRE 1 COND NO 6	LIN FT	660	\$7.00	\$4,620.00
37	2571.502	DECIDUOUS TREE 2.5" CAL B&B	EACH	16	\$600.00	\$9,600.00
38	2574.525	COMMON TOPSOIL BORROW	CU YD	30	\$30.00	\$900.00
39	2575.505	SODDING TYPE LAWN	SQ YD	370	\$8.00	\$2,960.00

<b>CONSTRUCTION TOTAL</b>	<b>\$68,060.00</b>
<b>CONTINGENCY TOTAL (10%)</b>	<b>\$6,806.00</b>
<b>SUBTOTAL TOTAL</b>	<b>\$74,866.00</b>
<b>INDIRECT COST TOTAL (25%)</b>	<b>\$18,716.50</b>
<b>TOTAL - STREETScape IMPROVEMENTS</b>	<b>\$93,600.00</b>

## C. SANITARY SEWER IMPROVEMENTS

40	2104.501	REMOVE SEWER PIPE (SANITARY)	LIN FT	10	\$100.00	\$1,000.00
41	2503.602	8"X8" PVC WYE	EACH	2	\$700.00	\$1,400.00
42	2503.603	8" PVC PIPE SEWER - SDR 35	LIN FT	270	\$60.00	\$16,200.00
43	2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	1	\$2,500.00	\$2,500.00
44	2503.603	TELEWISE SANITARY SEWER	LIN FT	210	\$2.50	\$525.00
45	2506.602	CHIMNEY SEALS	EACH	1	\$300.00	\$300.00
46	2506.516	CASTING ASSEMBLY	EACH	1	\$750.00	\$750.00
47	2506.603	CONST. 48" DIA SAN SEWER MANHOLE	LIN FT	12	\$400.00	\$4,800.00

<b>CONSTRUCTION TOTAL</b>	<b>\$27,480.00</b>
<b>CONTINGENCY TOTAL (10%)</b>	<b>\$2,748.00</b>
<b>SUBTOTAL TOTAL</b>	<b>\$30,228.00</b>
<b>INDIRECT COST TOTAL (25%)</b>	<b>\$7,557.00</b>
<b>TOTAL - SANITARY SEWER IMPROVEMENTS</b>	<b>\$37,800.00</b>

# Opinion of Probable Cost

*WSB Project:* Yolite Street Improvements  
*Project Location:* City of Ramsey  
*City Project No.:*  
*WSB Project No:* 01973-270

*Design By:* KJG  
*Checked By:* JLS  
  
*Date:* 12/1/2016

Item No.	MN/DOT Specification No.	Description	Unit	Estimated Total Quantity	Estimated Unit Price	Estimated Total Cost
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## D. WATER MAIN IMPROVEMENTS

48	2104.501	REMOVE WATER MAIN	LIN FT	10	\$15.00	\$150.00
49	2503.511	6" DUCTILE IRON PIPE SEWER	LIN FT	30	\$50.00	\$1,500.00
50	2503.511	8" DUCTILE IRON PIPE SEWER	LIN FT	300	\$60.00	\$18,000.00
51	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	2	\$1,200.00	\$2,400.00
52	2504.602	INSTALL HYDRANT & VALVE	EACH	1	\$4,500.00	\$4,500.00
53	2504.602	8" GATE VALVE AND BOX	EACH	2	\$2,000.00	\$4,000.00
54	2504.604	4" POLYSTYRENE INSULATION	SQ YD	30	\$35.00	\$1,050.00
55	2504.608	DUCTILE IRON FITTINGS	POUND	887	\$7.00	\$6,209.00

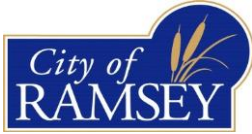
<b>CONSTRUCTION TOTAL</b>	<b>\$37,810.00</b>
<b>CONTINGENCY TOTAL (10%)</b>	<b>\$3,781.00</b>
<b>SUBTOTAL TOTAL</b>	<b>\$41,591.00</b>
<b>INDIRECT COST TOTAL (25%)</b>	<b>\$10,397.75</b>
<b>TOTAL - WATER MAIN IMPROVEMENTS</b>	<b>\$52,000.00</b>

## E. DRAINAGE IMPROVEMENTS

56	2502.541	6" PERF PVC PIPE DRAIN	LIN FT	210	\$16.00	\$3,360.00
57	2503.541	15" RC PIPE SEWER CLASS V	LIN FT	180	\$40.00	\$7,200.00
58	2503.602	CONNECT TO EXISTING STORM SEWER	EACH	1	\$1,500.00	\$1,500.00
59	2506.501	CONST DRAINAGE STRUCTURE DES 48-4020	LIN FT	12	\$350.00	\$4,200.00
60	2506.516	CASTING ASSEMBLY	EACH	2	\$850.00	\$1,700.00

<b>CONSTRUCTION TOTAL</b>	<b>\$17,960.00</b>
<b>CONTINGENCY TOTAL (10%)</b>	<b>\$1,796.00</b>
<b>SUBTOTAL TOTAL</b>	<b>\$19,756.00</b>
<b>INDIRECT COST TOTAL (25%)</b>	<b>\$4,939.00</b>
<b>TOTAL - DRAINAGE IMPROVEMENTS</b>	<b>\$24,700.00</b>

**Street and Utility Project Total     \$394,900.00**



**COST ESTIMATE**

**YOLITE STREET IMPROVEMENTS**

TOTAL CONSTRUCTION		102,124.00
Engineering, Legal, Administration	31%	31,658.44
<b>TOTAL PROJECT COST</b>		<b>133,782.44</b>

**YOLITE STREET IMPROVEMENTS**

No.	ITEM	UNIT	QTY	PRICE	EXTENSION
1 2021.501	MOBILIZATION	LS	1	10,500.00	10,500.00
4 2104.501	REMOVE CONCRETE CURB AND GUTTER	LIN FT	20	6.00	120.00
8 2104.503	REMOVE CONCRETE PAVEMENT	SQ YD	20	15.00	300.00
9 2104.505	REMOVE BITUMINOUS PAVEMENT	SQ YD	20	15.00	300.00
2104.509	REMOVE POST	EACH	6	70.00	420.00
14 2104.511	SAWING CONCRETE PAVEMENT	LIN FT	40	5.00	200.00
14 2104.511	SAWING BITUMINOUS PAVEMENT	LIN FT	40	4.00	160.00
18 2105.501	COMMON EXCAVATION (P)	CY	760	20.00	15,200.00
2105.507	SUBGRADE EXCAVATION	CY	0	20.00	0.00
20 2105.522	SELECT GRANULAR BORROW	CY	0	20.00	0.00
22 2112.501	SUBGRADE PREPARATION	STA	3	300.00	900.00
2123.610	STREET SWEEPER (WITH PICKUP BROOM)	hour	15	100.00	1,500.00
23 2211.501	4" AGGREGATE BASE, CLASS 5 MODIFIED	TON	820	16.00	13,120.00
25 2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GAL	60	4.00	240.00
26 2360.501	1.5" WEARING COURSE LV4WE45030B	TON	90	75.00	6,750.00
27 2360.502	2" NON-WEARING COURSE LV3NW35030BR	TON	120	75.00	9,000.00
56 2521.501	CONCRETE SIDEWALK 4" THICK	SQ FT	1,690	10.00	16,900.00
57 2531.501	CONCRETE CURB & GUTTER DESIGN B618	LIN FT	570	14.00	7,980.00
59 2531.507	8" CONCRETE DRIVEWAY PAVEMENT	SQ YD	100	75.00	7,500.00
60 2531.532	F & I PEDESTRIAN RAMP	EACH			0.00
61 2531.618	F & I TRUNCATED DOMES	SQ FT	32	45.00	1,440.00
63 2563.601	TRAFFIC CONTROL	LS	1	2,000.00	2,000.00
64 2564.537	INSTALL SIGN	EACH	4	150.00	600.00
67 2573.502	SILT FENCE, HEAVY DUTY	LIN FT	300	3.50	1,050.00
68 2573.530	INLET PROTECTION	EACH	1	1,200.00	1,200.00
2574.525	COMMON TOPSOIL BORROW	CY	20	30.00	600.00
69 2575.505	SODDING TYPE LAWN SOD	SY	190	8.00	1,520.00
71 2582.502	12" SOLID LINE WHITE - EPOXY	LIN FT	32	7.00	224.00
72 2582.502	4" BROKEN LINE YELLOW - EPOXY	LIN FT	280	2.50	700.00
2582.503	CROSSWALK MARKING EPOXY	SQ FT	80	10.00	800.00
73 2573.53	STORM DRAIN INLET PROTECTION	EACH	6	150.00	900.00
<b>TOTAL</b>					<u>102,124.00</u>

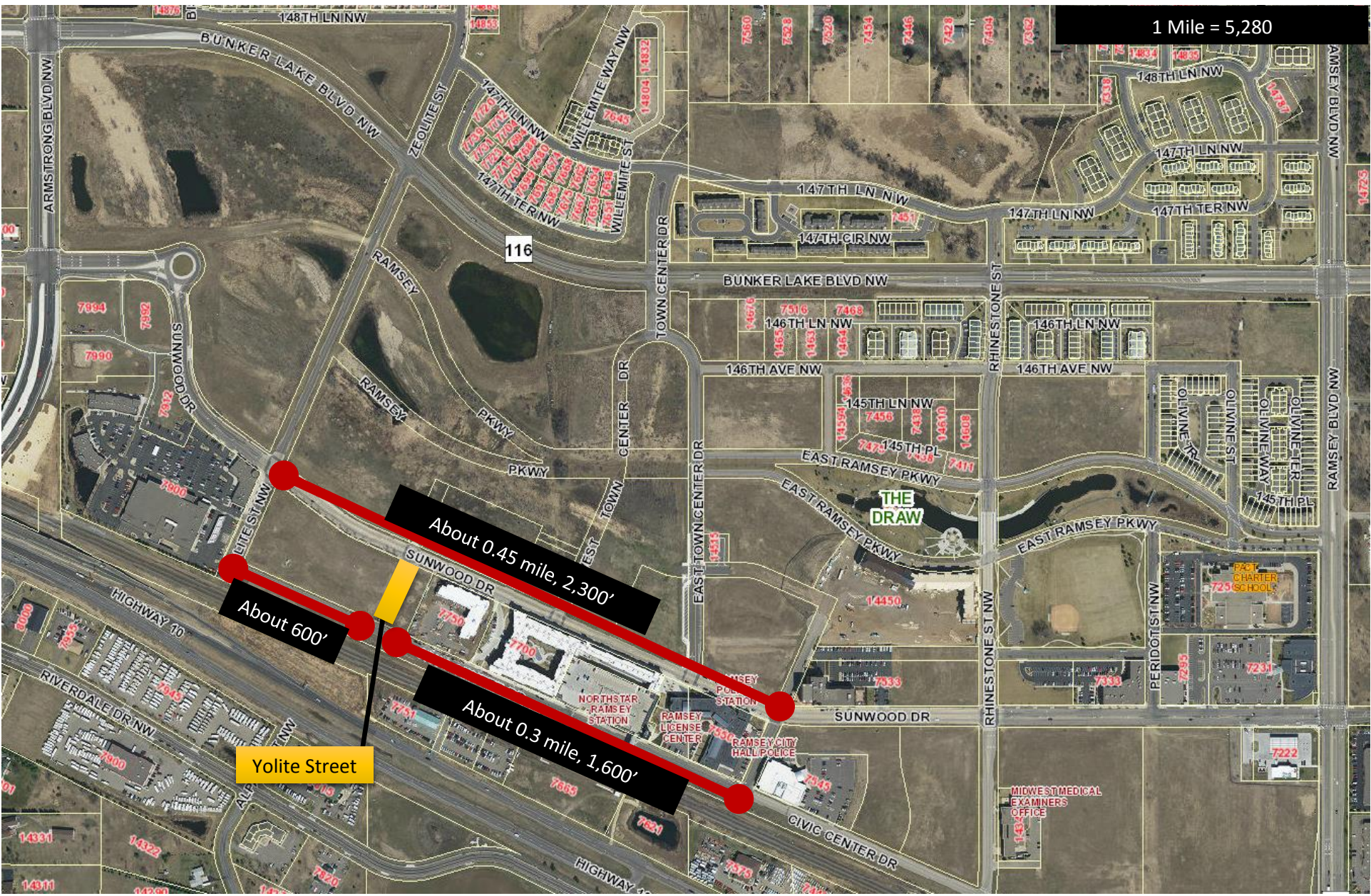
**YOLITE STREET IMPROVEMENTS**

No.	ITEM	UNIT	QTY	PRICE	EXTENSION
B. Streetscape Improvements					
33	2545.511 Lighting Unit Type Special (14')	EACH	3	6,000.00	18,000.00
35	2545.523 2" Non Metallic Conduit	LIN FT	650	3.00	1,950.00
36	2545.531 Underground Wore 1 Cond no 6	LIN FT	690	7.00	4,830.00
38	2574.525 Common Topsoil Borrow	CU YD	30	30.00	900.00
39	2575.505 SODDING TYPE LAWN	SQ YD	370	8.00	2,960.00
CONSTRUCTION TOTAL					28,640.00
CONTINGENCY 10%					2,864.00
SUBTOTAL					31,504.00
INDIRECT COSTS 25%					7,876.00
TOTAL - STREETScape IMPROVEMENTS					39,380.00

**Summary of Estimated Project Costs**

Surface Improvements	\$134,000
Streetscape Improvements	\$39,380
Sanitary Improvements	\$37,800
Watermain Improvements	\$52,000
Storm Sewer Improvements	\$21,700
<b>Total</b>	<b>\$284,880</b>

