City of Ramsey
Agenda
Economic Development Authority (EDA)
Thursday, April 13, 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 - March 9, 2017

4. EDA Business

1. PSD LLC Business Park Proposal: Accept Business Subsidy Request Application and Call for Public Hearing

2. MOU: Arterial Infrastructure to Serve Ramsey's Future Business Park & Capstone Homes Development

3. Anoka Area Chamber of Commerce: Manufacturers Cohort: 2017 Partnership Subscription Renewal

4. Continue Discussion Regarding Strategy for Marketing and Selling City Owned Land

5. QUICK CASE: Appoint Ad-Hoc Subcommittee Members to Update Housing Plans

6. Set Date for Annual EDA Golf Tournment and Fall Networking Event

5. Member/Staff Input

1. Update: Shovel Ready Reports Completed

2. Update: Purchase of Former Sunfish Lake Gas Station

3. Update: Aeon PA Extension

4. Update: GS Land PA Extension

5. Update: Platinum Properties PA

6. Adjournment

Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services

Economic Development Authority (EDA) **3. 1.**

Meeting Date: 04/13/2017

By: Kathy Schmitz, Administrative Services

Title:

Approve the Following Meeting Minutes:
1) EDA Regular Meeting - March 9, 2017

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 - March 9, 2017

Attachments

03 09 17 Minutes

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	02/08/2017 04:02 PM
Kurt Ulrich	Kurt Ulrich	03/06/2017 10:16 AM
Form Started By: Kathy Schmitz		Started On: 02/06/2017 02:57 PM
Final Approval Date: 04/10/2017		

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, March 9, 2017, 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 Kristine Williams

Members Absent: Member Wayne Skaff

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

1. CALL TO ORDER

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

2. APPROVE AGENDA

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated February 9, 2017

Motion by Member Riley, seconded by Member Hardin, to approve the February 9, 2017, minutes as presented.

Chairperson Steffen asked Members Riley and Hardin to accept the following friendly amendment: There was one change on page 9, last paragraph - the sentence is incorrect and should be changed to reflect the following: "IAG Commercial is <u>not</u> a non-profit".

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

4. EDA BUSINESS

4.01: Informational Interview Oppidan Development

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is a follow up to the EDA's ongoing discussion regarding marketing strategies for The COR, and the sale of City-owned land. He presented the staff report.

Mr. Drew Johnson, Manager of Commercial Development for Oppidan Development, reviewed his background and gave a history of previous projects Oppidan Development has done with the Board. He stated Oppidan Development is mainly merchant developers; they sell ninety percent of the projects they do, they do not have a portfolio.

Mr. Johnson reviewed a six-acre site they are developing in Minneapolis.

Chairperson Steffen asked if Oppidan Development owns the site on the current project they are working on in Minneapolis.

Mr. Johnson stated they do own the site but they usually do not own a site until they are ready to break ground. He stated this project is A-typical in the nature of it.

Chairperson Steffen asked what the general perception is of The COR and what are the strengths and weaknesses.

Mr. Johnson stated mixed use is difficult and expensive to do and he felt that Ramsey is doing pretty well with what they have accomplished so far. He commented on how expensive market rate housing is to build. He added that Ramsey is fairly far out from the center of where the money is flowing; suburban housing is challenging and other big projects have had fairly large subsidies and free land, TIF assistance and anything else that can make a project happen. He felt that even with some large barriers, Ramsey is doing quite well with The COR. He noted there are a lot of communities in the same predicament – they want to remake an area and/or build a downtown.

Member Riley asked what Mr. Johnson thought of vertically integrated buildings, which he thought Ramsey had a little of already but there is more in the plan.

Mr. Johnson thought they are costly but do well on a large scale format. For example, if you have a footprint that is going to handle 100 residential units and you have enough underground parking. If the expectation is that the ground floor will be a lot of retail, for a less dense area like Ramsey, that would be a huge challenge. He thought a reasonable expectation may be the best corner could support some style of retail uses.

Chairperson Steffen asked which strategies would be recommended and which ones would Oppidan Development help them out with.

Mr. Johnson stated he would be as flexible as possible. He stated a firm like CBRE has a strong international and national reach and he would choose CBRE's path if just starting out. Secondly to that and as it would relate to engaging a developer, their interest in land anywhere is very tenant driven. He stated they could have a project built within twelve to twenty-four months.

Chairperson Steffen stated the City has about 150 acres of available retail land located within/adjacent to The COR today. He asked if it was realistic for Ramsey to absorb that much retail land.

Mr. Johnson thought right now there was too much land here for retail. He did not think it needed to be rezoned right away but they should look at the next step of retail development after the grocery. He thought better retail would be larger box stores such as Michaels, JoAnn Fabrics, Maurice's, TJ/MAXX, etc., which from a real estate risk profile, would be more difficult for a developer to do. He did not think there was the population or critical mass to pull that off. He would advise the big power centers to be built such as Home Depot, Menards, Lowe's, Fleet Farm, etc.

Mr. Johnson stated, in closing, the best strategy would not be doing just another convenience store, the question is how do they grow the tax base. CBRE is already aware of this. He stated there is shovel ready, utility stubbed, soil corrected, large parcels of land in Minneapolis and there are very few of those left. People will be coming out further to surrounding communities. He stated Ramsey was probably in the position to respond to a larger land owner such as a manufacturing business use.

The EDA thanked Mr. Johnson for his attendance at the meeting.

4.02: Anoka County Open-to-Business Program Update

Economic Dev. Mgr/Assistant City Administrator Brama stated Kathleen DuChene with the Anoka County Open-to-Business Program was present to provide an update.

Ms. DuChene updated the Board on the Open-to-Business Program in Anoka County and customers they have helped get financing and start, and grow their businesses.

Ms. DuChene stated the trends she has seen in the last few years are very little brick and mortar businesses. A lot of new businesses are inside the home and online women's boutique businesses. She stated she has helped a business owner put together an online business in the travel industry for women who want to travel but travel alone. She stated another trend is micro-breweries and organic home to table micro greens businesses. She noted the pet industry is growing and specialty foods, mostly ethnic foods, and pastries and baked goods are also growing.

Ms. DuChene thought there was a lot going on in different industries and retail is changing rapidly. She stated big box stores are having difficulties and closing stores and there are more global markets and more online shopping is happening. She thought there were some implications for economic development in cities and economic development brings in business

and hiring and creates tax base. She felt trends would change drastically in the next fifteen years.

Chairperson Steffen asked, besides financing, what are businesses looking for.

Ms. DuChene stated existing businesses are struggling with cash flow. Because of some of the changes she is witnessing, businesses are not reacting quickly enough on how to market differently, or how to find different customers; they are struggling. Some of them have gone into business without putting together a good plan. She stated she has sent some businesses back to the drawing board, telling them they need some financial projections. She stated the businesses they have made loans to have a well thought-out plan; are second stage businesses that are going to grow. They know what they are doing and are expanding and they need financing for that. She stated she brainstorms with people to find out what they need to do. She noted she does get a lot of calls from Ramsey and encourages the businesses to advertise in the newsletter.

4.03: EDA RLF Request, American Print & Digital

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA in January and February. This loan request was approved by the EDA and Council in February, contingent upon staff obtaining sufficient collateral. The purpose of this case is to update the collateral source. American Print & Digital is suggesting the City take a first lien on the existing equipment listed in the case, rather than a second mortgage on their personal residence. Staff has verified sufficient value exists in the equipment list to collateralize the EDA loan. With this in mind, staff believes this change is administrative in nature, and still meets the intent of Ramsey's policies and prudent lending standards. Staff recommends the EDA re-approve this loan with the updated collateral requirement.

Member Hardin recused himself from discussion and voting due to conflict of interest.

Motion by Member Burandt, seconded by Member Brunt, to recommend the City Council approve the attached draft loan agreement with American Print & Digital and approve an EDA RLF loan in an amount of up to $72,500 (not to exceed 5% of the project cost), subject to:

- The borrower providing a first lien to the City on the "Equipment List"
- The borrower receiving approval of the project loan by the Bank of Elk River and the SBA
- Final review and approval of the loan agreement by the City Attorney and the CMDC.

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

4.04: Arterial Infrastructure Discussion for Bunker/Puma & Capstone Homes

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is being reviewed by the EDA because the project is proposed to utilize two economic development funding sources. Since the proposed arterial infrastructure will serve the City's future business park, potential

funding source for the arterial infrastructure includes both the EDA Fund and Anoka County EDA/HRA accounts.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report. He reviewed the three alternatives with the Board.

Economic Dev. Mgr/Assistant City Administrator Brama stated the benefits of Alternative A is that it appears it can work for all parties and is an agreeable deal. This would trigger a 300 to 350-unit residential development which would help drive traffic and consumers to The COR and would help to push their demographics to bring in retail restaurants. This would also help to trigger development of the new Itasca Park and modifications to Alpine along with allowing for new pedestrian connections within their community.

Economic Dev. Mgr/Assistant City Administrator Brama stated Alternative B would minimize the City's exposure to risk and Alternative C is to hold tight. They are able to meet their primary goal of getting their business park ready to go and have land available. He stated Capstone is at the meeting to discuss and answer any questions the EDA may have.

Chairperson Steffen asked if 60/40 is past policy. Economic Dev. Mgr/Assistant City Administrator Brama stated this is not past policy but it is what happened for Legacy Christian Academy, Sunwood Drive and Rhinestone. The City does not have a formal policy so is usually negotiated.

Economic Dev. Mgr/Assistant City Administrator Brama stated the proposal that stands today is typically assessments are going to be over a ten to fifteen-year term. Capstone Homes has requested that the assessment be paid back at the time the property is sold. He thought the City would not want to sit on the assessments for any length of time so he feels a five-year sunset clause for when assessments would be due is appropriate. That would state that if the lots are not sold within five years, those assessments will come due. He noted this is sort of a hybrid approach. He stated Capstone Homes and staff have not had a lot of time to review this MOU in detail.

Member Williams asked to revisit the past practice statement. She asked if the 60/40 split is the basis for other residential developments in the City.

Economic Dev. Mgr/Assistant City Administrator Brama stated from a residential perspective, typically residential projects do not get involved with arterial infrastructure. Usually they will locate a development off a County Road or an existing city collector street. He added the City of Ramsey typically does not get involved with infrastructure for residential projects, especially interior to a site. In this project, there is going to be a lot of interior residential roads and the City of Ramsey would not pay for any of that. What is less clear is arterial infrastructure collector roads; he would have to do some more research to determine what has been the practice in the past. He stated it was his understanding that those roads are typically City responsibility. He stated in this scenario they are extending those roads ahead of development and he did not know if that has been done that in the past.

Member Riley asked if they should be considering this as two different phases. He thought it made sense to push it a little further when they know another phase is waiting.

Community Development Director Gladhill stated this does increase the cost of the project. What is unique here is that there is a specific phasing line. In this circumstance, they are only plating up to phase two which will give them a cleaner break. From a street maintenance perspective, they would prefer to do this all at once because then they do not have a sequential street maintenance program.

Member Williams asked if the gross and net numbers are different because there are already contributions from the City for the extension. She wondered why they are not calculating that difference as part of the 60/40 split proposal.

Economic Dev. Mgr/Assistant City Administrator Brama stated that is a perspective they can take on this project. Those dollars are preprogramed for those arterial trunk lines. This development, along with any development, pays trunk/sewer fees for every single development to help pay for that system. He stated to that point an argument could be made both ways that they are making a contribution through standard development fees just like any other developer would.

Mr. Steve Bona, Capstone Homes, stated they are really excited for this project and feel it would be wonderful for the City and great for Capstone Home. He thought there may be more of a benefit to The COR then to the business park. He thought the business park would be an added bonus if they can pave the road on the south side adjacent along Puma along the west side of the business park, but The COR needs rooftops and this project would provide that. He thought that was the biggest benefit they could provide to the City. They don't really have any frontage onto Bunker Lake Boulevard as it dead ends into their site but if the road needs to be extended they would like to contribute to help that happen. They did come up with a dollar amount in order to assist with that and when it came to Puma and the 60/40 split, they looked at past practice. The business park is on one side so it is not all residential. That seems to align with past practice and is why they included it that way in their proposal.

Mr. Bona stated they are offering funds along Bunker Lake Boulevard, even without any frontage on it in order to pull it towards their property. Right now one of the things they are fighting in regards to residential is there is still quite a few bank-owned properties out there in those areas and they can only pay for so much offsite improvements before they get into the neighborhood. The bank-owned land in Elk River and Otsego is their competition as well as being closer to the cities. They are building in both of those areas and they know what those values are and what would be competitive on this property. It is very important that they watch the numbers. He stated he understood the City's view. He thought that the long-term vision for The COR is something they should be focusing on.

Mr. Bona stated they have revised their neighborhood plan. He thought this revised plan was much better than the first plan they presented to the City. He stated there is open space, curvature in the roads and they have created more ponding and amenities on the site.

Chairperson Steffen asked how long it will take to build out phase one.

Mr. Bona stated they are trying to determine what size phase one will be. Assuming they will have fifty or so lots, they anticipate that will happen in a twelve to eighteen-month period once they gain some momentum. He stated they have a different product type of homes that will be in the project. He noted they have removed the townhomes on the far south side and left them on the north side of the project.

Mr. Bona stated they have not gotten into the details about the assessment and how it would be paid back. In past practice, they have had a five-year term on assessments like this but they would divide out the total assessment by units that are envisioned to pay it back. He noted that phase one is not all of the units and it would have to be based on phase two as well but the minimum assessment payment could be made each year versus waiting until year five. He stated the benefit to them is it spreads out their cost and they would not need it to be pushed out to year five because as they are selling houses they will be paying back assessments.

Chairperson Steffen asked if they planned on preselling the lots.

Mr. Bona stated they will have permanent sales centers for each type of product. They will presell as much as possible. They are seeing a really good market in the Twin Cities right now.

Chairperson Steffen asked if Capstone has ever done a three hundred home project.

Mr. Bona indicated Capstone has not but Capstone has completed projects in multiple phases. He noted he has experience in this type of master planned communities' project.

Chairperson Steffen asked how many homes Capstone built in 2016.

Mr. Bona indicated they built approximately 175 and closed around 150 and the target this year is to close 220 homes.

Community Development Director Gladhill stated, from a planning perspective, Capstone has done a good job of managing the Brookfield project and staff is excited about this project because it is something different.

Member Riley stated the Board has the MOU and alternative A of the 60/40 split. There is also alternative B which is a 50/50 split and he wondered how Mr. Bona felt about that alternative.

Mr. Bona stated with their contribution that they are making to Bunker Lake Boulevard, with no frontage on Bunker Lake Boulevard, they feel like they are contributing more than their fair share to that. They have business parks on both sides of Bunker Lake Boulevard and they will achieve that value that will be built for the road and the arterial infrastructure at some point in the future. Even if they are not paying now or are paying a small share now, Capstone is not going to see any of that for their contribution made to Bunker Lake Boulevard. Those property owners will, and they need to remember that. He stated that is where they are making a contribution that

is over and above what would normally be done but they do see a benefit for it because they need the utilities to get to the property.

Mr. Bona stated on Puma, the 60/40 split there with the business park being on the east side and the residential being on the west side, they feel it is fair for the City to look at the same approach that was taken the first time. He stated this is needed for the business park and this has been done in the past and they would like to see that continue here as well. Moving forward, north of this phase, that is different because there will not be a business park involved anymore and 50/50 split is what they anticipate with that phase once they get there.

Member Brunt left the meeting at 9:00 a.m.

Chairperson Steffen asked what their preferred timing is for closing.

Mr. Bona stated they would like to get this going as soon as possible but realistically they are probably looking at a fall completion for streets. They need to have this site under construction in July/August to have that happen. He stated the public project with Puma and Bunker Lake Boulevard will have to go through the 429 process which takes time.

Member Hardin asked on the fifty-five acres if it was shovel ready.

Economic Dev. Mgr/Assistant City Administrator Brama stated the shovel ready process they engaged WSB for was the entire south side of Bunker Lake Boulevard.

Member Hardin asked if the City has put a number to the two-business park parcel. If the City completed this project based on Alternative B, what would the cost per square foot be for the infrastructure on those business park parcels.

Economic Dev. Mgr/Assistant City Administrator Brama stated the study breaks the cost down per acre but it can be broken down per square foot. He stated he could find that out and let them know. He thought they would be looking at twenty-thirty thousand dollars per acre.

Chairperson Steffen thought the EDA was in concurrence that they would not be in favor of Alternative C.

Member Hardin stated he was not opposed to the residential project but was concerned with leapfrogging and how long it is going to take to develop the business parks. He stated he had reservations on this. He stated if they do move forward he would like to see the timeline for the assessments moved up.

Member Williams left the meeting at 9:10 a.m.

Chairperson Steffen thought Alternative A was Capstone Homes only offer for this.

Member Riley stated if the EDA approved what Capstone Homes was asking for he wondered if they would be ready to close and move forward.

Mr. Bona stated Capstone is ready to close and move forward with this project and this project is good and sound.

Member Riley thought that was important, along with the leap frogging to have an end user that will utilize this. He stated he was in favor of this.

Chairperson Steffen asked if Capstone has new plans and drawings they will be showing to the City Council.

Mr. Bona indicated they did and he has discussed this with Mr. Gladhill.

Chairperson Steffen stated this is a great project and he would like to see this move forward.

4.05: Stone Brook Academy PA

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA is asked to consider the purchase agreement with Stone Brook Academy for one acre of land located near the center of The COR for a children's academy and childcare center.

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA, Planning Commission and City Council. All parties are generally very supportive of the use/proposed project. However, the site location has been the focal point of conversations to-date. The EDA is in general support of Stone Brook's proposed site location, Site #1. The Planning Commission is in general support of Stone Brook's proposed site location, Site #1. The Council is in general support of Stone Brook's proposed site location, Site #1. It appears all boards/commissions have indicated support for a north-to-south road construction (Veteran's to Sunwood). It appears there is not consensus on whether that road connection be a private drive or a public road. Additionally, it appears there is general support for Master Plan B which shows an east-to-west internal connection through the proposed Stone Brook site.

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

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council approval of the attached purchase agreement (PA) with Stone Brook Academy for one acre of land located near the center of The COR for a children's academy and childcare center.

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

4.06: Lifestyle Property PA Reassignment

Economic Dev. Mgr/Assistant City Administrator Brama stated Bill Gleason of Lifestyle Construction, desires to reassign the attached purchase agreement (PA) to Morning Sun Homes, Inc. In order for a reassignment of purchase agreement to occur, the City of Ramsey must provide written approval to Mr. Gleason and Morning Sun Homes.

Economic Dev. Mgr/Assistant City Administrator Brama stated staff considers this case to be administrative. The City needs to make sure they have proper documentation/final form agreements, ready to go, to allow the City to close on the sale of this property. As a result of this proposed change of ownership, the Board needs to update the Purchase Agreement, Resolution for Anoka County Recorder's Office and Right-of-Re-Entry Agreement.

Economic Dev. Mgr/Assistant City Administrator Brama stated the City entered into a purchase agreement for the sale of roughly three acres of city owned land to Lifestyle Construction on May 31, 2016, for what is commonly referred to as the "U-shaped" residential parcel located in The COR. This agreement was set to close by September 16, 2016, 10 days after the September 16th inspection period deadline. The PA was approved for an extension to close, via two amendments. The agreement is now set to close by March 16, 2017.

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

Mr. Bill Gleason, Lifestyle Construction, stated he originally looked at the property and was very excited about it. His position was always to be a part of this transaction to the finish. He stated Mr. Meuleners was a builder he worked with previously. He thought this would be a good benefit to the City.

Mr. Mark Meuleners, Owner of the property, stated this is a tough project as far as the size and quite a bit of design work that needed to be done. He reviewed with the EDA what the homes will look like.

Member Riley asked if the closing next week is ready to happen.

Mr. Gleason stated it was.

Chairperson Steffen asked what will happen after the closing.

Mr. Meuleners stated they plan on building two houses to begin with.

Motion by Member Burandt, seconded by Member Hardin, to recommend to City Council to:

1. Approve the attached Purchase Agreement Amendment #3; reassigning the agreement from Lifestyle Properties, Inc. to Morning Sun Homes, Inc.
2. Adopt the attached Resolution #17-03-050; Authorizing the Sale of City Owned Land to Morning Sun Homes, Inc.
3. Approve the attached "Right-of-Re-Entry" Agreement with Morning Sun Homes, Inc.

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

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:30 a.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
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: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

PSD LLC Business Park Proposal: Accept Business Subsidy Request Application and Call for Public Hearing

Purpose/Background:

PURPOSE

Consider multiple actions related to the PSD LLC business park proposal. For a detailed outline of future steps, please see the attached schedule.

> ***STEP 1*** (this case): formally accept a business subsidy application from PSD LLC and begin process to establish a new TIF district.. The purpose of this case is not to "award" any financial incentives to PSD LLC. However, this case begins the State required public process to "allow" the City to award financial incentives to PSD LLC.
>
> ***STEP 2*** (future case): review underwriting of project pro-forma, consider authorization to establish a new TIF district, and consider awarding TIF agreement/ business subsidy agreement (which will include a specific amount of TIF).

BACKGROUND (project)

Please see attached background document for details. In summary, the proposed project includes two major components:

> ***(A)*** the purchase of 45 acres of land from Hageman Holdings for a new business park development. PSD LLC has completed concept master plans for this 45-acre site, which show roughly seven 60,000 square foot commercial/ industrial buildings. To kick off the business park project, and put it in a strong position moving forward, PSD LLC intends to immediately complete several master site improvements (master developer). The estimated total cost for this step is $4.24M (includes: property acquisition, moving large soil mound, creating berm, mass grading, regional storm water pond, grubbing, debris/ dump clean up, internal public road, and signage).
>
> ***(B)*** within the larger 45-acre project, PSD LLC plans to immediately construct their first individual building, a 60,000 square foot speculative industrial building. PSD LLC is proposing a high-quality, highly functional, and market relevant building; which will include: 24’ clear ceilings (potentially 30’), both drive-in garages and sub-grade docks for every tenant, and glass facades along Highway 10. The estimated total cost for PSD LLC’s first building is $5.49M.

BACKGROUND (subsidy request)

PSD LLC has asked the City for financial incentives related to both items above (A and B). Specifically, PSD LLC is requesting the City construct the first phase of the public road, as part of the mass site improvements ($200K-$250K, or 4.7%-5.9%). Secondly, PSD LLC is requesting the City provide 9 years of TIF for the their first speculative industrial building ($277K PV, or 5%). Based on their modeling and project pro-forma, PSD LLC believes both requests are needed, in order to make this project work.

PSD LLC has competed and submitted a business subsidy application to staff, including a $10,000 non-refundable fee. Staff and Ehlers are ready to formally process this request (underwriting, establish a new TIF district, draft a TIF agreement). Attached to this case is the request documentation from PSD LLC.

NOTE: the PSD LLC request will not meet the job creation requirements outlined in the City's official business subsidy policy, due to the fact this project is a speculative building. Guaranteeing job creation on a speculative building is very challenging. The PSD LLC subsidy request will require an exception to the City's policy, in order to be approved. A similar exception was provided to Platinum Properties, for their speculative construction building proposal, in 2016.

Need more information on TIF? Please see attached LMC TIF background document and the attached mock TIF run.

Notification:

Observations/Alternatives:

Project Benefits

- Supporting a speculative construction building puts the City of Ramsey in a very competitive position to attract economic development projects. Often times, communities that win economic development projects are the "most-ready-to-go-now."
- The proposed building is high-quality and market relevant. It will be one of the nicest industrial buildings in Ramsey. It will be prominent on Highway 10, and will set a positive image, and create a big splash for the City's new business park.
- PSD LLC is jump-starting the City's new business park with this project. This is important, as staff commonly receives feedback from prospects interested in the new business park--that don't want to be the first-one-in. There is a fear associated with that perspective, as it is considered to be high-risk. Momentum matters in the development industry.
- The proposed funding sources for the subsidy request are a former TIF district and a new TIF district. Meaning, this subsidy will not have a direct impact on the general tax levy and Ramsey taxpayers. Also, like any TIF project, the existing tax base remains in place, 100%.
- The proposed 60,000 sf project will create annual total property tax revenues of $116K. Upon full build out of the PSD LLC business park (45 acres), the entire PSD LLC development will generate an estimated total annual property tax of $812K. It should be noted, about 65 acres of additional business park land is located north of the proposed PSD LLC business park.
- A 60,000 square foot commercial/ industrial building will create jobs, it's simply a matter of time, and how many jobs. Staff estimates, based on past projects in Ramsey, a 60,000 sf building will produce 30-200 jobs, depending on the end user(s).
- The City of Ramsey is seeking retail and restaurant users. Common feedback from the development community and prospects is--Ramsey needs to improve their demographics, in order attract these users. Ramsey can do that by increasing both population (rooftops) and increasing trip generation (i.e. destination users). This PSD LLC business park will help generate demographics needed by prospect retail and restaurant users (via new vehicle trip generation).

Project Considerations

- This project must be underwritten and must meet Ramsey's business subsidy policies. The PSD LLC request

must be justified and must meet State Statute. PSD LLC must demonstrate that "but-for" this assistance, they cannot move forward with this project. Staff will be working will Ehlers to underwrite PSD LLC financials/ project pro-forma. The outcome of underwriting this project will determine if, and how much, city subsidy is justified.

- The City does not need to take on this project (i.e. provide a business subsidy). The City could wait for the market to naturally develop the new business park. By taking on this project, we are associating the City with a speculative development. In the event the PSD LLC project isn't successful (i.e. the economy takes a bad turn), it would look unfavorable for the City, and will likely result in opposition from tax payers.
- By dedicating TIF funding to this project, the City is losing the opportunity to use said funding on other projects. However, but for this subsidy, the project would likely not happen at all.

Funding Source:

New 9-year TIF District (TIF #16), existing TIF District (TIF #1), and $10,000 fee from PSD LLC.

Recommendation:

Staff is comfortable accepting the PSD LLC business subsidy request application. Staff believes this request needs to be underwritten and checked against our policies. Staff believes the request made by PSD, from a preliminary/ high-level perspective, appears to be reasonable for the City to further consider.

NOTE: as mentioned in the background section of this case, the PSD LLC business subsidy request will require the City make an exception to our business subsidy policy, related to the creation of new jobs.

Action:

MOTION TO:

Recommend the City Council adopt Resolution #17-04-091, to call for a public hearing on June 27, 2017, to modify Development District #1, to establish TIF District #16 (PSD Business Park A), and to adopt a TIF Plan.

-and-

Direct Staff to formally accept a business subsidy application from PSD LLC and complete underwriting in preparation of the June 27, 2017 public hearing.

Attachments

PSD Proposal
Resolution 17 04 091
Process Schedule
PSD Subsidy Narrative
PSD Cover Letter
TIF Run
TIF Background
City Subsidy Policy

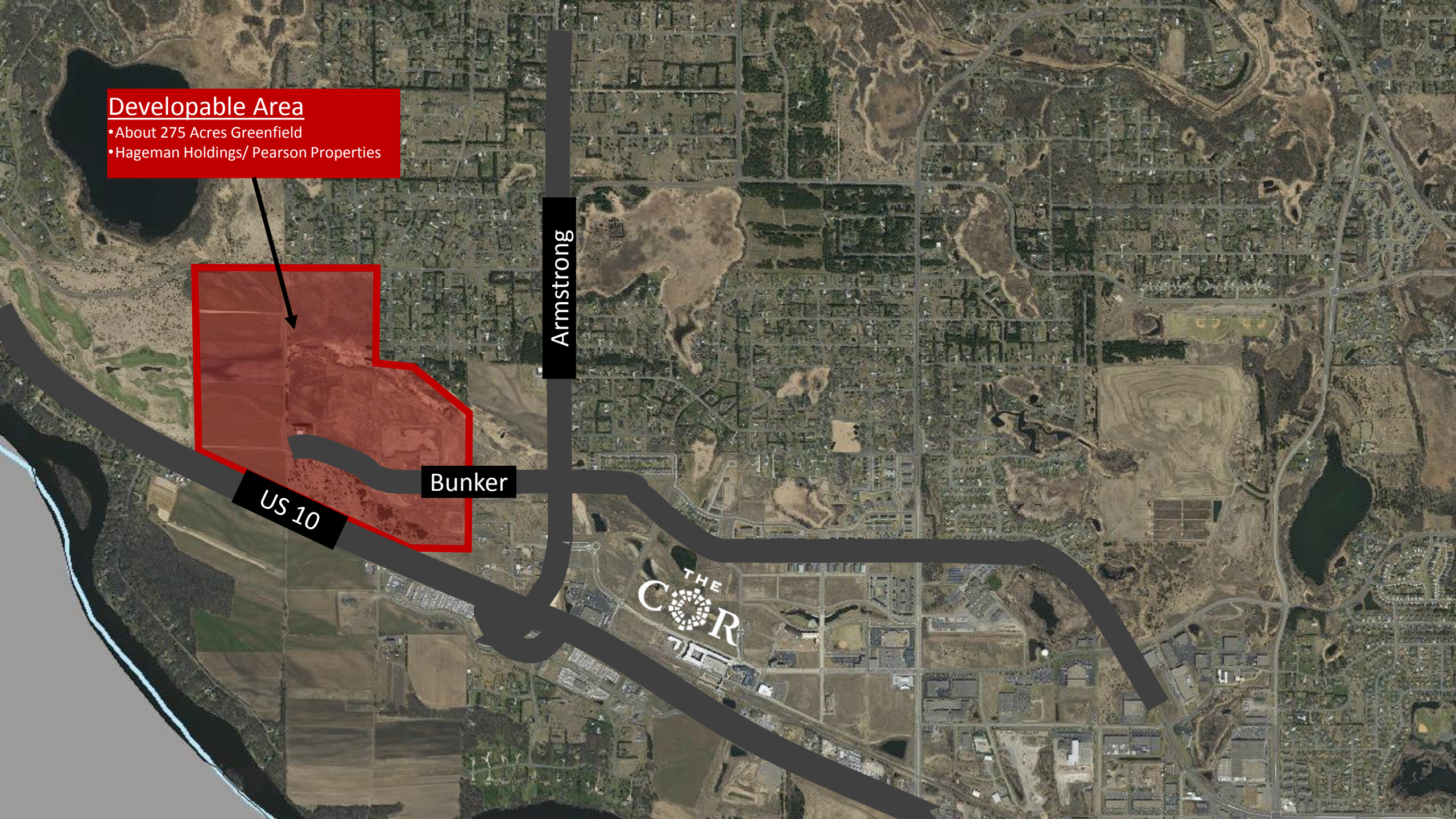
Form Review

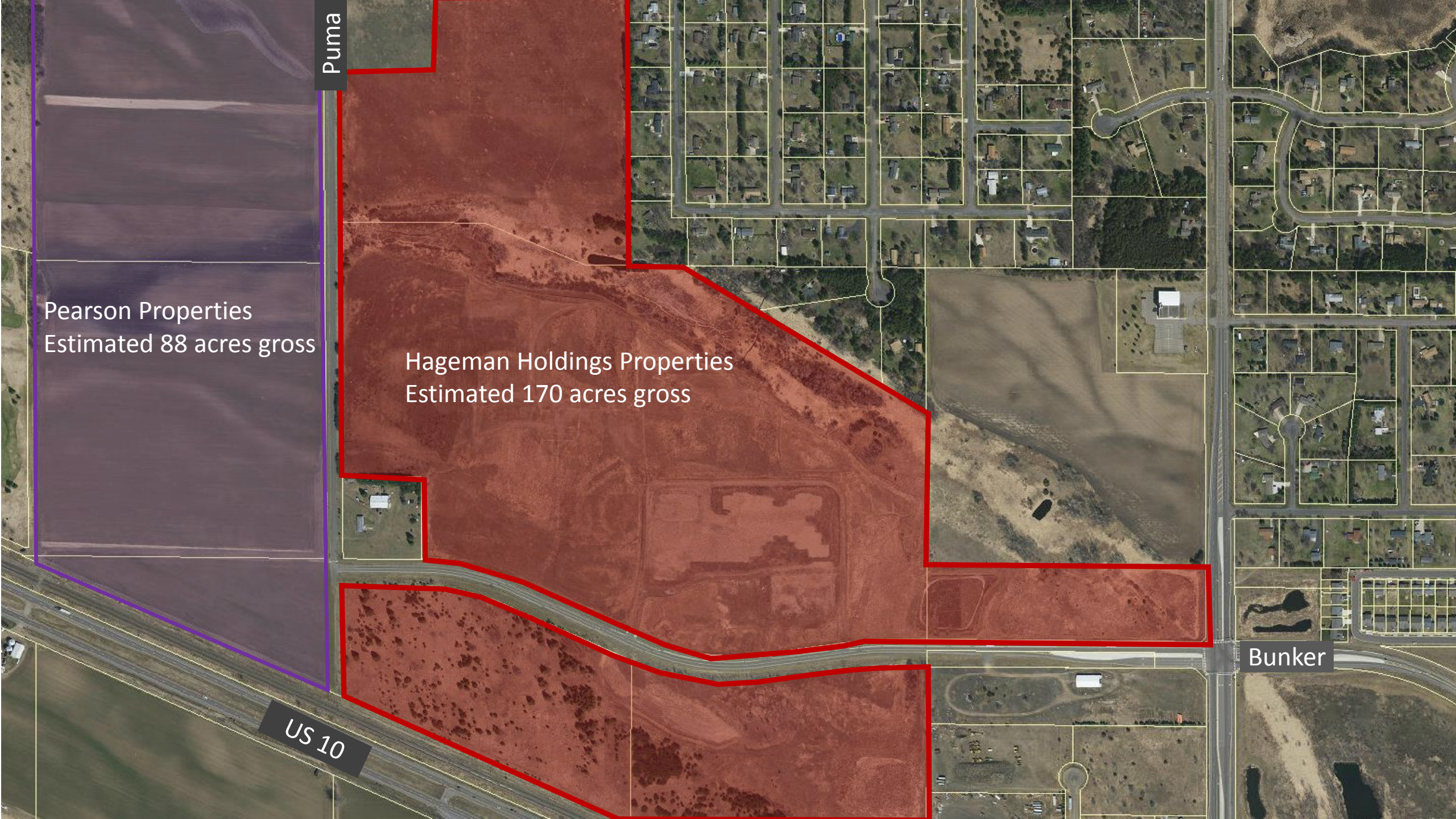
Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	04/07/2017 03:42 PM
Form Started By: Patrick Brama		Started On: 04/03/2017 01:22 PM
Final Approval Date: 04/07/2017		