1 Mile = 5,280

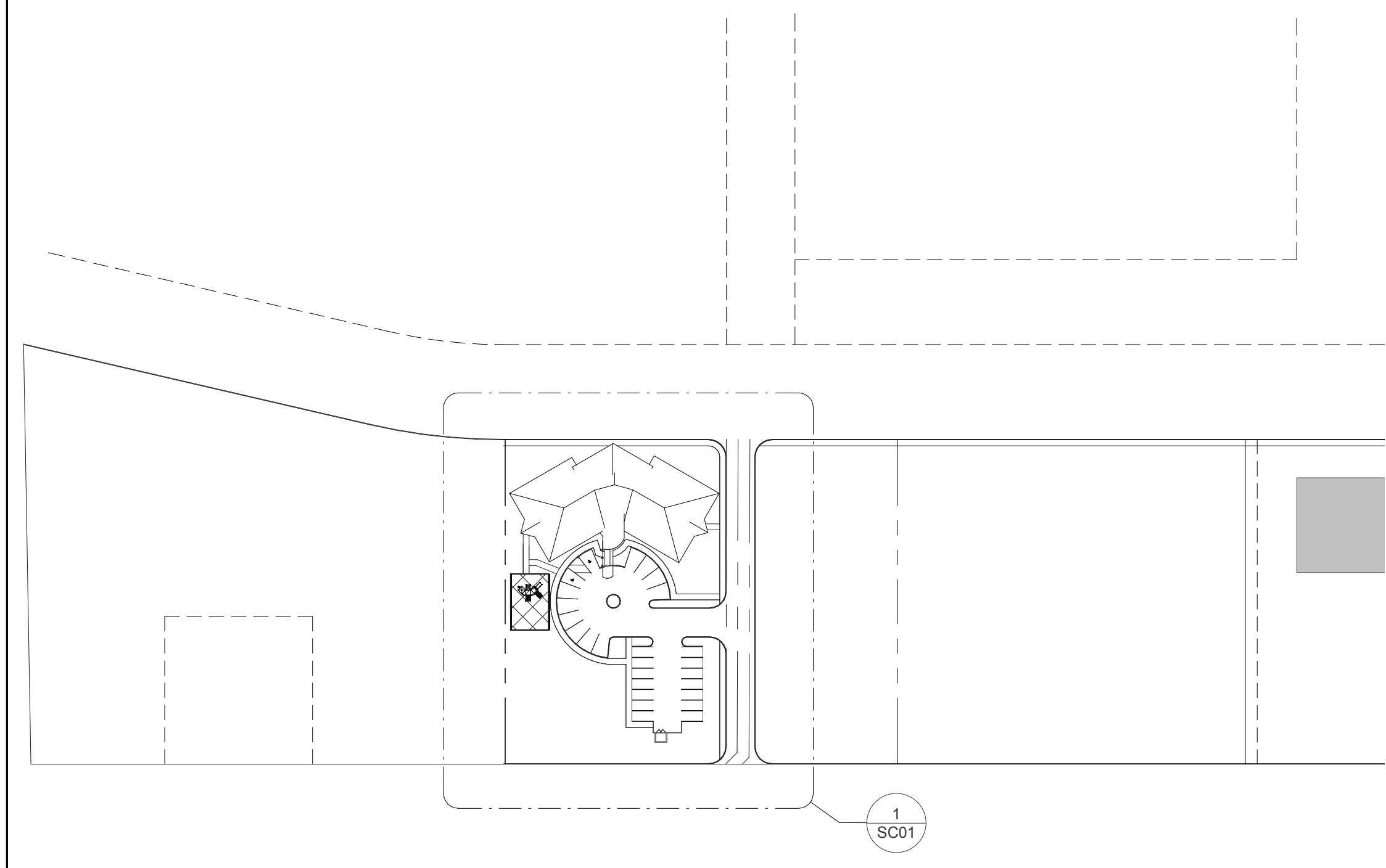


# Remnant Lot Reference Map

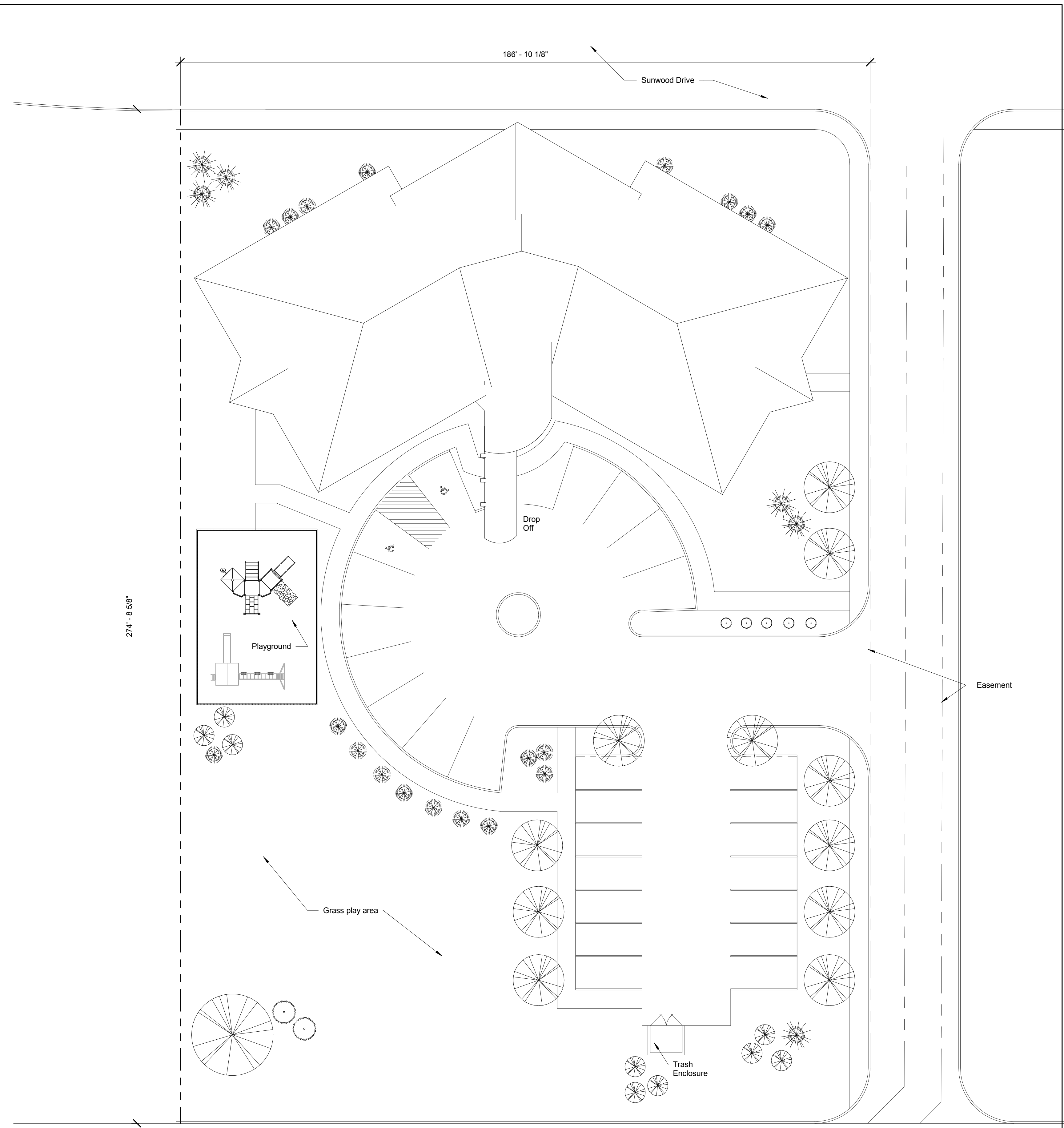


**Schematic Site Information:**

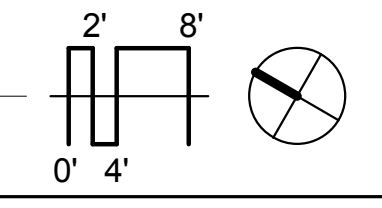
Site: 51,334 square feet (or 1.17 Acres)  
 Building: 9,995 s.f.  
 Playground: 1,500 s.f.  
 Parking: 26 stalls (2 handicap accessible)



**2 Site Plan - Overall**  
 SC01 / 1" = 100'-0"



**1 Site Plan**  
 SC01 / 1/16" = 1'-0"



CNH NO.: 16096  
 DATE: 11-28-16  
 REVISIONS:

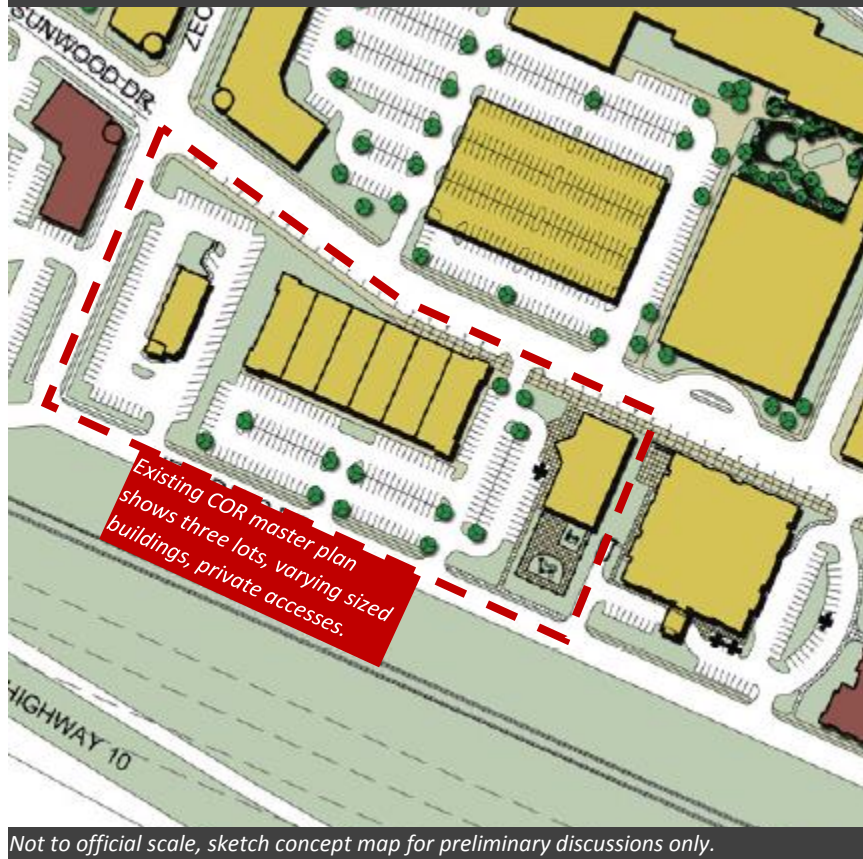
**Ramsey DayCare**  
 Sunwood Drive  
 Ramsey, MN

Site Plan -  
 Schematic Design

**SC01**

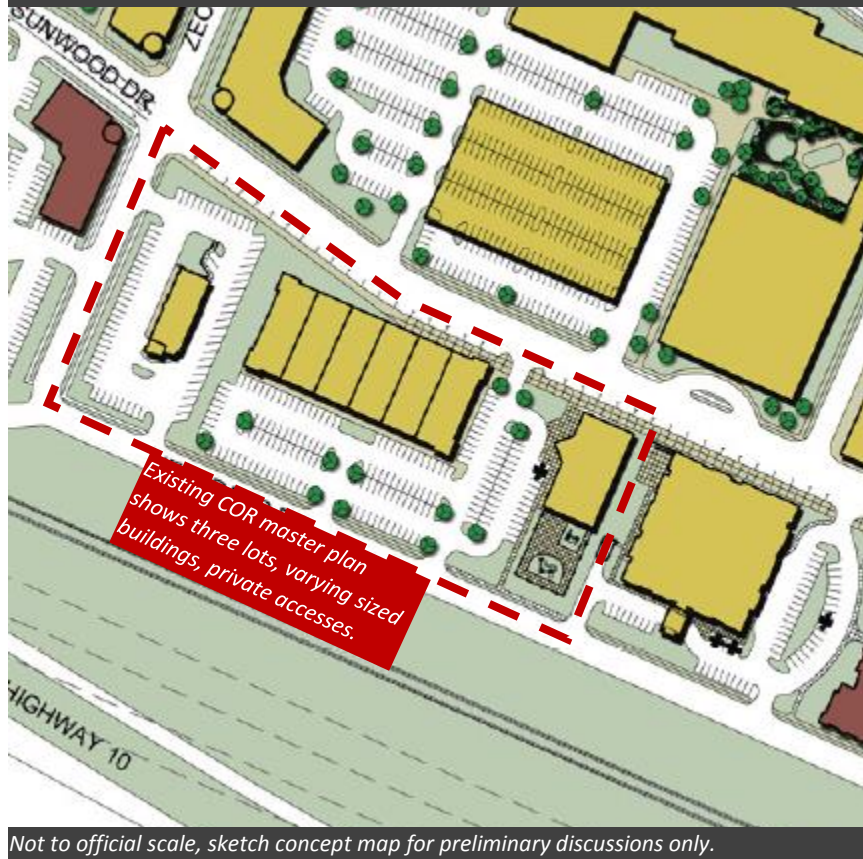
NOT FOR CONSTRUCTION

**EXAMPLE 1:** Stone Brook 1-acre site just west of Yolite (public road connection)



- about 2.9 Acre Site  
about 30-45K sf bldg
- about 1 Acre Site  
about 10-12K sf bldg
- about .5 Acre Site  
about 4-8K sf bldg

**EXAMPLE 2:** Stone Brook 1-acre site just west of Yolite (private road stub)



Not to official scale, sketch concept map for preliminary discussions only.

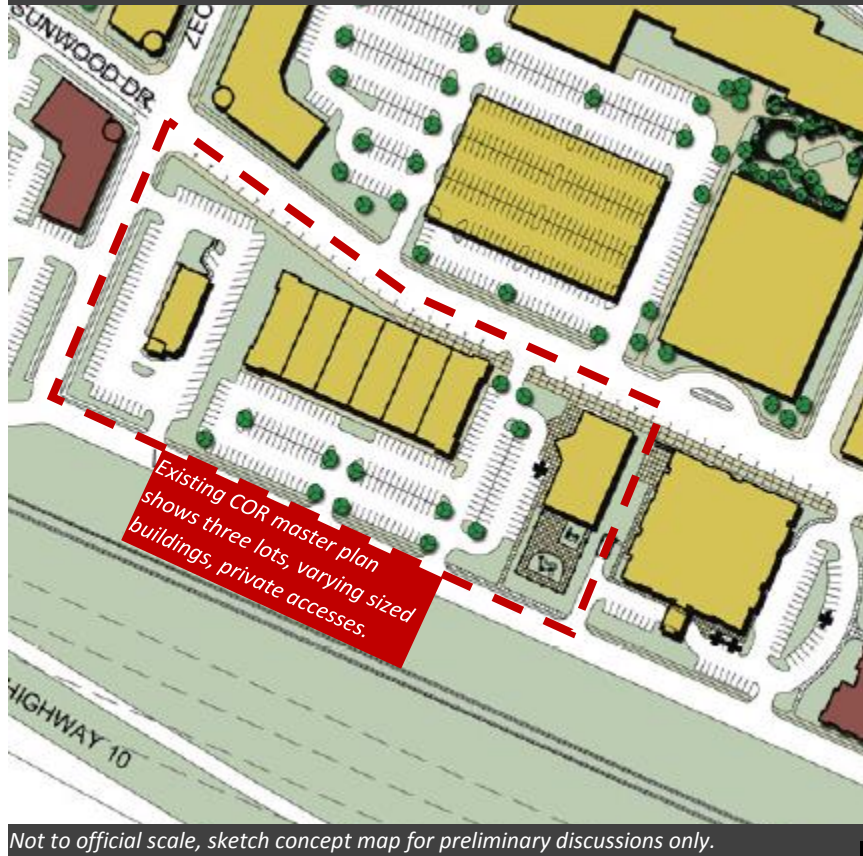


about 2.9 Acre Site  
about 30-45K sf bldg

about 1 Acre Site  
about 10-12K sf bldg

about .7 Acre Site  
about 4-8K sf bldg

**EXAMPLE 3:** Stone Brook 1-acre site just west of Yolite (public road connection), and two buildings on west lot



Not to official scale, sketch concept map for preliminary discussions only.