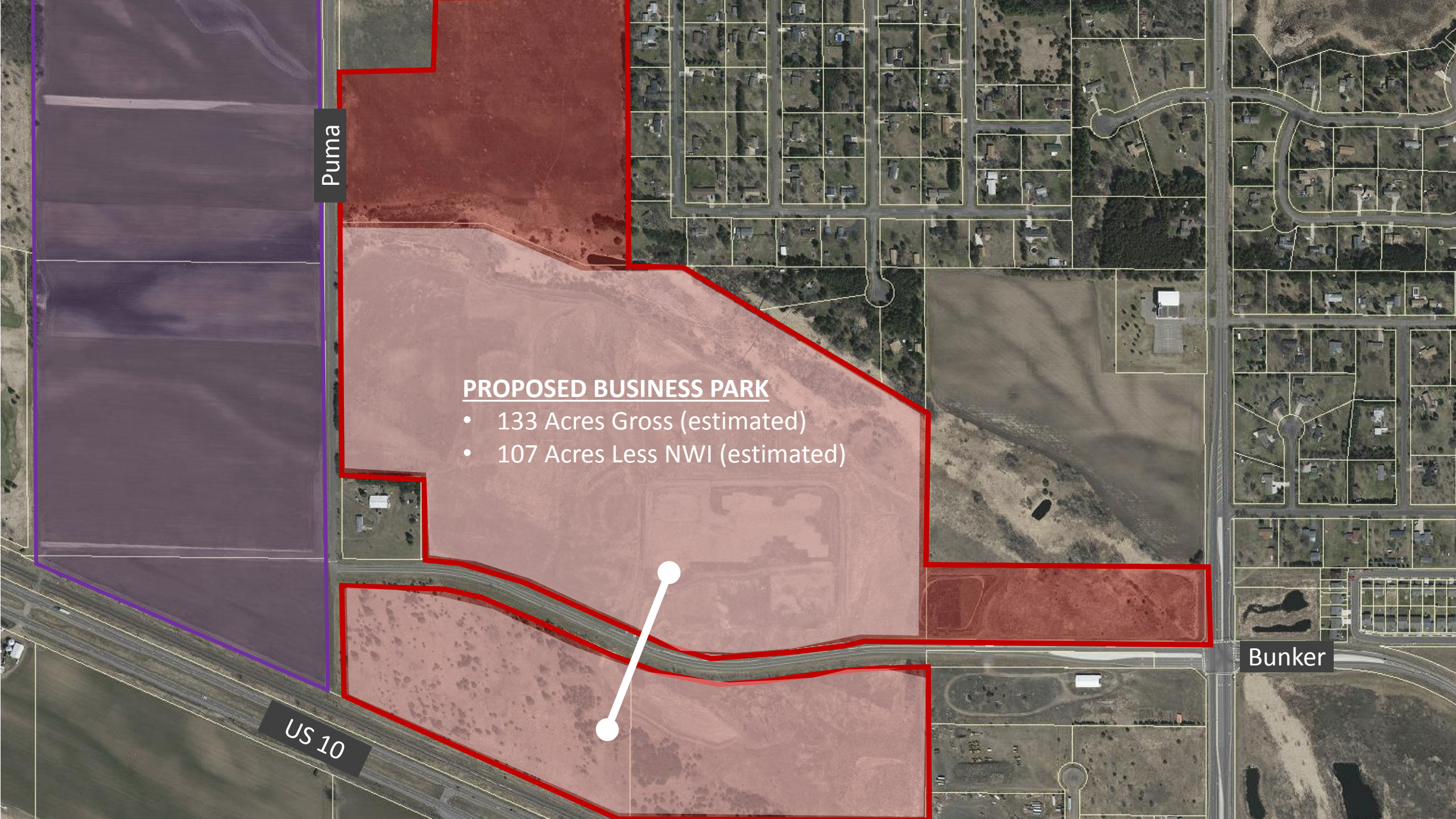
PSD LLC

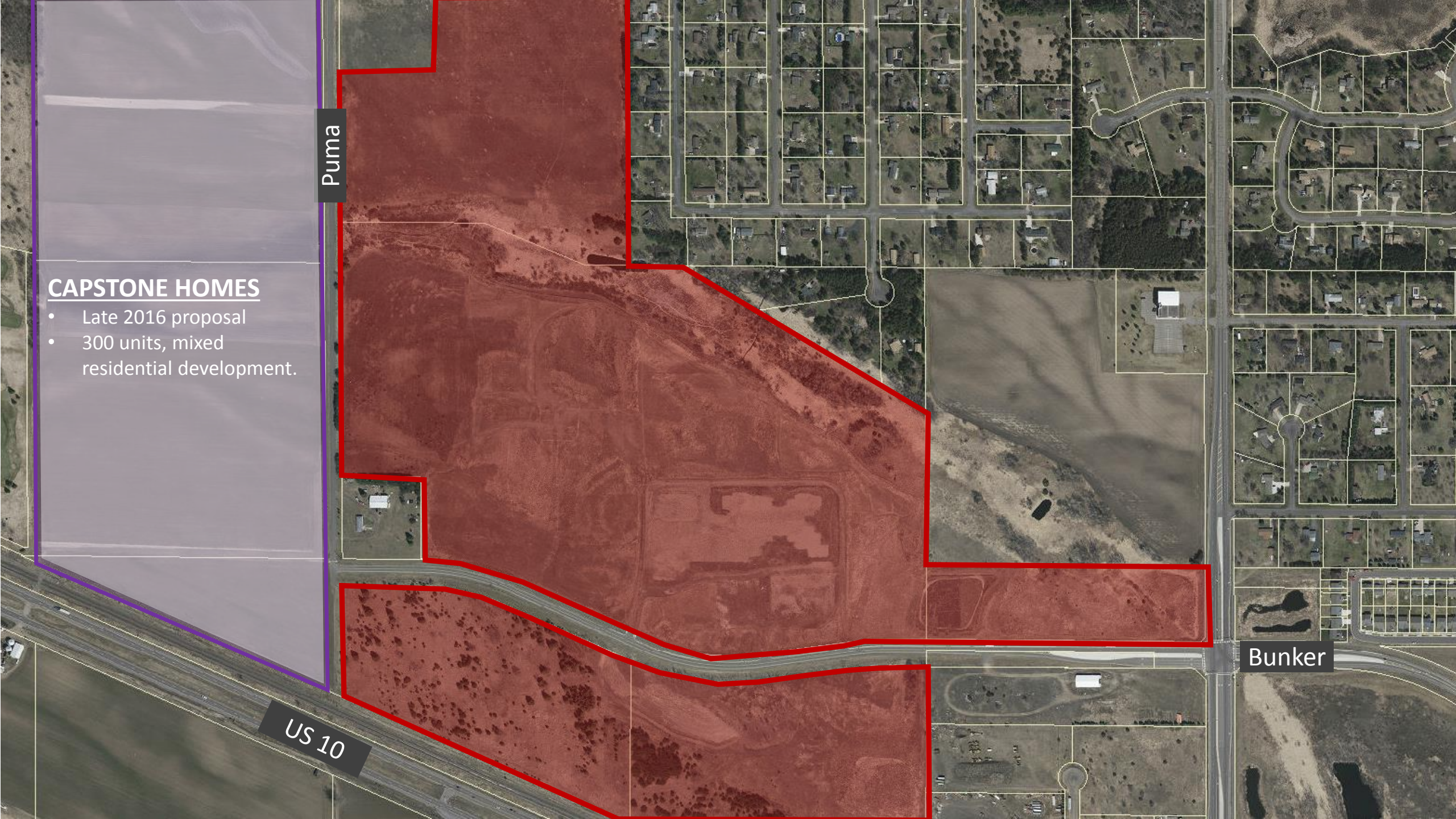
Business Park Proposal & Request for City Assistance




Developable Area
•About 275 Acres Greenfield
•Hageman Holdings/ Pearson Properties
Armstrong
Bunker
US 10
THE COR


Puma
Pearson Properties
Estimated 88 acres gross
Hageman Holdings Properties
Estimated 170 acres gross
US 10
Bunker


Puma
PROPOSED BUSINESS PARK
• 133 Acres Gross (estimated)
• 107 Acres Less NWI (estimated)
Bunker
US 10


Puma
CAPSTONE HOMES
• Late 2016 proposal
• 300 units, mixed residential development.
US 10
Bunker


Capstone
US 10
Bunker
PSD LLC Proposal
•Purchase 45 acres of the business park
•Everything south of Bunker
•7 buildings shown in master plan
•In 2017, want to construct 60K sf spec building, 24’ clear, and complete mass site improvements.

PSD LLC Major Improvement Projects

1: Mass Site Preparation Improvements
(master business park developer)

-$3.45M acquisition
-$90K move berm
-$100K mass grading
-$200K regional pond
-$50K grubbing and debris clean up
-$250K internal public road
-$100K signage
Total: $4.24M

2: 60,000 SF Spec Industrial Building
(individual project)

-$5.4M total costs (construction and soft costs)

PSD Improvements #1: Mass Site Preparation



PSD Improvements #1: Mass Site Preparation



A

-Mass Grading (entire site)

-Remove unbuildable soils

-Creation of berm (west)

PSD Improvements #1: Mass Site Preparation



B

-Grubbing and clearing of shrubs and trees
-cleaning of debris

PSD Improvements #1: Mass Site Preparation



C

-Creation of regional storm water system

PSD Improvements #1: Mass Site Preparation



D

-1st phase of internal public roadway system (could be all that's needed)

PSD Improvements #1: Mass Site Preparation



Other

-land acquisition

-soft costs, permitting, platting

-signage

PSD Improvements #1: Mass Site Preparation

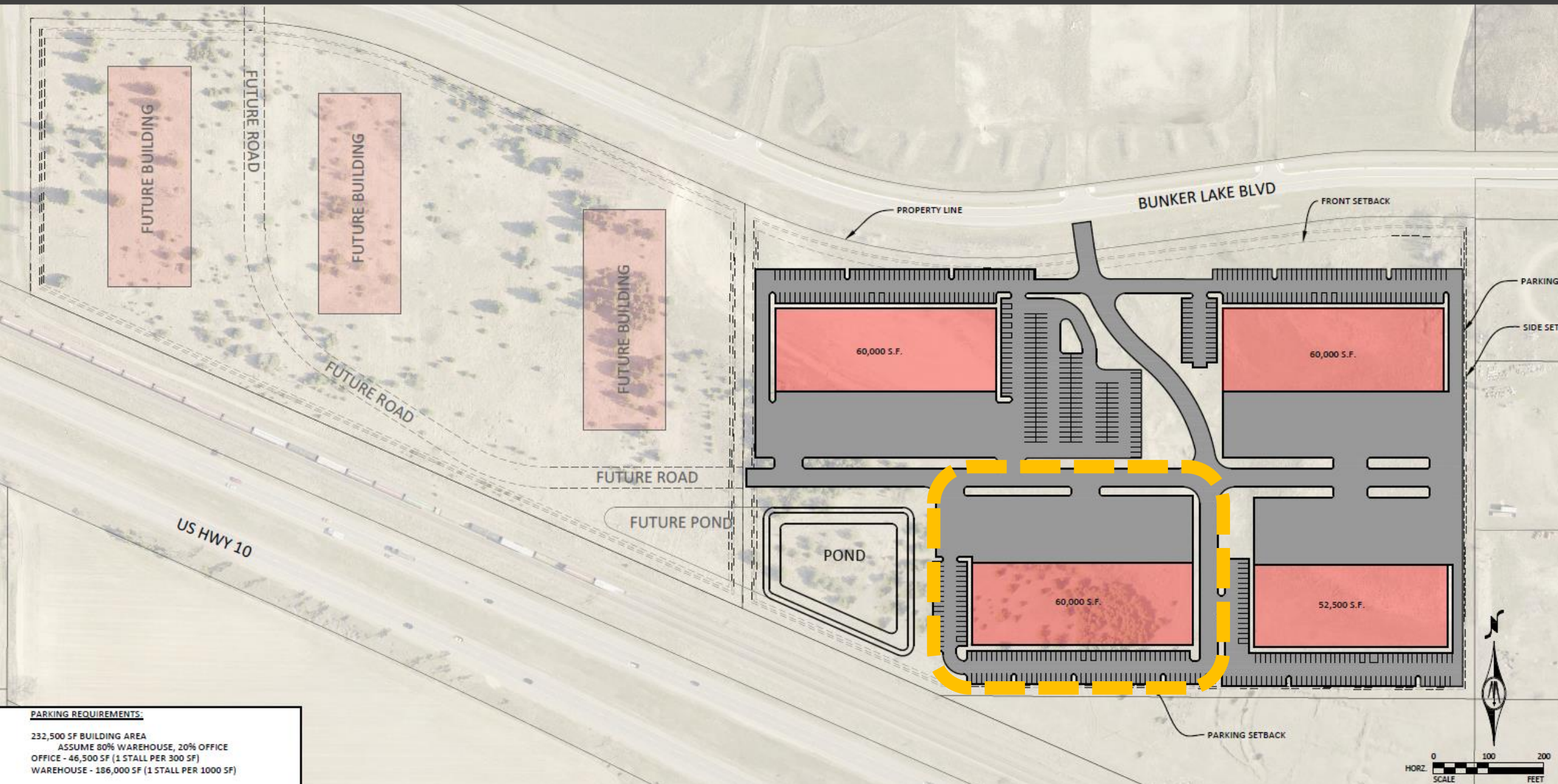


PSD Request to City (A)

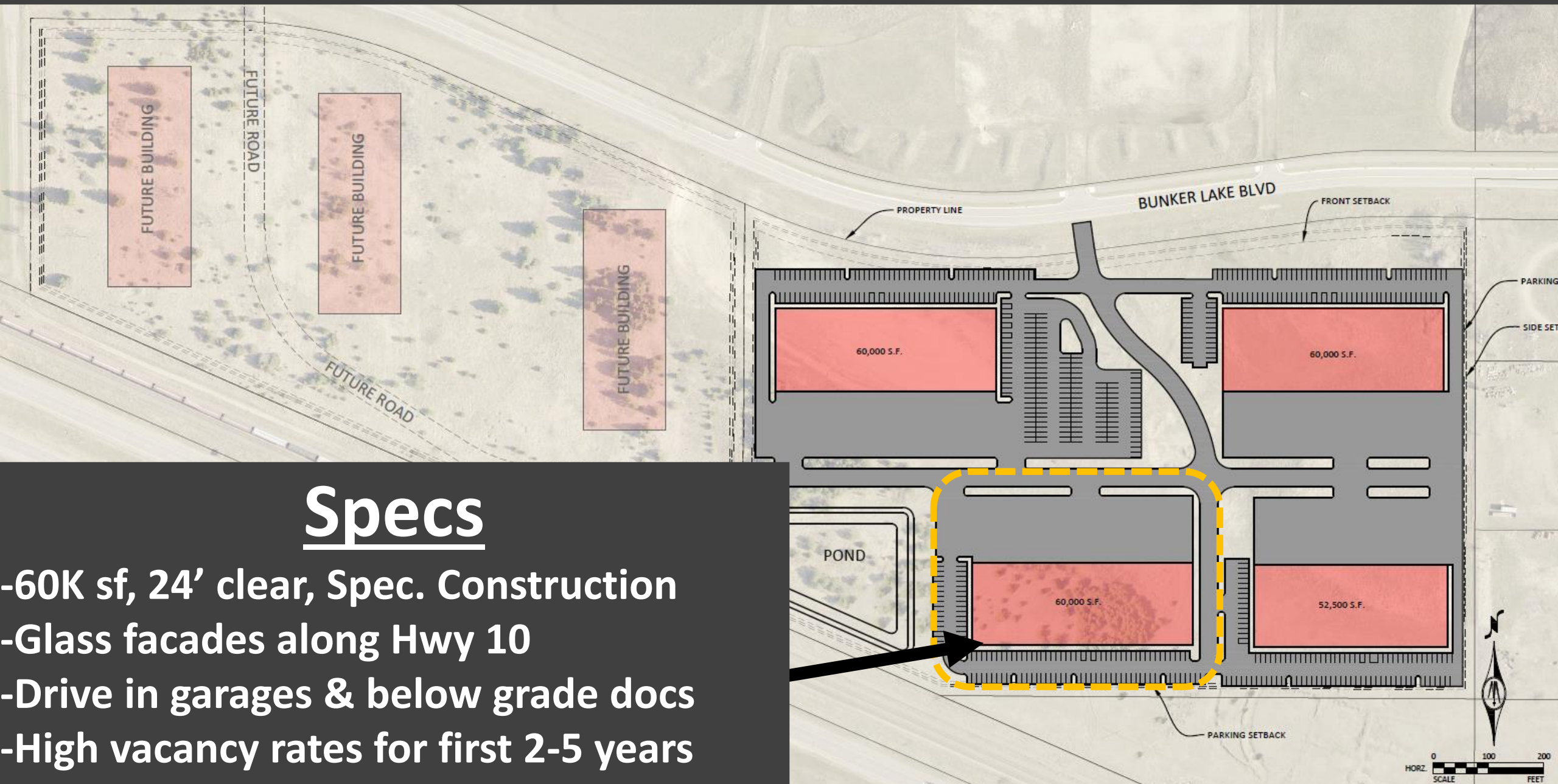
City to pay for phase 1 of the internal public roadway (225K-250K)—partnership on the new business park

-PSD is open to the idea of making it a private road

PSD Improvements #2: 60K SF Spec Building



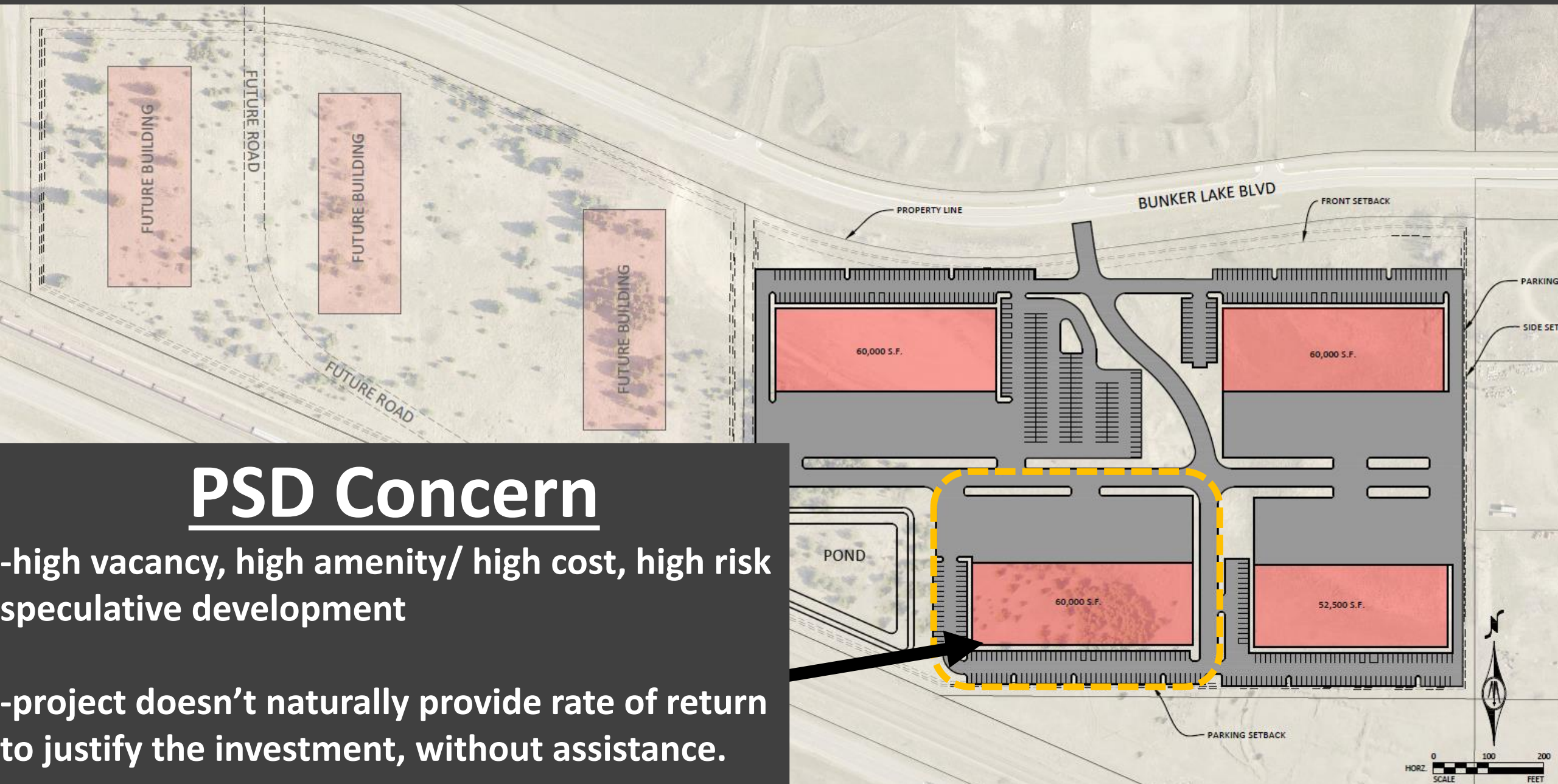
PSD Improvements #2: 60K SF Spec Building



Specs

-60K sf, 24’ clear, Spec. Construction
-Glass facades along Hwy 10
-Drive in garages & below grade docs
-High vacancy rates for first 2-5 years

PSD Improvements #2: 60K SF Spec Building

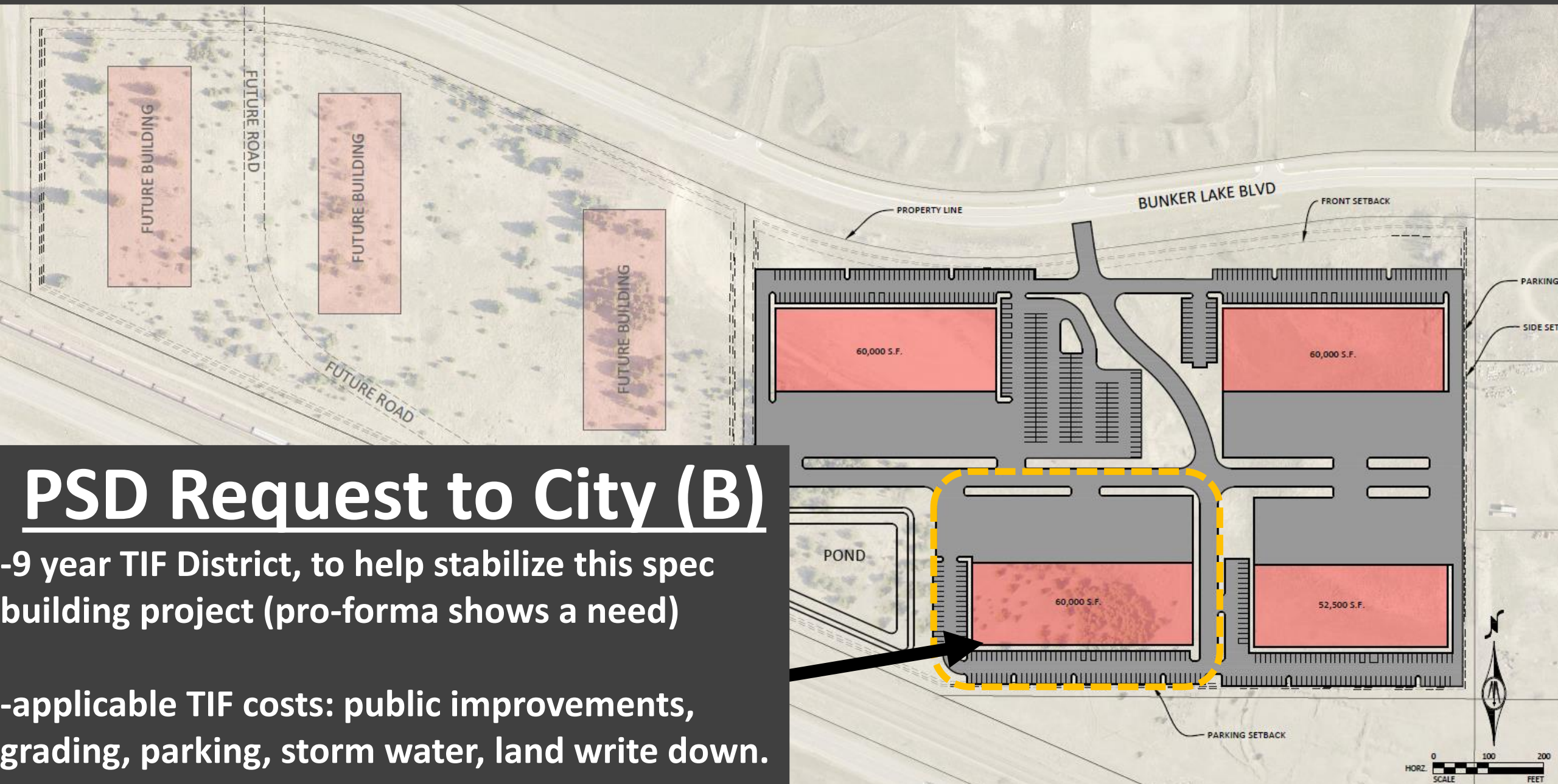


PSD Concern

-high vacancy, high amenity/ high cost, high risk speculative development

-project doesn't naturally provide rate of return to justify the investment, without assistance.

PSD Improvements #2: 60K SF Spec Building



PSD Request to City (B)

-9 year TIF District, to help stabilize this spec building project (pro-forma shows a need)

-applicable TIF costs: public improvements, grading, parking, storm water, land write down.

Summary of Requests from PSD to the City

1: Mass Site Preparation Improvements
(master business park developer)

(A) City funding of Internal Public Roadway: 200-250K
[4.7% to 5.9% of total, $4.24M]

2: 60,000 SF Spec Industrial Building
(individual project)

(B) City funding to stabilize speculative building: 9 yr TIF, 277K PV

[5.0% of total, $5.49M]

Councilmember XXXXX introduced the following resolution and moved for its adoption:

CITY OF RAMSEY
ANOKA COUNTY, STATE OF MINNESOTA

RESOLUTION #17-04-091

RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL ON THE PROPOSED ADOPTION OF A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1, THE PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 16 (PSD BUSINESS PARK A) THEREIN AND THE ADOPTION OF A TAX INCREMENT FINANCING PLAN THEREFOR, AND THE PROPOSED GRANTING OF A BUSINESS SUBSIDY.

BE IT RESOLVED by the City Council (the "Council") for the City of Ramsey, Minnesota (the "City"), as follows:

Section 1. Public Hearing. This Council shall meet on June 27, 2017, at approximately 7:00 P.M., to hold a public hearing on the proposed adoption of a Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 16 (PSD BUSINESS PARK A) therein and the adoption of a Tax Increment Financing Plan therefor, (collectively the "Program and Plan"), and the proposed granting of a business subsidy, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, and Minnesota Statutes, Sections 116J.993 to 116J.995, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

Section 2. Notice of Public Hearing and Filing of the Program and Plan. City staff is authorized and directed to work with Ehlers & Associates, Inc., to prepare the Program and Plan and to forward documents to the appropriate taxing jurisdictions including Anoka County and Independent School District No. 11. The City Administrator is authorized and directed to cause notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than 10, nor more than 30, days prior to June 27, 2017, and to place a copy of the Program and Plan on file in the City Administrator's office at City Hall and to make such copy available for inspection by the public.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember XXXXXXX and upon vote being taken thereon, the following voted in favor thereof:

XXXXXX

and the following voted against the same:

XXXXXX

and the following abstained:

XXXXXX

and the following were absent:

XXXXXX

Councilmember XXXXX introduced the following resolution and moved for its adoption:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 25th day of April, 2017.

_____
Sarah Strommen, Mayor

ATTEST:

_____
Jo Ann M. Thieling, City Clerk

SCHEDULE OF EVENTS

RAMSEY ECONOMIC DEVELOPMENT AUTHORITY AND THE CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1

AND FOR THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 16 (PSD BUSINESS PARK A)
(an economic development district)

AND THE AWARDING OF A BUSINESS SUBSIDY

Draft as of April 3, 2017

April 04, 2017	PSD LLC sends project information (property identification numbers and legal descriptions, detailed project description, maps, but/for statement, and list of sources and uses of funds) to Ehlers. *[Ehlers confirms with the City whether building permits have been issued on the property to be included in the TIF District]*
April 13, 2017	EDA makes recommendation to the City Council to call for a public hearing on the proposed modification to the Development Program for Development District No. 1, the proposed establishment of TIF District No. 16 (PSD BUSINESS PARK A), and the granting of a business subsidies agreement.
April 25, 2017	City Council calls for a public hearing on the proposed modification to the Development Program for Development District No. 1, the proposed establishment of TIF District No. 16 (PSD BUSINESS PARK A), and the granting of a business subsidies agreement.
N/A	Project information submitted to the County Board for review of county road impacts (at least 45 days prior to public hearing). **The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because the City staff believes that the proposed tax increment financing district will not require unplanned county road improvements, the TIF Plan will not be forwarded to the County Board 45 days prior to the public hearing. Please be aware that the County Board could claim that tax increment should be used for county roads, even after the public hearing*
May 10, 2015	Ehlers conducts internal review of the Program Modification and TIF Plan.
May 24, 2017	Ehlers will submit Planning Commission/EDA/ Council packet information (modification, TIF plan, subsidy agreement, term sheet, recommendations, template resolutions, etc.) to the City of Ramsey.
May 26, 2017	Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). *[Ehlers will fax & mail on or before May 26, 2017]*

June 01, 2017	Planning Commission reviews the Program Modification and TIF Plan to determine if they are in compliance with City's comprehensive plan and adopts a resolution approving the Program and Plan.
June 08, 2017	EDA makes a recommendation for the City Council to adopt a resolution recommending the Program Modification, the TIF Plan, and the granting of a business subsidies agreement.
June 09, 2017	Date of publication of TIF public hearing notice with map and hearing notice concerning a business subsidies agreement (at least 10 days but not more than 30 days prior to hearing). *[Ehlers will e-mail notice & map to the Anoka County Union on or before June 05, 2017 to publicnotice@ecm-inc.com]*
June 27, 2017	City Council opens public hearing at 7:00 p.m. on the modification to the Development Program for Development District No. 1 and the establishment of Tax Increment Financing District No. 16 (PSD BUSINESS PARK A).
	City Council passes a resolution approving the Program Modification and TIF Plan.
	City Council passes a resolution authorizing an interfund loan in connection with TIF District No. 16 (PSD BUSINESS PARK A).
	City Council approves a business subsidies agreement.
June 28, 2017	City can issue building permits.
_____	Ehlers files Program Modification and TIF Plan with the MN Department of Revenue, OSA and Anoka County.

Key points of interest for the Bunker Lake Industrial Park

Past events that have taken place:

Over the course of the last year, PSD has had numerous requests for industrial / warehouse space in Ramsey. The City of Ramsey has recently changed the land use on a large parcel west of Armstrong Blvd. In talking with the City, and learning of this re-zoning, we decided to explore the development an Industrial park on said parcel.

While exploring the feasibility of creating an industrial park, PSD talked with numerous commercial brokers and industrial building owners and built a proforma based on the feedback which we received. We also pulled several comps of available buildings and raw land, with that information we made some assumptions and realized that the project needed some assistance to get it on its feet to become viable. At the same time, we developed concept drawings, in order to maximize the use of land for both PSD and the City, we learned we could fit an additional building on the easterly half if an artery road were to be built to service said building.

The Pat Brama with the City of Ramsey introduced PSD to Mike Altamari, Project Manager for Hagemann Holdings. Both parties attended a subsequent meeting and entered into a non-binding Letter Of Intent. During that meeting we established a purchase price of $1.75/sq. ft. and negotiated the expense of moving a spoil pile. Hagemann Holdings has also agreed they would fund the assessed portion of all future road improvements necessary to Bunker Lake Blvd.

On March 28, 2017, Matt Kuker, on behalf of PSD, attended a City Council Workshop meeting which Pat Brama unveiled the project to the City Council. The project was very well received and there was a consensus to move ahead and send this to the EDA to see if it qualified for assistance. Pat then sent the EDA application requirements to PSD, which is description is a part of.

Key building elements and factors of the 1st building:

- The building will be Precast concrete building between 58,500 and 61,000 sq. ft., size to be determined by panel layout by Precast manufacturer.
- The building will have some color variations and raised parapet walls to denote building entrances.
- The building will have both drive in doors and dock bays to lessen interruptions to tenants in the future.
- Each bay of the building will have a 400amp service brought in, more capacity can be added later if needed.
- The building will front Hwy 10 to allow a retail/wholesale user to be able to have visibility.
- Arterial road will serve the first 4 buildings, this will lessen the number of entrances and curb cuts onto Bunker Lake Blvd.
- Each bay will have commercial rooftop heat and air conditioning.

- A glass curtain wall, or very similar, will be incorporated on the front that faces Hwy 10.
- We will finish the first bay as a model with concrete floor, showroom and bathroom. The balance of the building will have the earth pad at the correct height with no concrete. By leaving it open we can incorporate all the tenants' future needs in the initial construction (drains, bathrooms, isolation pads, and all other in floor items could be installed without saw cutting the floor).
- The building will be 24' clear height inside, which allows a tenant to maximize storage of warehouse items. Max height of the outside walls is to be approx 29.5'.
- PSD will work with the City to design tasteful signage along Bunker Lake Blvd.
- Phase I of this project will occupy approx 3 acres of the 45.3 total acres. If the buildings follow the concept we developed, we envision a total of 7 buildings in the business park. We anticipate each of these buildings to be approx 60,000 sq. ft., we can accommodate larger buildings within the site, if larger buildings are erected the quantity of buildings would be then decreased.

Timeline of this project:

We request that this assistance request be fast tracked through the approval process. There are many items that need to be completed and approved prior to construction. Are looking to have the first building available ready for permits and obtain a Certificate of Occupancy as soon as possible.
The following are benchmarks that need to be followed in order:

- EDA authorizes Ehlers to evaluate assistance request
- EDA and City Council approve assistance request
- Hagemann Holding and PSD, LLC close on the 2 parcels
- Preliminary Major Plat application to the City and P&Z (more than 3 lots to be created) in Easterly ½
- Final Major Plat hearing at the City
- Remove and place spoil pile as a berm to the west
- Met Council WAC/SAC determination
- Architectural and Civil plans and specs are developed
- Mass grading underway and trees scrubbed
- Site infrastructure installed
- Footings and pondage work start
- Erect wall panels and roof trusses
- Finish first bay inside

About PSD, LLC:

PSD, LLC started to develop commercial property in Ramsey in 2003. Over the last 14 years we have developed/constructed/property managed the following buildings:

- NAU Country Insurance Company
- Ramsey Office Plaza

- VA Medical Center
- Northgate Church
- Alpine Business Center (former Allina building)
- ParkView East Apartments
- PSD, LLC has sold numerous lots to other developers (Allina, Midwest Medical Examiners) to name a few

PSD, LLC has a reputation of building quality buildings and not cutting corners. The above described projects are located within the City of Ramsey, we also own/develop/build in a number of other communities, including: Alexandria, Grand Rapids, Crystal, Savage and others. PSD, LLC has the experience, project management, reputation and vision to be able to make this project succeed as well. The Principals of PSD, LLC are Pam and Jim Deal and Matt Kuker. This project will be a new entity, but it will still fall under PSD, LLC ownership. We are excited to bring the property forward and fill a need in the area, which will be an asset for everyone. We look forward to work with the City and welcome your feedback.

Subsidy Justification:

After developing a pro-forma we discovered that we needed assistance for two different aspects of the project. The following describes in detail why business subsidies should be granted, they are:

- Request #1, that the City provide TIF funds on the first phase of construction.
  The construction of this building will be easily marketed with numerous items that you will not find in a bare bones building. Items that we plan to incorporate include:
    1. 24' unobstructed clear height building inside to be used for warehousing, tall inside building requirements or work on large equipment
    2. Multi colored upgraded walls panels to be located at building entrances
    3. Glass curtainwall with aluminum storefronts, or similar, along the front of the building
    4. Thickened inside concrete slabs compatible with forklift equipment
    5. LED lighting on exterior to lessen electrical costs
    6. Each bay will have both drive in doors and dock bays, dock bays will have cushioned seals to have tractor trailers to connect to, drive in doors will have high-lift overhead doors
    7. Upgraded EPDM roofing to insure a longer life of the building
    8. ESFR fire suppression system, due to building height

Undoubtedly this will be one of the most full featured industrial buildings in Ramsey, or Anoka County. By including these upgrades in the initial build will make it attractive for potential tenants to immediately occupy this building. Many of these features listed above are upgrades, unfortunately there is a price tag that accompanies those upgrades. *The "but-for" test, by PSD investing heavier and adding these extra amenities this project does not meet investment return requirements, "but-for", by having the City of Ramsey subsidize and shore up losses expected in the first years, the average investment over time becomes acceptable and it allows PSD to move ahead.*

- Request #2, the City repay the cost of the interior artery road.
  PSD, as well as the City, would like the project as dense as possible due to the following reasons:
    1. A higher density can be achieved, we are able to spread the infrastructure costs (curb, storm, signage, water/sewer main extension and central ponding) across 7 buildings vs. 6 and make it feasible. Without this extra $250,000, the improved cost of the land becomes too high and the project is not viable.
    2. The appearance, by having the first 2 phases front Hwy 10 it will set the tone and these buildings will be highly desirable. The success of the industrial park hinges on how the project is first received. If an arterial road is not provided, the buildings would "piano key" along Bunker Lake Blvd, which prospective tenants may not know these buildings are available, or what type of businesses will be located within them.
    3. The success of tenants is key to having visibility from Hwy 10. Some tenants may choose to locate there given the visibility to Hwy 10, especially in a retail/warehouse combination type of business.
    4. It will clean up blight, much of this area is wasteland of dirt pile and garbage, and there have been gypsies actually living in the trees and brush. This cleanup will raise the image of the City of Ramsey and the area that fronts Hwy 10.

As you will see in the attached proforma, the margins generated do not afford the ability to absorb $250,000 for the arterial roadway into the project. In order to set the tone and have the building properly front Hwy 10, the first two phases need to be located as close to Hwy 10 as possible. *This project cannot move ahead with the current returns if the road has to be paid by the developer, "but-for", having the City repay the cost of the road will insure this building will be highly visible and tenants will wish to locate (or relocate) their business in Ramsey with will provide jobs to Ramsey residents, traffic for neighboring developments (The COR) and raise the image along Hwy 10.*

In conclusion:

Being a business owner in Ramsey for many years and talking with many real estate experts, there is glaring need for additional industrial buildings in the City of Ramsey. We would like to think that we can bring a great quality building to this City, which has been evident form our past projects. This industrial park is a gamble on our part, we will be holding land and incurring holding costs, investing money into a parcel which its land use has recently changes, as well as, building a spec building with not one lease signed yet. We are not asking the City to backstop unrented spaces, grant real estate tax exemptions, reduce or eliminate the SAC, park or trail fees, the project just needs a little help to get its traffic flow started and make people aware that this is a viable business park. We strongly feel that this will add options for the City of Ramsey and you will be able to locate businesses within this industrial park. The amount we are requesting has very few variables, almost all of the gamble rests on our shoulders. By investing City funds into this new venture, we will partner together and help Ramsey grow, for this business as well as many others. Thank you in advance for your consideration of granting these two requests, we know it will be an asset to both the City and PSD.