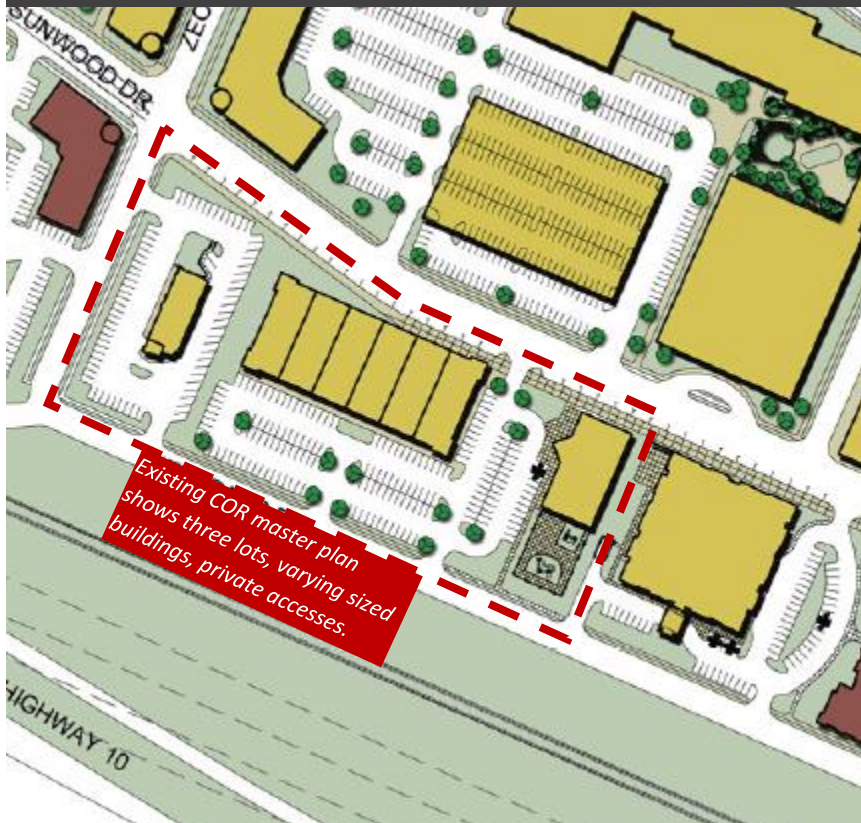
about 1.7 Acre Site  
about 15-25K sf bldg

about 1.2 Acre Site  
about 15-20K sf bldg

about 1 Acre Site  
about 10-12K sf bldg

about .5 Acre Site  
about 4-8K sf bldg

**EXAMPLE 4:** No Stone Brook, one master developer, Yolite (public road connection), and two buildings on west lot



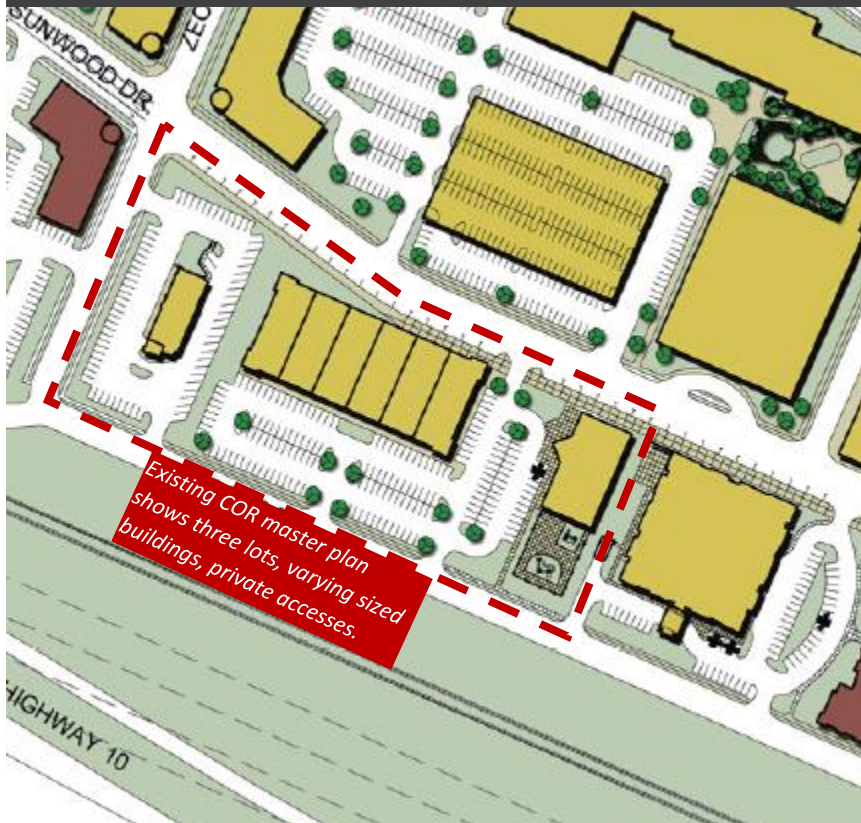
Not to official scale, sketch concept map for preliminary discussions only.



about 4 Acre Site  
about 30-40K sf per bldg

about .5 Acre Site  
about 4-8K sf bldg

**EXAMPLE 5:** No Stone Brook, one master developer, Yolite (private accesses only), and two buildings on west lot



Existing COR master plan shows three lots, varying sized buildings, private accesses.

Not to official scale, sketch concept map for preliminary discussions only.



about 4 Acre Site  
about 30-40K sf per bldg

about .5 Acre Site  
about 4-8K sf bldg

**M E M O**

Date: January 6, 2017  
To: Pat Brama-City of Ramsey Community  
Development Director  
From: Brian Pankratz, CBRE  
Subject: City of Ramsey Location for Stone Brook  
Academy  
cc: \_\_\_\_\_

Patrick

As part of the proposed Stone Brook development, I would support the Outlot B or the pads known as Parcel 42. The desire to create and continue retail development seems to be the focus of the City Council and the residents of Ramsey. The Stone Brook +/-10,000 SF daycare reviewed all the potential options within the COR and chose the 1 acre Outlot B location as their preferred choice.

For Outlot B I understand there are utilities installed adjacent to the site from prior development work that has some impact on layout/development. In my opinion Yolite is not a necessary access road for the development but I am looking at it from a real estate perspective and not policy. It will be key that Stone Brook and other users have access directly off of Sunwood. The location has existing utility service needed from what I understand for development. The parcel 42 parcels are contiguous to other retail creating synergy and right off of Armstrong providing better signage rights.

Stone Brook Academy has had numerous meetings with CBRE and City staff on potential locations, fees, development issues, and approval process.

The pricing at \$3 PSF seems low but to encourage development feel the City moves forward with a slight increase to \$3.50-4 PSF. They will make up the cost difference over time through building fees, property taxes, additional amenities to serve the COR/Ramsey, and provide new families with a service that is currently not available in the immediate area.

The remaining land east of the proposed daycare will leave a small land parcel that could be used for a small retail or office building or pocket park as options.

**Economic Development Authority (EDA)**

4. 2.

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

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**Title:**

Consider Request from Ramsey Business for Use of EDA Revolving Loan Fund

**Purpose/Background:**

**PURPOSE**

Consider 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.

More specifically, to reduce the minimum amount of business equity required, only in situations in which the Small Business Administration (SBA) 504 Loan Program is being used by a business. The SBA 504 Program requires a minimum 10% equity--and the current EDA RLF guidelines requires a minimum 10% equity--which essentially doesn't allow the programs to stack\*.

\*Some specific exceptions do exist.

**BACKGROUND**

The intent of the EDA RLF program is to provide gap financing in situations in which conventional/ normal financing is not available for small/ medium sized businesses, to make good projects "GO." Please see attached EDA RLF guidelines for details. The SBA 504 Loan program is a very common financing solution for small/ medium sized businesses. Because of the 10% equity requirement in the EDA RLF guidelines, these two programs cannot stack.

NOTE: the SBA 504 Loan Program considers the EDA RLF as equity. Also, it should be noted, staff has received this general concern/ request in the past from other Ramsey businesses--this is not an uncommon concern.

**APPLICANT/ BUSINESS**

The business considering the EDA RLF is American Print & Digital. They are located of Radium Street in eastern Ramsey, just south of Bunker Lake Boulevard. They currently lease about 5,000 sf in a multi-tenant spec building. They are a "broker" style printing firm. Meaning, they don't work with end-user customers directly--they only work with brokers. Brokers sign contracts with American Print & Digital for work. They have 7 full-time employees. The business started in 2009 and has steadily grown year-after-year.

American Print & Digital needs room to grow, at least 10,000 sf total. They recently placed an order for a very expensive piece of equipment, which they already have enough orders to run for a minimum 6-hours per week, and expect at least 20-hours per week immediately when it's installed. The new piece of equipment allows them to expand their production capacity to larger runs, on physically larger pieces of material, and to produce product quicker/ cheaper.

Please see attached cover letter from American Print & Digital for details.

**THE PROJECT**

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 (6320 Highway 10). This building is just less than 15,000 sf, and is set up ideally for their operations. Some renovations are needed. This purchase will allow for 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 (about 3,000 sf).

The project is about \$1.4M total--in which American Print & Digital is seeking financing, with 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 (via the development corporation) has 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% (20 year term, Bank lien 1, SBA lien 2, City lien 3).

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 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.

NOTE: a common pit-fall for quickly growing small businesses is to not have enough money available in working capital, and outstrip their ability to digest their growth (i.e. they don't have enough working capital to pay for short term expenses incurred as a result of their quick growth). This can happen by putting too much equity into the upfront project, and not leaving dollars for working capital. American Print & Digital is attempting to avoid this potential problem via this request to the City.

### **SBA 504 PROGRAM**

Please follow this link: <http://www.cmdcbusinessloans.com/tools-resources/sba-504-sba-7-a-comparison>

### **Notification:**

### **Observations/Alternatives:**

The EDA RLF has an adopted set of "Guidelines" which are attached to this case. These guidelines were adopted in 2005. It's staff understanding, only one EDA RLF loan has been made in the past decade (about 26K for equipment to Koru Fitness). Staff believes the EDA RLF has been used sparingly for two major reasons:

(1) The guidelines require a minimum 3% interest rate. Since the great recession, interest rates available through private banking institutions have been very low. Additionally, traditional economic activity has been relatively sparse, until recently. As a result of these items, demand for this program has been low.

(2) Small businesses commonly use the SBA 504 loan program. That program doesn't stack well with the EDA RLF program. As a result, businesses often cannot use the EDA RLF program.

With the above information in mind, and the request from American Print & Digital in-hand, staff believes it might be worth it for the EDA to consider a exception and/ or amendment to the EDA RLF Guidelines. More specifically, to allow for equity to dip down to 5% in situations in which the SBA 504 Loan Program is being used by a business.

### **Here is a preview of what the EDA RLF would look like in this scenario:**

- 50% Bank
- 40% SBA
- 5% EDA RLF\*
- 5% Owner Equity

\*10 year term, third lien, about \$70,000.

**NOTE:** staff has received conflicting information on the minimum required term for the EDA RLF. Staff has the perspective to attempt to minimize the city's loan term. There is a chance the EDA RLF will be required to match the SBA 20 year term. In that scenario, we would also need to have an exception to our EDA RLF Guidelines on maximum loan term (from 15 years to the SBA required 20). This question (RE term) will be answered if/when an actual application is brought forward (i.e. February).

**Funding Source:**

EDA RLF: about \$300,000 balance.

**Recommendation:**

Attached to this case is a MEMO/ recommendation from ACG/ Mike Mulrooney (the City's Economic Development Consultant). Generally speaking, both staff and ACG are comfortable with this policy exception. However, we would note the items below, and importance of good credit analysis (this policy exception isn't a loan approval).

**On the plus side:**

- This amendment would allow for use of these dollars in more traditional economic development scenarios (i.e. the commonly used SBA 504 situations). This fund is not used often today.
- This scenario still requires 5% owner equity--some level of owner equity is always highly recommended in any project.
- This still requires strict underwriting, and a credit-worthy tenant--this is always highly recommended, and would be by staff/ ACG for this loan.

**On the minus side:**

- This puts the city in a greater position of risk (lower equity means greater chance of not being paid back in the event of a default).\*
- The city's position would be third in SBA deals (which again, puts the city in a higher position of risk)\*  
\*NOTE: these items are not unique to this specific situation. The very essence of why the City EDA RLF exists--is to cover financing gaps that the private sector would not normally fund alone (i.e. riskier situations). The question here is shades of grey/ or various levels of comfort RE risk tolerance for the City. Are we okay with 5% equity rather than 10% on SBA deals--both are generally risky levels of equity--one is more risky.

**Action:**

**Motion to Recommend the City Council:**

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.

***Process for American Print & Digital:***

- (1) EDA consider allowing policy exception (01/12/2017)
- (2) City Council consider allowing policy exception (01/24/2017)
- (3) EDA consider application/ underwriting/ awarding loan (02/09/2017)
- (4) City Council consider application/ underwriting/ awarding loan (02/14/2017)

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**Attachments**

EDA RLF Guidelines

ACG MEMO

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 01/06/2017

**Reviewed By**

Kurt Ulrich

**Date**

01/06/2017 01:31 PM

Started On: 12/21/2016 06:19 PM

# **City of Ramsey**

## **Economic Development Revolving Loan Fund Guidelines**

**As Amended February 2005**

City of Ramsey  
Community Development Division  
7550 Sunwood Drive NW  
Ramsey, Minnesota 55303

## Table of Contents

### Economic Development Revolving Loan Guidelines

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# Economic Development Revolving Loan Guidelines

## I. Purpose.

The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing revolving loans, and ensuring borrower compliance with loan terms and conditions.

## II. Authorization and Funding Sources.

Chapter 469 of the Minnesota State Statutes, as amended, authorizes the City of Ramsey to make loans to prospective private businesses. The revolving loan fund was capitalized through funds made available by the City of Ramsey and the Minnesota Department of Employment and Economic Development.

## III. Mission.

The mission of the revolving loan fund is to increase the City's tax base, create and retain permanent private sector jobs and improve economic opportunity and living standards for the citizens of Ramsey by promoting local business development and expansion, by attracting out-of-state business expansion, leveraging private sector funds, and assisting with the development of new technologies.

## IV. Program Objective.

The objective of the revolving loan fund is to fill the financing gap between project costs and private debt financing and private equity by making direct low-interest rate loans for certain approved activities to businesses within the Ramsey city limits.

## V. Eligible Activities.

- A. Loan funds may be used to assist small businesses primarily by providing financial assistance for the following types of activities, including but not limited to: growth and expansion, rehabilitation, code compliance, employee recruitment and retention through housing initiatives, and facade enhancement.

B. Eligible costs. Eligible costs may include the following:

1. Land improvements. Improvements to the land which are a portion of the project cost including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
2. Purchase or renovation of building. Purchase and, if necessary, renovation of an existing industrial or commercial facility is permitted.
3. Purchase machinery or equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least 5 years.
4. Building construction. Construction of a new building and/or a major addition to an existing building.
5. Leasehold improvements. Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.

VI. Ineligible Activities. Certain applicants, projects, activities, and costs are ineligible for revolving loan funds.

- A. Ineligible activities. Funds may not be used for nonprofit institutions, retail businesses, gambling organizations, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.
- B. Ineligible costs. Ineligible costs include but are not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs, refinancing, and operating costs or working capital.

VII. Loan Terms and Conditions

The City shall make available to eligible applicants direct low-interest loans for the purpose of encouraging economic development, job creation and job retention to meet business needs, and preservation of business districts in the City of

Ramsey.

- A. Loan amount. There are maximum and minimum loan amounts for eligible projects.
  - 1. Maximum loan amount. The maximum loan available from the revolving loan fund for each eligible project is limited to \$300,000.00 or 40% of total project cost, whichever is less.
  - 2. Minimum loan amount. The minimum loan amount available from the revolving loan fund for each eligible project is \$25,000.00.
- B. Interest rate. The interest rate shall be a fixed-rate and will be equal to the 10-year Treasury bond rate at the date of funding but shall not be less than 3.0%.
- C. Term. The term of the loan will be tied to the useful life of the assets being financed. The following general terms apply:
  - 1. Machinery/equipment. The term of the loan for machinery/equipment shall not exceed 7 years.
  - 2. Land/building acquisition. The term of the loan for land/building shall not exceed 15 years.
  - 3. New construction/renovation. The term of the loan for new construction/renovation shall not exceed 15 years.
  - 4. Balance due. All balances will be due and payable if and when the loan recipient sells or otherwise transfers any or part or his/her interest in the property or fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates any part or all of the business outside the City of Ramsey.
- D. Wage and job goals.
  - 1. Wage and Job goals shall be established for all loans in excess of \$75,000. The wage and job goals will be identified in the Loan Agreement between the City of Ramsey and the borrower. The loan

agreement, must include: (1) the number of jobs created, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained; (2) wage goals for any jobs created or retained; and (3) wage goals for any jobs to be enhanced through increased wages. If the creation or retention of jobs is determined not to be a goal after a public hearing, the wage and job goals may be set at zero.

2. A business that receives revolving loan funds must agree to list any vacant or new position with the Minnesota Department of Employment and Economic Development.