March 21st, 2017

Mr. Patrick Brama
Economic Development Manager / Assistant City Administrator
7550 Sunwood Dr NW
Ramsey, MN 55330

Mr. Brama,

As you know, during the last several months PSD has been working on a concept model which would establish an industrial park within the City of Ramsey. This concept is based on a multi phased project, when at full capacity, would allow for the construction of 7 new buildings (based on six at 60,000 sq. ft. and one at 52,000 sq. ft.). At this point we have incurred costs for site design, soil borings, fill calculations and have received multiple budgetary construction estimates. The total number of buildings may decrease if demand shows that we need to erect less quantity of buildings with larger square footages.

On March 16th, a non-binding LOI has been agreed mutually upon and executed between PSD and the current property owner. The current property owner will continue to own and market the adjacent parcels next to the industrial park that we are proposing to develop.

Building construction for the 1st phase

PSD built a pro-forma for said project which utilized some assumptions, which are:

- The proposed 1st phase will need to utilize TIF funding for the following reasons:
  - The current site is vacant, by changing the use and type, we expect to have a high vacancy rate until commercial brokers are knowledgeable about our finished project. Initially, we feel it will be hard to change the traffic patterns of potential tenants.
  - We propose to incorporate aesthetic qualities not typically found in industrial buildings. On the 1st phase, we plan to use a glass curtain storefront on the exterior wall that faces Hwy 10. All bays will have both drive in doors, as well as, loading docks with levelers. Other building owners that lease industrial space frequently need to change the type of loading door access depending on type of business that chose to lease space within the building. By incorporating both types of doors, there will be less disturbance to businesses that locate within the building, as well as, the space will be more desirable to prospective tenants.
  - Currently there are not any 24' clear height buildings available in the close surrounding areas. New racking and storage methods use higher racking, which increases the efficiency of storage within a 24' clear height building. Unfortunately, the price increases exponentially as the building becomes taller.

We plan to build a building that will not be obsolete prior to its opening. By incorporating the above described items, we feel this building will be more desirable than a "typical" industrial building with less features. Without utilizing TIF funds, the lack of return on investment does not make it feasible to move forward.

7533 Sunwood Drive, Suite 315
Ramsey, MN 55303

Phone: (763) 427-5955
Fax: (763) 427-4151

www.psdlanddevelopment.com

Site maximization and orientation

In order to maximize the square footage of the proposed buildings across the entire Easterly portion of the new PSD business park, there will need to be an internal public road constructed and brought to the middle of the parcel. By constructing this internal public road, the East ½ of the site can allow for 4 buildings within the project, and a total of 7 buildings over the entire site. Given the close proximity to Highway 10, some buildings will be orientated to have visibility and front Highway 10. Some business that may choose to relocate within the proposed 1st phase of construction need visibility to insure growth to their businesses can grow. Also, in order to create synergy amongst the proposed buildings, a central internal public road gives a campus feel.

The following expenses related to the site do not make it capable for PSD to pay for the internal public road, which are:

- Relocating a spoil pile of non-compactible dirt which Bolton & Menk has tested. This pile is 45,000 Cu. Yd. in size, we plan to relocate this pile to the westerly boundary of the site. This will provide relief of sight and noise to the proposed housing development by Capstone Homes. This will also allow for a transitional buffer in between the industrial park and housing development.
- The creation of multiple massive storm water pondage are required for the site for parking lot runoff. Numerous ponds, each well over an acre will need to be excavated and infrastructure brought into each of these ponds in order to have adequate capacity of storm water.
- The clear cutting of trees to allow for mass grading is a large expense. The organic debris will need to be moved off site given the high density of construction we are proposing. Organic matter is not allowed in any pads or soils than need compaction.

The proposed industrial park does not afford the ability to pay for the site improvements *and* construct an internal public road to serve the first 4 buildings of our concept. If the road cost is to be absorbed within the project, the expected returns do not meet our minimum threshold given the high cost of site work. In that scenario, we would price ourselves too high, and have difficulty being competitive with communities like Elk River, Otsego and Rogers.

In conclusion, we are asking to partner with the City of Ramsey to develop an attractive, successful and viable industrial park. Having the possibility of businesses to be able to relocate into this industrial park within the City of Ramsey is a huge asset. Once employers and businesses occupy these buildings numerous jobs will be created. If the City receives inquiries from business that wish to locate within the City, there will be additional options which shorter lead times for relocation can be achieved. This project will create traffic, which in turn, will create other retail opportunities to be located in the adjacent COR development. Currently there are not parcels available that allow the construction of precast buildings, the existing area that allows industrial buildings is fully built out. Upon obtaining all of the City approvals required, we would like to proceed with the next steps of planning and engineering, then move onto construction this spring. I feel PSD has a great working relationship with the City, recently we worked hand in hand with the City administration and staff on the ParkView East project. Given our track record, PSD has the ability, project management and experience to see this project until its completion as well. I welcome any questions you may have regarding this project, feel free to contact me at any time.

Sincerely,

Matt Kuker
COO

PSD Business Park - 1% Inflation

City of Ramsey

60,000 square foot industrial building

ASSUMPTIONS AND RATES

DistrictType:	**Economic Development**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2017**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**1.00%**	
Interest Rate:	**4.00%**	
Present Value Date:	**1-Feb-18**	
First Period Ending	1-Aug-18	
Tax Year District was Certified:	**Pay 2017**	
Cashflow Assumes First Tax Increment For Development	2019	
Years of Tax Increment	9	
Assumes Last Year of Tax Increment	2027	
Fiscal Disparities Election [Outside (A), Inside (B), or NA	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	33.4802%	Pay 2017 Est
Fiscal Disparities Metro-Wide Tax Rate	150.0490%	Pay 2017 Est
Maximum/Frozen Local Tax Rate:	103.301%	Pay 2017 Est
Current Local Tax Rate: (Use lesser of Current or Max.)	103.301%	Pay 2017 Est
State-wide Tax Rate (Comm./Ind. only used for total taxe	47.0000%	Pay 2017 Est
Market Value Tax Rate (Used for total taxes)	0.21555%	Pay 2017 Est

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	$115,000	0.75%
Over	$115,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	29-32-25-12-0003	Hageman Hlds.	Unassigned	728,600		728,600	22.8%	166,121	Pay 2017	C/I	3,322	C/I Pref.	2,572	
				728,600	0	728,600		**166,121**			**3,322**		**2,572**	

Note:

1. Base values are for pay 2017 based upon review of County website on 1-23-17. Base parcel is 26.3 acres according to county website; Assumed 6 acres, or 22.8%, needed for the project.

EHLERS
LEADERS IN PUBLIC FINANCE

PSD Business Park - 1% Inflation

City of Ramsey
60,000 square foot industrial building

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2017	Percentage Completed 2018	Percentage Completed 2019	Percentage Completed 2020	First Year Full Taxes Payable
	Industrial	55	55	60,000	3,300,000	C/I Pref.	65,250	1	75%	100%	100%	100%	2020
TOTAL					3,300,000		65,250						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				60,000	3,300,000		65,250						

Note:

1. Market values are based upon estimates from the County Assessor.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Industrial	65,250	21,846	43,404	44,837	32,779	30,668	7,113	115,397	1.92
TOTAL	65,250	21,846	43,404	44,837	32,779	30,668	7,113	115,397	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.
2. If tax increment in received in 2018, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	115,397
less State-wide Taxes	(30,668)
less Fiscal Disp. Adj.	(32,779)
less Market Value Taxes	(7,113)
less Base Value Taxes	(1,768)
Annual Gross TIF	43,069

EHLERS
LEADERS IN PUBLIC FINANCE

PSD Business Park - 1% Inflation
City of Ramsey
60,000 square foot industrial building

TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				08/01/18
							-	-	-	-				02/01/19
100%	48,938	(2,572)	(15,523)	30,842	103.301%	31,860	15,930	(57)	(1,587)	14,285	13,461	0.5	2019	08/01/19
							15,930	(57)	(1,587)	14,285	26,659	1	2019	02/01/20
100%	65,250	(2,572)	(20,985)	41,693	103.301%	43,069	21,535	(78)	(2,146)	19,311	44,150	1.5	2020	08/01/20
							21,535	(78)	(2,146)	19,311	61,298	2	2020	02/01/21
100%	65,903	(2,572)	(21,203)	42,127	103.301%	43,518	21,759	(78)	(2,168)	19,512	78,285	2.5	2021	08/01/21
							21,759	(78)	(2,168)	19,512	94,938	3	2021	02/01/22
100%	66,562	(2,572)	(21,424)	42,565	103.301%	43,971	21,985	(79)	(2,191)	19,715	111,435	3.5	2022	08/01/22
							21,985	(79)	(2,191)	19,715	127,609	4	2022	02/01/23
100%	67,227	(2,572)	(21,647)	43,008	103.301%	44,428	22,214	(80)	(2,213)	19,921	143,630	4.5	2023	08/01/23
							22,214	(80)	(2,213)	19,921	159,338	5	2023	02/01/24
100%	67,899	(2,572)	(21,872)	43,455	103.301%	44,890	22,445	(81)	(2,236)	20,128	174,897	5.5	2024	08/01/24
							22,445	(81)	(2,236)	20,128	190,151	6	2024	02/01/25
100%	68,578	(2,572)	(22,099)	43,907	103.301%	45,356	22,678	(82)	(2,260)	20,337	205,262	6.5	2025	08/01/25
							22,678	(82)	(2,260)	20,337	220,076	7	2025	02/01/26
100%	69,264	(2,572)	(22,329)	44,363	103.301%	45,828	22,914	(82)	(2,283)	20,548	234,751	7.5	2026	08/01/26
							22,914	(82)	(2,283)	20,548	249,138	8	2026	02/01/27
100%	69,957	(2,572)	(22,560)	44,824	103.301%	46,304	23,152	(83)	(2,307)	20,762	263,389	8.5	2027	08/01/27
							23,152	(83)	(2,307)	20,762	277,361	9	2027	02/01/28
	Total						**389,223**	**(1,401)**	**(38,782)**	**349,040**				
	Present Value From 02/01/2018			**Present Value Rate**	**4.00%**		**309,293**	**(1,113)**	**(30,818)**	**277,361**				

HANDBOOK FOR MINNESOTA CITIES

Chapter 15
Community Development and Redevelopment

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HANDBOOK FOR MINNESOTA CITIES

Chapter 15
Community Development and Redevelopment

Learn about the requirements for a city to establish criteria for awarding business subsidies and various development agencies cities may create. Find an overview of state and federally sponsored programs for encouraging development and redevelopment. Most economic development tools can be applied to any size city. These tools are interrelated, and a city may use several for one project.

RELEVANT LINKS:

Minn. Stat. §§ 116J.993 to 116J.995.
Minn. Stat. § 116J.993, subd. 3.

I. Business subsidies or financial assistance

A. Business subsidies

State law defines "business subsidy" or "subsidy." It is a state or local government agency grant, contribution of personal property, real property, infrastructure, or the principal amount of a loan at rates below those commercially available to the recipient. In addition, a business subsidy is any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business in an amount greater than $150,000.

Minn. Stat. § 116J.994, subds. 5, 11.
Minnesota Department of Employment and Economic Development (DEED).

Prior to awarding a business subsidy of more than $150,000 (and as defined by law) to any business, a city and any Housing and Redevelopment Authority (HRA), Economic Development Authority (EDA), port authority, and nonprofit created by a local government must hold a public hearing and adopt criteria for awarding business subsidies. The public hearing notice must include a statement that either a resident or a city property owner may file a written complaint with the city if the city does not follow the business subsidy law. Written complaints must be filed within specified timelines. The criteria must include a policy regarding the wages to be paid for any jobs created. Copies of the criteria adopted by cities are found on the Minnesota Department of Employment and Economic Development (DEED) web site.

Minn. Stat. § 116J.994, subd. 3.

Once the criteria are established, the grantor and the recipient must enter into subsidy agreements that meet the statutory requirements. The agreement must include an obligation to repay part or the entire subsidy if the recipient does not meet its obligations.

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RELEVANT LINKS:

Minn. Stat. § 116J.993, subd. 3.
Minn. Stat. § 469.185.

Types of assistance meeting the definition of a business subsidy include: grants; contributions of real or personal property or infrastructure; the principal amount of a loan at rates below those commercially available to the recipient; any reduction or deferral of any tax or any fee; any guarantee of any payment under any loan, lease or other obligation; or any preferential use of government facilities given to a business.

Minn. Stat. § 116J.994, subd. 11.

The law imposes a 180-day statute of limitations on actions to challenge a city after approval of a business subsidy agreement. Citizens or owners of taxable property in a city may bring a civil action against the city for failure to comply with the business subsidy laws. Cities should therefore consult closely with the city attorney before awarding a business subsidy.

Minn. Stat. § 116J.993, subd. 3.

There are several exceptions to this definition, including a subsidy of less than $150,000; subsidies for redevelopment, pollution control and land clean up, housing, industrial revenue bonds, utility property tax abatements and other similar programs.

Minn. Stat. § 116J.994, subds. 4, 7, 8.

Recipients must provide grantors with information on their progress toward the goals outlined in the agreement. The goals for increasing jobs or retaining jobs must result in local job creation and job retention. Grantors must submit the annual Minnesota Business Assistance Form (MBAF) to the Department of Employment and Economic Development (DEED) by April 1 each year for each business subsidy agreement. Local government agencies in cities with a population of 2,500 or more must submit an MBAF, regardless of whether they have awarded business subsidies. Local government agencies in cities with a population of 2,500 or less are exempt from filing the MBAF if they have not awarded a subsidy in the past five years.

B. Financial assistance

Minn. Stat. § 116J.994, subd. 2. Minn. Stat. § 116J.994, subd. 8.

Cities may offer “financial assistance” in the form of a business loan of more than $25,000 or a guarantee of $75,000 or more, but less than $150,000 required to constitute a business subsidy. If a city offers such financial assistance it must develop criteria and set minimum wage floor levels as prescribed in business subsidy law. Cities granting such financial assistance must submit business assistance reports to the Department of Employment and Economic Development (DEED) within one year of granting the assistance.

RELEVANT LINKS:

II. City development tools

A. General city development powers

Minn. Stat. § 469.041.

Cities have authority to aid and cooperate in the planning, construction, or operation of economic development, and housing and redevelopment projects. The following is a partial list of actions cities may take, with or without compensation:

- Dedicate, sell, convey, or lease any of its interests in any property or grant easements, licenses, or any other rights or privileges to an HRA.
- Furnish parks, playgrounds, recreational, community education, water, sewer, and drainage facilities or other works adjacent to or in connection with housing and redevelopment projects.

Minn. Stat. § 469.192.

A statutory city, home rule charter city, economic development authority, housing and redevelopment authority, or port authority may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose the entity is otherwise authorized to carry out under any of the laws cited.

Judd Supply Co. v. Merchants & Mfgs. Ins. Co., 448 N.W.2d 895 (Minn. Ct. App. 1989).

Private development projects that receive public financial or other assistance will not necessarily become public projects that trigger competitive bidding or other state laws applicable to public works.

B. Housing and redevelopment authorities

The predominant method of delivering and administering housing and redevelopment programs in Minnesota is through a legal public agency, accountable to city government. A city may establish this public agency, which is often the HRA. There are more than 230 HRAs in Minnesota.

1. Elements of an HRA

Minn. Stat. §§ 469.001 to 469.047.
Minn. Stat. § 469.003.

An HRA is a public corporation with power to undertake certain types of housing and redevelopment or renewal activities. While state legislation conveys authority for housing and redevelopment in each city, it is up to the city council to formally establish an HRA before it can do business and use its powers. Once a council legally establishes an HRA, it may undertake certain types of planning and community development activities on its own with council approval.

Minn. Stat. § 469.003, subd. 1.

To create a housing and redevelopment authority, the city council must, by resolution, make the following findings required by law:

RELEVANT LINKS:

- Substandard, slum or blighted areas that cannot be redeveloped without governmental assistance; or
- A shortage of affordable, decent, safe, and sanitary dwelling accommodations available to low-income individuals and families.

Minn. Stat. § 469.003, subds. 2, 4.

The council must pass this resolution after a public hearing. A copy of this resolution must go to the commissioner of DEED.

2. Area of operation for an HRA

Minn. Stat. § 469.004, subds. 1, 2.

The area of operation of a city HRA is the corporate limits of the city. County and multi-county HRAs operate in areas that include all the political subdivisions within the county or counties, except they may not undertake any project within the boundaries of a city that has not adopted a resolution authorizing the county or multi-county HRA to exercise powers within that city.

Minn. Stat. § 469.004, subd. 5.

Establishment of a county or multi-county HRA precludes the formation of city HRAs, unless the county or multi-county HRA and the commissioner of DEED agree to let the city form one.

3. HRA membership

Minn. Stat. § 469.003, subds. 5, 6.

An HRA consists of up to seven commissioners who are residents of the city. The mayor appoints and the council approves the members who serve five-year, staggered terms. City councilmembers often serve on the HRA. The entire membership of an HRA may consist of councilmembers.

24 C.F.R. 964.415.

Federal regulations require that at least one eligible resident be a member of a public housing agency board, which may be the HRA, an EDA or other public housing authority (PHA). This rule applies to any public housing agency that holds a public housing annual contributions contract with HUD or that administers Section 8 tenant-based rental assistance. The rule does not apply to state-financed public housing projects or Section 8 project-based assistance. A “small PHA exception” also exists.

Minn. Stat. § 469.003, subd. 7.

The city clerk must file a certificate of appointment for each commissioner of a city HRA and send a certified copy to the commissioner of DEED.

Minn. Stat. § 469.011, subd. 2. Minn. Stat. § 469.011, subd. 4.

State law allows the HRA to adopt bylaws. Commissioners may accept compensation of up to $75 for each meeting they attend. Commissioners who are elected officials may receive daily payment for a particular day only if they do not receive any other daily payment for public service on that day. Commissioners who are public employees may not receive daily payment, but may not suffer loss in compensation or benefits as a result of their service.

RELEVANT LINKS:

4. HRA powers

Minn. Stat. § 469.012, subd. 1.

An HRA is primarily responsible for the planning and implementation of redevelopment and/or low-rent housing assistance programs within its area of operation. An HRA has all the powers necessary to carry out the state HRA Act, including but not limited to the following powers:

- To sue and be sued.
- To employ staff and an executive director.
- To undertake projects within its area of operation and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part of a project.
- To sell, buy, own, and lease property by any means necessary, including the power of eminent domain.
- To cooperate with and use state and federal financial assistance programs.
- To develop rehabilitation and code enforcement techniques.
- To issue bonds for any of its corporate purposes backed by the pledge of revenues, grants or other contributions.
- To implement renewal or redevelopment programs using tax increment financing.
- To own, hold, improve, lease, sell or dispose of real or personal property.
- To designate substandard, slum or deteriorating areas needing redevelopment, and unsafe, unsanitary, and overcrowded housing.
- To make necessary expenditures to carry out the purposes of the HRA law.
- To develop and administer an interest reduction program to assist the financing of the construction, rehabilitation, or purchase of low- or moderate-income housing.

5. HRA special assessment and levy authority

Minn. Stat. § 469.001 – 469.047.
Minn. Stat. § 469.033, subd. 6.

Minn. Stat. § 275.70 to 275.74.

Minn. Stat. § 275.066.

HRA power to levy and collect taxes or special assessments is limited to the power provided in state law. Subject to a resolution of consent from the city council an HRA may levy a tax upon all taxable property within the city. (The council may give a consent that covers a series of years if they so choose or council may pass a resolution authorizing an HRA levy for a set amount of time, for example, the entire term of the bonds secured in part by an HRA levy and in part by a city levy.) State law recognizes the distinct nature of HRAs and designates them as “special taxing districts.” The maximum general allowable operational levy of HRAs is 0.0185 percent of the previous year’s estimated market value of all property in the city.

RELEVANT LINKS:

The city's estimated market value is available from the county assessor. An HRA raises its own levy because it is a separate political subdivision and not a "local governmental unit." Therefore, an HRA levy is not subject to levy limits but is subject to the 0.0185 percent market value limit. Levies collected by an HRA must be used only for purposes listed in the HRA Act.

There is crossover between HRA and EDA levies that can be confusing. Typically, EDAs are not authorized to levy taxes under state law. However, many city EDA-enabling resolutions adopt all the powers of an HRA, and then the EDA functions as a special taxing district under state law. If the enabling resolution so allows, the EDA levies a separate tax or "HRA levy" not subject to levy limits or city debt limits—but again subject to the 0.0185 percent of total city market value limit in state law. The city attorney may verify the structure and levy authority of each city's HRA and/or EDA.

Minn. Stat. § 469.107.
Minn. Stat. § 275.066.

While HRAs have the legal authority to "do whatever is necessary and convenient" to implement redevelopment, they are subject to the ordinances and laws of the city. The city council must approve HRA plans before the housing and redevelopment authority may begin implementation.

Minn. Stat. § 469.012, subd. 4. Minn. Stat. § 469.028.

6. HRA contracting

All HRA construction work and purchases of equipment, supplies or materials that involve expenditure of more than $100,000 must be competitively bid. An HRA (and a city) may also use the "best value alternative." There are limited exceptions to these requirements for emergencies and certain projects, such as parking ramps.

Minn. Stat. § 469.015.
Minn. Stat. § 469.015, subd. 1a.

7. HRA financing

Operating funds, capital improvements, and debt retirement expenses for HRA projects may be financed by any one, or combination of, the following methods:

- Federal grants.
- Revenue bonds the HRA or local governing body sells.
- General obligation bonds the local governing body sells.
- Tax increments from redevelopment projects.
- A limited levy for redevelopment projects and planning activities.

Minn. Stat. § 469.033.
Minn. Stat. § 469.034.

When an HRA issues bonds, the revenue generated must be used for the projects financed, or bond costs must be paid from income generated by designated projects.

Minn. Stat. § 469.034, subd. 1.

RELEVANT LINKS:

The law states that the principal and interest on bonds are payable exclusively from the income and revenues of the project financed with the proceeds of the bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of the bonds.

8. HRA certifications to state

The following documents relating to the establishment and activities of local HRAs must go to the DEED commissioner:

Minn. Stat. § 469.003, subds. 4, 6.
Minn. Stat. § 469.003, subd. 7.

- Resolution of need.
- Certificates of appointment or reappointment of HRA commissioners.
- Project reports.
- Applications for federal assistance.
- Contracts with federal agencies.
- Redevelopment plans.
- Low rent public housing project and management plans.

Minn. Stat. § 469.013.

In addition, annual financial reports must go to the state auditor.

9. HRA federal certification

In order for a local HRA to use federal Department of Housing and Urban Development (HUD) assistance programs, it must submit a transcript of organizational documents to the HUD area office.

C. Economic development authorities

Minn. Stat. §§ 469.090 to 469.1082.
Minn. Stat. § 469.1082, subd. 5.
Minnesota Department of Employment and Economic Development: The Economic Development Authorities Handbook.

All cities and townships have authority from the state Legislature to create economic development authorities. The city may consolidate the economic development authority (EDA) with an existing HRA or the city may grant the authority HRA powers. The city council may create an EDA by passing an enabling resolution. Before adopting the enabling resolution, the city must first conduct a public hearing. The enabling resolution establishes a board of commissioners for the EDA. The city council can choose to serve as the EDA board of commissioners or create a board composed of community members. The mayor, with approval of the council, appoints the commissioners. The board may consist of three, five or seven members who serve six-year terms. The board is subject to the open meeting law.

1. EDA levies

RELEVANT LINKS:

Minn. Stat. § 275.70.

Minn. Stat. § 275.066.

The typical EDA levy is different from the HRA levy discussed above. It is not a levy raised by the EDA—it is a levy set by a city at the request of the EDA.

Basically, the city simply appropriates part of the money the city collects in the general city levy to the EDA. Because the EDA levy is part of the city levy, it is not a "special levy" under state law and thus the EDA levy is subject to the city's overall levy limit. However, as noted above, many EDA-enabling resolutions adopt all the powers of an HRA. If so, the EDA may levy a separate tax or "HRA levy," and then the EDA functions as a special taxing district as if it were an HRA and that levy is not subject to levy limits or to city debt limits. An EDA using the levy powers of an HRA is still limited to a levy no more than 0.0185 percent of the total taxable market value in the city.

2. EDA loans

Minn. Stat. § 469.192.
Minn. Stat. §§ 469.090 to 469.1082.
Minn. Stat. § 469.098.

An EDA is authorized to make a loan to a business, a for-profit or nonprofit organization, or an individual. Before taking an action or making a decision which could substantially affect an EDA commissioner's or an employee's financial interests or those of an organization with which the commissioner or an employee is associated, a commissioner or employee of an authority must comply with specific requirements to disclose the conflict and obtain prior approval. Failure to do so may result in criminal charges.

Loans must be for a purpose the EDA is authorized to carry out under the law. An authorized purpose must deal with or contribute to economic or industrial development. EDAs have the ability to use pooled bond reserving. In most development programs, each bond issue is independent of any other bond issue with a separate service or sinking fund account. EDAs, however, may create a single common bond reserve fund. Under this arrangement, each project's revenues go into a common fund, which in turn pays the bondholders on all projects.

Through this pooling mechanism, the security of each project's bond increases and borrowing costs decrease as long as the pool has the necessary volume and diversity of cash flow.

3. Other EDA powers

Minn. Stat. § 469.101, subds 1, 2.
Minn. Stat. § 469.101, subd. 1. Minn. Stat. § 469.102.

EDAs can acquire property and facilities but cannot issue debt without an election. The city must authorize the issuance of debt in the resolution creating the EDA. In addition, EDAs can create economic development districts but the districts must be contiguous.

RELEVANT LINKS:

Current law eliminates the requirements that economic development districts established by EDAs meet the "blight test" under tax increment financing law for redevelopment districts.

EDAs may exercise powers under the housing and redevelopment authority (HRA) law (if a particular EDA enabling resolution includes HRA power) to create a redevelopment project, housing development, or housing project under which a restrictive blight test does not apply. These projects can be used for similar purposes to those of an economic development district under the EDA law.

D. Port authorities

Minn. Stat. §§ 469.048-469.068. Minn. Stat. § 469.053.

The state Legislature authorizes city creation of port authorities. A port authority is a separate political entity with the right to sue and be sued in its own name and is generally organized to increase commerce in a city. Unlike EDAs and HRAs, a port authority may issue general obligation bonds without holding an election.

Minn. Stat. § 469.050. Minn. Stat. § 469.051.

Cities establish a port authority by passing an enabling resolution. It may have from three to seven commissioners (two of whom must be on the city council) appointed by the mayor and approved by the city council, unless a different number or procedure is set out in the enabling law. State law governs commissioner pay, vacancies, duties, and port authority by-laws.

Minn. Stat. § 469.051, subd. 2.

A port authority shall annually elect a president or chair, vice-president or vice-chair, treasurer, secretary, and assistant treasurer. A commissioner may not serve as president or chair and vice-president or vice-chair at the same time. The other offices may be held by one commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

The treasurer of a port authority must be bonded to faithfully perform these duties:

- Receive and be responsible for port authority money.
- Be responsible for the acts of the assistant treasurer, if appointed.
- Disburse port authority money by check or electronic procedures.
- Keep an account of the source of all receipts, and the nature, purpose, and authority of all disbursements.
- File the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

RELEVANT LINKS:

Minn. Stat. § 469.051, subd. 9.

The port authority's annual detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities. The authority must examine the statement together with the treasurer's vouchers. If the authority finds the statement and vouchers correct, it shall approve them by resolution and record the resolution.

Minn. Stat. §§ 469.048–469.068.

State law governs many other aspects of port authorities, including but not limited to use of city property by a port authority, employees, contracts, and audits. The city attorney also acts as the port authority's attorney.

E. Municipal or area redevelopment agencies

Minn. Stat. §§ 469.109 to 469.123.

Any rural municipality or group of municipalities may establish a public body, known as a municipal or area redevelopment agency, in and for the area the municipality covers. This law defines municipalities as home rule charter or statutory cities, counties, towns or school districts.

Minn. Stat. § 469.110, subd. 11. Minn. Stat. § 469.111.

The law includes only rural areas, which generally means all areas that are not within the boundary of any city having a population of 50,000 or more, and not immediately adjacent to urbanized and urbanizing areas with a population density of more than 100 persons per square mile—or areas with an unemployment rate of 6 percent or more. The restrictions limit applicability of the law to rural areas and to the Iron Range.

Minn. Stat. § 469.111. Minn. Stat. § 469.115.

The establishment of the municipal or area redevelopment agency is similar to the establishment of an HRA. A municipal or area redevelopment agency has similar powers to an HRA.

F. City development districts

Minn. Stat. §§ 469.124 to 469.134.

Any home rule charter or statutory city may designate development districts within the boundaries of the city. Within these districts, cities may:

- Adopt a development program to acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote developments aimed at improving the physical facilities, quality of life, and quality of transportation.
- Promote pedestrian skyway systems.
- Install special lighting systems, street signs and street furniture, landscaping of streets and public property, and snow removal systems.

RELEVANT LINKS:

Minn. Stat. § 469.127.

The law encourages pedestrian skyway systems, underground pedestrian concourses, people-mover systems, and publicly owned parking structures. It exempts these structures from taxation even when they are attached to privately owned buildings.

G. City industrial development

Minn. Stat. §§ 469.152 to 469.1655.
Minn. Stat. § 469.152.

For the purpose of attracting industrial and commercial development and encouraging local governments to prevent economic deterioration, any home rule charter or statutory city or its redevelopment agency has the power to promote industrial development by:

- Acquiring, constructing, and holding lands, buildings, easements, improvements to lands and buildings, capital equipment, and inventory for industrial projects.
- Issuing revenue bonds and entering into revenue agreements to finance these activities to promote industrial projects.
- Refinancing health care and other facilities.

Minn. Stat. § 469.155, subd. 4.

Under the legislation, cities assist industries in starting operations and use generated revenues to repay the costs. This law is the basis for issuing most industrial revenue bonds.

Minn. Stat. § 469.153, subd. 2.

Industrial projects eligible for assistance include any revenue-producing enterprises engaged in assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacturing; or in research and development activity in these fields; or in the manufacturing, creation, or production of intangible property, including any patent, copyright, formula, process, design, know how, format, or other similar item. "Project" also includes any properties designated as a qualified green building and sustainable design project under state law. Eligible projects may include costs related to dewatering activities.

Minn. Stat. § 469.1655.

Minn. Stat. § 469.155, subd. 14.

The law prohibits a city from operating any of these projects as a business or in any other manner.

RELEVANT LINKS:

III. Other development strategies

A. Housing bonds

Minn. Stat. ch. 462C.

Cities may use revenue bonds for financing single- and multi-family housing, primarily for the benefit of low- and moderate-income families. The law contains single- and multi-family housing criteria and the specific actions cities must take to comply with the law. Federal law limits the issuance of housing revenue bonds. Bonding authority is allocated by a state formula.

B. Industrial parks

An industrial park is a tract of land suitable for industrial use because of location, topography, proper zoning, availability to utilities, and accessibility to transportation. A single body has administrative control of the tract. In some cities, an industrial park may be little more than a tract of unimproved land, while in other cities it may be totally served by city services and have restrictive building requirements. An industrial park's purpose is to attract industrial development.

Property a city holds for later sale for economic development purposes remains tax exempt for a period of eight years, or until buildings or other improvements that are constructed after acquisition reach one-half occupancy.

Currently, private enterprise creates most new industrial park development by establishing a for-profit community development corporation. A city can cooperate with that corporation through its land-use controls and methods of financing public improvements. Many cities have also established industrial parks complete with streets, water, and sewer, in spite of the possible tax ramifications. The city then sells or leases a portion of the park to a business needing a location for its building.

Minn. Stat. § 469.185.
Minn. Stat. § 465.035.
A.G. Op. 476-B-2 (Mar. 2, 1961).
City of Pipestone v. Madsen, 287 Minn. 357, 178 N.W.2d 594 (1970).

The law authorizes any city owning lands that are not restricted by deed to convey the lands for nominal consideration, to encourage and promote industry, and to provide employment for citizens. In finding that a conveyance of land for an indoor arena was not within the statute, the attorney general concluded the conveyance must encourage and promote industry and provide employment for citizens. A more direct promotion of industry is necessary, beyond the fact that more potential customers might be in town as a result of athletic contests. However, the courts have upheld the municipal industrial development revenue bond law, discussed subsequently, against the same objection. The city's attorney can best advise the city concerning the legality of a purchase of land for resale.

RELEVANT LINKS:

C. Industrial revenue bonds

Minn. Stat. §§ 469.152 to 469.1655.

The municipal industrial development laws help cities attract new commercial and industrial development, and keep existing businesses in the city. The law authorizes the council to issue revenue bonds, and use the proceeds to acquire and construct industrial sites and facilities. The city then leases these facilities to private industry and uses the rental fee proceeds to retire the bonds.

A city may issue industrial revenue bonds, also known as municipal revenue bonds, without public referendum. It cannot pledge the full faith and credit of a community as security for these bonds. Thus, the city may not tax property owners to pay principal and interest on the bonds.

For more information, contact DEED 651.259.7114, 800.657.3858. Main Office: 1st National Bank Building 332 Minnesota Street, Suite E200 Saint Paul, MN 55101-1351.

If a city decides to investigate the use of industrial bond financing, it should contact the Department of Employment and Economic Development. The department provides the city with information, advice, and technical assistance. This assistance is important, due to the adoption of federal and state laws allocating issuance authority among the states and their political subdivisions. The commissioner of Securities must approve the project.

D. Commercial rehabilitation

Minn. Stat. § 469.184.

Cities have authority to carry out programs for the rehabilitation of small- and medium-sized commercial buildings. The city must adopt a program ordinance that provides for the adoption of program regulations, including a definition of small- and medium-sized commercial buildings. Loans under the program may be for amounts up to $200,000. The city may finance the program through the sale of revenue bonds.

E. Tax increment financing (TIF)

Minn. Stat. §§ 469.174 to 469.1794.

Tax increment financing authority is available to most cities. Cities with housing and redevelopment authorities, economic development authorities, port authorities, redevelopment agencies, those cities administering development districts or development projects, or cities exercising port authority powers under a general or special law may use tax increment financing. Amendments to the law, however, may make the use of this development tool more complicated.

RELEVANT LINKS:

Tax increment financing is a funding technique that takes advantage of the increases in tax capacity and property taxes from development or redevelopment to pay upfront public development or redevelopment costs. The difference in the tax capacity and the tax revenues the property generates after new construction has occurred, compared with the tax capacity and tax revenues it generated before the construction, is the captured value. The taxes paid on the captured value are called "increments." Unlike property taxes, increments are not used to pay for the general costs of cities, counties, and schools. Instead, increments go to the development authority and are used to repay public indebtedness or current costs the city incurred in acquiring the property, removing existing structures or installing public services.

Thus, the property owner in a TIF district continues to pay the full amount of property taxes. TIF involves only the increased property taxes generated within the district. It does not change the amount of property taxes currently derived from the redevelopment area, nor does it directly affect the amount or rate of general ad valorem taxes the city levies. The result of a TIF project is an increased tax base that will benefit all local taxing jurisdictions. Additionally, TIF districts usually spur economic development and redevelopment through creating jobs, removing blight, and providing more affordable housing.

Minn. Stat. § 469.177, subd. 1.

Amendments to TIF law in 2012, address changes caused by the market value exclusion program. If the market value of a homestead property within a TIF district reduces the homestead market value in the district, the original tax capacity of the TIF district will be reduced by the same amount.

Thus, the tax increment collected by the city will remain the same. If your city has a TIF district with townhouses or condominiums, you may want to verify that valuations are properly adjusted by the county auditor.

State v. Wicklund, 589 N.W.2d 793 (Minn. 1999).

TIF is used to encourage four general types of private development: redevelopment, renovation and renewal, growth in low- to moderate-income housing, and economic development. Public financing using TIF funding for a privately owned facility does not make public space in the facility a public forum for free speech purposes.

A TIF district may involve compact development. Two major conditions must be satisfied:

RELEVANT LINKS:

Minn. Stat. § 469.174. Minn. Stat. § 469.175 subd. 2a. Minn. Stat. § 469.176, subd. 1b. Minn. Stat. § 469.176, subd. 1i. Minn. Stat. § 469.176, subd. 4c. Minn. Stat. § 273.13, subd. 24.

- Parcels consisting of 70 percent of the area of the district are occupied by buildings or similar structures that are classified as class 3a property under state law. and
- The planned redevelopment or development of the district, when completed, will increase the total square footage of buildings, classified as class 3a under state law, occupying the district by three times or more relative to the square footage of similar buildings occupying the district when the resolution is approved.