- E. Equity participation. There shall be a minimum 10% owner equity investment of total project costs required of all applicants.
- F. Collateral requirements. All loan agreements will be secured by one or more of the following; promissory note, mortgage, or security agreement as required by the City; and
  1. The revolving fund may take a subordinate position to the primary lender on the assets financed; and
  2. Surety deposits shall be required for certain construction contracts as set forth in Minnesota Statutes 290.9705.
- G. Letters of Commitment. Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- H. Personal guaranty. Personal guarantees of persons with ownership interest of 20% or greater are required. Personal guarantees of persons with ownership interest between 5% to 19% may be required by the City but are discretionary.
- I. Loan repayments. Loan payments must begin within one month of receipt of the Revolving Loan. The City of Ramsey may make exceptions to this rule on a case-by-case basis.
- J. Loan prepayment. Prepayments are permitted where the Borrower makes the EDA whole for any losses or costs associated with the prepayment.

- K. Notice of award or denial. Applicants will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the City.
- L. Loan closing documents. The City will close the loan within sixty (60) days of final City approval of the loan application. At that time, the City will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence its indebtedness under the loan agreement.
- M. Post closing amendments and modifications. Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request require City approval and shall be presented at the next scheduled meeting of the EDA.
- N. Loan declination. The City will not make a loan if it determines the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan or the City determines that making the loan is not in the best interest of the City.
- O. Appeal. There will be a complaint and appeal procedure for aggrieved applicants:
  - 1. Written notice. Applicants will receive written notice of denial of the loan and the reasons(s) for the determination within fourteen (14) days of the determination.
  - 2. Petition. The aggrieved applicant may petition the EDA in writing for reconsideration within fourteen (14) days from date of the written notice of denial. Any request to appear before the EDA must be in writing and must be submitted at least seven (7) days prior to the EDA's scheduled meeting. Upon receipt of the written petition for reconsideration, the EDA shall consider the petition at its next scheduled meeting and advise the petitioner in writing of its decision within fourteen (14) days of that meeting. The EDA's decision will be final.
  - 3. Re-application. Applicants aggrieved by the EDA's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns in the

preceding application are adequately and appropriately addressed.

VIII. Administration.

- A. Loan review committee. The Ramsey EDA will serve as the loan review committee. The final determination on all revolving loan applications rests with the City Council.
- B. Conflict of Interest. All city officials and employees shall comply with the applicable conflict of interest regulations set forth in the City Code.
- C. Staff responsibility. Community development staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the EDA, and coordinating the loan approval and service process as set forth in Subsections D -- G of this section.
- D. Pre-application process. All parties seeking revolving loan funds must file a pre-application. Pre-application forms may be obtained from the Community Development Department.
  - 1. There will be a pre-application form that must be completed and submitted to the Community Development Department for review and approval.
  - 2. The pre-application form will request information regarding the applicant, project scope, and project costs.
  - 3. Upon Community Development Department approval, the applicant will be forwarded a revolving loan fund application.
  - 4. Pre-application forms may be submitted on an open basis throughout the year.
- E. Application process. All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Community Development Department.
  - 1. Components of application. Only completed applications will be reviewed for consideration by community development staff. A completed application is one that satisfies the checklist provided below:

- a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
- b. Project budget;
- c. Private financing commitment;
- d. Equity investment commitment;
- e. Proposed security;
- f. Company financial statements (3 years);
- g. Personal financial statements (2 years);
- h. Credit check release;
- i. Mortgage or lease of property to be improved;
- j. Proof of insurance of property to be improved;
- k. Number of jobs to be created or retained;
- l. Wage information;
- m. Amount of loan request; and
- n. Other documentation as requested.

2. Incomplete applications. Community development staff, in its sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned *pending* status and the applicant will be informed in writing of the missing documentation.
3. Transmittal. Applications transmitted by oral, telegraphic, facsimile, or e-mail will not be accepted.
4. Determination of eligibility. Applicant eligibility will be determined by community development staff using criteria enumerated in subsection D (1) of this section.
5. Site inspection. As part of the eligibility determination process, the city will inspect the property or building designated for improvements for compliance with the city administrative ordinances and zoning codes.
6. Credit check. A credit check for the company and each of its principal owners shall be conducted by community development staff.

F. Loan approval process. Community development staff will prepare loan applications and make recommendations to the EDA.

1. EDA agenda. Upon determining the eligibility of the completed application

and reviewing for credit worthiness and soundness of plan, community development staff will place loan application the on the agenda for the EDA's next scheduled meeting.

2. **Criteria.** The EDA will base their decision on the economic benefit to the City of Ramsey, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
  3. **EDA action.** Upon placement on the agenda, the EDA shall approve, deny, or postpone for consideration at a future meeting the loan application request.
  4. **Notification of EDA action.** The applicant shall be notified in writing within fourteen (14) days of the EDA's decision in accordance with the requirements set forth in Section VII, Subsection M of these guidelines.
  5. **Approval.** If approved, the applicant will be sent a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, community development staff will begin the loan closing process with the City Attorney.
  6. **Closing.** The City Attorney will prepare documentation and coordinate the closing with the Borrower or the Borrower's counsel.
- G. **Loan servicing.** Community development staff will coordinate loan servicing activities.
1. **Monitoring.** Community development staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
  2. **Reports.** Community development staff and finance staff are responsible for ensuring that all required reports are filed in a timely manner.
  3. **Records.** Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project

activities. Program records will be maintained by the Community Development staff and financial records will be maintained primarily by the Finance Division. Where applicable, the following records will be maintained:

- a. Program records. The following program information will be maintained in the program project file, including but not limited to:
    - i. Environmental report;
    - ii. Eligibility determination records as set forth in Section VIII, Subsection E (1) (a-n);
    - iii. Property inspection report;
    - iv. Progress reports;
    - v. EDA Resolutions;
    - vi. Correspondence;
    - vii. Loan documents; and
    - viii. Executed loan agreement.
  - b. Financial records. The following financial information will be maintained in the financial project file, including but not limited to:
    - i. Copy of the executed loan agreement;
    - ii. Disbursement data;
    - iii. Progress reports;
    - iv. Repayment data; and
    - v. Amortization tables.
4. Record retention. All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

IX. Delinquency. There shall be a notification procedure for delinquent loans.

- A. The finance officer is responsible for the timely posting and of all loan repayments.
- B. Thirty day notice. Upon thirty (30) days delinquency, the finance officer will notify the Finance Director (FD) of the delinquency and the Director shall send the borrower a delinquency notice requesting payment within fifteen

(15) days. A copy of the letter shall be forwarded to the City Administrator (CA).

C. Forty-five day notice. If payment has not been received by the 45<sup>th</sup> day a second delinquency notice will be sent to the Borrower by the FD requesting payment within fifteen (15) days. A copy of the letter shall be forwarded to the CA.

D. Sixty day notice. If payment has not been received by the 60<sup>th</sup> day, the FD will attempt to contact the Borrower by telephone to the delinquency. The FD shall also send a notice of default to borrower via certified mail requesting immediate payment and advising the borrower the delinquency will be placed on the EDA agenda for discussion at the next scheduled meeting.

E. Ninety day notice. If no repayment plan is submitted by the Borrower, or if there is no attempt by the Borrower to negotiate the amount due, the FD will contact the CA and the City Attorney to sending a 90 day letter calling due the loan in full.

F. Negotiation. Throughout this process, every attempt will be made to preserve the company, the jobs, and the loan funds.

X. Default. If the EDA determines a loan to be in default it will pass a resolution declaring the entity in default and convey the matter to the City Attorney for disposition.

XI. Recaptured funds. The Ramsey Economic Development Revolving Loan Fund will serve as the repository for all loan repayments. These recaptured funds are available to other applicants for utilization as gap financing for certain approved economic development projects. The revolving loan fund shall be administered by a financial management system in compliance with all state and federal requirements.

XII. Funding acknowledgement. For projects financially supported by revolving loan funds the Borrower shall:

A. Acknowledge revolving loan fund support in certain written materials

including company brochures, reports, newsletters, and press releases; and

- B. On the building or expansion construction site post a sign acknowledging financial support from the State of Minnesota and the City of Ramsey.

XIII. Guidelines for the regulation of State Economic Development Revolving Loan Funds.

- A. General. The following rules, regulations, policies, and procedures govern state economic development revolving loan funds.
- B. Incorporation by Reference. The dissemination, use, and regulation of state economic development revolving loan funds shall be generally governed by guidelines including:
  - 1. The Minnesota Investment Fund (MS.116J.8731).

# Memo

To: Ramsey EDA  
From: Mike Mulrooney, Economic Development Consultant  
CC: Patrick Brama  
Date: January 5, 2017  
Re: American Print & Digital Request for Exception to RLF Policy

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The City of Ramsey has been approached by *American Print & Digital* regarding the Ramsey Revolving Loan Fund. *American Print & Digital* is a local Ramsey business who is interested in purchasing an existing building located at 6320 US Highway10.

The company has been exploring financing options to acquire the property. The financing option of choice appears to be the SBA 504 Loan Program. The 504 Loan Program provides growing businesses with long-term, fixed-rate financing for major fixed assets such as land, buildings, machinery and equipment. A typical 504 project includes a loan secured with a senior lien from a private-sector lender covering up to 50 percent of the project cost, a loan secured with a junior lien from a Certified Development Company (backed by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the cost, and an equity injection of at least 10 percent from the small business.

*American Print & Digital* has determined that while the SBA 504 program provides excellent financial leverage it will be difficult for them to inject 10% into the financing structure without potentially jeopardizing the company's working capital position. Therefore, additional financing options are being explored including the Ramsey Revolving Loan Fund to fill a perceived equity gap.

The current policy for the Ramsey Revolving Loan Fund also calls for an equity injection of 10% by the borrower. The company is requesting that the Ramsey EDA consider an "exception to policy" that would allow the Ramsey Revolving Loan Fund to inject 5% into the project financing structure over and above the SBA 504 Loan structure thereby achieving 95% leverage. This would amount to \$70,000 of

within a \$1.4 million project budget. The company has indicated to city staff that they have the ability to inject 5% equity into the project.

As Ramsey's Economic Development Consultant I have been asked to provide my perspective on whether the EDA should consider this request for an exception to policy or consider amending its RLF policy to allow for 5% minimum equity injections.

### **Policy Exceptions**

Ramsey's RLF loan Policy has been around for some time and has undergone many changes since it was originally written. Records indicate that no changes have been made since 2005. After reviewing the current policy I have found that it does not provide any provision for exceptions.

Exceptions to loan policies are common. Even fundamentally sound credits may need policy exceptions from time to time as such credits may not always conform to all aspects of a loan policy. There may be mitigating circumstances that would justify the loan's approval. Ideally the loan policy should establish processes and procedures for presenting nonconforming or exception loan requests received from creditworthy borrowers. Having the ability to approve exceptions for solid credits would give the EDA the ability to approve a loan request or propose an alternative structure.

Keep in mind that frequent approval of policy exceptions may indicate a loosening of credit underwriting criteria and/or a policy that is too restrictive. The underlying reasons behind frequently granted exceptions should be assessed and appropriate actions should be taken to ensure the policy is appropriately conveying the risk profile desired by the EDA and City Council.

In short, the EDA and/or City Council may want to consider amending the Ramsey RLF Policy to establish review and approval procedures for exception loans, including loans with loan-to-value percentages in excess of desired limits.

### **The American Print & Digital Request**

The type of request that American Print & Digital is making is not unusual. It is common for gap financing programs offered by cities involved in economic development to assist with increasing leverage beyond what other financing tools may provide. It is equally common and wise to require some level of equity on the part of any borrower to insure that risk is shared between all parties including the borrower as well as the lender. The art of economic development lending involves designing a plan that accomplishes the goals of the city while at the same time minimizing the risk.

In the absence of having a defined path for considering exceptions to the current loan policy I recommend that the EDA consider this request. **Keep in mind that this does not mean that you are providing credit approval. The City has not received a formal application and therefore no underwriting of the loan request has been initiated or completed.** The underwriting process may yield other options for meeting the needs of the borrower without approving an exception to current policy.

Final loan approval would be based on a review of information provided by the borrower, their primary lender and what underwriting uncovers during the loan review and underwriting process. Credit approval should not be considered until this work is completed.

Following receipt of all required information the current policy outlines the following path to credit approval.

1. All parties seeking revolving loan funds must file a pre-application. The pre-application requests basic information regarding the applicant, project scope, and project costs.
2. If the loan request appears to be eligible, a full revolving loan fund application is forwarded to the applicant.
3. Only complete applications are considered. Underwriting begins to determine the credit worthiness of the borrower when complete information is provided.
4. Following the underwriting process, the loan request is placed on the agenda for the EDA's next scheduled meeting.
5. The EDA bases its credit decision on the economic benefit to the City of Ramsey, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
6. The Ramsey EDA serves as the *loan review committee*. The policy states that final determination on all revolving loan applications rests with the City Council.

I hope you find this information helpful. I am available at any time to answer any questions you may have regarding my recommendation or the loan approval process.



1/5/2017

City of Ramsey  
Patrick Brama  
7550 Sunwood Drive NW  
Ramsey, MN 55303

Dear Mr. Brama,

American Print & Digital is a wholesale printing company that was founded in 2009 and is based solely in Ramsey. Our core products are marketing materials, stationery, books, and business forms and we sell these to printing brokers and sales people around the country. Due to steady growth, we have decided to expand our business with new equipment and more space.

In early 2016 we began searching for and found equipment that will allow us to add tremendous capacity to our current production. In addition, this equipment will allow us to expand our product offerings and increase our competitiveness in other areas. As part of this expansion we are also in need of additional space. We currently occupy 5000 square feet and have discussed adding on another 5000. During this process, however, the building at 6320 Highway 10 became available.

6320 Highway 10 was previously occupied by a printing company. It already has all of the power capacity and distribution that we need for our equipment. The building is large enough for our business now and for growth in the future. We are planning to buy this property, make some upgrades inside and out, and begin operations there by April 2017.

I am applying for SBA financing for the equipment and building. This financing requires 10% equity and it is my hope that the City of Ramsey will help with a 5% loan. Partnering with the City of Ramsey will help ensure the success of our expansion by allowing us to retain some of our cash reserves for moving expenses and the additional costs that come with this type of expansion (inventory, support equipment, marketing, etc.). While our numbers aren't quite final, the whole package will be close to \$1,400,000. \$800,000 for the building and improvements. \$600,000 for equipment.

Thank you for your consideration. Our company has been successful in Ramsey for over 7 years and we are very excited for this opportunity to stay and continue to grow here.

Sincerely,

Jason Farrell  
President

13950 Radium St NW, Suite 400 • Ramsey, MN 55303  
763-421-0611 • 877-364-4545 • Fax 763-712-9107

**Economic Development Authority (EDA)**

**4.3.**

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

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**Title:**

Extend CBRE Listing Agreement through July 2017

**Purpose/Background:**

**REFERENCE**

This case is in reference to the discussions had by the EDA in September and December of 2016 RE the City's strategy for marketing/ selling city-owned land. Please see those EDA cases for background.

**PURPOSE**

The purpose of this case is to recommend the City Council approve the attached short-term contract extension with CBRE (6 months). This short-term CBRE contract should provide enough time for the City to decide what their next long-term contract will be/ with who (typically 3 years).

**Notification:**

NA

**Observations/Alternatives:**

NA

**Funding Source:**

NA

**Recommendation:**

At the December EDA meeting, the EDA indicated an interest in a short-term/ or month-to-month contract with CBRE. The EDA generally wanted coverage from CBRE until the next long-term solution was in place.

Staff is generally comfortable with this approach. However, staff would note, that a 6-month carry over clause for the CBRE listing agreement exists (this does contrast from the 18 month carry over clause with Landform). Therefore, whenever the CBRE contract is officially terminated, the City still has a 6-month window in which they are obligated to pay a commission to CBRE on deals CBRE previously worked--i.e. the CBRE prospect list, which is a long list . One could argue, the City could cancel the CBRE contract now, and the CBRE would still work their current leads for the next 6 months, on the City's behalf, anyway. The only down fall with that approach is, CBRE would likely not work any new leads during that interim period.