Minn. Stat. § 469.176, subd. 7.

In some specific situations, a TIF authority may request inclusion in a tax increment financing district and the county auditor may certify the original tax capacity of a parcel or a part of the following property types:

- Agricultural.
- Private outdoor recreational, open space and park land.
- Rural preserve property.
- Metropolitan agricultural preserves.

The authority to establish or approve a compact development district expired on June 30, 2012.

Minn. Stat. § 469.176, subd. 4c.

TIF economic development districts must:

- Request certification of the district no later than June 30, 2012.
- Must begin construction before Jan. 1, 2012, for development of housing.

Minn. Stat. § 469.1761, subd. 2 or 3.

These districts may not be used to assist housing that is developed to qualify for owner-occupied or rental housing, or similar requirements of other law, if construction of the project begins later than July 1, 2011.

Minn. Stat. § 469.176, subd. 4m.

Cities have temporary authority to spend TIF funds to stimulate construction using economic development districts for any type of project if three conditions are met:

- The municipality funds projects that will create new jobs in the state, including construction jobs, and the project otherwise would not have begun before July 1, 2012, without assistance.
- Construction of the project begins no later than July 1, 2012.
- The request for certification is made by June 30, 2012.

Minn. Stat. § 469.176, subd. 4m (d).

For a development consisting of housing, the authority to spend tax increments expires Dec. 31, 2011, and construction must commence before July 1, 2011, except the authority to spend tax increments on market rate housing developments expires July 31, 2012, and construction must commence before Jan. 1, 2012. This temporary authority to spend the tax increment expires Dec. 31, 2012.

RELEVANT LINKS:

Minn. Stat. § 469.175, subd. 5.

The city using TIF must report annually to the county board, the county auditor, the school board, and the state auditor as to the status of the TIF district or districts and publish the report. The state auditor has established a uniform system of accounting and financial reporting for TIF districts. The city must annually submit to the state auditor a financial report in compliance with these standards.

Minn. Stat. § 469.1771, subds. 1, 2b.

The state auditor may audit TIF districts. If the state auditor notifies a TIF authority of an alleged violation, a copy of the notice is also forwarded to the county attorney. If no corrective action is brought within one year, the county attorney must notify the state auditor, who then notifies the attorney general. If the attorney general finds a substantial violation, the attorney general will petition the state tax court to suspend the authority's power to use TIF for a period of up to five years.

Minn. Stat. § 469.177, subd. 8. *Lake Superior Paper Indus. v. State*, 624 N.W.2d 254 (Minn. 2001). *Brookfield Trade Center, Inc. v. County of Ramsey*, 609 N.W.2d 868 (Minn. 1998).

The TIF agreement with the developer is a complex document. Assistance from a financial advisor and the city attorney is necessary in order to anticipate the many potential problems. An agreement can establish a minimum market value for tax increment assessment purposes, as well as provide that the developer pay a certain level of taxes regardless of any classification rate changes or levy decreases. The agreement should be entered into before the assembly and acquisition of the land on which the completed improvements are to be located.

See Minn. Stat. §§ 469.177, subds. 1b, 11. Minn. Stat. § 469.1771, subd. 1. Minn. Stat. § 469.1793. Minn. Stat. § 469.1814.

The 2001 tax reform legislation, which reduced class rates and provided for the state takeover of the general education levy, resulted in several changes to various statutes to accommodate the changes. These changes considerably reduce the continued viability of TIF in the future.

Minn. Stat. § 469.174.

The law imposes a 180-day statute of limitations on actions to challenge the creation or modification of a TIF district. The law is complex including a "but-for" finding before a city approves a TIF plan and the creation of a TIF district.

Cities must follow statutory requirements including but not limited to administrative expenses, plan modifications, reporting requirements, use of increment in pre-1979 districts, excess increments, pooling, decertification, and use of funds outside the district.

Minn. Stat. § 469.175.

Before a district can be created, the law requires a detailed estimate of the impact of a proposed district on city-provided services, such as police and fire protection, public infrastructure, and borrowing costs attributable to the district, in addition to other complex estimations that must be prepared.

RELEVANT LINKS:

Walser Auto Sales, Inc. v. City of Richfield, 635 N.W.2d 391 (Minn. Ct. App. 2001); aff'd, 644 N.W.2d 425 (Minn. 2002).

Cities should use extreme care in establishing a TIF district and should follow all procedural requirements; otherwise, a court may find the district was not properly established. In one case, a TIF district was not properly established where minimal effort was made to ensure the thorough inspection of the properties, inaccurate methodology was used to establish the condition of the buildings, and the buildings found structurally substandard were not reasonably distributed throughout the district.

Chenoweth v. City of New Brighton, 655 N.W.2d 821 (Minn. Ct. App. 2003).

In another case, a cause of action for inverse condemnation does not arise where a city's involvement with an adjacent property owner's development consists of establishing a TIF district, entering into a contract with a private developer specifying the size and value of structures to be built, and providing for substantial city assistance to facilitate development.

Given the complexity of the laws governing the use of TIF, cities or HRAs should not undertake this method of financing community development projects without the advice of an attorney and professional consultants.

F. Property tax abatement

Minn. Stat. §§ 469.1812 to 469.1815.

A city may use this development tool to segregate some or all of the taxes (or the increase in taxes) it imposes on a parcel of property if the city expects the benefits of the proposed abatement agreement at least to equal the costs of the proposed development. The term "abatement" is somewhat misleading, as in most cases the tax is not forgiven; it is paid normally, but the amount of property tax levied by the city is used to pay for the bonds. The city must determine that the agreement is in the public interest because it will increase or preserve tax base, provide employment opportunities, provide or help acquire or construct public facilities, help redevelop or renew blighted areas, or help provide access to services for residents of the city. Property taxes in a TIF district cannot be abated unless the period of the abatement will not occur until after the district is decertified.

A resolution must be adopted after notice and public hearing, specifying the terms of the abatement.

RELEVANT LINKS:

A city may issue bonds or other obligations to provide an amount equal to the sum of the abatements granted for a specific property. The maximum principal amount of these bonds may not exceed the estimated sum of the abatements for the property for the years authorized. The bonds may be general obligations of the city if the city council chooses to pledge the full faith and credit of the city in the resolution issuing the bonds. The law limits property tax abatements to 15 years. School districts and counties have similar abatement powers. A city, county, and school district can agree to abate their taxes on the same property.

IV. State-sponsored development tools

A. Minnesota Housing Finance Agency

Minn. Stat. ch. 462A. For more information about MHFA programs, contact MHFA at 400 Sibley Street Suite 300, St. Paul, MN 55101-1998 (651) 296-7608 or (800) 657-3769.

The goals of the Minnesota Housing Finance Agency (MHFA) are to provide decent, affordable housing to low- and moderate-income people; preserve the existing housing stock in Minnesota; preserve existing neighborhoods and prevent them from deteriorating; and prevent mortgage foreclosures while promoting energy conservation in residential housing.

The Minnesota Legislature created the MHFA in response to a shortage of affordable housing for low- and moderate-income people. Private enterprise and private investment were unable, without public assistance, to provide an adequate supply of safe, sanitary, and decent housing at affordable prices and rents.

Minn. Stat. § 462A.073 et seq.
MHFA: Minnesota City Participation Program.

The sale of state tax-exempt bonds is the primary financing for MFHA programs. Through the Minnesota City Participation Program, Minnesota Housing sells mortgage revenue bonds on behalf of cities to meet locally identified housing needs. The proceeds of these bonds provide below-market interest rate home mortgage loans for low- and moderate-income, first-time homebuyers, or for the construction or rehabilitation of single- and multi-family housing. Appropriations from the Legislature provide additional funding for programs, including the promotion of energy conservation; an increase in home ownership opportunities for first time homebuyers; home improvement grants to very low-income homeowners; and programs to improve the housing available to Native Americans, large families, and people with disabilities.

B. Department of Employment and Economic Development (DEED)

Minn. Stat. ch. 116J. Minnesota Department of Employment and Economic Development.

The Minnesota Department of Employment and Economic Development is the primary development agency for Minnesota.

RELEVANT LINKS:

DEED staff is responsible for a wide range of grant and loan programs, as well as for providing technical assistance to businesses and communities.

Minn. Stat. §§ 116J.411 to 116J.424.
Minn. Stat. § 116J.575.
See, Minnesota Department of Employment and Economic Development for Local Government.
The USDA Development.

DEED also provides grants for contamination cleanup and redevelopment. A redevelopment account allows DEED to make grants to local units of government up to 50 percent of the cost of redeveloping blighted industrial, residential, or commercial property. DEED administers the rural development program; makes challenge grants to regional organizations to encourage private investment in rural areas; and administers a revolving loan fund to provide loans to new and expanding business in rural Minnesota. Local government units, including cities, may receive these loans if the community has established a local revolving loan fund and can provide at least an equal match to the loan received.

Minn. Stat. § 116J.431.
Greater Minnesota Business Development Infrastructure Grant Program.

Cities outside the seven-county metropolitan area may receive grants from DEED for up to 50 percent of the capital costs of public infrastructure necessary for certain specified economic development projects, excluding retail and office space. For this program, “public infrastructure” means publicly owned physical infrastructure necessary to support economic development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Minn. Stat. § 116J.431, subd. 2.

Under this law, an “economic development project” for which a county or city may be eligible to receive a grant under this section includes manufacturing; technology; warehousing and distribution; research and development; agricultural processing or industrial park development that would be used by any one of these businesses.

Minn. Stat. § 116J.435.

DEED runs the Innovative Business Development Public Infrastructure (BDPI) program that provides grants to local governmental units on a competitive basis statewide for up to 50 percent of the capital cost of the public infrastructure necessary to expand or retain jobs.

Department of Employment and Economic Development: Innovative Business Development Program.

"Innovative business" means a business that is engaged in, or is committed to engage in, innovation in Minnesota in one of the following:

Minn. Stat. § 116J.435.

- Using proprietary technology to add value to a product, process, or service in a high technology field.
- Researching or developing a proprietary product, process, or service in a high technology field.
- Researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing.

RELEVANT LINKS:

"Proprietary technology" means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted. "Eligible project" means an innovative business development capital improvement project in this state, including:

- Manufacturing; technology; warehousing and distribution; research and development.
- Innovative business incubator.
- Agricultural processing; or industrial, office. or
- Research park development that would be used by an innovative business.

Minn. Stat. § 272.02, subd. 64.

DEED administers “tax-free” job opportunity building zones (JOBZ). In each of these zones, businesses will be eligible for a broad range of tax incentives for a period of 12 years. Under the program, local units of government, including cities, must submit applications to DEED and follow all statutory requirements related to JOBZ.

C. Enterprise Minnesota

Minn. Stat. ch. 116O.

Enterprise Minnesota is a nonprofit business consulting organization, set up by the Legislature that helps small and medium-sized manufacturing companies, education services, and government entities in Minnesota. Enterprise Minnesota operates as a fee-for-services 501(c) (3) nonprofit.

Enterprise Minnesota 612-373-2900 or 800-325-3073.
Minn. Stat. § 116O.061.

Enterprise Minnesota focuses on applied research and technology transfer and early stage funding. It may provide financial assistance, including loan guarantees, direct loans, interest subsidies, or equity investments, to sole proprietorships, corporations, other entities, nonprofit organizations, or joint ventures. Financial assistance includes but is not limited to assisting a qualified company or organization with business services and products that will enhance the operations of the entity.

D. Corporations

Minn. Stat. § 465.717. Minn. Stat. § 471.59.
LMC information memo, *Liability Coverage for Joint Powers Agreements*.

Cities must not create nonprofit corporations unless authorized to do so by special legislation. The law allows incorporation of a joint powers entity, but these must comply with all applicable public sector laws (open meeting, gift law, conflicts of interest, competitive bidding, etc.) and must be separately insured.

RELEVANT LINKS:

More information is available on the HUD web site.

For more information, contact Rural Development State Office 410 Farm Credit Service Building 375 Jackson Street St. Paul, MN 55101-1853, (651) 602-7800; See also, Handbook, Chapter 25.

V. Federal development tools

A. Community development block grants

The Community Development Block Grant (CDBG) program, under the U.S. Department of Housing and Urban Development (HUD), provides cities with federal funding to initiate and continue a diverse array of housing and community development projects.

B. Rural development grants

A variety of grants and loans to encourage economic development are available to cities from the U. S. Department of Agriculture, rural development program. Sewer, water, rural enterprise, housing, and other types of grants and loans are available.

VI. How this chapter applies to home rule charter cities

All of the tools this chapter lists are available to charter cities. The general discussions also apply to all cities.

The Economic Development Authority and City of Ramsey, Minnesota

Business Subsidy Policy
Tax Abatement Policy
Tax Increment Policy

Dated January 13, 2009

Prepared by The City of Ramsey

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1. City and EDA of Ramsey Business Subsidy Policy

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes, §§116J.993 through 116J.995 (the "Act"). The term "City" means the City of Ramsey. The term "project" means the property with respect to which the business subsidy is provided.

A. MANDATORY CRITERIA

All projects must comply with the following criteria:

1. *But For Test*. There is a substantial likelihood that the project would not go forward without the business subsidy.
2. *Wage Policy*. If the project results in the creation of any jobs, the wage for each part-time and full-time job created must be, within two years of the date assistance is received (as defined in the Act), at least equal to 70% of the most recent median wage figure for the Twin City 7 County Metro County as published by the Minnesota Department of Employment and Economic Development or such greater amount as the City may require for a specific project.
3. *Economic Feasibility*. The recipient must demonstrate to the satisfaction of the City that it has adequate financing for the project and that the project will be completed in a timely fashion.
4. *Compliance with Act*. The business subsidy from the City must satisfy all requirements of the Act.
5. *Minimum Subsidy Amount*: Financial assistance in the form of a business subsidy of $25,000 or more; and business loans and guarantees of $75,000, must be reported to the Department of Employment and Economic Development. A public hearing is only required if the business subsidy is greater than $150,000.

B. POLICY

1. The City recognizes that the creation of good paying jobs is a desirable goal which benefits the community. Nevertheless, not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage level requirements may be unrealistic and counter-productive in the face of larger economic forces of influence and the financial and competitive circumstances of an individual business. In determining the requirements for a project under consideration for a business subsidy, the determination of the number of jobs to be created and the wage levels therefore will be guided by the following principles and criteria:

a. The evaluation of projects will take into consideration the project's importance in and benefit to the community from all perspectives, including created or retained jobs.

b. If a particular project does not involve the creation of jobs, but is nonetheless found to be worthy of support and subsidy, assistance may be approved without any specific job or wage goals if permitted by applicable law.

c. In cases where the objective is the retention of existing jobs, the recipient of the subsidy will be required to provide evidence which demonstrates that the loss of those jobs is specific and demonstrable.

d. The setting of wage and job goals will be informed by (i) prevailing wage rates, (ii) local economic conditions, (iii) external economic forces over which neither the City nor the recipient of the subsidy has control, (iv) the financial resources of the recipient and (v) the competitive environment in which the recipient's business exists.

2. Because it is not possible to anticipate all the needs and requirements of every type of project and the ever-changing needs of the community and in order to retain the flexibility necessary to respond to all proposed projects, the City retains the right to approve projects and business subsidies which may vary from the principles and criteria set forth herein.

C. PROJECT EVALUATION CRITERIA

The project review and evaluation criteria are the following:

1. Jobs and Wages

a. *New Jobs*. The minimum net number of direct full time equivalent jobs to be created or retained by the proposed project for a period of at least two years from the estimated benefit date.

b. *Payroll*. The minimum annual net payroll (including employer contributions for health benefits) to be generated at the end of the second anniversary date of the estimated benefit date.

2. Tax Base

a. *Increase in Tax Base*. The net increase in property taxes estimated to be generated by the project in the second full year of operation.

3. Land Use

   a. *Compliance with Comprehensive or Other Plans.* Whether, apart from any needed services to the community described in section 5 below, the project is compatible with the comprehensive plan and permitted uses for the property.

   b. *Marginal Property*. Whether the project is located on property which needs but is not likely to be developed or redeveloped because of blight or other adverse conditions of the property. For example property may be so blighted that the cost of making land ready for redevelopment exceeds the property's fair market value.

   c. *Design and/or Other Amenities*. Whether, as a result of the business subsidy, the project will include design and/or amenity features not otherwise required by law. For example, the project may, at the request of the City, include landscaping, open space, public trails, employee work out facilities or day care facilities which serve a public purpose but are not required by law.

4. Impact on Existing and Future Public Investment

   a. *Utilization of Existing Infrastructure Investment*. Whether and to what extent (a) the project will utilize existing public infrastructure capacity and (b) the project will require additional publicly funded infrastructure investments.

   b. *Direct Monetary Return on Public Investment*. Arrangements made or to be made for the City to receive a direct monetary return on its investment in the project. For example, the business subsidy may be in the form of an interest bearing loan or may involve a project sharing arrangement.

5. Economic Development

   a. *Leveraged Funds*. For every dollar of business subsidy to be provided for the project, the minimum amount of private funds which will be applied towards the capital cost of the project.

   b. *Spin Off Development*. The dollar amount of non-subsidized development the project is expected to generate in the surrounding area and the need for and likelihood of such spin off development.

c. *Growth Potential*. Based on recipient's market studies and plans for expansion, whether and to what extent the project is expected within five years of its completion, be expanded to produce a net increase of full time equivalent jobs and of payroll, over and above the minimum net increase in jobs and payroll described in section 1 above.

6. Quality of Life

a. *Community Services*. Whether the project will provide services in the community and the need for such services. For example, the project may provide health services, retail convenience services such as a nearby grocery store, or social services needed in the community.

b. *Natural Environment*. Whether the project will add to, or detract from, the environment. It is a reflection of what is important to the community - clean air and water, beautiful scenery, recreational opportunities, and a strong desire to pass along these attributes to future generations.

7. Other

a. *Other Factors*. Depending on the nature of the project, such other factors as the City may deem relevant in evaluating the project and the business subsidy proposed for it.

D. ADDITIONAL CONSIDERATIONS

The City will give consideration to one or more of the issues listed below in determining whether to provide financial or other assistance to a project as a business subsidy:

1. The City may consider the requirements of any other business subsidy received, or to be received, from a grantor other than the City.
2. If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount of the guaranteed payment obligation.
3. If the business subsidy is real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City.

4. If the business subsidy is received over time, the City may value the subsidy at its present value using a discount rate equal to an interest rate which the City determines is fair and reasonable under the circumstances.

As used herein "benefit date" means the date the business subsidy is received. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date occurs when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the benefit date refers to the earliest date of either: when the improvements are finished for the entire project, or when a business occupies the property.

E. FINANCIAL ASSISTANCE NOT CONSIDERED A BUSINESS SUBSIDY

The following forms of financial assistance are not a business subsidy as per Minnesota Statutes, §§116J.993, Subd.3 and therefore do not require a public hearing:

1. A business subsidy of less than $150,000;
2. Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
3. Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. Redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;
5. Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;
6. Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
7. Assistance for housing;
8. Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under section 469.174, subdivision 23;
9. Assistance for energy conservation;
10. Tax reductions resulting from conformity with federal tax law;

11. Workers' compensation and unemployment insurance;
12. Benefits derived from regulation;
13. Indirect benefits derived from assistance to educational institutions;
14. Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
15. Assistance for a collaboration between a Minnesota higher education institution and a business;
16. Assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;
17. Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
18. General changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
20. Funds from dock and wharf bonds issued by a seaway port authority;
21. Business loans and loan guarantees of $150,000 or less; and
22. Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
23. Property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

Adopted by: Ramsey EDA / City Council

Date of Adoption: 11-13-08/1-13-09

Date of Public Hearing: 1-13-09

2. City and EDA of Ramsey Tax Abatement and Tax Increment Financing Policy

A. PURPOSE

The purpose of this policy is to establish the City's position relative to the use of Tax Abatement (§§469.1812 through §§469.1815) and Tax Increment Financing (§§469.174 through §§469.1799) (TIF), also referred to in this document as the *business assistance programs*, or *business assistance*. This policy shall be used as a guide in the processing and review of applications requesting the use of Tax Abatement and Tax Increment Financing. It is the expressed intent of the City to minimize the risk and amount of business assistance to a project and to leverage its public dollars to maximize private sector funding.

The City is granted the power to utilize the business assistance programs by Minnesota Statutes 2008 as cited. The fundamental purpose of the business assistance programs is to encourage desirable private development or redevelopment within the City that would not occur *but for* the assistance provided. Further information related to the States business assistance programs and links to State Statutes can be found at www.state.mn.us.

The City will approve or reject requests for business assistance on a case by case basis taking into consideration established policies, project criteria, and the project's demonstrated public purpose. Meeting all policy criteria does not guarantee approval of the requested business assistance. The City maintains its ability to approve or deny the request at its discretion.

B. PUBLIC PURPOSE OBJECTIVES

The City will consider the use of business assistance programs which demonstrate the achievement of one or more of the following public purpose objectives:

1. To encourage redevelopment of priority sites within the City as determined by the City Council and EDA.

2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.

3. To enhance and/or diversify the City's economic base.

4. To encourage additional unsubsidized private (re)development.

5. To remove blight and/or encourage (re)development of commercial and industrial areas.

6. To assist in creating environmental sustainability.

7. To provide a diversity of family housing and alternative housing choices.

8. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.

9. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government, or any of the following:

    - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
    - Mitigation of project impact on the natural environment.

C. POLICY POSITIONS

1. Business assistance shall be provided in a form that minimizes the risk of public participation.
2. Business assistance requests for up-front project financing through the sale of bonds or other internal sources may require personal guarantees of the developer. These requests shall be addressed on a case by case basis.
3. Business assistance shall not be provided for projects requiring land and/or building purchases at prices in excess of fair market value.
4. Business assistance shall not be provided to developers/projects that cannot adequately demonstrate an ability to complete the proposed project on time and on budget.
5. Assistance will be provided based on $25,000 per qualified job created as referenced in Section 1.A.2 in the Business Subsidy Policy unless a waiver is provided by the City Council.

D. PROJECT REQUIREMENTS

All projects requesting business assistance must demonstrate the following:

1. That the project is not financially feasible but-for the use of Revolving Loan Fund, Tax Abatement or Tax Increment Financing.
2. That the project will comply with all provisions set forth in Minnesota Statute chapters 116j.993 through 116j.995, as amended (Business Subsidies).

3. That the business assistance request complies with all provisions set forth in Minnesota Statutes 2008 chapters 469.1812 through 469.1815 as amended (Tax Abatement), and chapters 469.174 through 469.1799 as amended (Tax Increment Financing).
4. That the project is consistent with the City's comprehensive plan, land use plan, and zoning ordinances.

E. APPLICATION PROCESS

1. Applicant submits a Business Assistance Application (Exhibit A) to the EDA and/or City.
2. Staff reviews the application and completes the Application Review Worksheet (Exhibit B).
3. Staff uses results of the Worksheet to inform the EDA/City.
4. EDA reviews proposal, provides comments, and makes an advisory recommendation to the City Council on denial or approval of the request within 30 days.
5. If advisory approval is granted, staff prepares all necessary notices, resolutions and certificates.
6. City Council holds public hearing(s) on the proposed project to consider the advisory recommendation(s).
7. The City Council grants final approval or denies the request.

EXHIBIT A

BUSINESS ASSISTANCE APPLICATION

A. APPLICANT INFORMATION

Name of Corporation/Partnership _____

Address _____

Primary Contact _____

Address _____

Phone _____ Fax _____ E-mail _____

Type of business assistance requested (select one):

☐ Tax Abatement ☐ Tax Increment Financing ☐ Revolving Loan Fund ☐ Other

Have you been, or are you currently, involved in any bankruptcy proceedings or lawsuits related to other development projects with which you have been involved? If yes, please provide an explanation.

☐ Yes ☐ No

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc**. Attach as Part 1**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. **Attach as Part 2**.
- Brief description of the proposed project. **Attach as Part 3**.
- A *but for* analysis and narrative. **Attach as Part 4**.
- Completed Revolving Loan Fund Application. **Attach as Part 5 if required.**

Attorney Name _____

Address _____

Phone _____ Fax _____ E-mail _____

Contractor Name _____

Address _____

Phone _____ Fax _____ E-mail _____

Engineer Name _____

Address _____

Phone _____ Fax _____ E-mail _____

Architect Name _____

Address _____

Phone _____ Fax _____ E-mail _____

B. PROJECT INFORMATION

The project will be: (Check all that apply)

- ☐ Industrial: (☐ New Construction ☐ Redevelopment/Rehab ☐ Expansion)
- ☐ Office/research facility: (☐ New Construction ☐ Redevelopment/Rehab ☐ Expansion)
- ☐ Commercial: (☐ New Construction ☐ Redevelopment/Rehab ☐ Expansion)
- ☐ Housing: (☐ New Construction ☐ Redevelopment/Rehab ☐ Expansion)
- ☐ Other _____

The project will be: ☐ Owner Occupied ☐ Leased Space

- If leased space, please attach a list of names and addresses of future tenants and indicate the status of commitments or lease agreements. **Attach as Part 5**.

Project Address _____

- Include Legal Description and PID number(s). **Attach as Part 6**.

Site Plan Attached: ☐ Yes ☐ No

Current Real Estate Taxes on Project Site:$_____

Estimated Real Estate Taxes Upon Completion: Phase I $_____
Phase II$_____
Phase III $_____
Total $_____

Construction Start Date: _____

Construction Completion Date: _____

If Phased Project: _____ % Completed in _____years
_____ % Completed in _____years
_____ % Completed in _____years

C. PUBLIC PURPOSE OBJECTIVES

It is the policy of the City and EDA of Ramsey that the business assistance should result in a public benefit as identified in items 1-10 below. Please indicate how the proposed project will accomplish this by checking the appropriate boxes. **Attach additional narrative as Part 7.**

- ☐ 1. To encourage redevelopment.
- ☐ 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- ☐ 3. To enhance and/or diversify the City's economic base.
- ☐ 4. To encourage additional unsubsidized private (re)development.
- ☐ 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- ☐ 6. To create housing opportunities.
- ☐ 7. To provide a diversity of housing.
- ☐ 8. To provide a variety of family housing ownership alternatives and housing choices.
- ☐ 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- ☐ 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
    - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
    - Mitigation of project impact on the natural environment.

D. SOURCES & USES OF FUNDS

Attach additional information as Part 8

SOURCES	AMOUNT
Bank Loan	$ _____
Other Loans	$ _____
Owner Equity	$ _____
Fed Grant/Loan	$ _____
State Grant/Loan	$ _____
Industrial Development Bonds	$ _____
Tax Increment Financing	$ _____
Tax Abatement	$ _____
Revolving Loan Fund	$ _____
Other	$ _____
TOTAL	**$** _____

USES	AMOUNT
Land Acquisition	$ _____
Site Development	$ _____
Construction	$ _____
Machinery & Equipment	$ _____
Architectural/Engineering Fees	$ _____
Debt Service Reserve	$ _____
Contingencies	$ _____
Other	$ _____
TOTAL	**$** _____

Total Amount of business assistance requested from either Revolving Loan Fund, Abatement, Tax Increment Financing or another source: $_____

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

Applicants will also be required to provide the following documentation.
All personal financial information will be kept private and confidential.

- ☐ 1. Written business plan or a description of the business, ownership/ management, date established, products and services, and future plans.
- ☐ 2. Financial statements for past two years, including profit and loss statements and balance sheets.
- ☐ 3. Two year financial projections.
- ☐ 4. Personal financial statements of all major shareholders (principals) including the most recent 2 years of tax returns. (If requested.)
- ☐ 5. Letter of commitment from other sources of financing, stating terms and conditions of their participation in the project.
- ☐ 6. Administrative fee of up to $5,000. In addition to defraying the cost of staff time, the fee will be used to pay costs associated with processing this request for financial assistance such as legal, engineering and financial analysis. The City reserves the right to stop the processing of the request until additional fees are paid should the original amount be insufficient to pay such costs. That portion which remains unspent, if any, will be returned only if the project is denied approval.
- ☐ 7. Attach the following documentation:
  - _____ Part 1 – Corporation/Partnership Description
  - _____ Part 2 – List of Shareholders/Partners
  - _____ Part 3 – Description of Project
  - _____ Part 4 – *But For* Analysis
  - _____ Part 5 – List of Prospective Lessees (If requested)
  - _____ Part 6 – Legal Description, Property Identification Numbers, maps of the project area, and project renderings
  - _____ Part 7 – Public Purpose Narrative
  - _____ Part 8 – Sources & Uses of Funds – Additional Information

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City and EDA of Ramsey to check credit references, verify financial and other information, and share this information with other political subdivisions as needed. The undersigned also agrees to provide any additional information as may be requested by the City after the filing of this application.

Applicant Name _____ Date _____

By _____

Its _____

EXHIBIT B

BUSINESS ASSISTANCE REVIEW WORKSHEET

FOR COMMERCIAL/INDUSTRIAL PROJECTS

TO BE COMPLETED BY APPLICANT AND CITY STAFF

A. The project meets which of the following objectives as set forth in Section C of the Business Assistance policy:

- ☐ 1. To encourage redevelopment.
- ☐ 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- ☐ 3. To enhance and/or diversify the City's economic base.
- ☐ 4. To encourage additional unsubsidized private (re)development.
- ☐ 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- ☐ 6. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
  - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
  - Mitigation of project impact on the natural environment.

B. Ratio of Private to Public Investment in Project:

$ _____ Private Investment
$ _____ Public Investment
_____ **Ratio Private : Public Financing**

	Points:
5:1	5
4:1	4
3:1	3
2:1	2
Less than 2:1	1

C. Job Creation:

_____ Net *new* jobs (minimum 40 hours per week) or fulltime equivalents

	Points:
50+	5
20+	4
10+	3
5+	2
Less than 2	1

D. Wage Level of jobs created:

Average hourly wage
Of *new* jobs _____

	Points:
Over $21/hour	5
$18-21/hour	4
$14-17/hour	3
$10-13/hour	2
Under $10/hour	1

E. Ratio Of Business Assistance To New Jobs Created: **Points:**

$ _____ Business assistance requested
_____ Number of net *new* jobs created
$ _____ **of business assist. per net *new* job created**

$5,000 or less	5
$15,000 or less	4
$25,000 or less	3
$50,000 or less	2
Over $75,000	1

F. Project size: **Points:**

The project will result in the construction of _____ square feet

75,000+	5
50,000+	4
25,000+	3
10,000+	2
5,000 or less	1

G. Type of Project: **Points:**

_____ 100% Owner Occupied	5
_____ Mix Owner Occupied & Investment	3
_____ Investment Property	1

H. Likelihood that the project will result in unsubsidized, spin-off development: **Points:**

_____ High	5
_____ Moderate	3
_____ Low	1

I. _____

Sub-Total Points _____ of a possible 35 points.

Bonus Points **Bonus Points:** _____

The project will be 100% *pay-as-you-go* financing.	3
The project is a redevelopment project.	3

Total Points: _____

Overall project analysis:	High	35 points
	Moderate	25 points
	Low	15 points
	Not Eligible	5 points

APPENDIX I
Business Subsidy Statute 2008

APPENDIX II
Sample Business Subsidy Agreement

APPENDIX III
Business Subsidy Reporting Form

Economic Development Authority (EDA) **4. 2.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

MOU: Arterial Infrastructure to Serve Ramsey's Future Business Park & Capstone Homes Development

Purpose/Background:

PURPOSE

Consider the attached Memorandum of Understanding (MOU) proposal for funding and constructing arterial infrastructure improvements located on Bunker Lake Boulevard and Puma Street adjacent to the City's new business park.

BACKGROUND & ALTERNATIVES

Please see attached documents.

GUESTS

Staff anticipates the guests outlined to be in attendance of this meeting/ case. These guests will be available to answer questions and provide additional background information if needed.

-Steve Bona of Capstone Homes
-Al Pearson of Pearson Farms
-John Dobbs, Pearson Farms Broker
-Jason Aarsvold of Ehlers
-Michael Altimari of Hageman Holdings
-Matt Kuker of PSD.

Notification:

NA

Observations/Alternatives:

Please see attached "alternatives" document.

Funding Source:

TBD

Recommendation:

EDA

The EDA reviewed this case on 03/09. Attached are draft EDA minutes. Below is a summary of preliminary EDA feedback:

- The EDA is generally open to considering the option of using EDA dollars for funding this project, if the Council so desires.
- The EDA is generally interested in this project, and is generally interested in finding a solution that all parties can accept.

- The EDA wanted information to be provided RE the bonding option. How would it effect the city (i.e. what are our debt payments). How much would we recoup in assessments? Staff worked with Ehlers to provide a preliminary answer to these questions. That information is included in the "Alternatives" attachment in this case--slide #8.
- The EDA asked how this proposed project would effect the City's business park--from a land price perspective. In other words, if Hageman Holdings takes on additional assessments, as proposed, are they now priced-out of the market--and our business park is now not competitively priced? That question was generally addressed in the attached QA Log--page 5.
- The EDA took the general position--that minimizing the City's investment in this project is ideal. Option B (as outlined in the attached alternatives) is ideal for the City. However, the EDA understood more discussion is needed, and that input from Capstone is needed.
- The original MOU proposal included a provision for Capstone to not begin repaying assessments for five years. The EDA requested that Capstone's assessments begin repayment immediately. Capstone has agreed to that request.
- The original MOU proposal included a provision to allow Hageman Holdings to NOT accrue interest over time. The EDA requested that the Hageman Holdings assessment does accrue interest over time, and follow industry standards. Staff has updated the attached MOU accordingly.

CAPSTONE

Capstone Homes was in attendance of the EDA meeting on 03/09. They did submit the attached responses to EDA questions. It should also be noted, Capstone (and Pearson Farms) desire to receive formal direction from the Council on the attached MOU in April. Several of their agreements, processes, and next steps are contingent upon said direction.

COUNCIL

The Council reviewed this case on 03/28. Attached are draft Council minutes. Below is a summary of preliminary Council feedback:

- The Council is generally supportive of the attached MOU, and the corresponding projects.
- The Council is generally open to considering the option of using EDA dollars for funding this project. The Council does not want to bond for this project.
- The Council requested the payback of Capstone assessments be clarified in the MOU, to make it clear they will be on a five-year assessment, with payments starting in year one. If homes are sold before the five-year term, assessments will be due immediately. Staff did make this requested update.

Action:

Motion to recommend the City Council:

Adopt the attachment MOU between the City of Ramsey, Capstone Homes, and Hageman Holdings; subject to final review and amendments by the City Attorney.

Attachments

MOU

Background

Alternatives

City QA Log

Capstone QA Log

EDA Minutes

Council Minutes

Study

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	04/06/2017 01:42 PM
Form Started By: Patrick Brama		Started On: 04/03/2017 01:01 PM
Final Approval Date: 04/06/2017		

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into between the **City of Ramsey**, Minnesota, a Minnesota municipal corporation, ("City"), **Capstone Homes, Inc**., a Minnesota corporation ("Capstone Homes"), and **Hageman Holdings, LLC**, a Minnesota limited liability company ("Hageman Holdings").

WHEREAS, over 300-acres of green-field land is available for development located northwest of the U.S. Highway 10 and Armstrong Boulevard interchange in the City of Ramsey, Minnesota (the "Armstrong-West Developable Area"); and

WHEREAS, the City has an interest in pursuing the development of a new business park in the Armstrong-West Developable Area totaling 131.52 acres in gross size, located on three parcels currently owned by Hageman Holdings (PIDs: 20-32-25-34-0004, 29-32-25-21-0003, and 29-32-25-12-0003). A new business park can benefit the City by creating well-paying jobs, increasing tax-base, and increasing local consumer spending; and

WHEREAS, Capstone Homes is under contract to purchase 84.77 acres of land currently owned by Pearson Properties of Ramsey, LLC., located in the Armstrong-West Developable Area. Capstone Homes intends to develop a roughly 350-unit single family residential development located on three parcels (PIDs: 29-32-25-22-0004, 20-32-25-33-0001, and 20-32-25-32-0001); and

WHEREAS, a new 300-unit residential development located in the Armstrong-West Developable Area will benefit the City by providing quality new housing stock, a quality designed residential community, development fees, increased tax-base, and an increase in local consumer spending; and

WHEREAS, the development of the Armstrong-West Developable Area will require various improvements to arterial infrastructure located along Bunker Lake Boulevard and Puma Street. Arterial infrastructure improvements include trunk-water line extensions, trunk-sewer line extensions, a sewer lift station, trail extensions, new roads, street lights, and storm sewer ("Arterial Infrastructure"). Bolton & Menk, Inc. completed a conceptual feasibility analysis for Arterial Infrastructure located in the Armstrong-West Developable Area in March 2017 ("Infrastructure Study"); and

WHEREAS, Arterial Infrastructure will not only directly serve the Armstrong-West Developable Area, but will also serve the City as a whole. The proposed Arterial Infrastructure includes City trunk water/sewer system lines, a Municipal-State-Aid (MSA) street, and a collector road; and

WHEREAS, in order for Capstone Homes or the City of Ramsey to move forward with their development interests, a mutual understanding of how Arterial Infrastructure improvements will be designed, constructed, assessed, and paid for is needed; and

WHEREAS, Capstone Homes requested that the City fund the Arterial Infrastructure improvements and assess their portion of the Arterial Infrastructure improvements for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study.