**Action:**

**Motion to Recommend:**

The City Council approve the attached 6-month contract extension for broker services with CBRE.

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Original CBRE Contract

6mo CBRE Contract Extension

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### Form Review

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 01/05/2017

**Reviewed By**

Kurt Ulrich

**Date**

01/05/2017 03:29 PM

Started On: 12/21/2016 06:20 PM



**EXCLUSIVE SALES LISTING AGREEMENT**  
CBRE, INC.  
BROKERAGE AND MANAGEMENT

1. In consideration of the listing for sale the real property hereinafter described (the "Property") by CBRE, Inc. ("Broker") and Broker's agreement to use commercially reasonable efforts to effect a sale of same, the City of Ramsey and the Ramsey Housing & Redevelopment Authority ("Owner") hereby grants to Broker the exclusive right to list for sale the Property for a period commencing January 28, 2014, and ending midnight January 28, 2017. This agreement will be for three (3) years, with the option to cancel after Year One with a ninety (90) day written notice (with no penalty) by either party (the "Term"), at a price of the following terms, or such other terms, as owner may agree.

The Properties are situated in the City of Ramsey, County of Anoka, State of Minnesota, is located at and is further described as (see Exhibit "A").

References herein to the Property shall be understood to include portions of the Property.

2. **NOTICE: THE COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S CLIENT.**  
Owner agrees to pay Broker a sales commission in accordance with Broker's Schedule of Sale and Lease Commissions (the "Schedule"), a copy of which is executed by Owner, attached hereto and hereby made a part hereof. This commission shall be earned for services rendered, if, during the Term: (a) the Property is sold to a purchaser procured by Broker, Owner, or anyone else; (b) any contract for the sale of the Property is entered into by Owner; (c) Property is transferred due to eminent domain or the threat thereof, foreclosure, or conveyance in lieu of foreclosure; (d) Owner contributes or conveys the Property to a partnership, joint venture, or other business entity; or (e) Owner is a corporation, partnership, or other business entity and an interest in such corporation, partnership or other business entity is transferred, whether by merger, outright purchase, or otherwise, in lieu of a sale of the Property. Broker is authorized to cooperate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective purchasers (hereinafter "Cooperating Brokers") or assist Broker.
3. As used in this Agreement the term "sale" shall include an exchange of the Property, and also the granting of an option to purchase the Property. Owner agrees that in the event such an option is granted, Owner shall pay Broker a sales commission in accordance with the Schedule on the price paid for the option and for any extensions thereof. This commission shall be paid upon receipt by Owner of any such payment(s). In the event such an option is exercised, either during the term or within one year thereafter, Owner shall also pay Broker a sales commission on the gross sales price of the Property, in accordance with the Schedule. Notwithstanding the foregoing, to the extent that all or part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any commission previously paid by Owner to Broker on account of such option payment(s) shall be credited against the commission payable to Broker on account of the exercise of the option.
4. Owner further agrees that Owner shall pay Broker a commission in accordance with the Schedule, if, within one hundred eighty (180) calendar days after the expiration or termination of the Term (the "Override Period"), the Property is sold to, or Owner enters into a contract of sale of the Property with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a protective list of such persons or entities to Owner within seventy-two (72) hours following the expiration or termination of the Term as required by M.S.A. §82.21. The protective list may include only persons who have, during the Term, either made an affirmative showing of interest in the Property by responding to an advertisement or by contacting Broker or has been physically shown the Property by Broker, provided, however, that if a written offer has been submitted it shall not be necessary to include the offeror's name on the list. The parties on the protective list must acknowledge in writing that the Property has been presented to such party. The submitted list will include submitted offers, groups currently under contract, and groups identified on the CBRE monthly update list.
5. Broker agrees Owner shall not pay Broker commission fees in accordance with the Schedule, if, within one hundred eighty (180) calendar days after commencement of this Exclusive Sales Listing Agreement, Property is sold to, or Owner enters into a contract of sale of Property with any person or entity as indicated in Appendix B.
6. Owner further agrees that (a) if a lease of the Property is entered into during the Term by anyone, or (b) if, during the Override Period, the Property is leased to, or owner enters into a contract to lease the Property with, or negotiations continue, resume or commence and thereafter continue leading to the lease of the Property to any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term, Owner shall pay Broker a leasing commission in accordance with the Schedule.

**IF YOU RELIST WITH ANOTHER BROKER WITHIN THE OVERRIDE PERIOD AND THEN SELL YOUR PROPERTY TO ANYONE WHOSE NAME APPEARS ON THIS LIST, YOU COULD BE LIABLE FOR FULL COMMISSIONS TO BOTH BROKERS. IF THIS NOTICE IS NOT FULLY UNDERSTOOD, SEEK COMPETENT ADVICE.**

7. Commissions shall be payable hereunder when earned or at the earlier of closing of escrow, recordation of the deed, lease execution, or taking of possession by the purchaser or tenant.

8. Check one of the following:

- Owner agrees to have Broker arrange for closing services.  
 Owner shall arrange for closing services to be provided by a third-party.

8. Unless otherwise provided herein, the terms of sale shall be, at the option of the purchaser, either cash or cash to any existing loan. Any offer may contain normal and customary contingencies such as those relating to the condition of the Property, title report, and timing of closing.
9. Owner shall reimburse Broker, monthly or upon request, for its direct out-of-pocket expenses reasonably incurred and approved by Owner in the preparation of the offering brochures required for print advertising, and for other activities involved in marketing the Property hereunder. The reimbursement for these expenses shall not exceed the sum of \$0 Dollars (\$0). Except as expressly provided in this paragraph, all expenses incurred by Broker in the performance of its service shall be borne by Broker, not Owner.
10. Owner agrees to cooperate with Broker in bringing about a sale of the Property and to refer immediately to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective purchaser and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and, exclusively, to place a sign(s) on the Property if, in Broker's opinion, such would facilitate the sale of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of any purchase and sale agreement and other documents relating to any transaction contemplated by this Agreement.
11. In the event the Property is removed from the market due to the opening of an escrow or acceptance of an offer to purchase the Property during the Term, or any extension thereof, and the sale is not consummated for any reason then, in that event, the Term shall be extended for a period of time equal to the number of days that the escrow had been opened and/or the Property had been removed from the market, whichever is longer, provided that, in no event shall such extension(s) exceed one hundred eighty (180) calendar days in the aggregate.
12. Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on, or about the Property. Broker is authorized to disclose any such information to prospective purchasers or tenants.
13. Owner represents that it is the owner of the Property and that, except as may be set forth in an addendum attached hereto, no person or entity who has an ownership interest in the Property is a foreign person as defined in the Foreign Investment in Real Property Tax Act (commonly known as "FIRPTA").
14. If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the anticipated commission.
15. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of sale or rental payments, paid by a purchaser or tenant in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant, is hereby instructed by Owner to pay Broker's commissions from any such funds or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of whether Broker exercises its rights under this paragraph.
16. Owner and Broker designate the individual(s) identified below as the legal agent(s) of Owner, to the exclusion of all other licensees of Broker (individually or collectively referred to as "Designated Agent(s)"). Owner acknowledges that Broker is a national brokerage firm and that in some cases it may represent prospective purchasers or tenants. Owner desires that the Property be presented to such persons or entities, and consents to any dual representation created in the event that such purchaser or tenant is also represented by Designated Agent(s). Designated Agent(s) shall not disclose the confidential information of one principal to the other.
- Designated Agent(s): Brian Pankratz, Richard Palmiter, Krista Flemming
17. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.
18. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then Broker may, in its sole and absolute discretion (i) suspend this Agreement until such time as Broker may elect, in its sole and absolute discretion, to reinstate this Agreement, or (ii) terminate this Agreement and be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.
19. In the event Owner fails to make payments within the time limits set forth herein, then from the date due until paid, the delinquent amount shall bear interest at the four percent (4%) per year.

20. Each signatory to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.
21. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. Owner and Broker each represent and warrant to the other that in entering into this Agreement, they are not relying upon any discussions, representations, understandings or agreements, other than the matters specifically stated herein. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement shall be binding upon, and shall benefit, the heirs, successors, and assignees of the parties. In the event any clause, provision, paragraph or term of this Agreement shall be deemed to be unenforceable or void based on any controlling state or federal law, the remaining provisions hereof, and each part, shall remain unaffected and shall continue in full force and effect.
22. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, Property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act. Owner and Broker agree that the Property will be offered in compliance with all applicable anti-discrimination laws.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement.

**BROKER:**

**CBRE, Inc.**  
**Licensed Real Estate Broker**

By: Richard Palmiter  
 Richard Palmiter  
 Title: Vice President

By: Brian Pankratz  
 Brian Pankratz  
 Title: Vice President

Address: 4400 West 78<sup>th</sup> Street  
Suite 200  
Minneapolis, MN 55435

Telephone: (952) 924-4600

Date: 1-28-14

**OWNER:**

**City of Ramsey**

By: Sarah Strommen  
 Sarah Strommen  
 Title: Mayor

By: Kurt Ulrich  
 Kurt Ulrich  
 Title: City Administrator

Address: 7550 Sunwood Drive NW  
Ramsey, MN 55303

Telephone: 763-427-1410

Date: January 28, 2014

**OWNER:**

**Ramsey Housing & Redevelopment Authority (HRA)**

By: Randy Backous  
 Randy Backous  
 Title: HRA Chair

By: Ted LaFrance  
 Ted LaFrance  
 Title: Executive Director

Address: 7550 Sunwood Drive NW  
Ramsey, MN 55303

Telephone: 763-427-1410

Date: January 28, 2014

**CONSULT YOUR ADVISORS** – This document has legal consequences. No representation or recommendation is made by Broker as to the legal or tax consequences of this Agreement or the transaction(s) which it contemplates. These are questions for your attorney and financial advisors.

## Owner Marketing Approval

Property Name:	City of Ramsey Land
Property Address:	(See Exhibit "A"), City of Ramsey, MN
Broker(s):	Brian Pankratz, Richard Palmiter, Krista Flemming

I hereby authorize CBRE to actively market the above-referenced property with signage, spec sheets, brochures, postcards, company web page, MNCAR, Co-Star & Loopnet:

**OWNER:**

City of Ramsey

By:   
Sarah Strommen

Title: Mayor

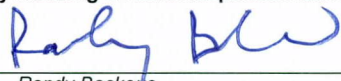
By:   
Kurt Ulrich

Title: City Administrator

Date: January 28, 2014

**OWNER:**

Ramsey Housing & Redevelopment Authority (HRA)

By:   
Randy Backous

Title: HRA Chair

By:   
Ted LaFrance

Title: Executive Director

Date: January 28, 2014



SCHEDULE OF LAND SALE COMMISSIONS

CBRE, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

FOR PROPERTY: (See Exhibit "A")

NOTICE: THE COMMISSION RATE FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND ITS CLIENT.

As to all sales of real property, the commission shall be calculated on the basis of five percent (5%) of the gross sales price of the property paid to owners at closing. If a cooperative broker is involved, the total commission payable to Broker and cooperative Broker shall be calculated on the basis of seven percent (7%) of the gross sales price of the property paid to owners at closing.

The minimum gross sale price for industrial and office land, for the purpose of calculating CBRE's commission only, shall be \$2.00 per square foot. CBRE shall receive a minimum fee of \$5,000.00 for the sale of any residential parcel of land greater than \$45,000; and, a minimum fee of \$3,500.00 for the sale of any residential parcel of land less than or equal to \$45,000.

The provisions hereof are subject to the terms and provisions of any Authorization of Sale, Exclusive Leasing Agreement or other agreement to which this Schedule may be attached and which is executed by the parties hereto.

In the event Owner fails to make payments within the time limits called for herein, then from the date due until paid, the delinquent payment shall bear interest at four percent per year. In addition, should it become necessary for CBRE to take legal action to collect payments due hereunder, and if CBRE prevails in such action, Owner shall pay all reasonable attorneys fees and court costs incurred by CBRE in connection therewith.

The undersigned Owner hereby acknowledges receipt of a copy of this Schedule and further agrees that it shall be binding upon the heirs, successors and assigns of the undersigned. The term "Owner", when used herein, shall be deemed to mean the owner of the property, a tenant under a ground lease, and any tenant desiring to effect subleases.

APPROVED this 28th day of January, 2014

CBRE, Inc.
Licensed Real Estate Broker

By: Richard Palmiter
Title: Vice President

By: Brian Pankratz
Title: Vice President

OWNER:
City of Ramsey

By: Sarah Strommen
Its: Mayor

By: Kurt Ulrich
Its: City Administrator

OWNER:
Ramsey Housing and Redevelopment Authority (HRA)

By: Randy Backous
Its: HRA Chair

By: Ted LaFrance
Its: Executive Director

**Exhibit A**

Exclusive Sale Listing Agreement:  
Property Listing Descriptions

Parcels to be listed for sale by CBRE

<u>Property Identification Number (PID)</u>	<u>Unique Ramsey Identification Number</u>
1. 253225430043	08
2. 113225430004	11
3. 273225440003	28
4. 063225140009	34
5. 273225330006	37
6. 343225130005	40
7. 283225220011, 283225220013	42
8. 353225310018	44
9. 283225220058	46
10. 2832255230010, 283225310019	47
11. 283225240009 (partial), 283225240009, 283225240011, 283225240010, 283225240013, 28322540012	48
12. 283225420017, 283225420018	49
13. 283225410009	50
14. 283225140094	51
15. 283225240005, 283225130034, 283225130033	52
16. 283225210035, 283225210030	53
17. North Commons, Four 9,000 sq. ft. Lots (no PIDs) (283225210033)	54

**Exhibit B**

Exclusive Sale Listing Agreement:  
Owner Prospect List

Parcels CBRE receives no regular commission fees in accordance with the Schedule, during the first six months of the executed Exclusive Listing Agreement, if said properties are sold to the following prospect buyers (July 28, 2014).

<b>Property Identification Number (PID)</b>	<b>Ramsey ID</b>	<b>Prospect Buyer</b>
15. North Commons, Four Lots (no PIDs)	54	Greg Bauer Trilogy Homes, Inc. 9340 Highway 10 NW Ramsey, MN 55303
4. 063225140009	34	Nathan Gunn Homes of Influence, LLC 14228 Vintage Street NW Andover, MN 55304  Nathan Gunn Foundational Realty, LLC 14228 Vintage Street NW Andover, MN 55304
6. 283225220011, 283225220013	42	Casey's General Store, Inc. One Convenience Boulevard Ankeny, IA 50021
8. 353225310018	44	Nathan Gunn Homes of Influence, LLC 14228 Vintage Street NW Andover, MN 55304  Nathan Gunn Foundational Realty, LLC 14228 Vintage Street NW Andover, MN 55304
12. 283225410009	50	Casey's General Store, Inc. One Convenience Boulevard Ankeny, IA 50021

See paragraph 5 of Exclusive Listing Agreement for details.



**AMENDMENT TO LISTING AGREEMENT**

CBRE, INC.  
BROKERAGE AND MANAGEMENT  
LICENSED REAL ESTATE BROKER

January 24, 2017

This is an Amendment to the Exclusive Sales Listing Agreement ("Listing") dated January 28, 2014, between the CITY OF RAMSEY ("Owner") and CBRE, INC. ("Broker") for the real property described as: please see attached Exhibit A.

Owner and Broker hereby agree to amend the Listing as follows:

1. That the Listing Term be extended for another period commencing January 29, 2016 and ending midnight July 31, 2017.
2. All other terms and conditions remain the same.

Except as expressly set forth in this Amendment, the Listing shall remain in full force and effect.