NOW THEREFORE, the CITY agrees in principle to the following:

1) The City will act as the petitioning party for the Arterial Infrastructure improvements project as provided by Minnesota Statute, Chapter 429.

2) The City will design the Arterial Infrastructure Improvements for Phase 1A and Phase 1B of the Bolton & Menk Arterial Infrastructure Analysis and prepare plans and specifications.

3) The City will undertake bidding, construction, and assessing of costs for the Arterial Infrastructure Improvements.

4) The City will pay for 100% of trunk water and trunk sanitary sewer costs of Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study.

5) The City will pay for the remaining Arterial Infrastructure costs for Phase 1A and Phase 1B outlined in the Bolton & Menk Infrastructure Study, not assessed to private properties.

6) The City will consider the EDA Fund and the Anoka County HRA/ EDA Ramsey Account as the primary funding sources for this project.

NOW THEREFORE, CAPSTONE HOMES agrees in principle to the following:

1) Capstone Homes will enter into an assessment agreement to be recorded against its real property to pay for 40% of applicable Arterial Infrastructure improvements for Phase 1B outlined in the Bolton & Menk Infrastructure Study.

2) Capstone Homes will enter into an assessment agreement to be recorded against its real property to pay for 16% of applicable Arterial Infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.

3) Capstone Homes assessment conditions will include a five (5) year term and an interest rate consistent with the City's assessment policy. In the event lots are sold by Capstone Homes before the five (5) year term expires, assessments on said lots will be due, in-full, at the time of sale.

4) Capstone Homes will supply an irrevocable letter of credit meeting City standards, for 40% of their assessed portion of Arterial Infrastructure improvements. This letter of credit will remain in place until assessments are paid in full; and can drawn down in phases.

NOW THEREFORE, HAGEMAN HOLDINGS agrees in principle to the following:

1) Hageman Holdings will enter into an assessment agreement to be recorded against Lot 1, Block 1, Alpha Development Plat to pay for 24% of applicable arterial infrastructure improvements for Phase 1A outlined in the Bolton & Menk Infrastructure Study.

2) Hageman Holdings assessments will be due at the time of closing on future land sales and shall accrue interest.

All parties agree in principle to this non-binding agreement.

THE CITY: City of Ramsey, Minnesota, a Minnesota Municipal Corporation

By: _____ Dated _____, 2017
Sarah Strommen, Mayor

By: _____
Kurt Ulrich, City Administrator

CAPSTONE HOMES: Capstone Homes, Inc., a registered Minnesota domestic business corporation

By: _____ Dated _____, 2017
Ben Minks, CEO

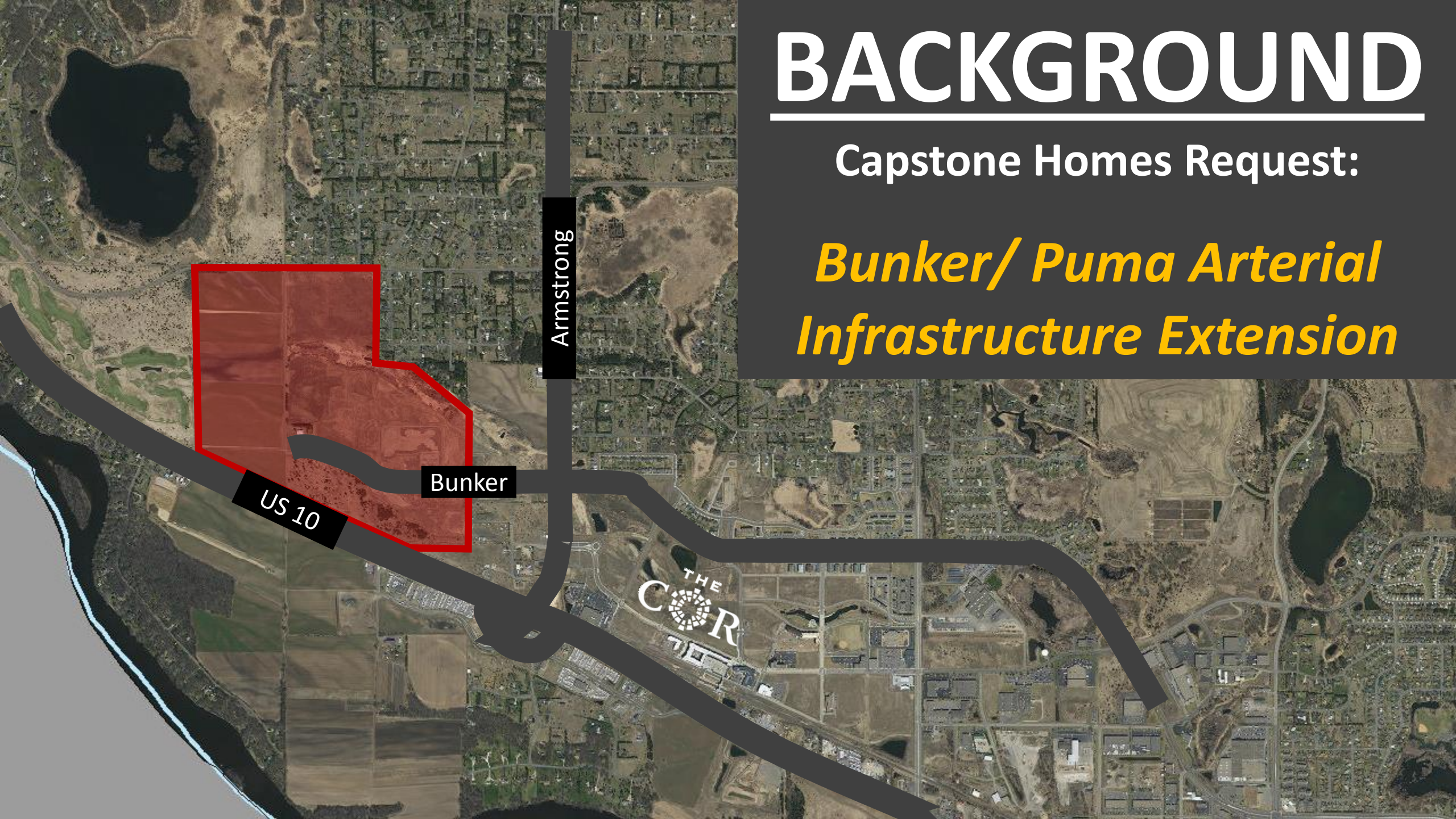
HAGEMAN HOLDINGS: Hageman Holdings, LLC, a registered Minnesota limited liability company

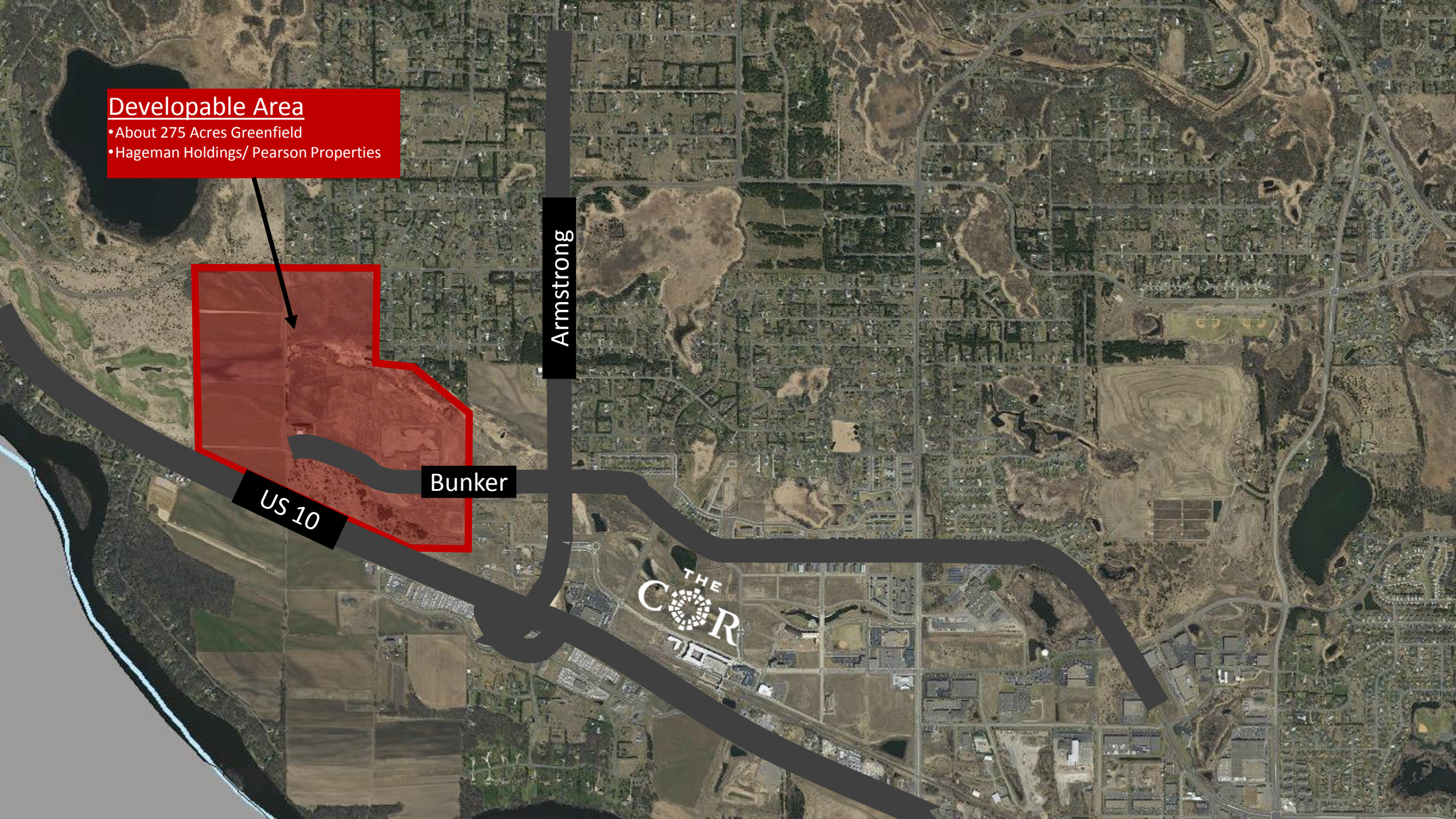
By: _____ Dated _____, 2017
Michael Hageman, Manager

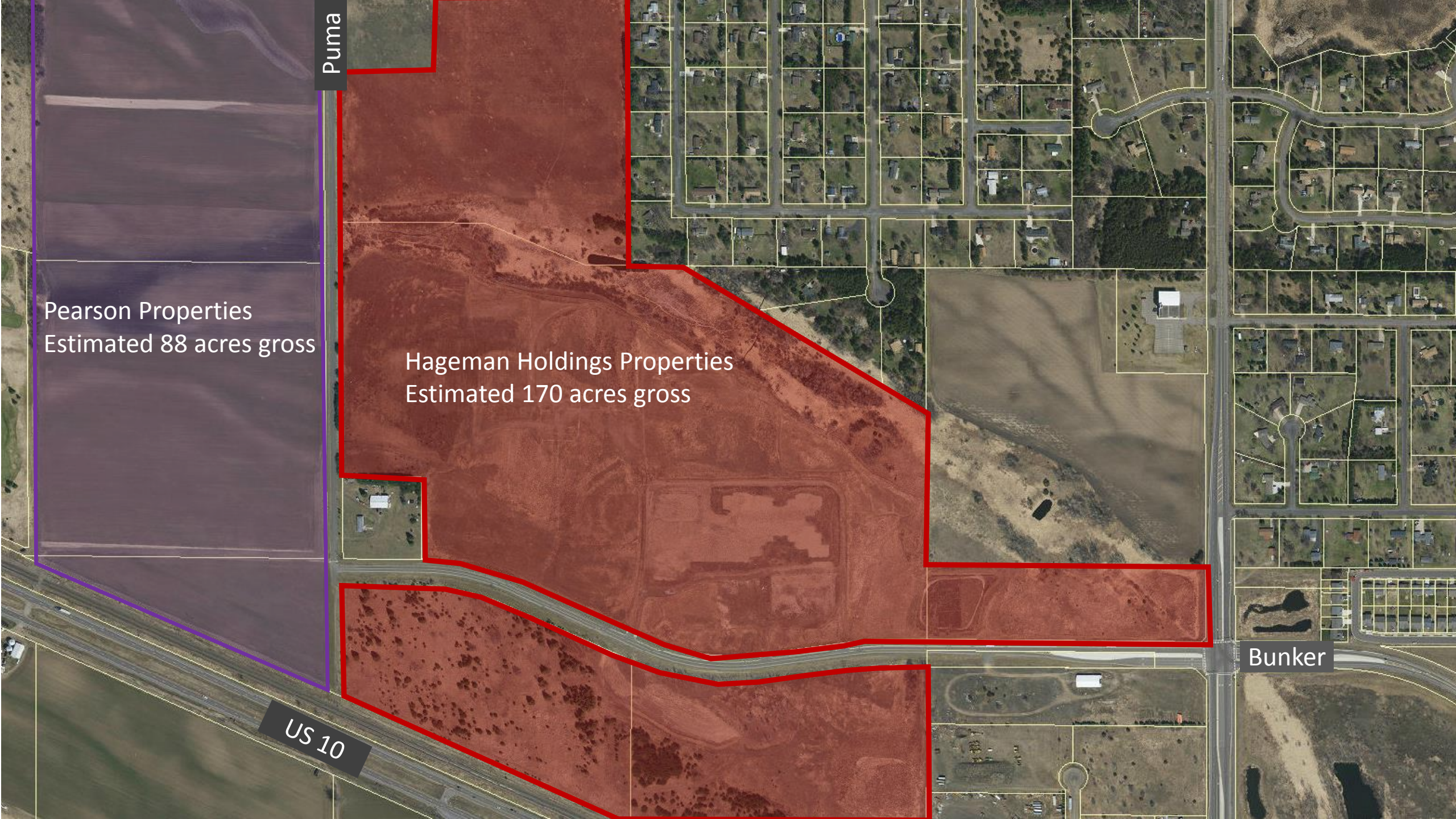
BACKGROUND

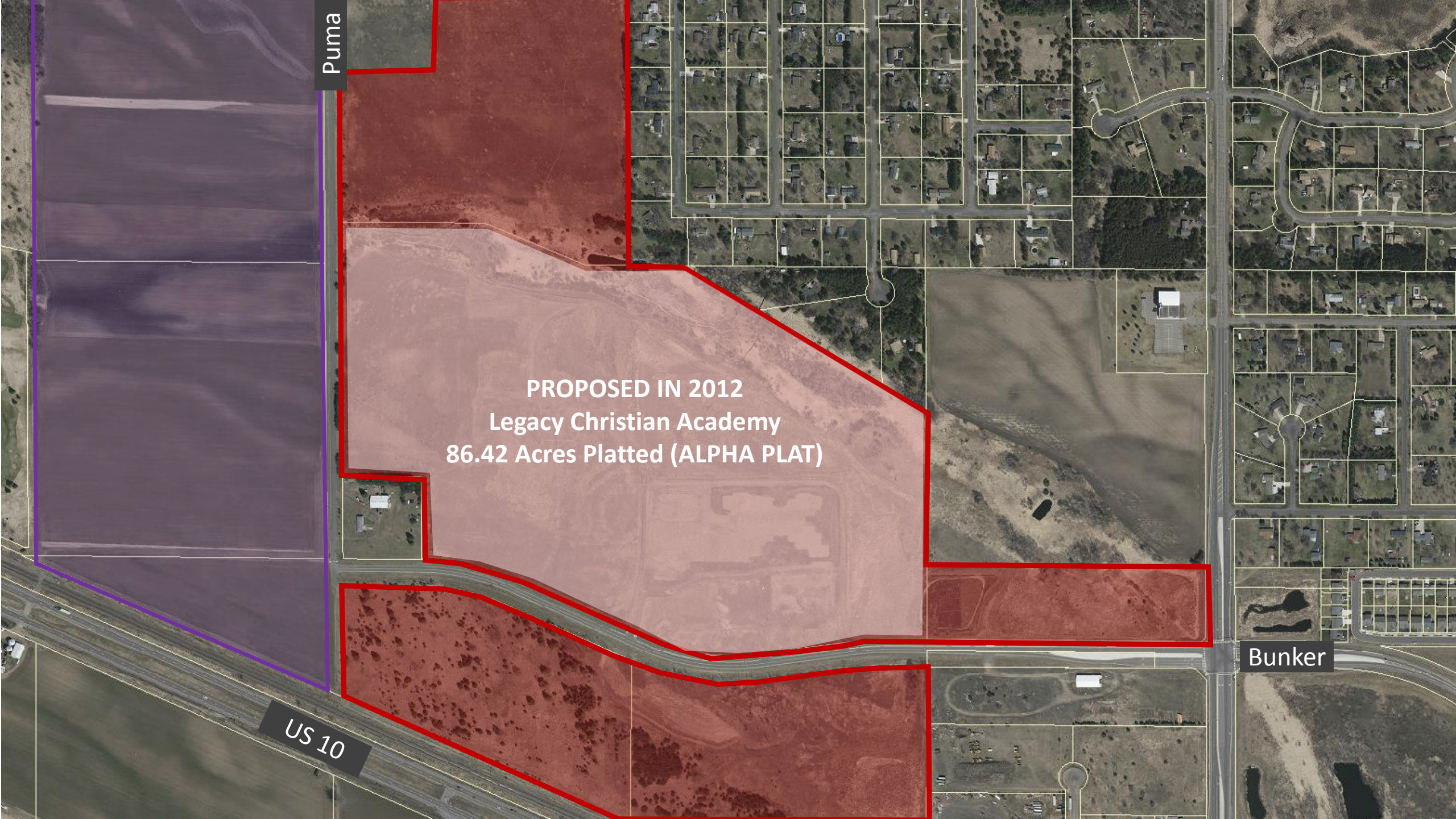
Capstone Homes Request:

Bunker/ Puma Arterial Infrastructure Extension



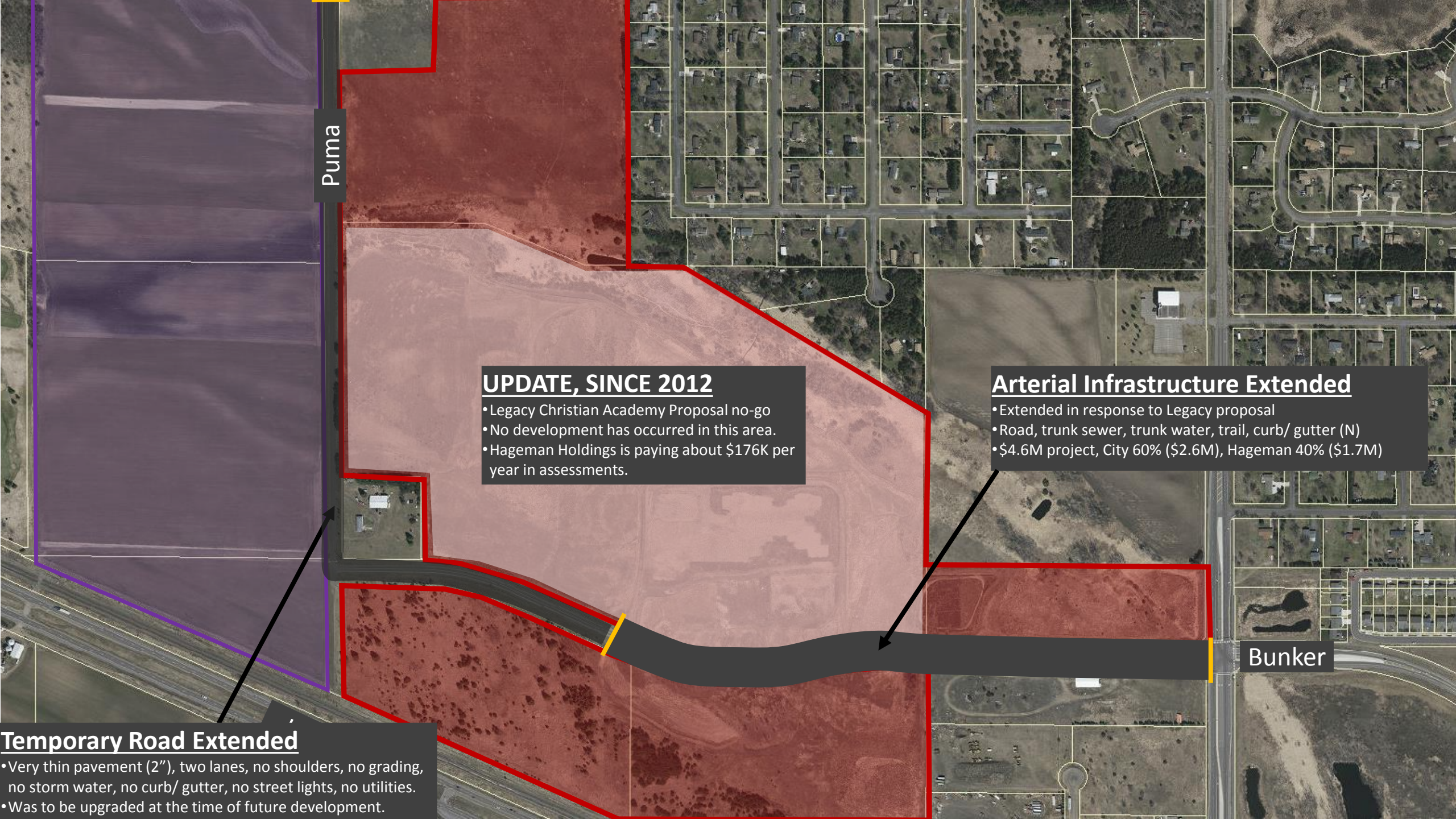

Developable Area
•About 275 Acres Greenfield
•Hageman Holdings/ Pearson Properties
Armstrong
Bunker
US 10
THE COR


Puma
Pearson Properties
Estimated 88 acres gross
Hageman Holdings Properties
Estimated 170 acres gross
US 10
Bunker


Puma
PROPOSED IN 2012
Legacy Christian Academy
86.42 Acres Platted (ALPHA PLAT)
Bunker
US 10


Puma
Legacy Christian Academy
PROPOSED IN 2012
86.42 Acres Platted (ALPHA PLAT)
Arterial Infrastructure Extended
•Extended in response to Legacy proposal
•Road, trunk sewer, trunk water, trail, curb/ gutter (N)
•$4.6M project, City 60% ($2.6M), Hageman 40% ($1.7M)
Bunker
US 10


Puma
Legacy Christian Academy
PROPOSED IN 2012
86.42 Acres Platted (ALPHA PLAT)
Arterial Infrastructure Extended
•Extended in response to Legacy proposal
•Road, trunk sewer, trunk water, trail, curb/ gutter (N)
•$4.6M project, City 60% ($2.6M), Hageman 40% ($1.7M)
Bunker
Temporary Road Extended
•Very thin pavement (2”), two lanes, no shoulders, no grading, no storm water, no curb/ gutter, no street lights, no utilities.
•Was to be upgraded at the time of future development.



UPDATE, SINCE 2012

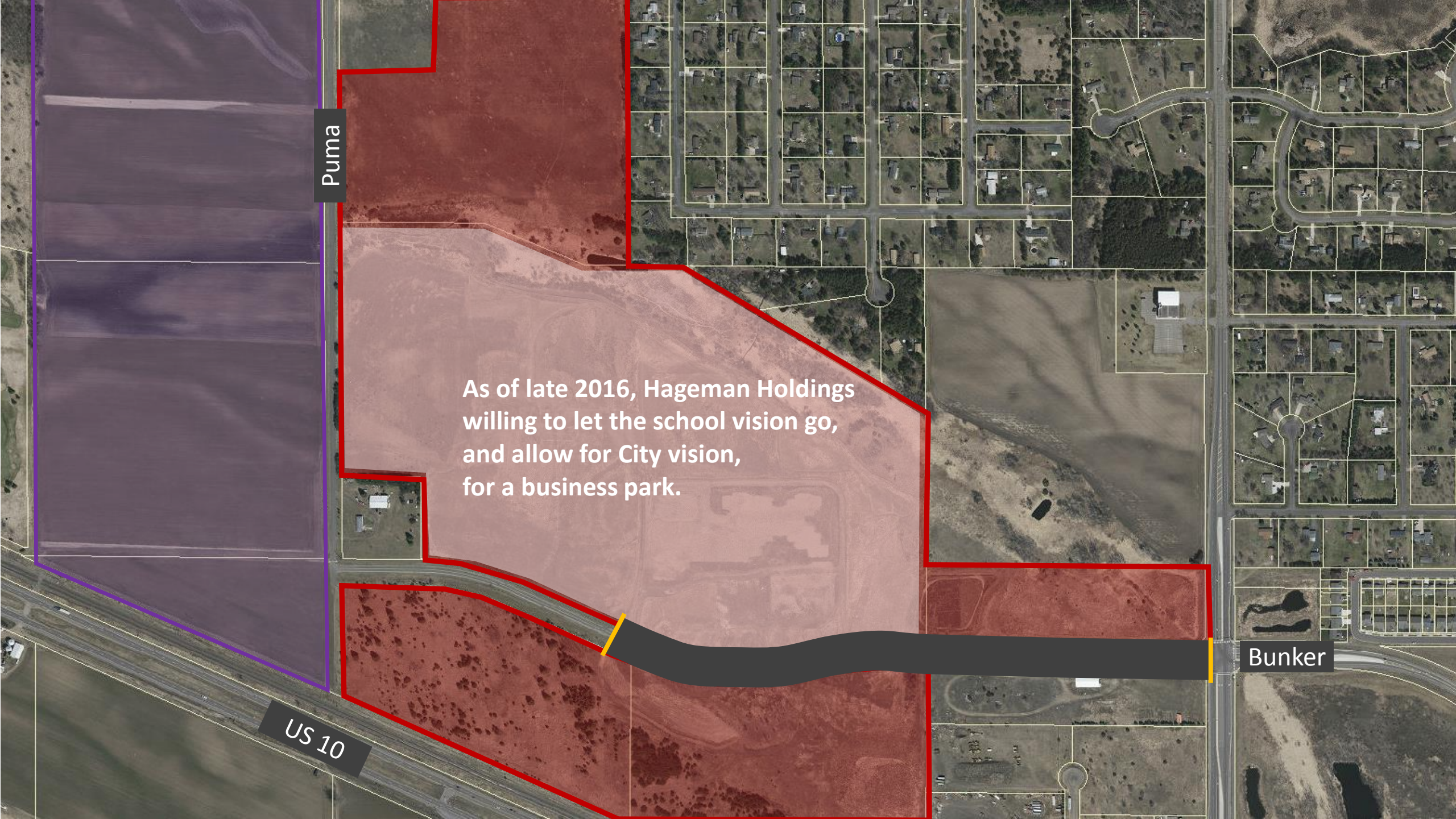
- Legacy Christian Academy Proposal no-go
- No development has occurred in this area.
- Hageman Holdings is paying about $176K per year in assessments.

Arterial Infrastructure Extended

- Extended in response to Legacy proposal
- Road, trunk sewer, trunk water, trail, curb/ gutter (N)
- $4.6M project, City 60% ($2.6M), Hageman 40% ($1.7M)

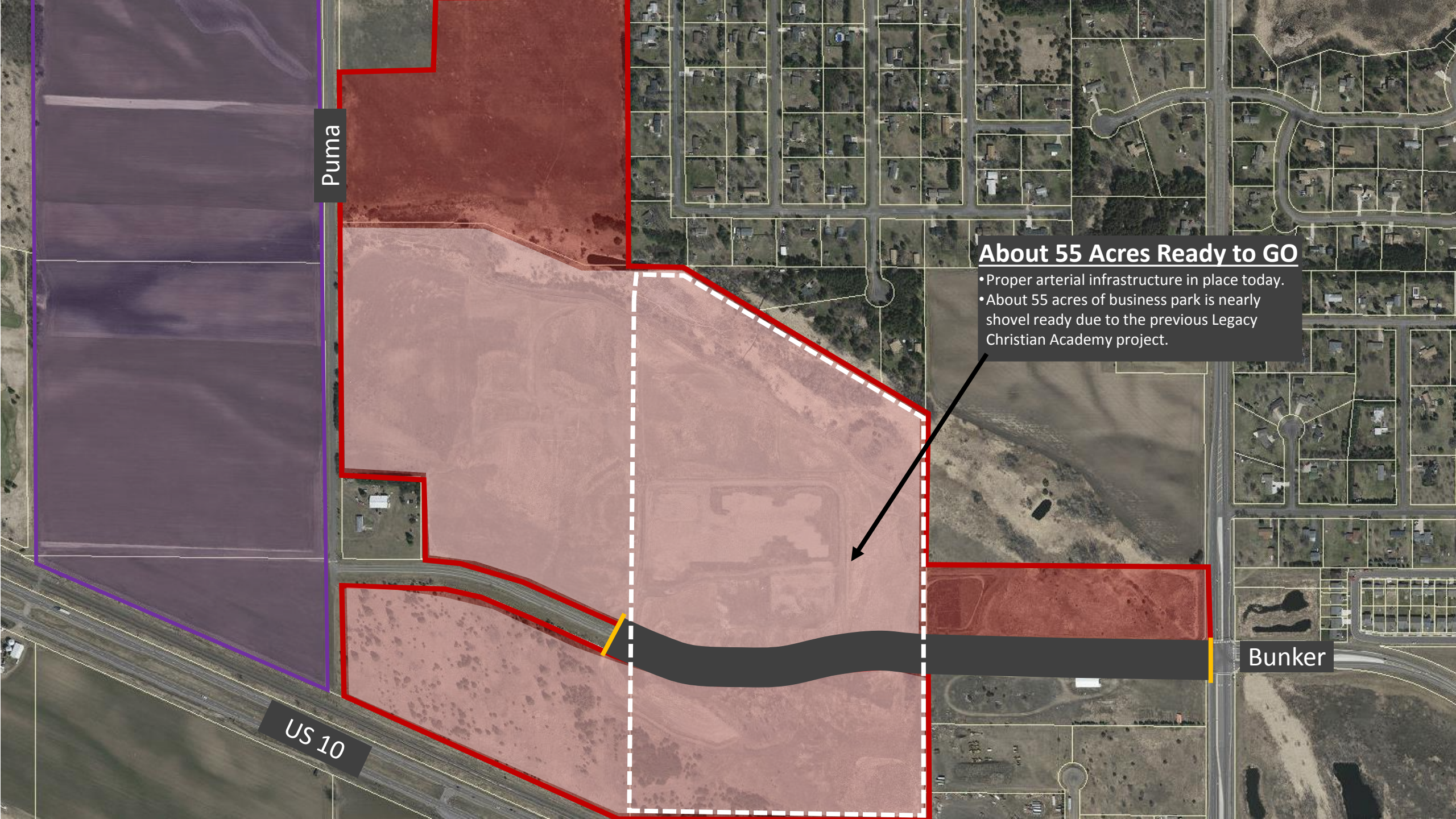
Temporary Road Extended

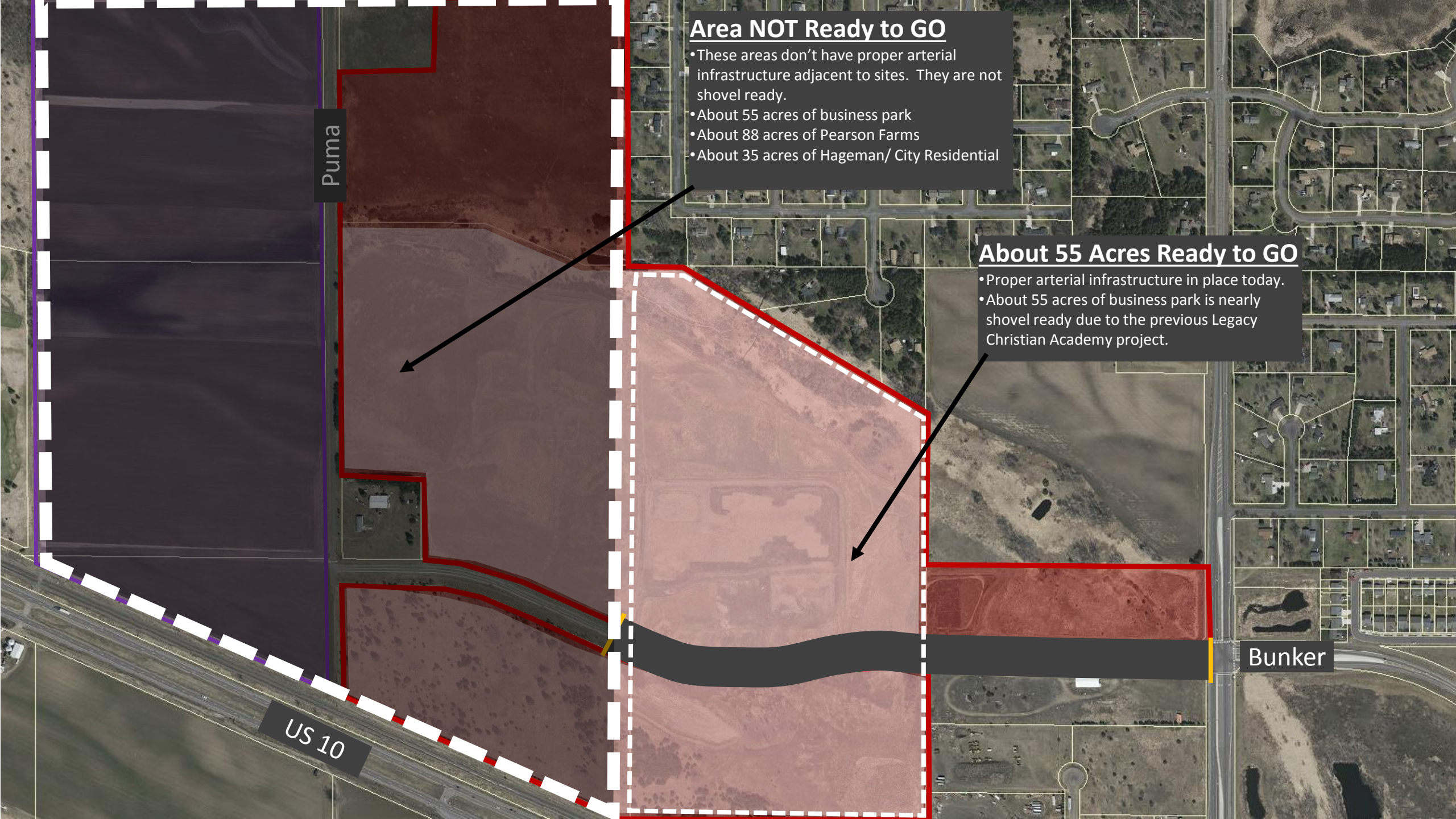
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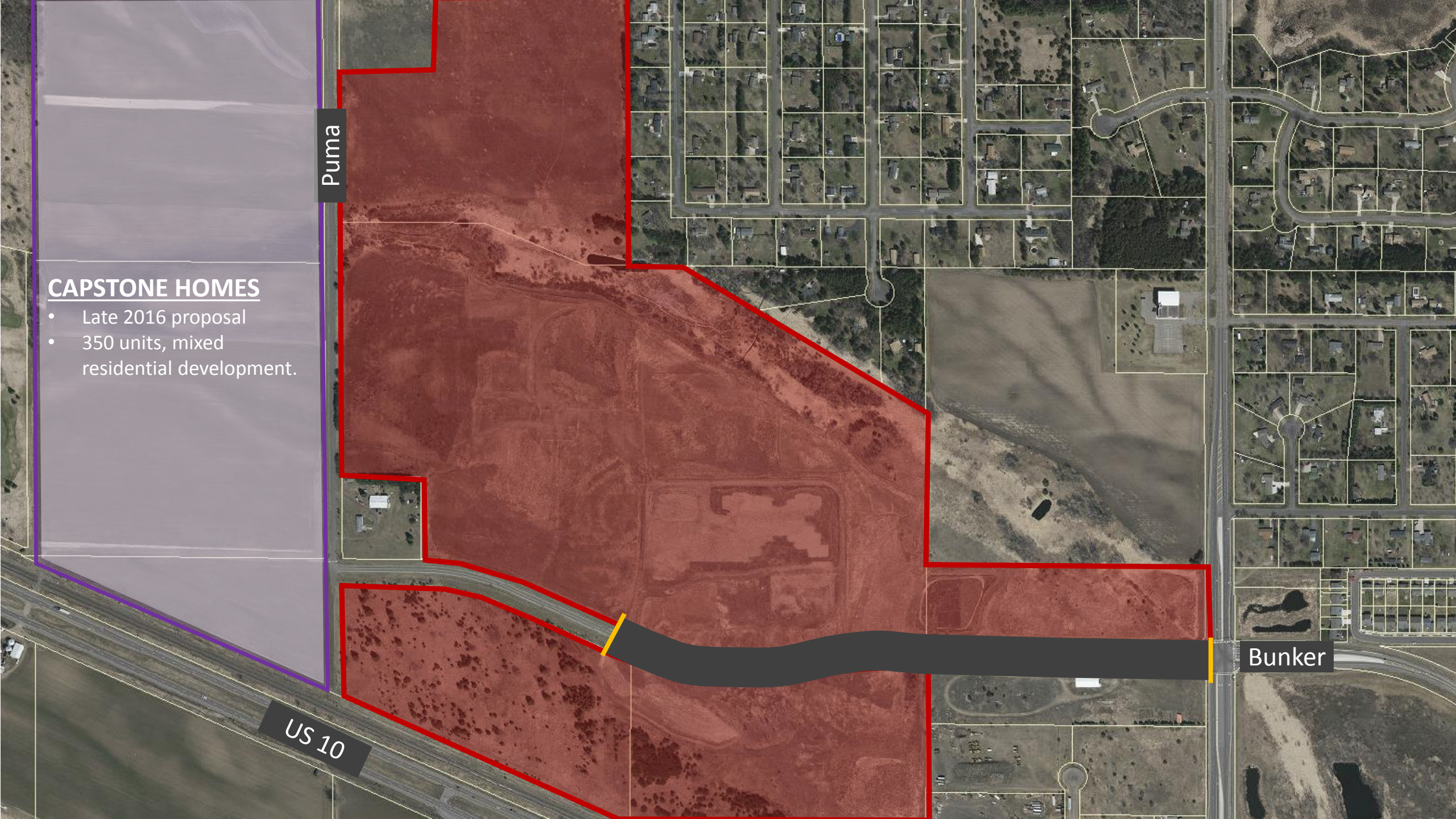