BROKER:

CBRE, Inc.  
Licensed Real Estate Broker

By: \_\_\_\_\_  
Blake R. Hastings  
Title: \_\_\_\_\_  
Managing Director

Address: \_\_\_\_\_  
1900 LaSalle Plaza  
\_\_\_\_\_ 800 LaSalle Avenue  
\_\_\_\_\_ Minneapolis, MN 55402

Telephone: \_\_\_\_\_  
(952) 924-4600

Date: \_\_\_\_\_

OWNER:

CITY OF RAMSEY

By: \_\_\_\_\_  
Sarah Strommen  
Title: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Kurt Ulrich  
Title: \_\_\_\_\_  
City Administrator

Address: \_\_\_\_\_  
7550 Sunwood Drive NW  
\_\_\_\_\_ Ramsey, MN 55303

Telephone: \_\_\_\_\_  
(763) 427-1410

Date: \_\_\_\_\_

## EXHIBIT A – LISTED PROPERTIES

1. 253225430043
2. 113225430004
3. 273225440003
4. 063225140009
5. 273225330006
6. 343225130005
7. 283225220011, 283225220013
8. 353225310018
9. 283225220058
10. 2832255230010, 283225310019
11. 283225240009 (partial), 283225240009, 283225240011, 283225240010, 283225240013, 28322540012
12. 283225420017, 283225420018
13. 283225410009
14. 283225140094
15. 283225240005, 283225130034, 283225130033
16. 283225210035, 283225210030
17. North Commons, Four 9,000 sq. ft. Lots (no PIDs) (283225210033)
18. 293225140009, 293225140010
19. 293225140013, 293225140014
20. 203225310003

**Economic Development Authority (EDA)**

**4. 4.**

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama,

**By:**

Nichole Wenberg, Administrative Services

**Title:**

2017 Annual EDA Business Expo

**Purpose/Background:**

Annually, the Ramsey EDA sponsors a Business Expo. The purpose of this event is to promote Ramsey's businesses (typically retail and service industries) to the community. Normally, this event draws 200-300 participants and 45-50 business exhibitors. Planning for this event has begun.

**Purpose of Case:**

Update the EDA on coordination efforts

-and-

Provide survey results from 2016

-and-

Select 2017 event date

**Notification:**

NA

**Observations/Alternatives:**

**Below is a status update on a number of items related to this event:**

- Venue: The Fountains of Ramsey (\$700 estimated)
- Equipment Rentals: tables, chairs, drapes (\$1,000 estimated)
- Event Flyer & Registration: not created yet (last year attached)
- Registrations Ramsey Business= \$50, Non-Ramsey Business= \$65, Electricity fee= \$5
- Preference will be given to Ramsey area retail, service, restaurant, and other industries. Craft/Merchant vendors and Non-Ramsey businesses will be placed on a waiting list.
- Giveaway: TBD (\$1,500 estimated)
- Marketing:
  - Mailers, 9,600 qty, 2 weeks before event
  - Mobile Sign Boards, Five
  - Color Full Page flyer, qty 750 and Sandwich Board Posters
  - Anoka County Shopper ad space
  - Anoka County Union article
  - Ramsey Resident, Facebook, City's website

The EDA allocation budgeted for this event is \$5,000. Considering items above, expenditures will be \$7,295. Staff estimates revenues will be about \$2,400 (based on 2015 revenue).

**Funding Source:**

See observations section.

**Recommendation:**

### **Survey**

Attached to this case are survey results from the 2016 business expo. This survey was conducted to see if an appetite existed to combine the spring business expo with the fall happy days business expo (as previously suggested by staff); in an effort to streamline use of staff resources. The City's EDA Business Expo has ranked low in ratings from Ramsey residents (via the City's 2014 and 2016 annual citizen survey, and via staff observations over the years). Based on the attached survey results, and previous feedback from the multiple EDA discussions, it appears support to combine these events does not exist. Moving forward, these two events will remain stand alone events.

### **Date Selection**

Saturday, March 18 and Saturday, April 8 are both available at The Fountains of Ramsey. Based on input from the 2016 survey, and staff observations (feedback received in the past), it appears an earlier date is preferred by vendors and event patrons alike. Staff would lean towards March 18. However, staff would also note, March 18 is part of the Anoka Hennepin School District Spring Break (arguments could be made both ways, that it could help or hurt).

### **Action:**

No specific action requested. Staff welcomes suggestions and comments. If no comments are made, staff will move ahead with March 18 as the 2017 event date. More updates to come.

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### **Attachments**

[Business Expo Survey Results Summary](#)

[2016 Expo Flyer](#)

[2016 EDA Business Expo Application Packet](#)

[2016 EDA Business Expo Mailer](#)

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### **Form Review**

#### **Inbox**

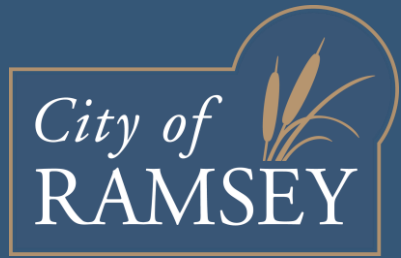
Nichole Wenberg  
Patrick Brama (Originator)  
Kurt Ulrich  
Form Started By: Patrick Brama  
Final Approval Date: 01/05/2017

#### **Reviewed By**

Nichole Wenberg  
Patrick Brama  
Kurt Ulrich

#### **Date**

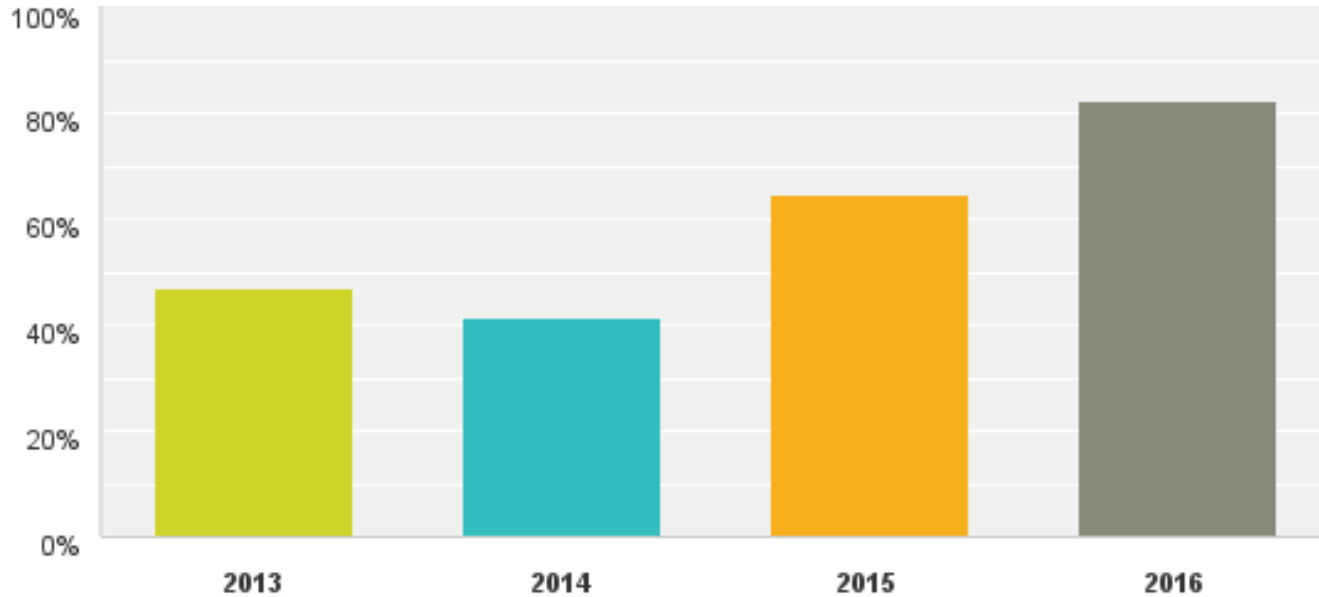
01/04/2017 12:18 PM  
01/05/2017 08:26 AM  
01/05/2017 04:17 PM  
Started On: 01/03/2017 04:59 PM



# Ramsey EDA Business Expo Survey Results

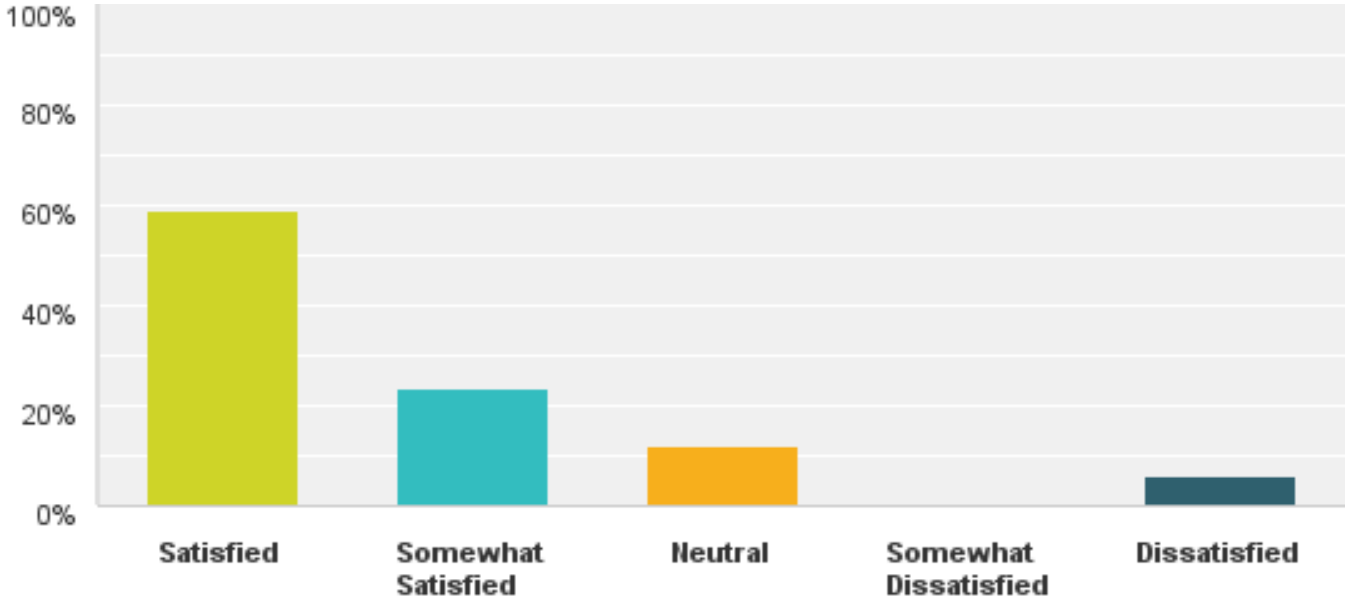
# Q1: Please select the year(s) in which you've participated in the Ramsey EDA Business Expo.

Answered: 17 Skipped: 0



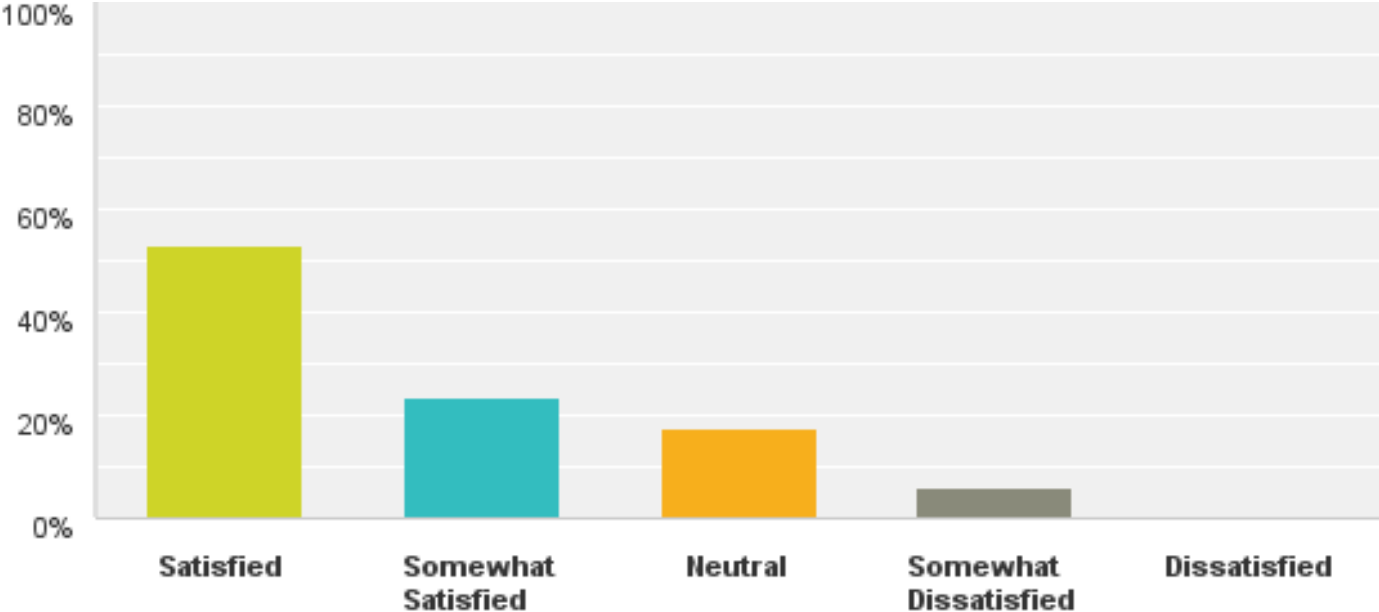
# Q2: Please rate your overall satisfaction with the Ramsey EDA Business Expo.

Answered: 17 Skipped: 0



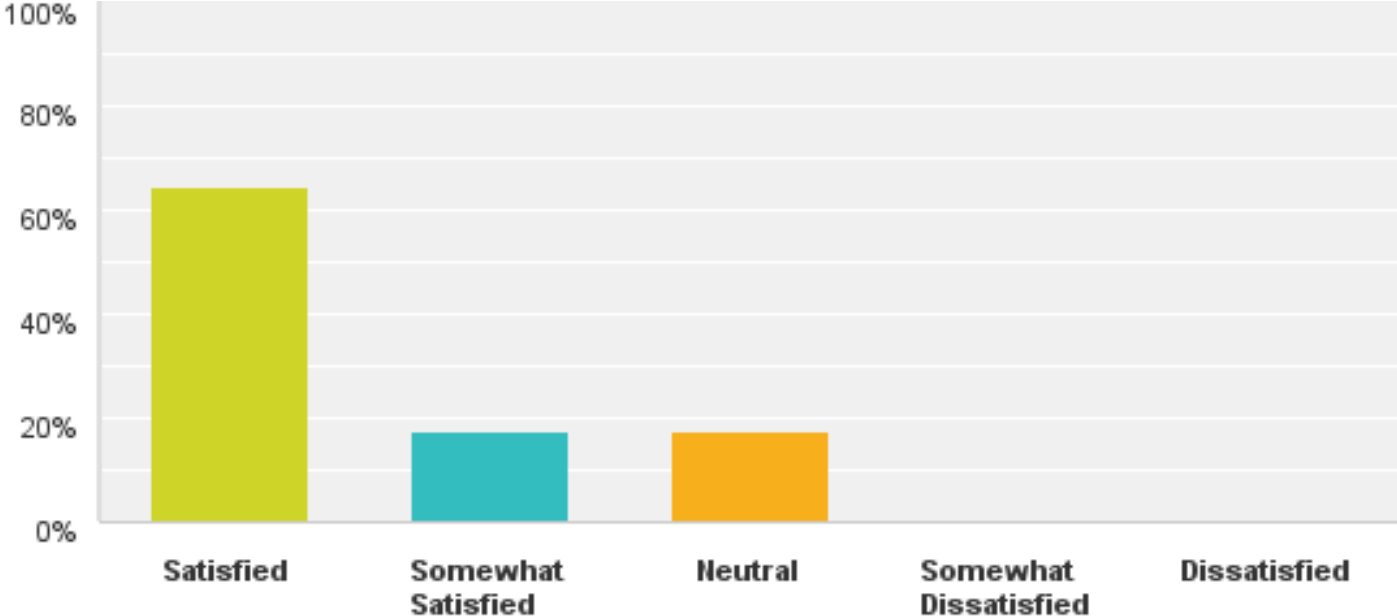
# Q3: Please rate your level of satisfaction with guest/customer attendance at the Ramsey EDA Business Expo.