Puma
As of late 2016, Hageman Holdings
willing to let the school vision go,
and allow for City vision,
for a business park.
Bunker
US 10

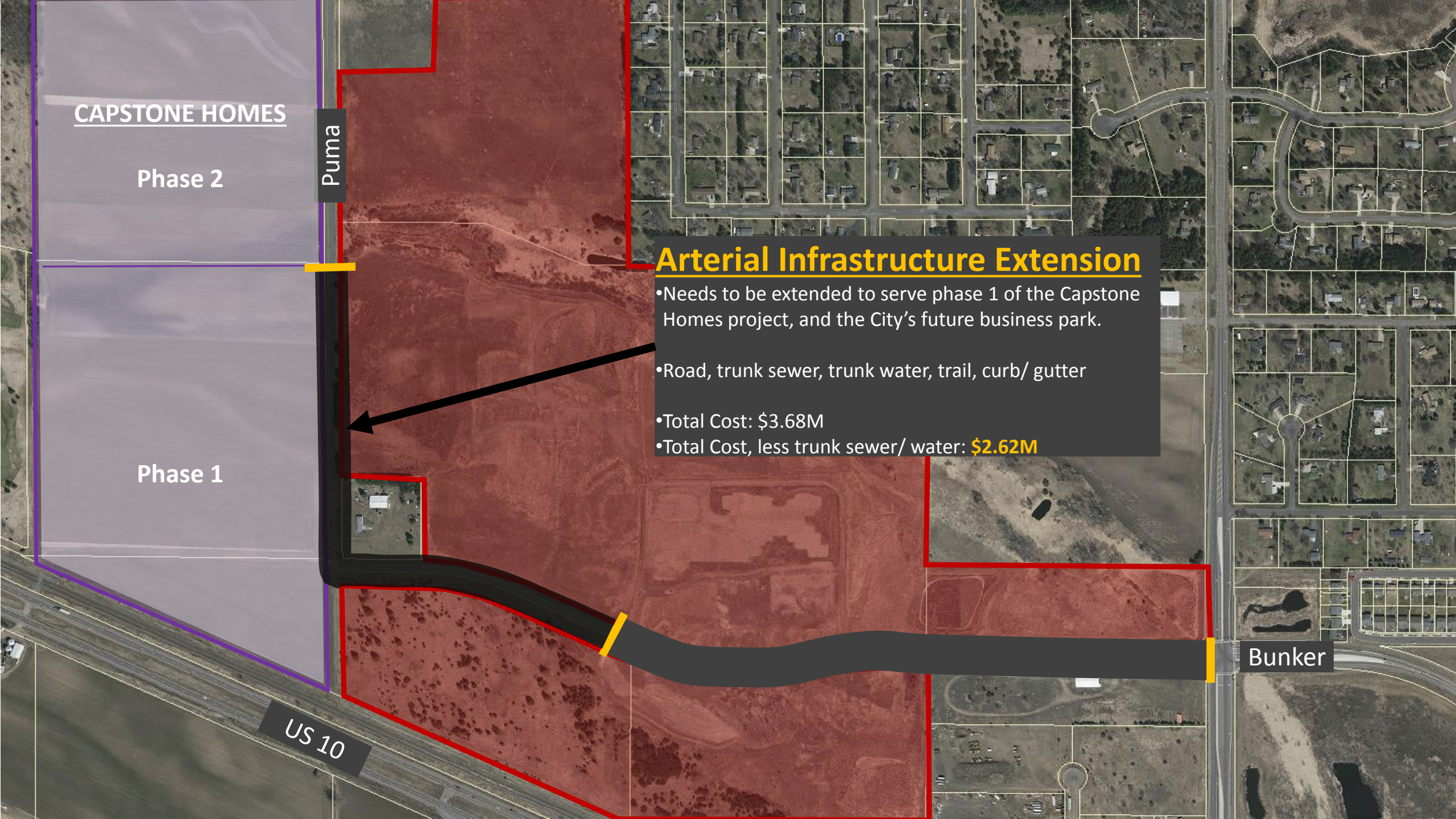

Puma
PROPOSED BUSINESS PARK
• 133 Acres Gross (estimated)
• 107 Acres Less NWI (estimated)
Bunker
US 10

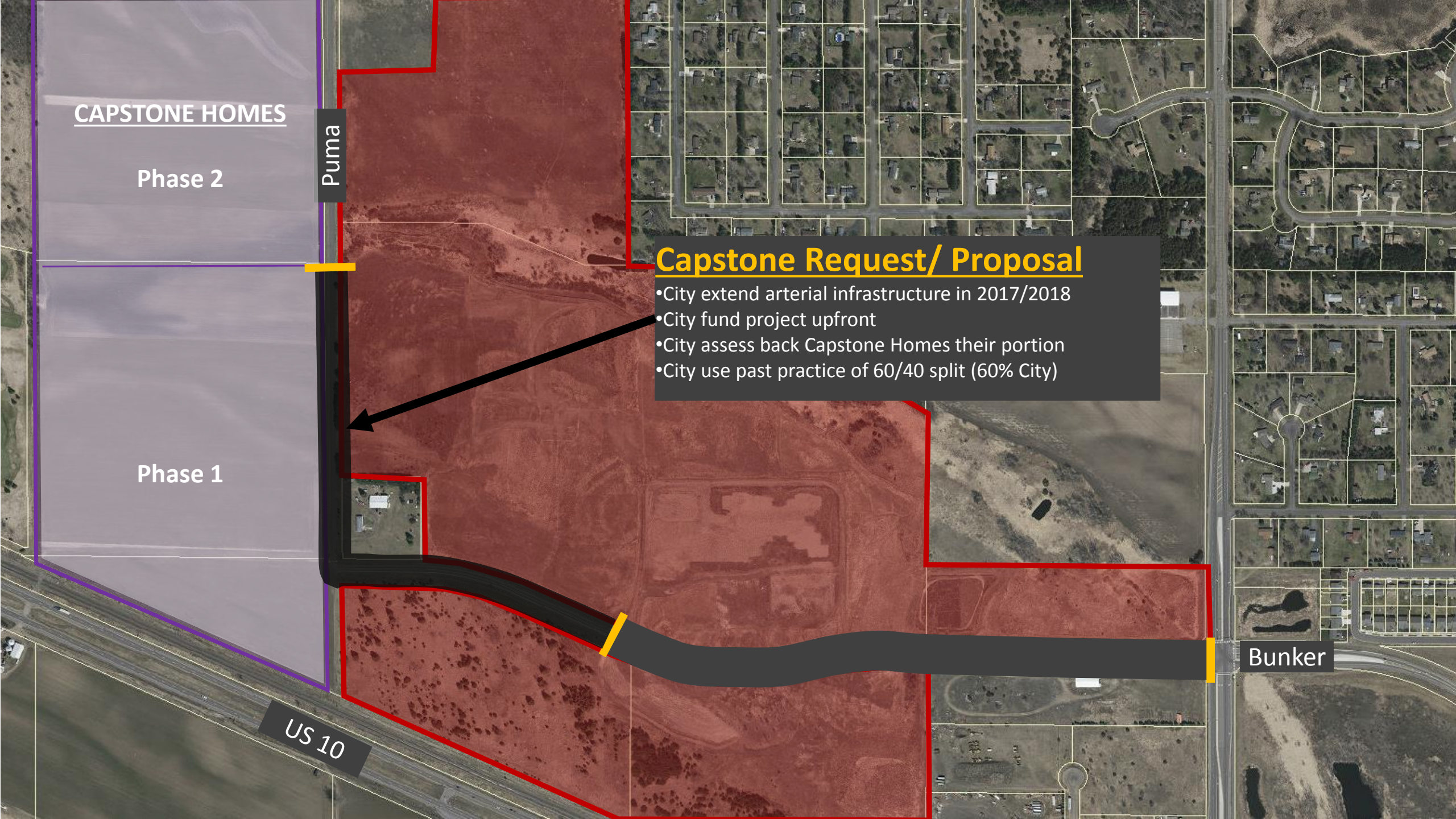

Puma
Hageman Holdings only willing to allow their property to be rezoned and marketed for a business park under one condition. They don't want to pay any new assessments or invest additional dollars. If that is a requirement from the City, they are comfortable sitting on the land and waiting for an investor to purchase on speculation.
Bunker
Hageman Assessments:
about $170K per year (owe about $1.7M)
US 10

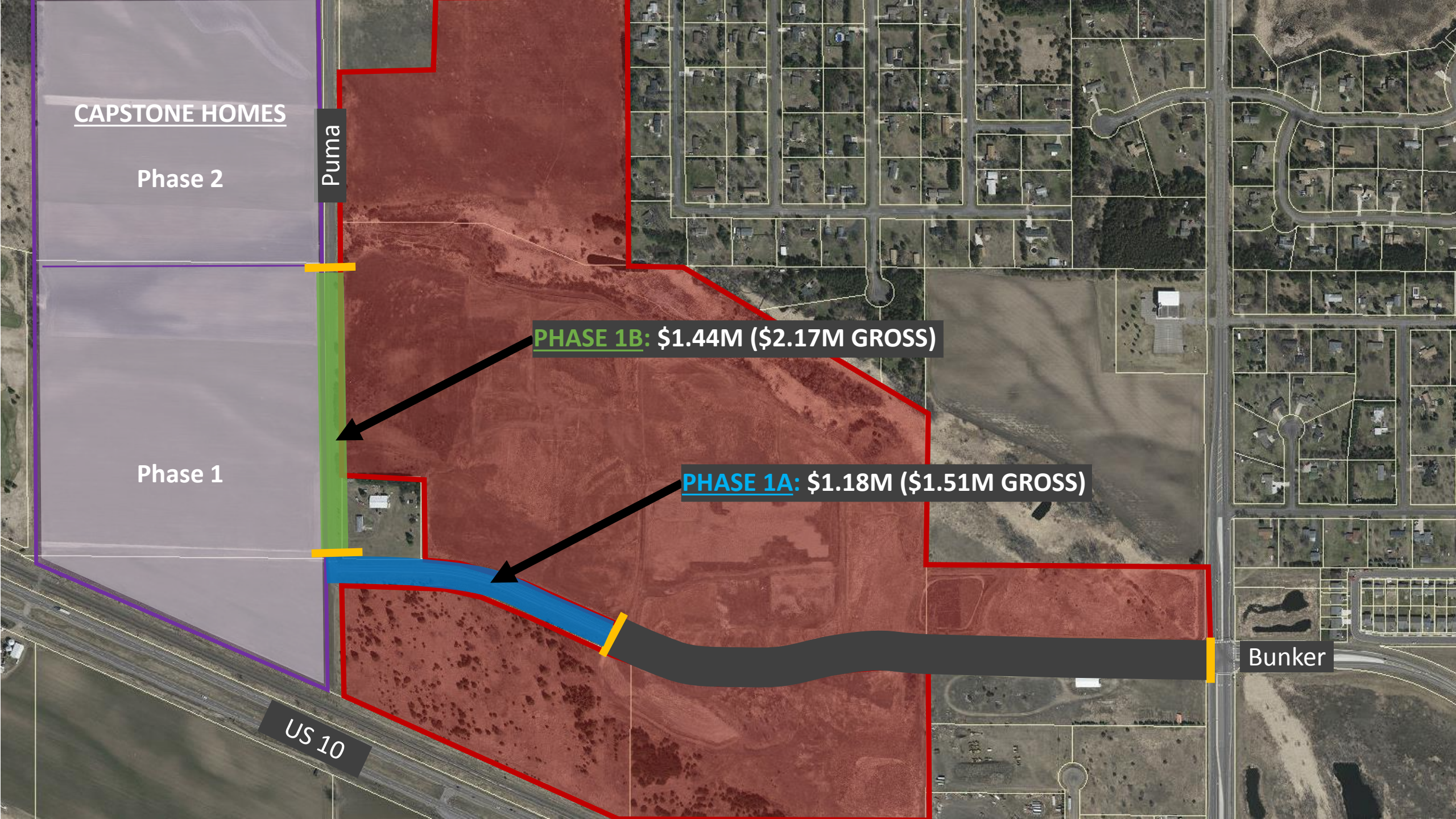

Puma
About 55 Acres Ready to GO
• Proper arterial infrastructure in place today.
• About 55 acres of business park is nearly shovel ready due to the previous Legacy Christian Academy project.
Bunker
US 10

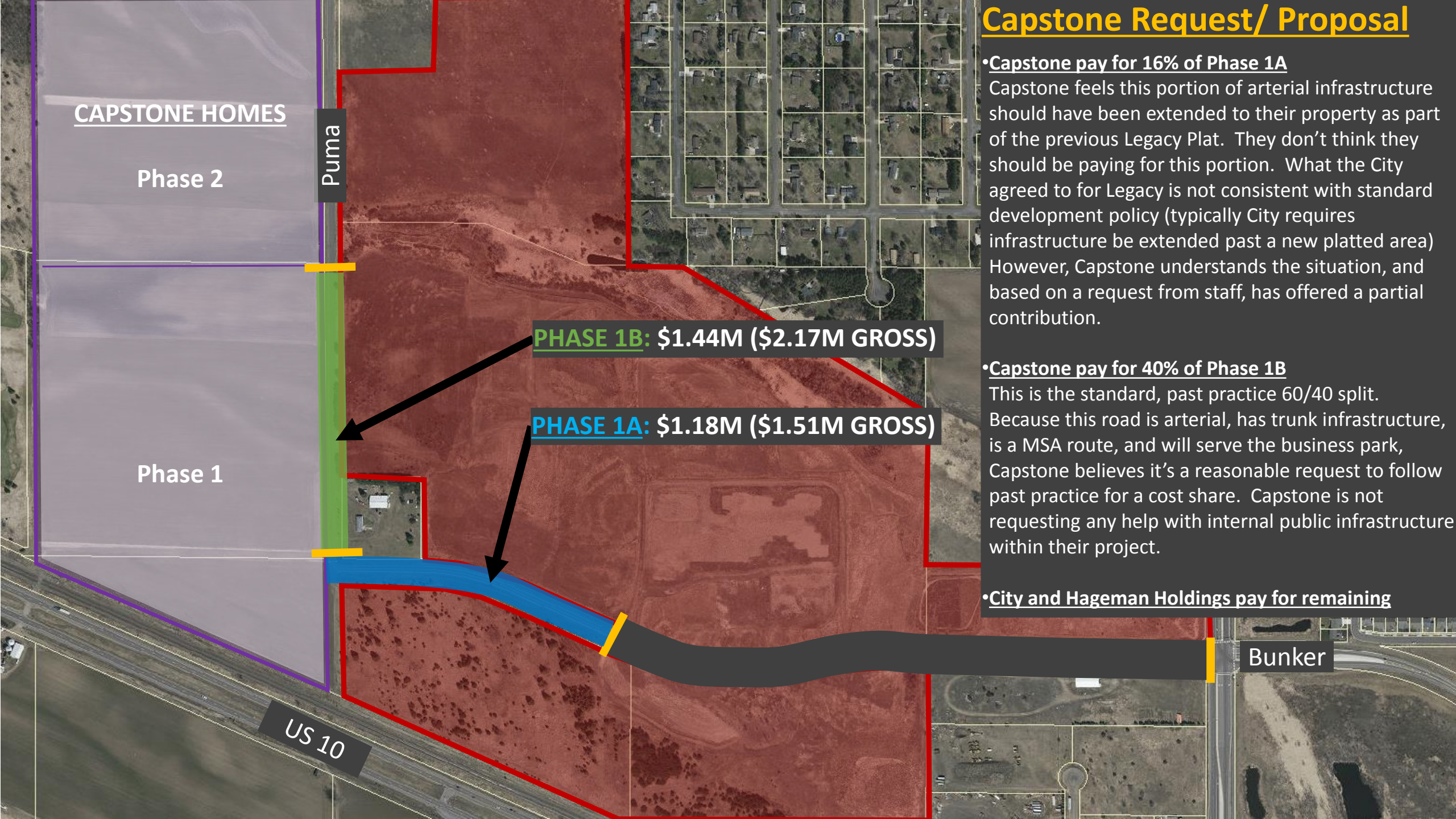

Area NOT Ready to GO
•These areas don't have proper arterial infrastructure adjacent to sites. They are not shovel ready.
•About 55 acres of business park
•About 88 acres of Pearson Farms
•About 35 acres of Hageman/ City Residential
About 55 Acres Ready to GO
•Proper arterial infrastructure in place today.
•About 55 acres of business park is nearly shovel ready due to the previous Legacy Christian Academy project.
Puma
US 10
Bunker


Puma
CAPSTONE HOMES
• Late 2016 proposal
• 350 units, mixed residential development.
US 10
Bunker


CAPSTONE HOMES
Phase 2
Phase 1
Puma
Arterial Infrastructure Extension
•Needs to be extended to serve phase 1 of the Capstone Homes project, and the City's future business park.
•Road, trunk sewer, trunk water, trail, curb/ gutter
•Total Cost: $3.68M
•Total Cost, less trunk sewer/ water: $2.62M
Bunker
US 10


CAPSTONE HOMES
Phase 2
Phase 1
Puma
Capstone Request/ Proposal
•City extend arterial infrastructure in 2017/2018
•City fund project upfront
•City assess back Capstone Homes their portion
•City use past practice of 60/40 split (60% City)
Bunker
US 10


CAPSTONE HOMES
Phase 2
Phase 1
Puma
PHASE 1B: $1.44M ($2.17M GROSS)
PHASE 1A: $1.18M ($1.51M GROSS)
Bunker
US 10



Capstone Request/ Proposal

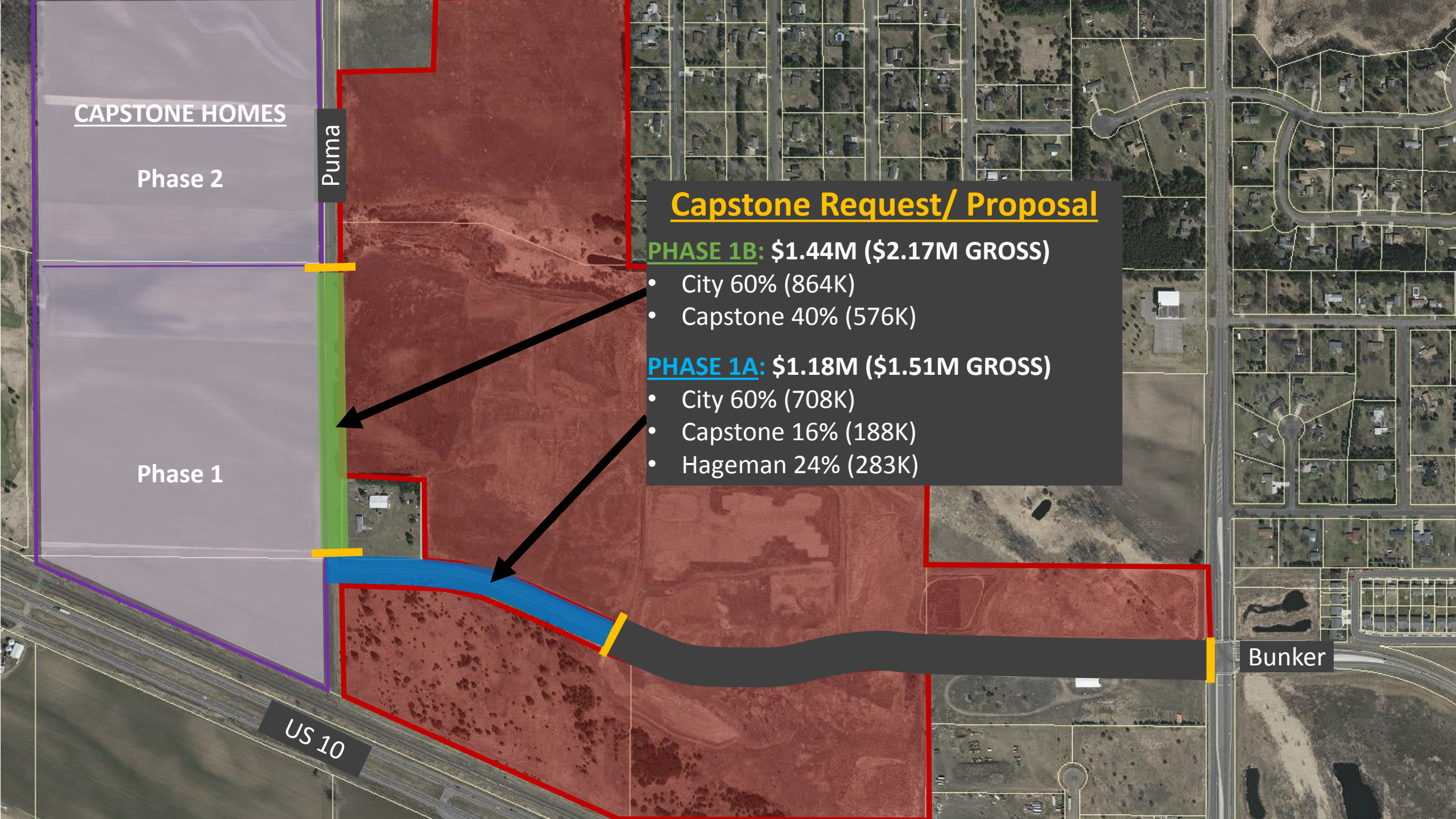
- **Capstone pay for 16% of Phase 1A**

  Capstone feels this portion of arterial infrastructure should have been extended to their property as part of the previous Legacy Plat. They don't think they should be paying for this portion. What the City agreed to for Legacy is not consistent with standard development policy (typically City requires infrastructure be extended past a new platted area) However, Capstone understands the situation, and based on a request from staff, has offered a partial contribution.

- **Capstone pay for 40% of Phase 1B**

  This is the standard, past practice 60/40 split. Because this road is arterial, has trunk infrastructure, is a MSA route, and will serve the business park, Capstone believes it's a reasonable request to follow past practice for a cost share. Capstone is not requesting any help with internal public infrastructure within their project.

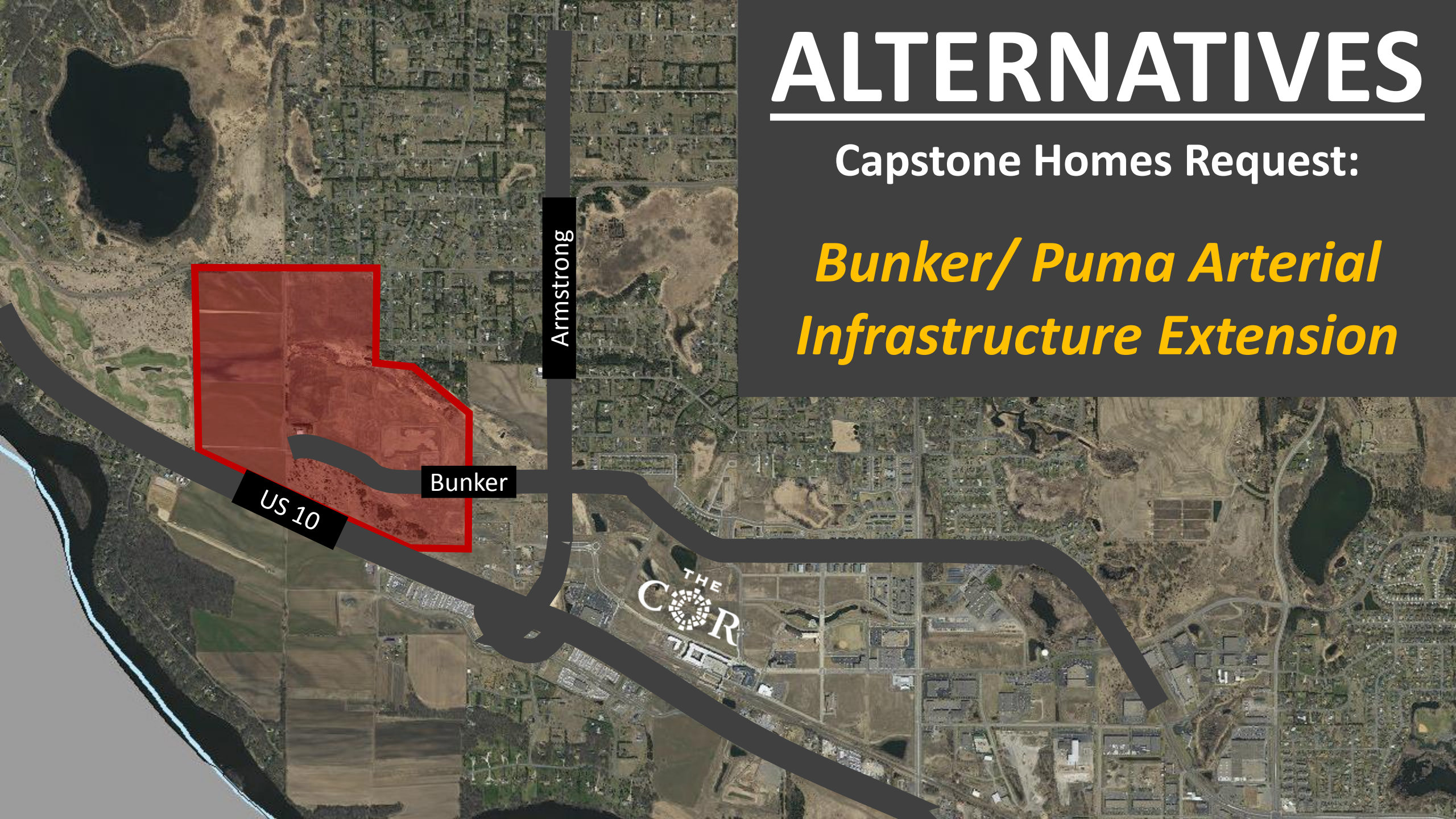
- **City and Hageman Holdings pay for remaining**


CAPSTONE HOMES
Phase 2
Phase 1
Puma
US 10
Bunker
Capstone Request/ Proposal
PHASE 1B: $1.44M ($2.17M GROSS)
• City 60% (864K)
• Capstone 40% (576K)
PHASE 1A: $1.18M ($1.51M GROSS)
• City 60% (708K)
• Capstone 16% (188K)
• Hageman 24% (283K)

ALTERNATIVES

Capstone Homes Request:

Bunker/ Puma Arterial Infrastructure Extension



ALTERNATIVE A



Capstone Request/ Proposal

- City extend arterial infrastructure in **2017/2018**
- City fund project upfront
- City assess back Capstone Homes their portion
- City use past practice of 60/40 split (60% City)

PHASE 1B: $1.44M ($2.17M GROSS)

- City 60% (864K)
- Capstone 40% (576K)

PHASE 1A: $1.18M ($1.51M GROSS)

- City 60% (708K)
- Capstone 16% (188K)
- Hageman 24% (283K)

ALTERNATIVE A, Capstone Home's Proposal (AS-IS)

Benefits

- Deal is agreeable to Capstone Homes and Hageman Holdings (tentatively)
- Would trigger roughly 300 unit residential development.
  - Drive traffic/consumers to The COR--demographics for retail/ restaurants.
  - Trigger payment of significant development fees. Park dedication fees--trigger preliminary development of new Alpine Park. At full build out, pay over $400K in taxes (city portion)
  - Various new pedestrian connections (completes portion of greenway).
  - Inventory of major res. plats with land available is running low. Project would help sustain Ramsey's steady growth of sf. res. product into future.
  - Capstone Homes is a respected, quality, Ramsey business.
  - Appears high-quality/ unique project (not standard sf).
- Secure remaining arterial infrastructure needed for new Ramsey business park now (about half remains).
- Deal (60:40 split) generally consistent with recent projects in Ramsey. Based on review of historical res. projects, this deal appears to be as good, or better, than previous deals (for the City, from a cost-share perspective).

Considerations

- City's primary goal for this area is establishing a new business park. Upon completing the rezoning process (June 2017), the City will have about 55 acres of business park land available, with appropriate arterial infrastructure in place, today.
- Moving forward with Capstone's request could be considered risky, pre-mature, and speculative. The City would expending limited public dollars today to allow for arguably a "leap-frog" residential project.
  - One could argue, the City should wait, until our existing 55-acres of business park land, currently served by arterial infrastructure, is developed, before we make additional significant investments in this area.
  - One could argue, another slump in the economy is bound to happen in the upcoming years. What would investment look like to the public if there was?
- RE funding--opportunity cost for both general alternatives.
  - <u>CASH from EDA</u>: project would deplete City's EDA funds ($2.55M July 2017). Said dollars could be used for other projects (community center, hwy. 10, business recruitment, parking ramp, etc.).
  - <u>BONDING</u>: project would create roughly $200-225K impact on the city's levy—via new debt.

ALTERNATIVE B



Counter Offer

- Minimize city risk and financial exposure on this project by making a counter offer on various items. Examples below.

PHASE 1B: $1.44M ($2.17M GROSS)

- City 50% (720K)
- Capstone 50% (720K)

PHASE 1A: $1.18M ($1.51M GROSS)

- City 50% (590K)
- Capstone 25% (295K)
- Hageman 25% (295K)

ALTERNATIVE B, Capstone Home's Proposal (Counter Offer)

Benefits

- Same benefits as outlined in Alternative A. However, slightly mitigated via a counter offer.

Considerations

- Same considerations as outlined in Alternative A. However, slightly mitigated.

- Please see attached comments from Capstone. They are opposed to this option. They believe they are participating above and beyond normal City policy (past and present) via Alternative A. They believe their effective cost share, via Alternative A, is actually 53% (not 40%).

ALTERNATIVE C



Wait for orderly development

- Wait for the green field business park land currently served by existing arterial infrastructure to be developed first (about 55 acres). Then, in the future, extend arterial infrastructure.
- In other words, don't "leap-frog" arterial infrastructure, wait for orderly absorption of land to occur.
- This would essentially put a halt to the Capstone project (i.e. current request).

ALTERNATIVE C, Do not move forward with Capstone Proposal

Benefits

- Generally opposite of Alternative A (see A for details).
  - City greatly reduces risk and debt/ investment exposure associated with Capstone request.
  - City retains Economic Development dollars for other high priority projects (highway 10, community center, parking ramps, business recruitment, etc.).
  - City still meets goal for business park (enough land ready today for foreseeable future).

Considerations

- Generally opposite of Alternative A (see A for details).
  - Will likely lose Capstone residential project—missed opportunity for a quality project from a quality Ramsey business.
  - Will likely result in Pearson Farms being put in a challenging positon to sell their property.
  - Will likely delay preliminary improvements for the new Alpine Park—due to the lack of new development fees from Capstone.
  - Will likely stifle Ramsey's single family residential development potential over the foreseeable future—due to the lack of large single family plats in the hopper.

STAFF NOTE #1, Funding Options

Two general options to consider for funding: bonding or cash (i.e. existing funds).

Option #1 - Issue $2,700,000 G.O. Improvement Bonds: 10 year term (5 years of Assessments)

Alternative	Average Annual Debt Service	(Less) Average Annual Assessments	Net New Tax Levy	Projected Annual Tax Increase - Avg. Value Home ($211,800 - Pay 2017)
A - 40% Assessment	$317,636	$89,438	$228,198	$21
B - 50% Assessment	$315,551	$118,721	$196,830	$18

Option #2 - Internal Financing of Total Project Costs

Alternative	Internal Funds Needed For Project Costs	* (Less) Total Potential Assessment Collections	Net Internal Funds Not Recaptured
A - 40% Assessment	$2,600,000	$1,200,631	($1,399,369)
B - 50% Assessment	$2,600,000	$1,497,063	($1,102,937)

** Assumes Capstone assessments are paid in first 5 years and Hageman Assessments are deferred and paid in year 10*

EDA dollars available to fund project upfront, no bonding (new debt) required

- ACHRA/EDA Account: $1.75M, EDA Fund: $800K = $2.55M
- Allow city to capture new tax base created from Capstone for other needs (about $400K city), and helps keep stable tax base.
- Hageman/ Capstone assessments would refund EDA Fund, in future (about $1.2M)
- Allows project to be an EDA/HRA project/ initiative.

STAFF NOTE #2, Hageman Holdings

Most alternatives includes some sort of "Hageman Holdings" assessment. Below are some important notes RE that proposed arrangement.

- Hageman Holdings is currently paying roughly $170K per year on assessments, and owes roughly $1.7M from former Legacy Christian Academy project. Hageman Holdings is opposed to taking on any new assessments. They are done taking on new financial risk (obligations), by making major upfront investments in speculative development.

- If the City will require Hageman Holdings take on new assessments, Hageman Holdings will oppose. Hageman Holdings is willing to sit on their property, and wait for an investor/ master developer to purchase in the future. And, that future investor, would factor in the cost of needed arterial infrastructure. Hageman Holdings is aware that may result in a lower sale price, and potentially longer timeframe to close on sales. NOTE: the preliminary principal amount anticipated for the Hageman assessment is $283-$350K.

- Staff believes a creative solution exists, if the City wanted to move forward with the Capstone proposal now, the City could assess Hageman Holdings for their portion of the project now. However, make the Hageman Holdings assessments due at the time of a future land transaction. Therefore, Hageman Holdings would have no risk. The City would recover their upfront dollars in the future, and Capstone can move forward. The draw back here is time. The City would front the dollars, and miss an opportunity to invest those dollars elsewhere.

Infrastructure QA Log

03/22/2017

1. HOW HAS THE CITY PAID FOR PUBLIC INFRASTRUCTURE IN THE PAST, IS THERE A POLICY?

The City DOES have a formal program in place for maintenance and replacement of EXISTING public infrastructure. Please reference Ramsey's adopted assessment policy/ long term street maintenance program. This policy does not apply well to the Capstone Residential Development/ New Ramsey Business Park Discussion—as this area requires new arterial infrastructure (greenfield area).

The city does not have a formal policy in place for NEW infrastructure. Historically, this process has been addressed on a case-by-case negotiated basis in Ramsey. Based on staff research, below are some common trends/ informal policies.

1. ***Collector Roads/ Arterial Roads***
   In the recent past, the City of Ramsey has generally split costs 60:40 (60% City). This occurred in The COR in 2004, and 2005 on Rhinestone Street and Sunwood Drive. This occurred in 2013 on the Legacy Christian Academy project (extension of Bunker).

   Looking further into the past, staff conducted historical research on arterial/ collector "municipal" roads (please see appendix for details). 16 developments were analyzed on four major municipal roads: Sunwood Drive, Alpine Drive, 167th Ave, and Variolite Street. Below is a summary of findings.

   - Most commonly, the City of Ramsey has paid for arterial roads, not developers. The City has used MSA funds, TIF funds, PIR funds, and bonding.

   - There is a small sample of projects, in which developers did pay for a PORTION of arterial infrastructure (Sunwood Drive in the early 1990s). Developers made a partial contribution in the amount of what they would have paid, had the arterial/ collector road been a standard residential neighborhood/ internal road. In these cases, there was not a policy/ or specific percentage split. It was a case-by-case analysis approach, determined by an engineer.

2. ***Internal Public Roads***
   For residential developments, it appears Ramsey has required developers to pay 100% of costs associated with internal/ public roadway systems (i.e. neighborhood public roads). In some cases, the City of Ramsey has helped developers with internal roadways, by financing these improvements upfront via bonding, and paying them back via an assessment agreement with the developer (typically 5 year term).

2. WHAT IS THE POLICY FOR ARTERIAL INFRASTRUCTURE IN OTHER DEVELOPING CITIES?

As part of the 2015 Bolton & Menk in-depth arterial infrastructure analysis, this question was addressed. Please see comments below from Bolton & Menk.

> *"We contacted numerous agency and community representatives to gage the level of development activities on-going, planned and anticipated within their cities. The results varied greatly across the Metro area. There does not appear to be a uniform policy that can be drawn upon related to assessing costs. Even within most cities, there doesn't seem to be a strict set of rules related to development charges and fees. Rather, each community seems to have processes in place for working with developers that allow them to weigh the pros and cons of each development and determine the long-term financial benefits to the community. Eventually, development review processes are completed, requirements agreed upon, and the cost sharing between the developer and the city are formalized into a Developers Agreement. The information gathered indicates the City of Ramsey's previous approach to a cost split (40 percent developer and 60 percent City) for trunk utilities and collector roadways is reasonable based on what other communities are doing across the Metro area." –Bolton & Menk*

3. WHAT FUNDING SOURCES HAS THE CITY HISTORICALLY USED FOR FUNDING NEW PUBLIC INFRASTRCUTURE?

In summary, the city has utilized three general funding sources:

1. ***TIF districts***
   The city either utilized TIF bonds or surplus TIF District Funds to complete this work (typically said investment was made by the city upfront). The city was paid back for their upfront investment over time via TIF revenues. This process was repeated several times from the 80s through the 2000's. Due to changes in TIF law, TIF districts have become less powerful and flexible over the past couple decades. As a result, Ramsey (along with other cities), have slowly become less reliant on TIF.

   Additionally, it should be noted, through the 90's and early 2000's Ramsey had several TIF districts with multi-million dollar balances. Most of those TIF district balances have been spent down, and in some cases, those former TIF districts have been decertified. The former TIF districts played a major role in funding infrastructure in The COR for example (parking ramp, train station, roads, Armstrong, etc.).

2. ***Public Improvement Fund (PIR)***
   This fund generally helps pay for the construction and maintenance of public streets. In the 1980s and 1990s, this fund was commonly used to support the construction of new public roadways in Ramsey. Pervious to 2015, the fund received dollars from the City's general levy. Since 2015, this fund receives dollars from new general obligation debt (bonding).

3. ***MSA Fund***
   To support the State's system of streets, roads and bridges, MnDOT distributes funds for highway maintenance and construction to counties, cities and townships based on a formula determined by the State Legislature. This fund is fairly flexible and used for road construction projects. This fund was utilized for the Legacy Christian Academy Plant (extension of Bunker).

4. WHY SHOULDN'T THE DEVELOPERS PAY FOR EVERYTHING?

(How will this arterial infrastructure project effect land values in the business park?)

Bunker Lake Boulevard/ Puma Street are considered arterial infrastructure/ trunk infrastructure/ collector roadways. These roadways are a designated Municipal State Aid (MSA) route—much like Alpine, Variolite, Sunwood, or 167th Ave. Bunker/ Puma proposed improvements include "trunk" water/ sewer lines; which are identified in the city's adopted Comprehensive Water/Sewer Plans. In summary, the arterial infrastructure proposed for Bunker/Puma will serve more than just the immediately adjacent parcels.

RE THE BUSINESS PARK AREA

Market rate asking prices for raw, shovel-ready, industrial land in the Ramsey area is $2.00-$3.50 per square foot.

If Hageman Holdings was asked to pay for 100% of all new arterial infrastructure running adjacent to their site, land prices are predicted to range from $2.00-$3.15 per square foot MINIMUM. This price does not include the cost of any needed internal infrastructure, time-value-of-money, broker fees, or profit-margin for Hageman Holdings, etc. Likely, if this was the scenario, asking prices would escalate well over $3.00 psf.

Elk River, Ramsey's biggest economic development competitor, has been listing industrial land for $2.50 psf, before use of economic development incentives. In some cases, via use of economic development incentives, said $2.50 psf priced land has been written down to significantly lower prices (less than $1.00 psf), or in some cases, even down to zero.

In order to stay competitive, based on asking prices, Ramsey should stay below $3.00 psf, and ideally be closer to $2.00 psf, for asking prices. Additionally, the City should be prepared to use economic development incentives (such as TIF).

Hageman Holdings has set their asking prices from $2.25 to $2.75 psf, which includes existing assessments (i.e. 2013 Legacy project assessments are NOT an additional cost to a buyer).

Hageman Holdings has also indicated, they understand, that if additional NEW assessments are placed against their property (for this proposed arterial infrastructure project), they will likely need to discount that value from their existing asking prices, in order to stay relevant/ competitive in the marketplace (i.e. take less for the land). Hageman Holdings has indicated they understand that need, and are okay with that approach, and understand they need to stay at the $2.25-$2.75 asking prices. Hageman Holdings has indicated they are willing to sign another Memorandum of Understanding (MOU) outlining that position.

Lastly, it should be noted, asking prices are different than what price a deal can be done—likely, Hageman would be willing to sell at a price closer to $2.00 psf (depending on the project/ negotiation).

> *STAFF NOTE:* the new Hageman Holdings assessments are estimated to range between $280K to $350K total. If that new assessment is spread across the former school site, it comes out to 10 to 13 cents per square foot, or $4,516 to $5,645 per acre.

RE THE RESIDENTIAL AREA

Capstone Homes has indicated if they cannot come to a cost-share agreement with the city for the arterial infrastructure/ collector road, they will not be able to move forward with their proposed project, as it will price them out of the marketplace. Capstone Homes feels their proposed contribution is above and beyond past practice in the City of Ramsey—and other cities they have worked with.

Capstone has also made the point—that based on past practice, they should only be making a contribution to the arterial road in which they have frontage—which is Puma. Capstone has proposed to pay for 40% of Puma. However, additionally, Capstone is offering a 16% contribution to Bunker Lake Boulevard (as requested by staff in the early negotiation process). If Capstone combined their Bunker Lake Boulevard contribution with their Puma contribution, and applied that total contribution only to their frontage on Puma, they are effectively making a 53% contribution.

5. WHO WILL PAY FOR NON-ARTERIAL PUBLIC INFRASTRUCTURE?

The request before the city is related to arterial infrastructure. Said arterial infrastructure will serve two large developable areas: (1) a new 115-acre business park, and (2) about 123 acres of residential land—including the roughly 88-acre Capstone residential development. However, in many cases, internal public infrastructure will be required for each development area.

RE THE RESIDENTIAL AREA

Capstone Homes has indicated they will pay for 100% of all public infrastructure located within their site, which will be a multi-million dollar investment. This is consistent with past practice in the City of Ramsey, and other communities.

RE THE BUSINESS PARK AREA

First, it should be noted, the ability to predict if/ what scope of internal infrastructure will be needed within a business park is very challenging—due to the fact that projects range greatly. For example, from 10,000 sf users (needing 1 acre of land) to 200,000 sf users (needing 22 acres of land). Depending on what users come forward, the need for internal infrastructure could be minimal—or, it could become a significant need (and cost).

Generally, internal public infrastructure within business parks is dealt with on a case-by-case basis, depending on the merits of individual projects. In many cases, Ramsey has been a progressive-minded economic development community, and paid for internal public infrastructure in business park areas (Azurite and 143rd are recent examples). In some cases the city has required the developer pay for internal public infrastructure.

Staff believes this item should remain open, and should be dealt with, based on the merits of individually proposed projects. In the even that Ramsey attracts several small individual users, the city may need to discuss/ develop a master plan (big picture strategy) on how to deal with internal infrastructure.

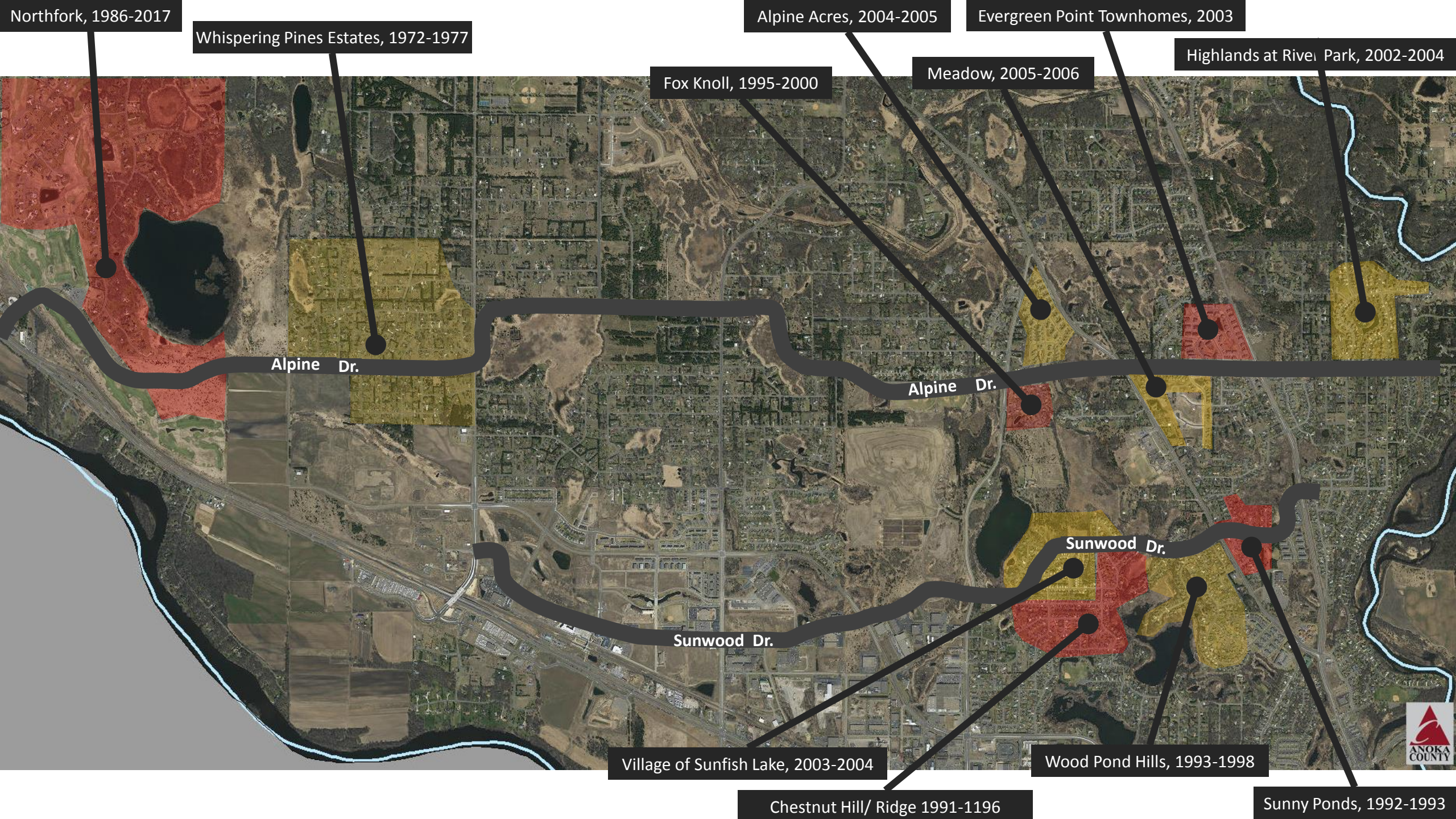
Appendix

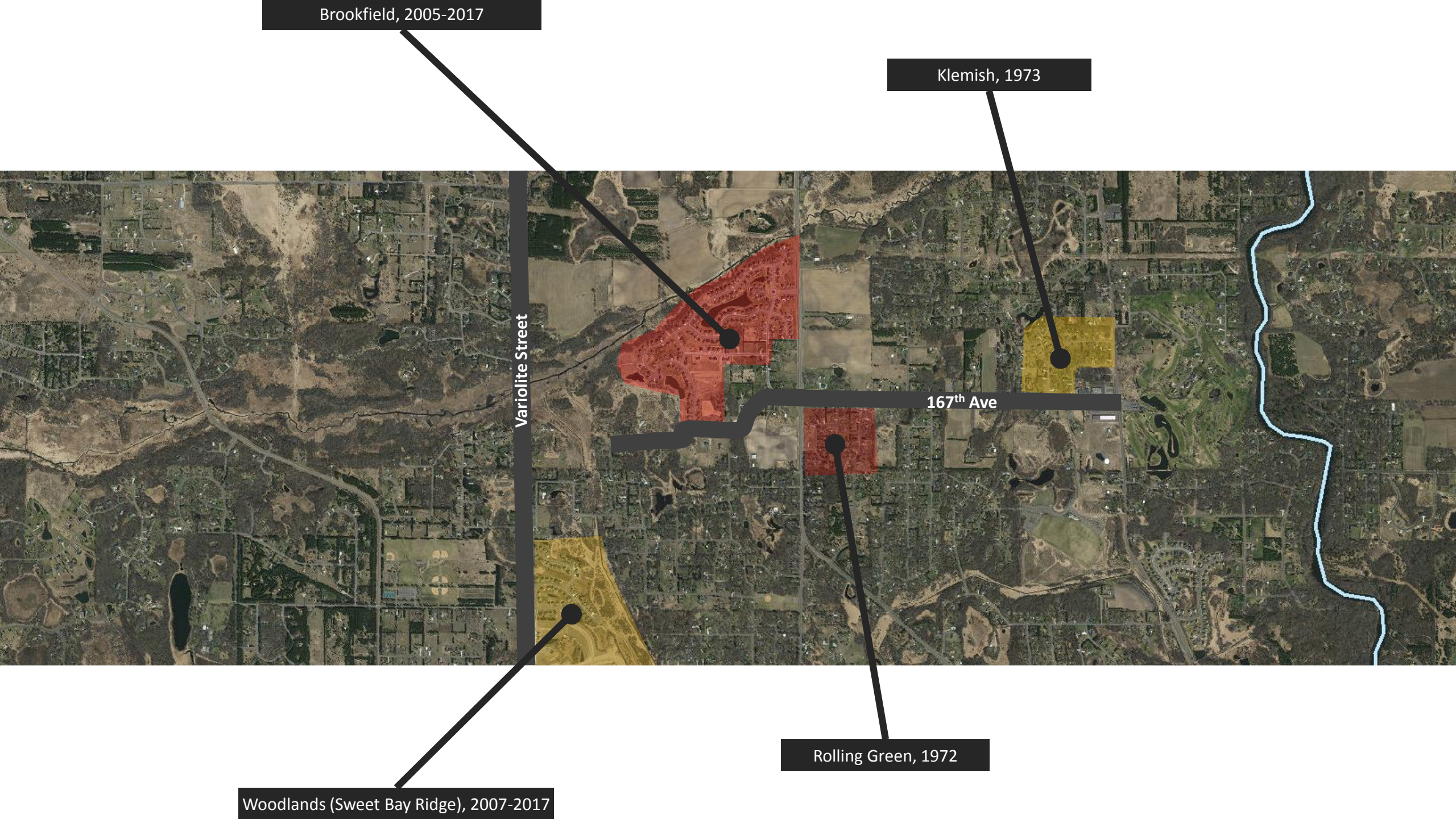
(historical research)

Example Developments

- Criteria
  - Residential developments only
  - Significant number of lots (min. 25+)
  - Located on a major City roads (Sunwood Dr., Alpine Dr., 167th Ave., Variolite St.) –known as “Arterial Infrastructure”/ collector roads
  - Direct access not on a County Road (Armstrong, Ramsey, Sunfish), and not on MN Hwy 47

- 16 Developments Reviewed


Northfork, 1986-2017
Whispering Pines Estates, 1972-1977
Alpine Acres, 2004-2005
Evergreen Point Townhomes, 2003
Highlands at Rive Park, 2002-2004
Fox Knoll, 1995-2000
Meadow, 2005-2006
Alpine Dr.
Alpine Dr.
Sunwood Dr.
Sunwood Dr.
Village of Sunfish Lake, 2003-2004
Wood Pond Hills, 1993-1998
Chestnut Hill/ Ridge 1991-1196
Sunny Ponds, 1992-1993
ANOKA COUNTY

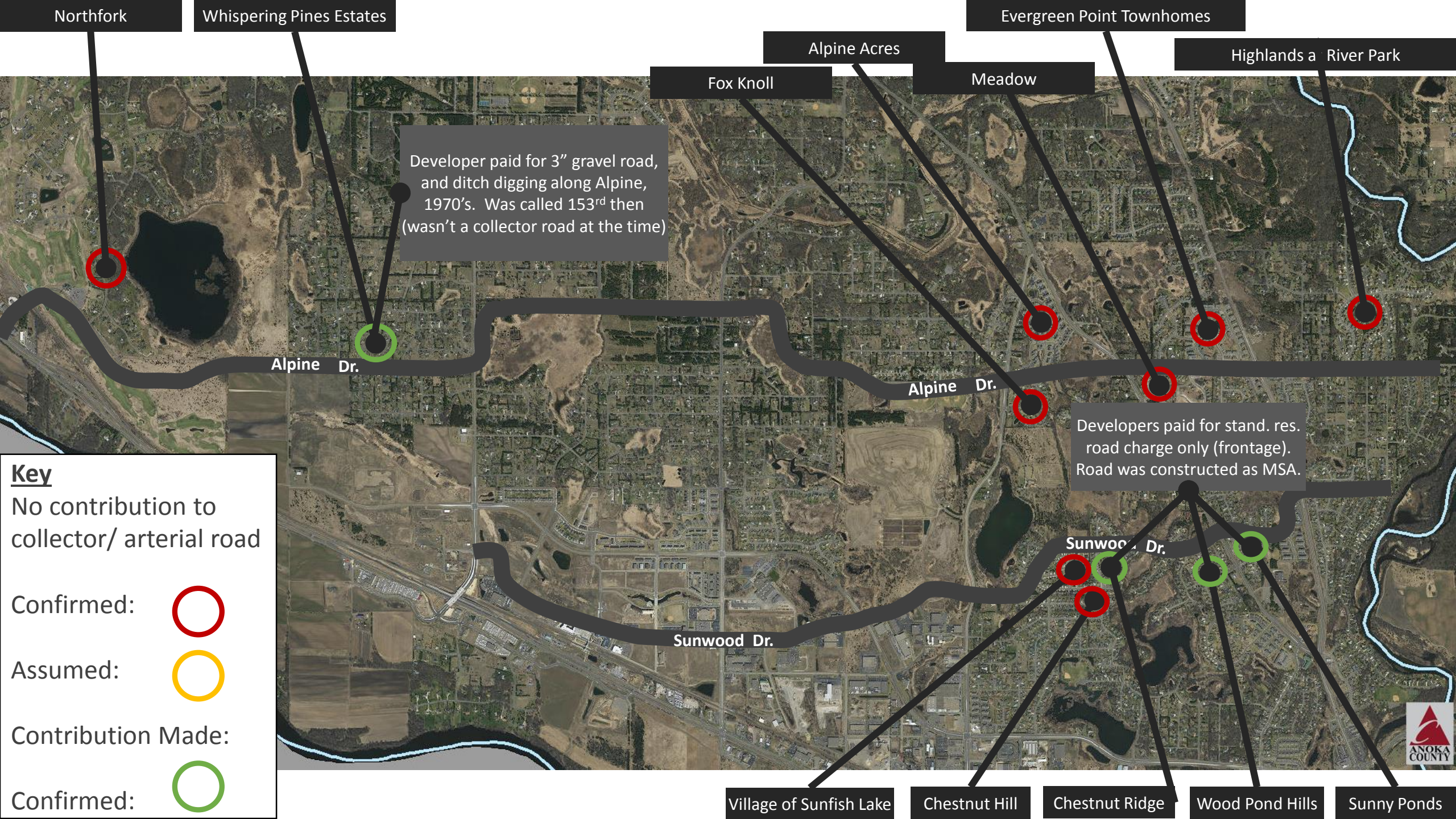

Brookfield, 2005-2017
Klemish, 1973
Variolite Street
167th Ave
Rolling Green, 1972
Woodlands (Sweet Bay Ridge), 2007-2017

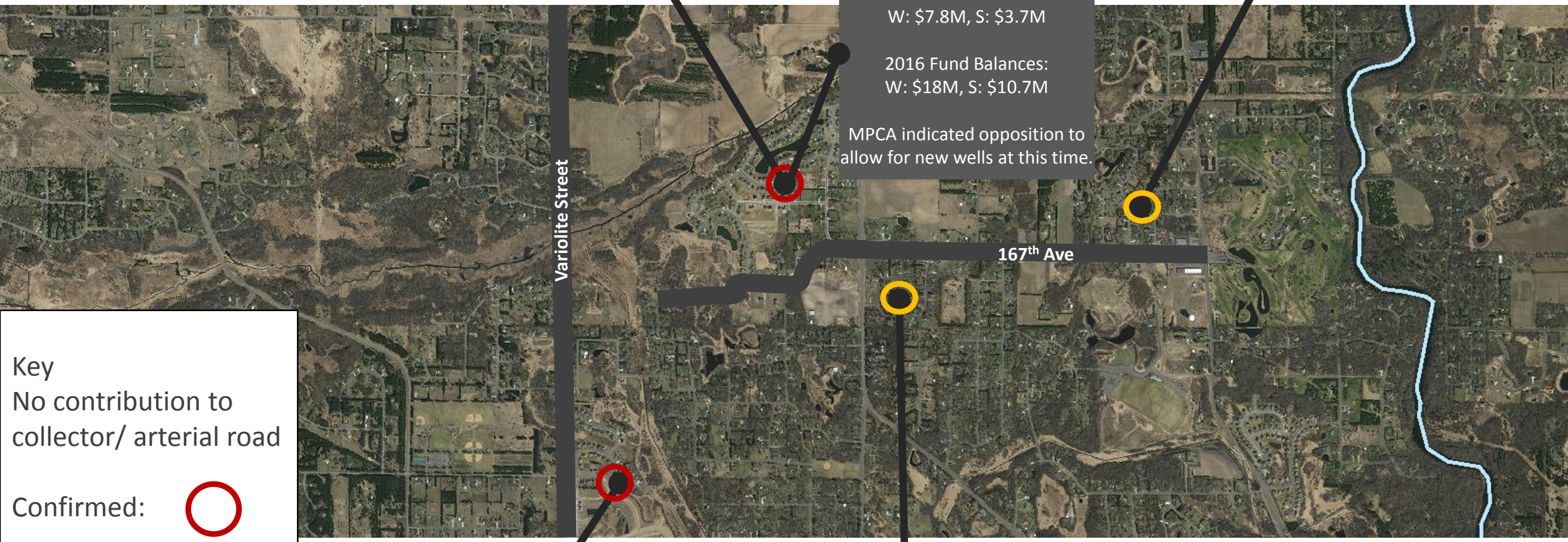
Findings

- 10 confirmed to not have made a direct contribution to arterial infrastructure
- 2 assumed (very likely) to not have made a direct contribution to arterial infrastructure
- 4 did make a contribution to arterial infrastructure

  Breakdown of the 4

  - 3 were located off Sunwood Drive in the early 1990's, and made a "partial contribution" based on what they would have paid for a standard residential road (NOTE: Sunwood Drive was constructed as a MSA road). They only paid based on frontage.
  - 1 was from the 1970s, and made a contribution by digging ditches and placing 3" of gravel.


Northfork
Whispering Pines Estates
Alpine Acres
Evergreen Point Townhomes
Highlands a River Park
Fox Knoll
Meadow
Developer paid for 3” gravel road, and ditch digging along Alpine, 1970’s. Was called 153rd then (wasn’t a collector road at the time)
Alpine Dr.
Alpine Dr.
Developers paid for stand. res. road charge only (frontage). Road was constructed as MSA.
Sunwood Dr.
Sunwood Dr.
Key
No contribution to collector/ arterial road
Confirmed:
Assumed:
Contribution Made:
Confirmed:
Village of Sunfish Lake
Chestnut Hill
Chestnut Ridge
Wood Pond Hills
Sunny Ponds
ANOKA COUNTY


Brookfield
Developer fronted water/ sewer trunk $$$
2004 Fund Balances:
W: $7.8M, S: $3.7M
2016 Fund Balances:
W: $18M, S: $10.7M
MPCA indicated opposition to allow for new wells at this time.
Klemish
Variolite Street
167th Ave
Key
No contribution to collector/ arterial road
Confirmed:
Assumed:
Unknown:
Woodlands
Rolling Green

Example Historical Photos

REVIEW LETTER
RIVERSTONE (A.K.A. PEARSON FARM)
BUNKER LAKE, PUMA ARTERIAL INFRASTRUCTURE EXTENSION

Questions From EDA Meeting - 3/9/17

1. If Puma was not completed all the way to Alpine, would this be the same situation as when the infrastructure for the proposed school was left well short of the school's platted boundary? *Bunker Lake Road ("BLR") was not built to Puma, which was the edge of the platted property.
    a. No, all of the school property was being platted which should have forced Bunker Lake Road to be fully extended to the limits of the plat (to Puma). In this current situation, we are building infrastructure ahead of the land being platted.
2. How would Capstone feel about going to 50/50 split on Puma?
    a. Capstone Homes has no street frontage on BLR, but Capstone has still offered to contribute up to 16% of the cost there. That portion of BRL should have been extended previously when Hagemen Holdings platted their property. This has put the Pearson family in a difficult situation. It is possibly the 16% Capstone contribution could instead be allocated to the cost of Phase 1B of Puma. This would put the total contribution by Capstone (Puma Phase 1B) at 53%.
    In addition, past city practice has been to use a 60/40 split for properties related to the business park (half of the property along Puma is business park). The 60/40 split allows Capstone the flexibility to contribute to the cost of Bunker Lake Road, or Capstone can move this funding to Puma. Either way works.
3. Shouldn't the 60/40 include the water and sewer infrastructure costs?
    a. No, the trunk fees are set up to pay for this. Capstone will pay approximately $842,082 (today's dollars) to trunk water and sewer fees over the life of this project, based on 293 units.
4. Has the 60/40 split previously been used for a residential area?
    a. No, residential developments fund 100% of all internal neighborhood roads, while collector roads are primarily funded by the municipalities. However, in this case Capstone is offering to contribute up to 40% of the total cost (plus 16% of BLR) which Capstone has not done in past practice.
5. Is Capstone prepared to move forward if the proposal is approved?
    a. Yes, Capstone is confident in this proposed neighborhood, given the demand for this type of housing. We are well financed and prepared to develop this land.
6. Can the assessment payoff schedule be strengthened or shortened?
    a. Yes, the assessment can have minimum pay off amounts for each year. The payment is not required to be deferred. Capstone proposes to make minimum equal payments on an annual basis, over 10 years, starting the year the assessment is certified.
7. Why should the city consider this investment?
    a. We believe that 300 additional rooftops in Riverstone is exactly what the COR needs to achieve its intended commercial/retail component goals. Adding 1,000+ residents nearby the COR will give this area a significant boost. The side benefit to helping the COR, is that the added infrastructure to the business park area, will need to be built at some point anyway. Building it now gives it the business park the marketability that it needs. This will be a unique residential community given the amenity, product offering, and location within the city of Ramsey.
8. Are we "leapfrogging"?
    a. No, this proposed neighborhood is adjacent to an existing platted property. We are not skipping over a large area of rural land to reach our land. The city has designated the land to the east to be business park. If the business park takes 15 – 20 years to develop, Capstone and the Pearson's would have to wait much too long for "orderly" development to occur.

DRAFT 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, March 9, 2017, 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 Kristine Williams
Members Absent:	Member Wayne Skaff
Also Present:	Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator Tim Gladhill, Community Development Director Kurt Ulrich, City Administrator

1. CALL TO ORDER

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

2. APPROVE AGENDA

No changes.

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated February 9, 2017

Motion by Member Riley, seconded by Member Hardin, to approve the February 9, 2017, minutes as presented.

Chairperson Steffen stated there was one change on page 9, last paragraph the sentence is incorrect and should be changed to reflect the following: "IAG Commercial is not a non-profit".

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

4. EDA BUSINESS

4.01: Informational Interview Oppidan Development

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land. He presented the staff report.

Mr. Drew Johnson, Manager of Commercial Development for Oppidan Development reviewed his background and the history and previous projects Oppidan Development has done with the Board. He stated Oppidan Development is mainly merchant developers, they sell ninety percent of the projects they do, they do not have a portfolio.

Mr. Johnson reviewed a six-acre site they are developing in Minneapolis.

Chairperson Steffen asked if Oppidan Development owns the site on the current project they are working on in Minneapolis.

Mr. Johnson stated they do own the site but they usually do not own a site until they are ready to break ground. He stated this project is A-typical in the nature of it.

Chairperson Steffen asked what is the general perception of The COR and what are the strength and weaknesses.

Mr. Johnson stated knowing how hard and expensive mixed use has been and is to do, he thought Ramsey was doing pretty well in terms of what has been done so far and also knowing how expensive market rate housing is to build. He stated from the center of where the money is flowing, Ramsey is pretty far out and suburban housing is challenging and hard and when looking at some of the other large projects that have gone on has been pretty big with city subsidies and free land, TIFF's and things that have been done to make that happen, he thought that was a huge barrier of entry for how big the COR is and how much Ramsey has so far, he thought they have been doing pretty well. There is a lot of communities in the same spot where they want to remake an area and do a downtown.

Member Riley asked what Mr. Johnson thought of vertically integrated building, which he thought Ramsey had a little bit already and a lot more of that in the plan.

Mr. Johnson thought it was hard because on a large scale format to do well, if they have a footprint that is going to handle 100 residential units and enough underground parking where it is efficient to build, where the project needs a large project to do that because of some of the costs. He stated if the expectation of the ground floor will be a lot of retail, for a less dense area like Ramsey, that is a huge challenge. He thought a reasonable expectation, may be the best corner could have some support style retail uses.

Chairperson Steffen asked which strategies would be recommended and which ones would Oppidan Development help them out with.

Mr. Johnson stated he would be as flexible as possible. He stated a firm like CBRE has a strong international and national reach, he would choose CBRE path if just starting out and put their best foot forward. Secondly to that and as it would relate to engaging a developer, their interest in land anywhere is very tenant driven. He stated they could have a project built within twelve, eighteen to twenty-four months.

Chairperson Steffen stated the City has about 150 acres of available retail land is located within/adjacent to The COR today. He asked if it was realistic for Ramsey to absorb that much retail land.

Mr. Johnson thought right now there was too much land there for retail. He did not think it needed to be rezoned right away but they should look at the next step of retail development after the grocery, he thought better retail would be larger box stores such as Michaels, JoAnn Fabrics, Maurices, TJ/MAXX which from a real estate risk profile would be harder to do for a developer to do. He did not think there was the population or critical mass to pull that off. He would advise the big power centers to be built such as Home Depot, Menards, Lowe's, Fleet Farm.

Mr. Johnson stated in closing, the best strategy, where in terms of development they would not just doing another convenience store, the question is how do they grow the tax base and CBRE is already aware of this. He thought there is shovel ready, utility stub, soil corrected large parcels of land in Mpls and there is very few of them left where people are bringing them further out to surrounding communities. He stated Ramsey was probably in the position to respond to a larger land owner such as a manufacturing business use.

The EDA thanked Mr. Johnson for being at the meeting.

4.02: Anoka County Open-to-Business Program Update

Economic Dev. Mgr/Assistant City Administrator Brama stated Kathleen DuChene with the Anoka County Open-to-Business Program was at the meeting to provide an update.

Ms. DuChene updated the Board on the Open-to-Business Program in Anoka County and customers they have helped get financing and start, grow their businesses.

Ms. DuChene stated the trends she has seen in the last few years are very little brick and mortar businesses. A lot of new businesses are inside the home and online women's boutique businesses. She stated she has helped a business owner put together an online business in the travel industry for women who want to travel but travel alone. She stated another trend is micro-breweries and organic home to table micro greens businesses. She noted the pet industry is growing and specialty foods, mostly ethnic foods and pasty and baked goods are also growing.

Ms. DuChene thought there was a lot going on in different industries and retail is changing rapidly. She stated big box stores are having difficulties and closing stores and there are more global markets and more online shopping and ordering is happening. She thought there were some implications for economic development in cities and economic development brings in business, hiring and creates tax base. She also thought there are going to be changing trends drastically in the next fifteen years.

Chairperson Steffen asked besides financing what are businesses looking for.

Ms. DuChene stated existing businesses are struggling with cash flow. Because of some of the changes she is seeing happening, business is not reacting quick enough on how to market differently, how to find different customers, they are struggling. Some of them have gone into business with not putting together a good plan or thinking through it thoroughly enough. She stated some businesses she looks at she sends them back to the drawing board and tells them they need some financial projections. Part of it is in planning. She thought the businesses they have made loans to have a thought-out plan and they are second stage businesses and are going to grow, know what they are doing and expanding and need financing for that. She stated she has been brainstorming with people and find out what they need to do. She noted she does get a lot of calls from Ramsey and encourage them to get a little blurb out into a newsletter every time it goes out.

4.03: EDA RLF Request, American Print & Digital

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA in January and February. This loan request was approved by the EDA and Council in February, contingent upon staff obtaining sufficient collateral. The purpose of this case is to update the collateral source. American Print & Digital is suggesting the City take a first lien on the attached existing equipment list, rather than a second mortgage on their personal residence. Staff has verified sufficient value exists in the attached equipment list to collateralize the EDA loan. With this in mind, staff believes this change is administrative in nature, and still meets the intent of Ramsey's policies and prudent lending standards. Staff recommends the EDA re-approve this loan with the updated collateral requirement.

Member Hardin recused himself from discussion and voting due to conflict of interest.

Motion by Member Burandt, seconded by Member Brunt, to recommend to City Council approve the attached draft loan agreement with American Print & Digital and approve an EDA RLF loan in an amount of up to $72,500 (not to exceed 5% of the project cost), subject to:

- The borrower providing a first lien to the City on the attached "Equipment List"
- The borrower receiving approval of the project loan by the Bank of Elk River and the SBA
- Final review and approval of the loan agreement by the City Attorney and the CMDC.

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

4.04: Arterial Infrastructure Discussion for Bunker/Puma & Capstone Homes

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is being reviewed by the EDA because the project is proposed to utilize two economic development funding sources. Since the proposed arterial infrastructure will serve the City's future business park, potential funding source for the arterial infrastructure include both the EDA Fund and Anoka County EDA/HRA accounts.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report. He reviewed the three alternatives with the Board.

Economic Dev. Mgr/Assistant City Administrator Brama stated the benefits of Alternative A is that it appears it can work for all parties and an agreeable deal. This would trigger 300 to 350-unit residential development which would help drive traffic and consumers to The COR and would help to push their demographics to bring in retail restaurants. This would also help to trigger development of the new Itasca Park and modifications to Alpine along with allowing for new pedestrian connections within their community.

Economic Dev. Mgr/Assistant City Administrator Brama stated Alternative B would minimize the City's exposure to risk. Alternative C is to hold tight. They are able to meet their primary goal of getting their business park ready to go and have land available. He stated Capstone is at the meeting to discuss and answer any questions the EDA may have.

Chairperson Steffen asked if 60/40 is past policy. Economic Dev. Mgr/Assistant City Administrator Brama stated this is not past policy but is what happened for Legacy Christian Academy, Sunwood Drive and Rhinestone. The City does not have a formal policy and is usually negotiated.

Economic Dev. Mgr/Assistant City Administrator Brama stated the proposal that stands today, typically assessments are going to be over a ten to fifteen-year term. Capstone Homes has requested that the assessment be paid back at the time the property is sold. He thought the City would not want to sit on the assessments for any length of time so he thought a five-year sunset clause for when assessments would be due is appropriate. That would state that the lots, if not sold within five years, those assessments will come due. He noted this is sort of a hybrid approach. He stated Capstone Homes and staff has not had a lot of time to review this MOU in detail.

Member Williams asked to revisit the past practice statement. She asked if the 60/40 split is the basis for other residential developments in the City.

Economic Dev. Mgr/Assistant City Administrator Brama stated from a residential perspective, typically residential projects do not get involved with arterial infrastructure. Usually they will locate a development off a County Road or an existing city collector street. He stated the City of Ramsey typically does not get involved with infrastructure for residential projects, especially interior to a site. In this project there is going to be a lot of interior residential roads and the City

of Ramsey would not pay for any of that, what is less clear is arterial infrastructure collector roads, they would probably have to do some more digging to see what has been the practice in the past. He stated it was his understanding that those roads are typically City responsibility. He stated in this scenario they are extending those roads ahead of development and he did not know if they have done that in the past.