Answered: 17 Skipped: 0



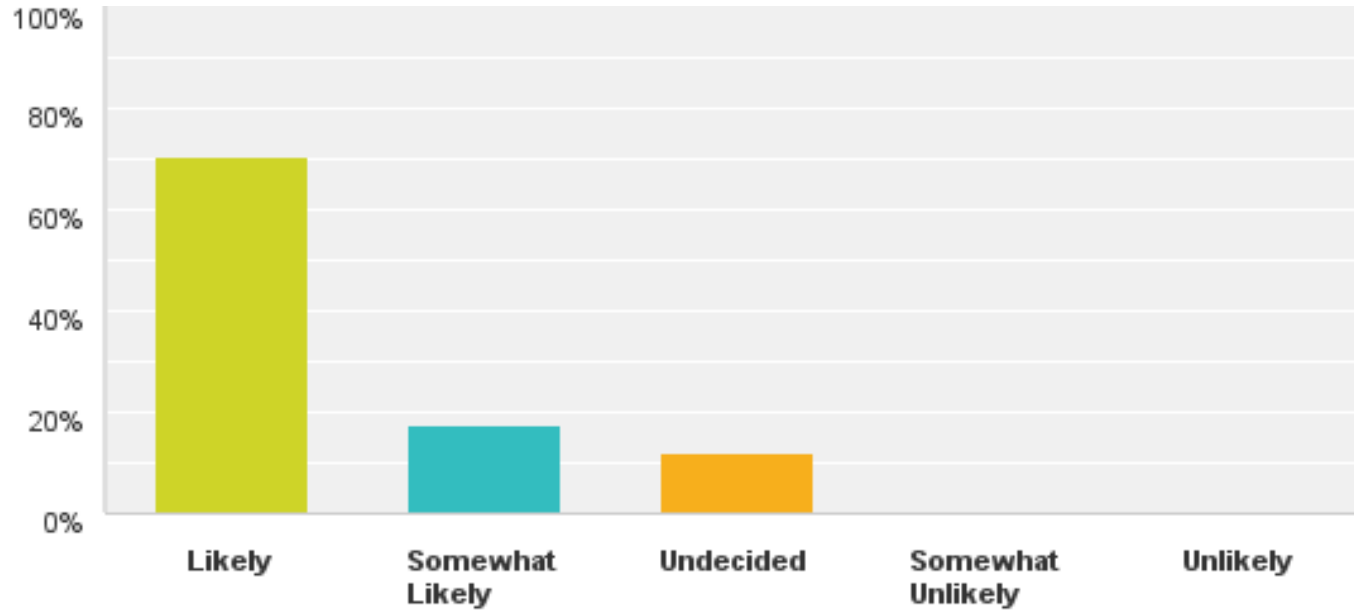
# Q4: Please rate your level of satisfaction with the variety of business participants accepted into the Ramsey EDA Business Expo.

Answered: 17 Skipped: 0



## Q5: Please rate your likeliness to participate in the Ramsey EDA Business Expo in the future.

Answered: 17 Skipped: 0



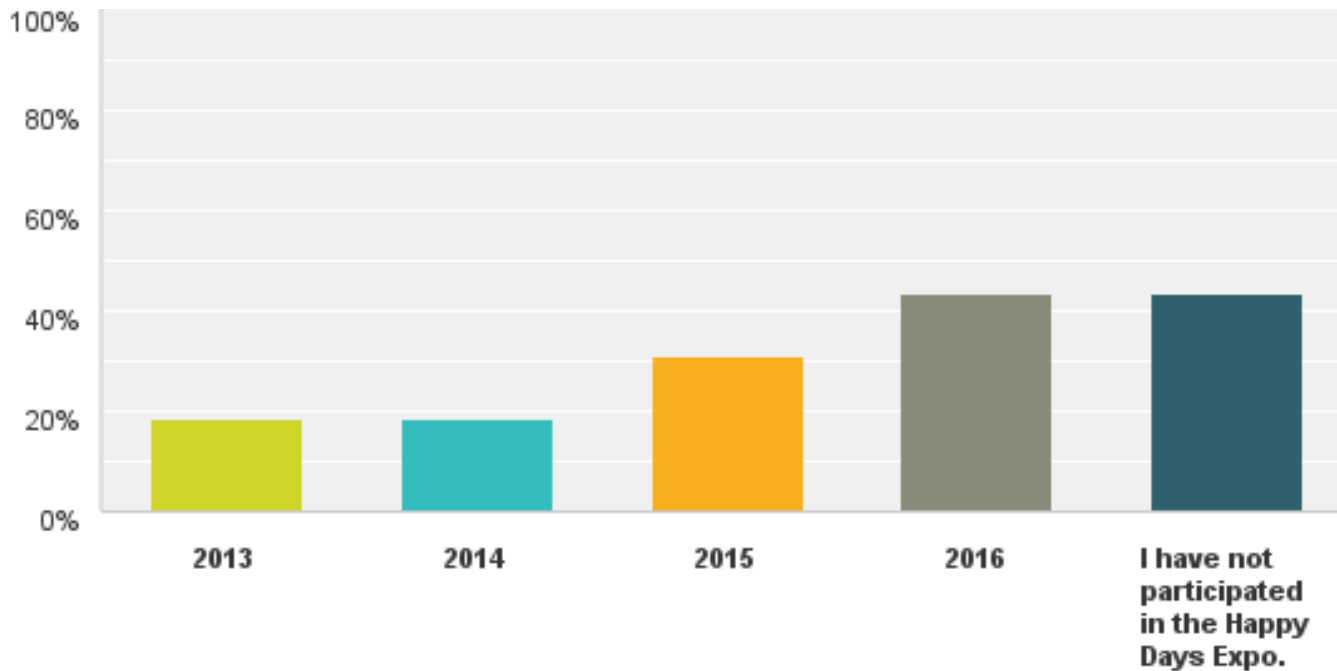
## Comments:

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- “This expo is very accommodating for the small businesses in the area. The price is right, attendance is average, and the demographics of the expo range from business to residential clientele. We usually get some type of ROI from this expo to make it worth the time and effort to attend. We use it as an extension of our marketing efforts to assure everyone sees us in the community and for those that have not heard of us.”
- “Need to have it 2 or 3 weeks earlier.”
- “Well organized event by professional people. It's not the highest traffic event, but the people who attend are interested and want to talk. It's been a good business to business opportunity for me.”
- “People just show up for free stuff.”
- “The attendance is average although it is nice because one is able to have more one-on-one time with the customers.”
- “Satisfied with the attendance with the quantity but not quality.”

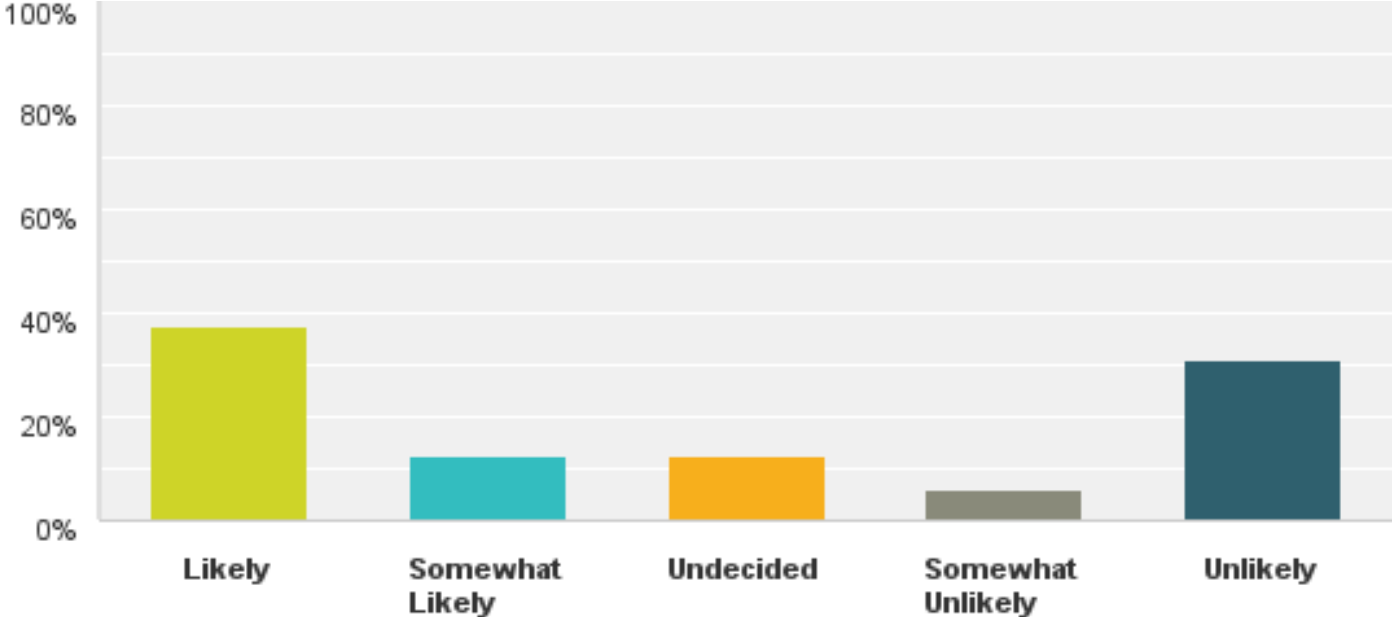
## Q6: Please select the year(s) in which you've participated in the City of Ramsey Happy Days Expo.

Answered: 16 Skipped: 1



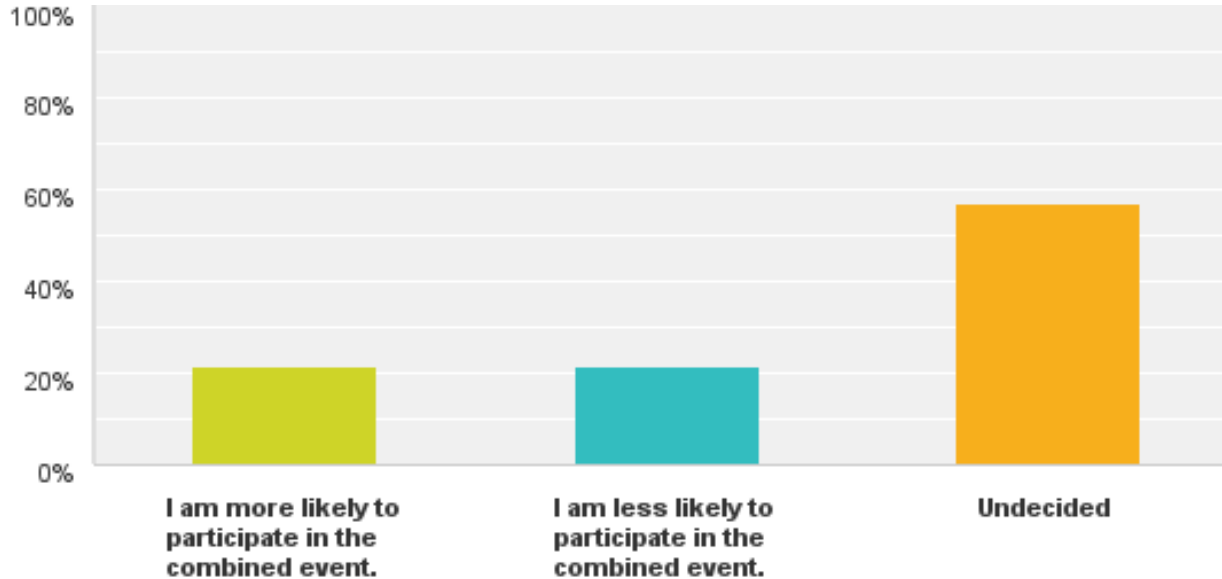
# Q7: Please rate your likeliness to participate in the City of Ramsey Happy Days Expo in the future.

Answered: 16 Skipped: 1



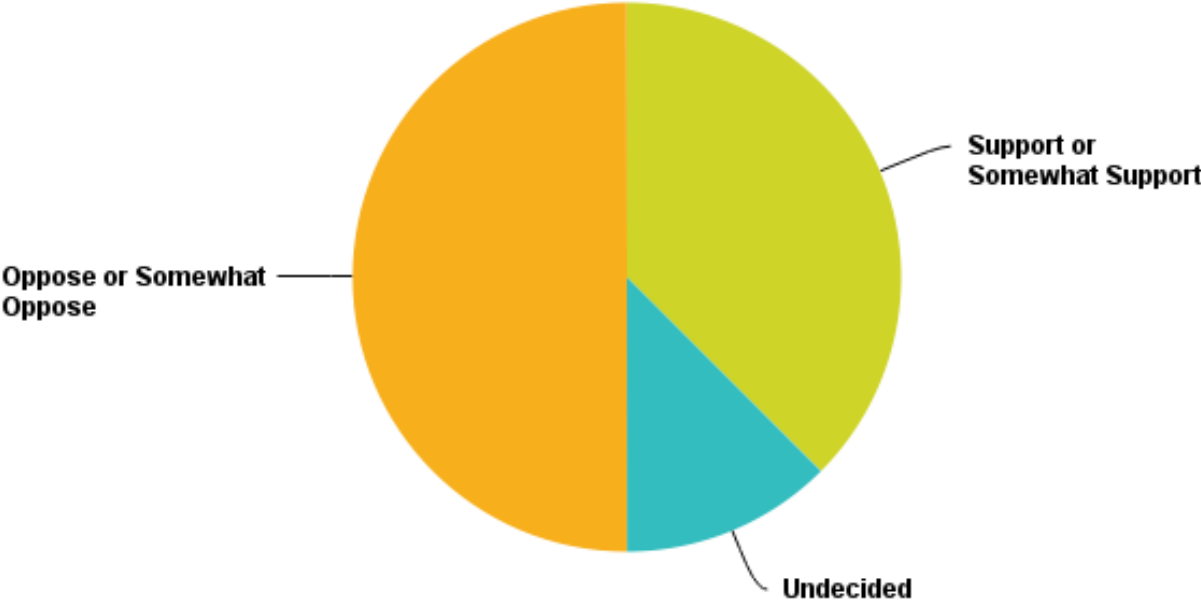
**Q8: In the future, if the Ramsey EDA Business Expo was eliminated as a separate event in the spring and was combined with the Happy Days Expos in the fall, please rate your likeliness to participate in the combined event.**

Answered: 14 Skipped: 3



# Q9: Please indicate your level of support for eliminating the EDA Business Expo in the spring and combining it with the Happy Days Expo in the fall.

Answered: 16 Skipped: 1



## Comments:

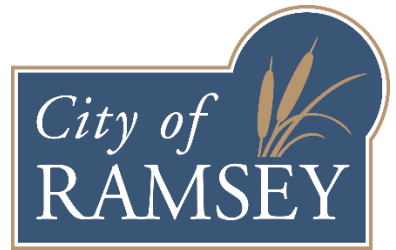
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- “Happy Days has there own Expo- I think it is a good idea to have both- and if they do combine the Happy Days Expo should be moved inside- but not inside city hall we tried that once and it was not good.”
- “The "Business" portion of the Expo would get lost in everything that is going on at Happy Days - Our vote would be that the EDA Business Expo be changed to a different time of year - Mid to end of January when minds are thinking of new things, the future and a place to get out of the cold on a freezing day!”
- “Different events, love the Expo- Do both.”
- “I was VERY impressed with the City of Ramsey's decision to have the Business Expo and would be extremely disappointed to see it go away. This would be detrimental to the small business community. There needs to be an event that is solely dedicated to small business owners.”
- “We already participate in the parade & would not attend both events.”
- “We would definitely participate if it does not conflict with our fall booking show.”
- “Depends on if we can get an indoor spot - we need electricity and be out of the weather elements.”

## Conclusions:

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- Past participants are generally satisfied with the EDA Business Expo and are likely to participate again in future years.
- A majority of participants are satisfied, or somewhat satisfied, with the guest/customer attendance. Comments suggest that they acknowledge there is a smaller audience at the Spring Business Expo, but this does not deter their participation in the event.
- Eliminating the Business Expo in the Spring and combining it with the Happy Days Expo in the Fall would not necessarily make participants more or less likely to participate in the event.
- More respondents said they 'Oppose' or 'Somewhat Oppose' the combination and elimination of the Spring Business expo, than 'Support' or 'Somewhat Support' it.
- There may be value in hosting the Spring Business Expo a few weeks earlier in the year.



8<sup>th</sup> Annual City of Ramsey  
Economic Development Authority (EDA)



# BUSINESS EXPO

## 2016

### Join us for the 8<sup>th</sup> Annual Ramsey EDA Business Expo

Experience the variety of businesses and services that the City of Ramsey has to offer. Bring the whole family for an afternoon of fun giveaways and a chance to learn about the products and services of **50 local businesses** including restaurants, professional services, retail and much more!

### HIGHLIGHTS

- Admission is FREE
- Each guest will receive a City of Ramsey tote bag at the door!
- Giveaways & exciting contests
- FREE product samples
- Local business coupons, deals & information

**Event:** 2016 Ramsey EDA  
Business Expo

**Date:** Saturday, April 16<sup>th</sup>  
2016

**Time:** 10:00 am – 2:00 pm

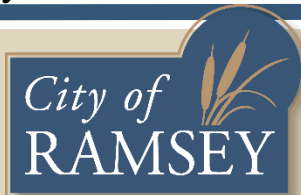
**Location:**

The Fountains of Ramsey  
7533 Sunwood Drive NW,  
Ramsey, MN 55303

**For more information:**

[cityoframsey.com/BusinessExpo](http://cityoframsey.com/BusinessExpo)  
[nwenberg@cityoframsey.com](mailto:nwenberg@cityoframsey.com)  
763-433-9831

# 2016 BUSINESS EXPO



Saturday, April 16, 10:00 a.m. to 2:00 p.m. at The Fountains of Ramsey  
7533 Sunwood Drive NW, Ramsey, MN 55303

Business/Organization Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip, \_\_\_\_\_

Phone: \_\_\_\_\_  Work  Home  Cell

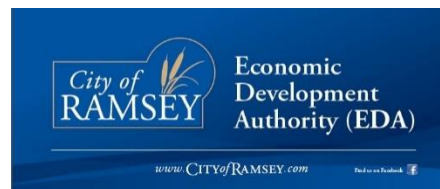
Email (required): \_\_\_\_\_

Product or Service for Distribution/Sale: \_\_\_\_\_

I plan to offer information, giveaways, samples, contest/activity, etc. (Please describe):  
\_\_\_\_\_

Expo Stalls are 8' x 9' • See guidelines for food/drinks

Sponsor:



**CHECK ALL THAT APPLY**

- I have read and understand the EDA Business Expo guidelines.
- I have signed the Expo Waiver Agreement
- I have completed the attached Minnesota ST-19 form.
- I am a Ramsey business (store front physically located in the City of Ramsey).
- I am a merchant or craft type vendor (independent consultant selling directly to customers)

NOTE: Preference will be given to non-merchant type vendors with store fronts located within the City of Ramsey.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Send completed application and payment to:  
City of Ramsey, Attn: Nichole Wenberg, 7550 Sunwood Drive NW, Ramsey, MN 55303

More information: [www.cityoframsey.com/businessexpo](http://www.cityoframsey.com/businessexpo) or Nichole Wenberg 763-433-9831,  
[nwenberg@cityoframsey.com](mailto:nwenberg@cityoframsey.com)

## EDA BUSINESS EXPO INFORMATION AND GUIDELINES

- The Ramsey EDA is the sponsor of the 2016 Ramsey Business EXPO.
- This event is an opportunity for residents and visitors to learn about products and services offered by participating businesses. It is also an opportunity for business-to-business networking.
- The EXPO will focus on Ramsey area retail, service, restaurant, and other industries.
- 200-400 patrons are expected to attend this event. Please feel free to invite your family and friends.
- Admission to the event is FREE!

### **APPLICATION PROCESS:**

- To reserve your spot, please complete the reservation form, enclose your registration fee and return it to the city no later than **Friday, April 1, 2016**.
- Space is limited and is available on a first-come basis. Preference will be given to non-merchant/non-craft type vendors with store fronts located in the City of Ramsey. Examples of merchant/craft type vendors include; Mary Kay Cosmetics, jewelry vendors, Thirty-One Gifts, Scentsy, Pampered Chef, etc.
- Merchant vendors and non-Ramsey businesses will be placed on a waiting list; and will be notified if their application was accepted by Tuesday, April 5, 2016.
- It is our policy to deposit the registration payments directly upon receiving the application. If you are placed on the waiting list, you may see the funds withdrawn, however, this does not guarantee your participation in the event on Saturday, April 16. You will be notified of your application status by Tuesday, April 5. If there is not space available at that time, you will be promptly reimbursed for your registration fee.

### **BOOTH SPACE:**

- Exhibitors will be provided a 6 ft. by 30 inch table and two chairs for their 8 ft. X 9 ft. display area.
- Exhibitors are required to **bring their own display items, table coverings, give-away items, etc.**  
If your display and/or activity includes liquids, or anything else that could stain or otherwise damage the carpet, please bring a floor covering to place underneath your exhibit area.

### **FOOD/DRINKS:**

- If you plan on selling or providing free food/drinks, please work with Anoka County to determine if a permit is required. Please do not skip this step, exhibitors have been shut down by Anoka County inspectors.

*Contact:*

Anoka County, Community Health & Environmental Services  
763-422-7063

*Temporary Food License Application:* <http://www.anokacounty.us/DocumentCenter/Home/View/5896>  
*Anoka County Web:* <http://www.anokacounty.us/1414/Food-Service-Establishments>

### **ELECTRICITY:**

- Electrical access will be available for those that have requested it on their application form. However, exhibitors should be prepared to **bring their own extension cord(s) and power strip(s)**.

### **GIVEAWAYS/CONTESTS:**

- Exhibitors are highly encouraged, but not required, to offer product samples, coupons, giveaway items, games/activities and contests to create interest around this event and get people "in-the-door".

### **SET-UP:**

- Set-up of booths will be allowed on **Friday, April 15 from 5:00 - 7:00 p.m.** and **Saturday, April 16 from 8:00 - 10:00 a.m.** Doors will open to the public at 10:00 a.m. on Saturday, April 16.
- Exhibitors should park in the parking lot on the north side of the building.

## **EDA BUSINESS EXPO WAIVER AGREEMENT**

I, as a representative of the undersigned unit/organization, have agreed for our benefit to participate in the City of Ramsey EDA Business Expo.

I/We understand that inherent in our participation is the risk of serious personal injury and property damage. I/We understand that the City of Ramsey will not provide us with a protection against such injury and damage, and I/We assume all risk of such injury and damage to myself, my customers, and all others under my direction and control, and to my property and all other property under my directions and control.

I/We, hereby, waive and release any claim we have and may have in the future against the City of Ramsey, the EDA Business Expo, Anoka County, and/or all employees/volunteers, for any personal injury, property damage or other damage that I/We may sustain whether or not caused in whole or in part by the negligence of such members which occurs during or as a result of our participation in the EDA Business Expos.

Organization: \_\_\_\_\_  
(should reflect application)

Printed Name: \_\_\_\_\_  
(should reflect application contact)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

THIS AGREEMENT MUST BE SIGNED AND RETURNED WITH EXPO APPLICATION AND EXPO FEE BEFORE ANY INDIVIDUAL OR GROUP MAY PARTICIPATE IN THE CITY OF RAMSEY EDA BUSINESS EXPO.



# Operator Certificate of Compliance

Read the information on the back before completing this certificate. **Person selling at event:** Complete this certificate and give it to the operator/organizer of the event. **Operator/organizer of event:** Keep this certificate for your records.

**Do not send this form to the Department of Revenue.**

<b>Print or type</b>	Name of business selling or exhibiting at event		Minnesota tax ID number	
	Seller's complete address		City	State      Zip code
	Name of person or group organizing event			
	Name and location of event			
	Date(s) of event			

<b>Merchandise sold</b>	Describe the type of merchandise you plan to sell.

<b>Sales tax exemption information</b>	Complete this section if you are not required to have a Minnesota tax ID number.
	<input type="checkbox"/> I am selling only nontaxable items.
	<input type="checkbox"/> I am not making any sales at the event.
	<input type="checkbox"/> I participate in a direct selling plan, selling for _____ (name of company), and the home office or top distributor has a Minnesota tax ID number and remits the sales tax on my behalf.
	<input type="checkbox"/> This is a nonprofit organization that meets the exemption requirements described below: _____ Candy sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under (MS 297A.70, subd. 13[a][4]). _____ Youth or senior citizen group with fundraising receipts of \$10,000 or less per year (MS 297A.70, subd. 13[b][1]). _____ A nonprofit organization that meets all the criteria set forth in MS 297A.70, subd. 14.

<b>Sign here</b>	<i>I declare that the information on this certificate is true and correct to the best of my knowledge and belief and that I am authorized to sign this form.</i>	
	Signature of seller	Print name here
	Date	Daytime phone (    )

**PENALTY** — Operators who do not have Form ST19 or a similar written document from sellers can be fined a penalty of \$100 for each seller that is not in compliance for each day of the selling event.

# Information for sellers and event operators

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Operators/organizers of craft, antique, coin, stamp or comic book shows; flea markets; convention exhibit areas; or similar events are required by Minnesota law to get written evidence that persons who do business at the show or event have a valid Minnesota tax ID number.

If a seller is not required to have a Minnesota tax ID number, the seller must give the operator a written statement that items offered for sale are not subject to sales tax. All operators (including operators of community sponsored events and nonprofit organizations) must obtain written evidence from sellers.

## **Sales tax registration**

To register for a Minnesota tax ID number, call 651-282-5225.

A registration application (Form ABR) is also available on our website at **[www.taxes.state.mn.us](http://www.taxes.state.mn.us)**.

## **Information and assistance**

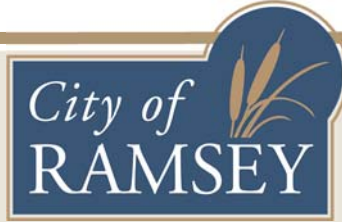
If you have questions or want fact sheets on specific sales-tax topics, call 651-296-6181. TTY: Call 711 for Minnesota Relay.

Most sales tax forms and fact sheets are also available on our website at **[www.taxes.state.mn.us](http://www.taxes.state.mn.us)**.

For information related to sellers and event operators, see Fact Sheet #148, *Special Event Exhibitors and Operators*.

We'll provide information in other formats upon request to persons with disabilities.

8th Annual City of Ramsey  
Economic Development Authority



# BUSINESS EXPO

Saturday, April 16, 2016 • 10:00 am to 2:00 pm

The Fountains of Ramsey • 7533 Sunwood Drive NW, Ramsey

Join us for the 8th annual Ramsey Business Expo and experience the variety of businesses and services that the City of Ramsey has to offer. Bring the whole family for an afternoon of fun giveaways and a chance to learn about the products and services of **50 local businesses** including restaurants, professional services, retail and much more!

Product Samples • Coupons & Info • **FREE** City of Ramsey tote bag  
*(available while supplies last)*

# DIRECTIONS

Ramsey Municipal Center  
7550 Sunwood Drive NW  
Ramsey, MN 55303

Presort Standard  
U.S. Postage

**PAID**

Anoka, MN 55303  
Permit No. 131



ECRWSS  
POSTAL CUSTOMER

**Economic Development Authority (EDA)**

4. 5.

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

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**Title:**

Consider Changing Regular Meeting Dates

**Purpose/Background:**

**PURPOSE:**

Staff is proposing to move the regular EDA meeting from the first Thursday of the month to the second Thursday of the month.

**OVERVIEW:**

ISSUE 1: EDA meetings are typically scheduled for the first Thursday of the month. It is very common for EDA cases to be passed on to the City Council for final approval (2nd Tuesday of month). Due to this very close timing (between the first Thursday and second Tuesday) conflicts are created in staff's ability to provide complete/ quality cases. NOTE: Council cases are due on Thursday morning (typically during EDA meetings). Commonly, these pass-along EDA cases are incomplete when Council cases are published and need to be redone after the fact, commonly these EDA cases do not include EDA minutes (due to the short timing), and commonly these cases are rushed (more than normal) which can result in errors. Because it's physically possible to make this narrow timeline happen, it becomes an expectation for developers (which causes issues at times of high staff workloads).

RESOLUTION: moving the EDA meeting to the second Tuesday will allow for a larger time gap to the next available Council meeting. This will eliminate the conflicts outlined above, and improve the work staff product. This will also more appropriately set developer expectations on timing. This change does result in a potentially longer process for developers. However, as always, if time is truly an issue for a developer, the City is willing to arrange special meetings.

ISSUE 2: As of now, EDA and Planning Commission meetings are on the same date (first Thursday)--which doesn't allow time for the Planning Commission to review project site plan concepts before the EDA/ Council approves a "deal." Often times, developers have a hard time understanding that a purchase agreement (deal) approval by the EDA/ Council is not the same thing as a concept project site plan review/approval by the Planning Commission/ Council.

RESOLUTION: moving the EDA meeting to the second Tuesday will allow for a larger time gap to the previous Planning Commission meeting. This will allow Planning Commission/ staff development review team to review project site plan concepts before they get to the EDA/ Council for approval of the purchase agreement (i.e. the deal).

**Notification:**

NA

**Observations/Alternatives:**

NA

**Funding Source:**

NA

**Recommendation:**

NA

**Action:**

Staff is seeking EDA support for the proposed change (second Thursday of month, 730am)

Staff is open to other suggestions, examples below:

--first Tuesday of month, 730am

--different time

--different location

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**Attachments**

*No file(s) attached.*

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 01/05/2017

**Reviewed By**

Kurt Ulrich

**Date**

01/05/2017 03:29 PM

Started On: 12/21/2016 06:17 PM

**Economic Development Authority (EDA)**

**4. 6.**

**Meeting Date:** 01/12/2017

**Submitted For:** Patrick Brama, Administrative Services

**By:** Patrick Brama, Administrative Services

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**Title:**

Updates

**Purpose/Background:**

1. Joint Planning Commission/ City Council meeting taking place on 01/24, 5:30 p.m. to discuss The COR re-vision process. EDA members are welcome to attend, and join the discussion.
2. Gleason (Life Style Properties), U-Shape Property, Purchase Agreement, is being extended again by two months.
3. M&G Trailer Sales Lease extension and expansion.
4. RALF Program Application (Sunfish Lake Boulevard Gas Station)

**Notification:**

**Observations/Alternatives:**

**Funding Source:**

**Recommendation:**

**Action:**

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**Attachments**

*No file(s) attached.*

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Kurt Ulrich	01/06/2017 01:32 PM
Form Started By: Patrick Brama		Started On: 01/03/2017 03:50 PM
Final Approval Date: 01/06/2017		