Member Riley asked if they should be considering this as two different phases. He thought it made sense to push it a little further when they know another phase is waiting.

Community Development Director Gladhill stated this does increase the cost of the project. What is unique here is that there is a specific phasing line. In this circumstance, they are only plating up to phase two which will give them a cleaner break. From a street maintenance perspective, they would prefer to do this all at once because then they do not have a sequential street maintenance program.

Member Williams asked if the gross and net numbers are different because there are already contributions from the City for the extension. She wondered why they are not calculating that difference as part of the 60/40 split proposal.

Economic Dev. Mgr/Assistant City Administrator Brama stated that is a perspective they can take on this project. Those dollars are preprogramed for those arterial trunk lines. This development along with any development pays trunk/sewer fees for every single development to help pay for that system. He stated to that point an argument could be made both ways that they are making a contribution through standard development fees just like any other developer would.

Mr. Steve Bona, Capstone Homes, stated they are really excited for this project and feel it would be wonderful for the City and great for Capstone Home. He thought there may be more of a benefit to The COR then to the business park. He thought the business park would be an added bonus if they can pave the road on the south side adjacent along Puma along the west side of the business park but The COR needs rooftops and this project would provide that. He thought that was the biggest benefit they could provide to the City. They don't really have any frontage onto Bunker Lake Boulevard, it dead ends into their site but, if the road needs to be extended they would like to contribute to help that happen. They did come up with a dollar amount in order to assist that and then when it came to Puma, the 60/40 split, they looked at past practice, they have the business park on one side so it is not all residential. That seems to align with past practice and is why they included it that way in their proposal.

Mr. Bona stated they are offering funds along Bunker Lake Boulevard, even without any frontage on it in order to pull it towards their property. Right now one of the things they are fighting in regards to residential is there is still quite a few bank owned properties out there in those areas and they can only pay for so much offsite improvements before they get into the neighborhood. The bank owned land in Elk River and Otsego is their competition as well as coming closer to the cities and they are building in both of those areas and they know what those values are and to be competitive on this property, it is very important that they watch the

numbers. He stated he understood the City's view. He thought that the long-term vision for The COR is something they should be focusing on.

Mr. Bona stated they have revised their neighborhood plan. He thought plan was so much better than the first plan they presented to the City. He stated there is open space, curvature in the roads, they have created more ponding and amenities on the site.

Chairperson Steffen asked how long it will take to build out phase one.

Mr. Bona stated they are trying to determine what size phase one will be but assuming they are going to have fifty or so lots, they anticipate that will happen in a twelve to eighteen-month period once they gain some momentum. He stated they have different product type of homes that will be in the project. He noted they have removed the townhomes on the far south side and left them on the north side of the project.

Mr. Bona stated they have not gotten into the details about the assessment and how it would be paid back. In past practice, they have had a five-year term on assessments like this but they would divide out the total assessment by units that are envisioned to pay it back. He noted that phase one is not all of the units and it would have to be based on phase two as well but the minimum assessment payment could be made each year versus waiting until year five. He stated the benefit to them is it spreads out their cost and they would not need it to be pushed out to year five because as they are selling houses they will be paying back assessments.

Chairperson Steffen asked if they planned on preselling the lots.

Mr. Bona stated they will have permanent sales centers for each type of product. They will presell as much as possible. They are seeing a really good market in the Twin Cities right now.

Chairperson Steffen asked if Capstone has ever done a three hundred home project.

Mr. Bona indicated Capstone has not but Capstone has completed projects in multiple phases. He noted he has experience in this type of master planned communities project.

Chairperson Steffen asked how many homes Capstone built in 2016.

Mr. Bona indicated they built approximately 175 and closed around 150 and the target this year is to close 220 homes.

Community Development Director Gladhill stated from a planning perspective Capstone has done a good job of managing the Brookfield project and staff is excited about this project because it is something different.

Member Riley stated the Board has the MOU and alternative A of the 60/40 split. There is also alternative B which is a 50/50 split and he wondered how Mr. Bona felt about that alternative.

Mr. Bona stated with their contribution that they are making to Bunker Lake Boulevard, with no frontage on Bunker Lake Boulevard they feel like they are contributing more than their fair share to that. They have business parks on both sides of Bunker Lake Boulevard and they will achieve that value that will be built for the road and the arterial infrastructure at some point in the future. Even if they are not paying now or are paying a small share now, Capstone is not going to see any of that for their contribution made to Bunker Lake Boulevard. Those property owners will and they need to remember that. He stated that is where they are making a contribution that is over and above what would normally be done but they do see the benefit for it because they need the utilities to get to the property.

Mr. Bona stated on Puma, the 60/40 split there with the business park being on the east side and the residential being on the west side they feel it is fair for the City to look at the same approach that was taken the first time. He stated this is needed for the business park and this has been done in the past and they would like to see that continue here as well. Moving forward, north of this phase, that is different because there will not be a business park involved anymore and 50/50 split is what they anticipate with that phase once they get there.

Member Brunt left the meeting at 9:00 a.m.

Chairperson Steffen asked what their preferred timing is for closing.

Mr. Bona stated they would like to get this going as soon as possible but realistically they are probably looking at a fall completion for streets. They need to have this site under construction in July/August to have that happen. He stated the public project with Puma and Bunker Lake Boulevard will have to go through the 429 process which takes time.

Member Hardin asked on the fifty-five acres if it was shovel ready.

Economic Dev. Mgr/Assistant City Administrator Brama stated the shovel ready process they engaged WSB was for the entire south side of Bunker Lake Boulevard.

Member Hardin asked if the City has put a number to the two-business park parcel. If the City completed this project based on Alternative B, what would the cost per square foot be for the infrastructure on those business park parcels.

Economic Dev. Mgr/Assistant City Administrator Brama stated the study breaks the cost down per acre but it can be broken down per square foot. He stated he could find it out and let them know. He thought they would be looking at twenty-thirty thousand per acre.

Chairperson Steffen thought the EDA was in concurrence that they would not be in favor of Alternative C.

Member Hardin stated he was not opposed to the residential project but was concerned with leapfrogging and how long it is going to take to develop the business parks. He stated he had reservations on this. He stated if they do move forward he would like to see the timeline for the assessments moved up.

Member Williams left the meeting at 9:10 a.m.

Chairperson Steffen thought Alternative A was Capstone Homes only offer for this.

Member Riley stated if the EDA approved what Capstone Homes was asking for he wondered if they would be ready to close and move forward.

Mr. Bona stated Capstone is ready to close and move forward with this project and this project is good and sound.

Member Riley thought that was important, along with the leap frogging to have an end user that will utilize this. He stated he was in favor of this.

Chairperson Steffen asked if Capstone has new plans and drawings they will be showing to the City Council.

Mr. Bona indicated they did and he has discussed this with Mr. Gladhill.

Chairperson Steffen stated this is a great project and he would like to see this move forward.

4.05: Stone Brook Academy PA

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA is asked to consider the purchase agreement with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA, Planning Commission and City Council. All parties are generally very supportive of the use/proposed project. However, the site location has been the focal point of conversations to-date. The EDA is in general support of Stone Brook's proposed site location, Site #1. The Planning Commission is in general support of Stone Brook's proposed site location, Site #1. The Council is in general support of Stone Brook's proposed site location, Site #1. It appears all boards/commissions have indicated support for a north-to-south road construction (Verdin's to Sunwood). It appears there is not consensus on whether that road connection be a private drive or a public road. Additionally, it appears there is general support for Master Plan B which shows an east-to-west internal connection through the proposed Stone Brook site.

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

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council approval of the attached purchase agreement (PA) with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

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

4.06: Lifestyle Property PA Reassignment

Economic Dev. Mgr/Assistant City Administrator Brama stated Bill Gleason of Lifestyle Construction, desires to reassign the attached purchase agreement (PA) to Morning Sun Homes, Inc. In order for a reassignment of purchase agreement to occur, the City of Ramsey must provide written approval to Mr. Gleason and Morning Sun Homes.

Economic Dev. Mgr/Assistant City Administrator Brama stated staff considers this case to be administrative. The City needs to make sure they have proper documentation/final form agreements, ready-to-go, to allow the City to close on the sale of this property. As a result of this proposed change of ownership, the Board needs to update the Purchase Agreement, Resolution for Anoka County Recorder's Office and Right-of-Re-Entry Agreement.

Economic Dev. Mgr/Assistant City Administrator Brama stated the City entered into a purchase agreement for the sale of roughly 3-acres of city owned land to Lifestyle Construction on May 31, 2016 for what is commonly referred to as the "U-shaped" residential parcel located in The COR. This agreement was set to close by September 16, 2016, 10 days after the September 16th inspection period deadline. The PA was approved for an extension to close, via two amendments. The agreement is now set to close by March 16, 2017.

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

Mr. Bill Gleason, Lifestyle Construction, stated he originally looked at the property and was very excited about it. His position was always to be a part of this transaction to the finish. He stated Mr. Meuleners was a builder he worked with previously. He thought this would be a good benefit to the City.

Mr. Mark Meuleners, Owner of the property, stated this is a tough project as far as the size and quite a bit of design work that needed to be done. He reviewed with the EDA what the homes will look like.

Member Riley asked if the closing next week is ready to happen.

Mr. Gleason stated they were.

Chairperson Steffen asked what will happen after the closing.

Mr. Meuleners stated they plan on building two houses to begin with.

Motion by Member Burandt, seconded by Member Hardin, to recommend to City Council to:

1. Approve the attached Purchase Agreement Amendment #3; reassigning the agreement to from Lifestyle Properties, Inc. to Morning Sun Homes, Inc.
2. Adopt the attached Resolution #17-03-050; Authorizing the Sale of City Owned Land to Morning Sun Homes, Inc.

3. Approve the attached "Right-of-Re-Entry" Agreement with Morning Sun Homes, Inc.

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

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:30 a.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

DRAFT

With Ramsey, please remember that each speaker gets their own paragraph. Even if it creates a one line paragraph.

Also, when there is an acting chair, their name is listed first in the roll call:

Members Present: Acting Chairperson Wayne Skaff
Member Philip Brunt
Member Glen Hardin
Member Chris Riley

Member Kristine Williams

Members Absent: Chairperson Jim Steffen
Member Brian Burandt

And, also listed first in the vote:

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

DRAFT

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, March 28, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Sarah Strommen
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember John LeTourneau
Councilmember Chris Riley
Councilmember Melody Shryock
Councilmember Kristine Williams

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Community Development Director Timothy Gladhill
City Engineer Bruce Westby
Asst. City Administrator/Economic Development Manager Patrick Brama
Attorney with Briggs & Morgan Sara Edstrom Smith

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:33 p.m.

2. TOPICS FOR DISCUSSION

2.01: Review McDonald's Project Alternatives

City Administrator Ulrich reviewed the staff report. He stated that although not included in the staff report, staff reached a negotiated agreement with McDonald's last year in which McDonald's received an extension and was to supply a non-returnable escrow of $5,000. He noted that McDonald's did not supply the $5,000 escrow.

Councilmember LeTourneau asked the purchase price the City received from McDonald's for the property.

City Administrator Ulrich stated that McDonald's paid $470,000 for the parcel but the City used $40,000 of those proceeds to bring utilities to the property.

Councilmember LeTourneau asked the net proceeds of the sale.

City Administrator Ulrich stated that the net proceeds would be $430,000 minus the $51,000 in development attorney costs and additional staff time costs.

Sara Edstrom Smith, Briggs & Morgan, stated that a basic lawsuit would not be that costly and would not take that much staff time but the unknown would be the response of McDonald's. She stated that you could choose to start action to get their attention and then negotiate. She stated that McDonald's has stated that they are still interested but are awaiting market demands and therefore it is unknown when they will actually desire to move forward.

Mayor Strommen noted that there have been several extensions on the development of the property.

Ms. Edstrom Smith stated that she does not believe that McDonald's has nefarious intentions but simply does not know when they will move forward. She stated that a settlement could provide a variety of results. She stated that she would not recommend a straight extension as it does not seem that McDonald's knows when they want to develop. She stated that there is cost to file suit and the City would want to think whether they have a buyer for the property if they do obtain the property back.

Councilmember Kuzma asked the cost of a potential lawsuit for the City and what a reasonable outcome would be.

Ms. Edstrom Smith stated that she could develop a litigation budget but estimated the cost above $50,000. She stated that it would be hard to guess the end result, whether McDonald's would want compensation for the property. She stated that it is unknown whether McDonald's believes that this will be a desirable site in the future and that is why they are holding on.

Councilmember Riley stated that the restrictive covenants have been removed, the City has gotten the escrow back, there is not a buyer for the site and the City has up to six years to make this decision. He stated that therefore he would not recommend trying to take the land back as the City already has a surplus of land.

Councilmember LeTourneau stated that although he agrees with Councilmember Riley that the City does not need more City owned land. He stated that if there was a buyer for the property, at least the City would have access to it, and the City could in essence sell the property again.

Councilmember Williams stated that she disagrees with the last two comments. She stated that this is a valuable property and perhaps the most valuable property in The COR. She stated that if McDonald's is unable, or unwilling, to develop the property the City should pursue getting that property back as she believes that it has a great development opportunity which is why McDonald's has sat on the property. She stated that there was a development agreement which specified that McDonald's must build by a set date, which has been extended multiple times.

Councilmember Kuzma stated that he is done waiting for McDonald's. He stated that he is willing to negotiate but either McDonald's will build or they will lose the property.

Ms. Edstrom Smith stated that the City has no obligation to pay McDonald's for the property. She stated that if McDonald's is willing to part with the property, she would believe the negotiation would fall under some kind of compensation but again noted the City does not have an obligation to pay them.

Councilmember Kuzma stated that he would be willing to offer one more round of negotiations offering to let McDonald's build one more time or they will lose the property.

Ms. Edstrom Smith stated that a judge could make the decision that even though the City is not obligated to compensate McDonald's, in terms of fairness they may deem that the City must pay a certain amount for the property.

Councilmember Shryock stated that while she would like to avoid creating bad blood with McDonald's, she would still like to see something built there whether that is McDonald's or another business.

Councilmember Johns stated that she would fall on the side of filing suit. She stated that she would support one round of negotiations but wants to see something built on the site.

Councilmember Riley agreed that everyone wants to see something built on the property. He asked whether it would hurt or help the City if they were to file suit on a landowner in Ramsey.

Mayor Strommen stated that she frankly does not care if McDonald's comes to Ramsey at this point. She stated that there were agreements made that have expired time and time again and they do not share information with the City. She agreed that this is a valuable piece of property and it should be available. She stated that last year the City stated that this would be the last extension and McDonald's did not even sign the agreement or provide the escrow.

Councilmember Kuzma stated that if the City were to bring action he does not think that would bring a bad light to the City but simply show that the City takes their agreements seriously.

Councilmember Williams agreed with Councilmember Kuzma's statement. She stated that real estate agreements such as this are often in place and when you do not fulfill the agreement the other party has the right to pursue their options and enact the clauses in the agreement.

City Administrator Ulrich stated that the City and McDonald's are both in different positions than they were when the property was sold and the City is in a good position to either build or take the property back. He stated that it is probably worth it to go back to McDonald's and ask them to clarify and express their intentions more clearly. He stated that if the development cannot continue as originally agreed upon to build, the City should then pursue their rights under the agreement to obtain the property.

Councilmember Kuzma confirmed that the restrictive covenants have been removed from the property.

Ms. Edstrom Smith provided clarifying information that the document states that the restrictive covenants are not in place because McDonald's was not in operation by the specified date.

Mayor Strommen confirmed the consensus of the Council to direct staff to reach out to McDonald's and clarify their intent noting that McDonald's would need to build immediately or the City will pursue their rights under the revert language.

Councilmember LeTourneau stated that McDonald's has not been truthful in their intentions thus far and would use this as another opportunity to push the can down the road and take up more time and the City would still not have control of the property. He asked if the City filed a lawsuit against McDonald's and McDonald's came back and said they would build by a certain date, could the City then stop the lawsuit and whether the City would then lose the ability to file suit again.

Ms. Edstrom Smith stated that if a suit is filed and McDonald's did respond in that manner, the City would not pull the suit simply on the word of McDonald's and would instead perhaps agree to slow play the lawsuit. She stated that either way the City would not lose the ability to file suit a second time.

2.02: Update Case: PSD LLC Business Park Proposal & Business Subsidy Request

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

Councilmember Williams stated that she likes this type of building.

Councilmember LeTourneau stated that he is excited and this provides a great opportunity. He stated that he needs for the EDA to be actively engaged in this process as he would love to have their feedback. He stated that if there is going to be a subsidy, it would need to follow the subsidy policy.

Councilmember Kuzma stated that he is interested in moving forward as well.

Mayor Strommen confirmed the consensus of the Council to support this in continuing to move forward to the EDA.

2.03: Arterial Infrastructure to Serve Ramsey's Future Business Park & Capstone Homes Development

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

Councilmember Riley asked for clarification in the difference between the net and gross amounts specified in the case. He noted that the amount specified in the case do not include the sewer and water costs, although there is identified financing for those utilities.

Asst. City Administrator/Economic Development Manager Brama stated that the gross amount of $3,680,000 includes the trunk water and sewer costs and that is removed from the net cost of $2,620,000

Councilmember Kuzma stated that Capstone is a great project and the business park is a great project but he would not be in favor of putting this on a tax levy. He stated that he would recommend other alternatives.

Councilmember Riley stated that the Capstone project looks great alone but noted that it is nice to see that there is another project in the business park potentially that will move forward at the same time which is a great sign of the future success of the business park. He agreed that he would not want to see the existing residents of Ramsey footing the bill, through a levy, to create a new development.

Mayor Strommen confirmed the consensus of the Council to support this to continue to move forward.

Steve Bono, Capstone Homes, stated that they are thrilled to be talking about another development which would be a large neighborhood with amenities. He stated that they were interested in obtaining Council input as they do want to move forward and wanted to ensure that the Council was supportive before they continue to move forward.

Mayor Strommen commended Capstone for attending the meeting and providing the necessary information so that the Council can be comfortable with the information provided to them.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

City Administrator Ulrich stated that staff is attempting to schedule Anoka Ramsey Athletic Association to come to an April worksession, as the Council last met with that organization two years ago. He stated that the Council would meet with the Planning Commission in April or May to check in on the Comprehensive Plan process.

Councilmember Riley suggested putting a timeline on the review of the process for the towing contract, as the process will need to be reviewed prior to the towing contract renewal.

4. MAYOR / COUNCIL / STAFF INPUT

Mayor Strommen stated that they were alerted today that the Highway 10 Rail Bill will have a two-minute hearing tomorrow in the House Transportation Finance Committee. She stated that staff alerted the Highway 10 Coalition. She plans to be present for the hearing but noted that it is unknown if the Committee will even get to all the bills. She stated that she will attempt to gather more information on the process but noted that they will only have two minutes. She stated that City Administrator Ulrich will be present and she will alert Councilmember Shryock in the case that she cannot attend. She stated that she does not feel that it is important for the other members

of the Council to attend as Anoka and Ramsey will be speaking together and because there will be so many others in the room, they will not be able to see if there is a large showing from Ramsey.

City Administrator Ulrich stated that Representative Whelan is sponsoring three large transportation bills between Anoka and Ramsey. He noted that at the regular Council meeting they will be recognizing the PACT Charter School and Anoka High School dance teams. He stated that staff is attempting to recognize more groups of this nature and encouraged the Council to provide suggestions of any other youth teams or organizations that they may know of.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:51 p.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

DRAFT

BOLTON & MENK

Real People. Real Solutions.

City of Ramsey

Future Business Park

March 2017 Update

Analysis and Report

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EXECUTIVE SUMMARY

The City of Ramsey identified the need to prepare for the development of a new business park within the City. A large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, was identified for a future Ramsey Business Park. A report was prepared in late 2015 and early 2016 which reviewed traffic impacts and outlined infrastructure needs related to business park area.

Development pressures have resulted in proposed land use changes for a portion of the study area. Phasing of the development activities in this area is also different than previously anticipated. As a result, the City requested an update to the previous analysis.

This update primarily includes a study of traffic impacts resulting from the revised anticipated land uses in the business park.

The updated analysis indicates the required improvements within the study area can be implemented based on the phasing plan currently proposed. Each series of improvements for Bunker Lake Boulevard and Puma Street can be implemented as the properties immediately adjacent to the roadways are developed.

Future improvements required to serve the area include:

- Expansion of Bunker Lake Boulevard (west of Armstrong Boulevard) to a four lane section,
- Expansion of the west end of Bunker Lake Boulevard and Puma Street to three lane sections,
- Construction of right turn lanes at entrances,
- Extension of an 18-inch sanitary sewer line along Bunker Lake Boulevard and Puma Street,
- North of the Puma Street/Bunker Lake Boulevard intersection, construction of a lift station,
- North of the lift station, extension of a 12-inch sanitary sewer gravity main,
- Extension of a 16-inch water main along Bunker Lake Boulevard and Puma Street,
- Use of regional rate control basins to maintaining existing flow rates into the COR,
- Installation of street lighting, trails/sidewalks, and landscaping consistent with City Policy, and
- Obtaining of ROW required for improvements during the platting process.

Total costs for all public improvements are approximately $6,819,000, assuming the project is constructed according to the phases described in this report. The costs are considered project costs and include 30% contingencies and project development costs (administrative, engineering, and fiscal).

Costs related to trunk sanitary sewer and trunk watermain were assumed to be paid from City utility funds. The City will need to develop a funding strategy for the remaining $5,419,000 in public improvement costs.

The information presented in this report is intended to allow for discussions with property owners and developers, as well as allow the City to begin considering funding options.

I. INTRODUCTION

The Ramsey City Council and Ramsey Economic Development Authority (EDA) identified the need to prepare for the development of a new business park within the City. The City identified a large area of privately owned green-field space located on the north side of Trunk Highway 10, west of Armstrong Boulevard, for a future Ramsey Business Park. A report was prepared in late 2015 and early 2016 which reviewed traffic impacts and outlined infrastructure needs related to the business park area. That report is incorporated by reference to this update.

Development pressures have resulted in proposed land use changes for a portion of the study area. Phasing of the development activities in this area is also different than previously anticipated. As a result, the City requested an update to the previous analysis.

The previous report provided a comprehensive analysis of the study area. This update focuses primarily on areas located adjacent to Puma Street, with a more cursory review of the remaining study area. Infrastructure needed and potential cost allocations related to the required improvements are included in this review.

The overall study area boundary remains unchanged from the previous study (see Figure 1).

II. LAND USE UPDATES

The primary land use changes relate to the area west of Puma Street and north of Bunker Lake Boulevard. The area west of Puma Street was previously a combination of Business Park and Medium Density Residential, and will now be all Medium Density Residential. The area north of Bunker Lake Boulevard had been Public, and will now be Business Park (see Figure 2 for updated land uses).

III. PRELIMINARY CONSIDERATIONS

The previous study described the roadway and public utility improvements required to serve the study area.

Public utility improvements are based on information contained in the City's Comprehensive Plans for sanitary sewer and water. The proposed updates in land use for this specific area are not anticipated to change the strategies contained in those Comprehensive Plans. The sanitary sewer and water system improvements, as outlined in the previous study, are still considered as base requirements for developments occurring in this area.

Roadway improvements require additional analysis based on the new land uses. Both the Average Annual Daily Traffic (AADT) and the Peak Hour turning movements are expected to change due to the updated land uses. The required roadway geometrics (number of through lanes, turns lanes, etc.) will be reviewed and compared to those described in the previous study.

Traffic patterns are expected to change as a result of the changes in land use. For example:

- For Business Park uses, traffic would be expected to enter the area in the morning (AM Peak Hour) and leave in the evening (PM Peak Hour).
- For Residential uses, traffic would be expected to leave the area during the AM Peak Hour and return during the PM Peak Hour.
- For Public, or School, uses, traffic would be expected to enter the area during the AM Peak Hour, leave during an early PM Peak Hour, and not impact the traditional PM Peak Hour. Also,

special events at School properties typically occur at off-peak times, creating congestion outside of the typical peak hours.

The updated land uses include Business Park areas being converted to residential, and also Public areas being converted to Business Park.

IV. DISCUSSION OF PHASES/IMPROVEMENTS

The previous analysis considered a phasing plan beginning a quarter of a mile west of Armstrong Boulevard and then systematically extending to the west along Bunker Lake Boulevard and then north along Puma Street. New development pressures create a revised phasing strategy for implementation of infrastructure improvements.

A Preliminary Plat is anticipated for the 87.8 acre property immediately west of Puma Street and extending from the Union Pacific Railroad tracks to Alpine Avenue. This area is anticipated to ultimately contain 351 lots and be phased from south to north.

The current phasing strategy is depicted on Figure 3. A discussion of the phasing, along with required infrastructure improvements is described below:

A. Phase 1A

The phase 1A improvements are as depicted on Figure 4. The developments will include both Residential and Business Park uses.

The public utility improvements will consist of extending the sanitary sewer and water mains to Puma Street. The utilities will need to be extended beyond the future roadway improvements to avoid the need to impact those facilities when future phases occur.

The roadway improvements will include construction of Bunker Lake Boulevard from the previously constructed west access to the former school property to Puma Street.

B. Phase 1B

See Figure 5 for the anticipated Phase 1B development area. The improvements will include both Residential and Business Park uses, extending north from the Phase 1A development area. The Phase 1B development area is anticipated to extend to the low area along Puma Street.

The public utility improvements will consist of extending the sanitary sewer and water mains north along Puma Street. The utilities will need to be extended beyond the future roadway improvements to avoid the need to impact those facilities when future phases occur.

The roadway improvements will include construction of Puma Street from Bunker Lake Boulevard to the low area along Puma Street.

C. Phase 2

See Figure 6 for the anticipated Phase 2 development area. The improvements are anticipated to consist entirely of residential uses, extending from the low area along Puma Street to Alpine Drive.

The public utility improvements will consist of extending the sanitary sewer and water mains north along Puma Street. The utilities will need to be extended to Alpine Drive, with consideration given to future extensions along Alpine Drive.

The roadway improvements will include construction of Puma Street from the low area

along Puma Street to Alpine Drive.

D. Future Phase

The future phase of development is depicted on figure 7, and includes an area east of the Phase 1A, Phase 1B and Phase 2 improvements.

The area includes Business Park uses. The north half of Bunker Lake Boulevard, along with sanitary sewer and water mains have been constructed through this area. Roadway improvements will include construction of the south half of Bunker Lake Boulevard.

E. Area of Additional Consideration

This area is depicted on Figure 8 and is comprised of the areas along the first ¼ mile of Bunker Lake Boulevard west of Armstrong Boulevard which may access Bunker Lake Boulevard in the future. There is the potential for this area to be developed as a commercial/retail center, which would be a significant traffic generator. There is also the potential for the property located south of Bunker Lake Boulevard to access Armstrong Boulevard at 147th Avenue, which would relieve stress on the Bunker Lake Boulevard and Armstrong Avenue intersection.

V. ASSUMPTIONS CARRIED FORWARD

The primary focus of this analysis is related to providing infrastructure to serve development along Puma Street in the near future. In the previous study, assumptions were made that should be considered by the City as developments are brought forward. The following is a summary of those items:

Right-of-Way Requirements

We have assumed that most of the required improvements will be development driven and Right of Way will be secured through the platting process. The City will need to review the right of way required and secure needed easements during the Preliminary Platting process.

Phased Improvements

A general understanding of the improvements required to ultimately serve the area along with an anticipated sequencing of the improvements is described above. Changes in the sequencing of the improvements could impact the facilities needed for each phase and the costs associated with those improvements.

Jurisdictional Authority/Approvals/Permits

As the project moves from the planning stages to design and construction, permits will be required from various agencies. The following agencies will be permitting entities for considered improvements:

- Minnesota Department of Transportation State Aid: Bunker Lake Boulevard and Puma Street are State Aid routes,
- Minnesota Pollution Control Agency: NPDES Storm Water Permit,
- Minnesota Pollution Control Agency: Sanitary Sewer Extension Permit,
- Minnesota Department of Health (MDH): Watermain Extension and Dewatering,
- Anoka County: Work in Right of Way, and
- Lower Rum River Watershed Management Organization: Storm Water.

Both MnDOT and Anoka County were engaged during the previous study process. Comments from both agencies are reflected in the improvements considered in this report.

Previous Improvements

Significant consideration and planning was completed prior to completion of the improvements constructed in 2011. Those improvements included street, trail, sanitary sewer and water distribution. Additionally, consideration was given to storm water management strategies and a potential 30-inch raw watermain from a future intake on the Mississippi River to the proposed site of the water treatment plant, just south of Fire Station No. 1. All previous analyses and reports are considered as a part of this analysis.

VI. ADDITIONAL ANALYSIS

In the previous analysis, we completed traffic and storm water studies and reviewed City Comprehensive Plans for sanitary sewer and water main needs for the study area. Based on the changes in proposed land use, the traffic study requires revisions. The storm water requirements, along with the sanitary sewer and water main needs, are unchanged as a result of the revised land uses. The following paragraphs relate key findings of the traffic analysis. The complete analysis is included in Appendix B of this report.

a. Traffic Analysis Update

The traffic analysis was completed to determine required lane geometry for Bunker Lake Boulevard and Puma Street, along with turn lane requirements at four intersections in the study area.

The revised land uses result in an increase of 18,100 trips per day into and out of the area at full build. This is at the low end of the range previously calculated for the area (18,500 to 23,300).

Note: Short term improvements are intended to mitigate current safety or operations problems, along with full development of the Study Area. Mid-term improvements are anticipated safety related improvements that may be required within the study area. Long-term improvements are anticipated safety improvements required as a result of growth in the region.

b. Short Term Improvements

- Armstrong Boulevard & Bunker Lake Boulevard:
    - Bunker Lake Boulevard is proposed to be reconstructed in the near future by Anoka County to a four lane divided road between Ramsey Boulevard and Armstrong Boulevard. The dual southbound left turn lanes at this intersection will be striped when Bunker Lake Boulevard is reconstructed. A southbound double left turn lane will help reduce queues entering the COR development.
    - Plan for eastbound dual-right turn lanes, two eastbound through lanes, and a 300 ft. left turn lane.
- Bunker Lake Boulevard (west of Armstrong Boulevard):
    - Expand to a four lane section for development to the first full access to the west of Armstrong Boulevard. This will be between 540 ft. to 775 ft., depending on access from the COR to Bunker Lake Boulevard.

- The eastbound approach should include a left turn lane, two through lanes, and one right turn lane.

- Bunker Lake Boulevard (west of commercial section to Puma Street):
  - Expand to a three lane section for development.
  - Right turn lanes (locations and lengths) will be determined based on development type. Right turn lanes will typically be required where development related trips are anticipated to be more than 100 per day.

- Puma Street:
  - Expand to a three lane section for development (two through lanes and one center left turn lane). Depending on what type of developments occur on the east side of Puma Street, and where those accesses are located, Puma Street could potentially remain as a two lane roadway.
  - Right turn lanes (locations and lengths) will be determined based on development type.

- Bunker Lake Boulevard & Puma Street Intersection:
  - An all-way stop or single lane roundabout will operate adequately at this intersection for the 2040 Full-Build conditions. A southbound left turn lane and westbound right turn lane are recommended for an all way stop.

c. Mid-Term Improvements

- See attached Traffic Memorandum in Appendix B.

d. Long-Term Improvements

- See attached Traffic Memorandum in Appendix B.

e. Discussion of Findings

- The required improvements within the study area can be implemented based on the phasing plan described above. Each series of improvements for Bunker Lake Boulevard and Puma Street can be implemented as the properties immediately adjacent to the roadways are developed.
- Puma Street could potentially be developed as a two lane section with right and left turn lanes at key access points. This will depend on access point locations, type of development on the east side of Puma Street, and location of accesses along the corridor. We recommend proceeding with the three lane section at this time due to the uncertainties of development in the area.
- For Phase 1A, right turn lanes will most likely be required both eastbound and westbound along Bunker Lake Boulevard and southbound along Puma Street at proposed access locations. Temporary paving will be required to transition back to the existing Bunker Lake Boulevard and the existing Puma Street.
- For Phase 1B, right turn lanes will most likely be required both northbound and southbound along Puma Street at proposed development access locations. Temporary paving will be required to transition back to the existing Puma Street.
- For Phase 2, right turn lanes will most likely be required both northbound and southbound along Puma Street at proposed development access locations.

- For the Future Phase, right turn lanes will most likely be required along Bunker Lake Boulevard in both the eastbound and westbound directions. Temporary paving will be required to transition back to the existing Bunker Lake Boulevard.
- Our analysis indicates that, while nearing capacity, the intersection of Bunker Lake Boulevard and Armstrong Boulevard will not require improvements until the Area of Additional Consideration is developed.

VII. ADDITIONAL IMPROVEMENT CONSIDERATIONS

For more detailed information of each of the following items, please reference the previous study report.

Street Lighting

The costs included for street lighting were derived from recent projects within the City of Ramsey.

Trails/Sidewalks

Project costs shown in this report include trails along the south side of Bunker Lake Boulevard and the east side of Puma Street.

Phase Transitions

Bunker Lake Boulevard and Puma Street will be constructed to wider sections than currently exist. Because the roadways will be constructed in phases, they will need to taper to meet the existing, narrower roadway widths. These taper sections will then be removed as the next phase of improvements is completed. Costs were included in each phase for these tapering roadway sections.

Right Turn Lane Additions

Right turn lanes will be required at each access off of Bunker Lake Boulevard and Puma Street. The actual access locations will be dependent upon the type of land use and internal site characteristics. We included allowances for the right turn lanes in each phase for budgeting purposes.

Landscaping

The improvements considered with this report include a very utilitarian landscaping approach to the area. Bituminous trails and lighting were included, but other features, such as trees, shrubs, decorative features and monuments are not included in the estimated project costs.

Right of Way and Easements

We assumed that required rights of way would be dedicated as a portion of the development process and no costs are included in the project costs for acquisitions.

VIII. COST CONSIDERATIONS

Costs were developed based upon phased implementation. The phasing is as depicted on the figures in Appendix A. All costs presented in the following pages are 2017 costs, with no allowance for inflation.

Phases 1A, 1B and 2

Improvement Type	Phase 1A	Phase 1B	Phase 2
Roadway	$ 795,000	$ 940,000	$ 675,000
Roadway Transitions	$ 66,000	$ 78,000	$ 56,000
Right Turn Lanes	$ 132,000	$ 156,000	$ 112,000
Trails/Sidewalks	$ 106,000	$ 125,000	$ 90,000
Storm Water Management	$ 0	$ 48,000	$ 16,000
Street Lighting	$ 76,000	$ 90,000	$ 65,000
Trunk Water	$ 154,000	$ 182,000	$ 131,000
Trunk Sanitary Sewer	$ 179,000	$ 545,000	$ 179,000
Total Costs/Phase	**$ 1,508,000**	**$ 2,164,000**	**$ 1,324,000**
Total Costs less Public Utilities	**$ 1,175,000**	**$ 1,437,000**	**$ 1,014,000**

Future Phases

Improvement Type	Future East	Additional Area
Roadway	$ 628,000	$ 580,000
Roadway Transitions	$ 62,000	$ 58,000
Right Turn Lanes	$ 52,000	$ 48,000
Trails/Sidewalks	$ 115,000	$ 106,000
Storm Water Management	$ 0	$ 0
Street Lighting	$ 75,000	$ 69,000
Trunk Water	$ 19,000	$ 0
Trunk Sanitary Sewer	$ 11,000	$ 0
Total Costs/Phase	**$ 962,000**	**$ 861,000**
Total Costs less Public Utilities	**$ 932,000**	**$ 861,000**

Total Cost all Phases	**$ 6,819,000**
Total Cost all Phases less Public Utilities	**$ 5,419,000**

The above costs are considered project costs and include 30% contingencies and project development costs. Project development costs include administrative, engineering, and fiscal related costs.

The roadway transition costs are allotments for phase transitions associated with tapering pavements sections to match in-place sections where required, and subsequent removals of the transition areas.

The right turn lane costs depicted in the tables include a 150 ft turn lane with 1:10 taper sections.

Street lighting costs are based upon recent installations within the City of Ramsey.

For storm water management, costs were included for manholes, catch basins, and pipe within the street sections and included in the roadway costs. For Phases 1B and 2, ponding costs were included for excavation related activities. We assumed a ponding area would be acquired through the platting process, and ponding within a development site would be expanded to include volume for roadway drainage.

The Phase 1A limits are based upon the area that can be served by a gravity sanitary sewer system. The Phase 1B sanitary sewer costs include a lift station and forcemain.

IX. COST ALLOCATION ALTERNATIVES

The costs, or a portion of the costs, of the improvements are typically allocated back to adjacent properties through the use of assessments, fees and other methods. The costs are typically allocated in a way that is equitable to the properties benefitting from the improvements. Public improvements that will become City owned and maintained are typically constructed through a public process, while secondary improvements are constructed by the developer. For our analysis, we assumed the following items would be constructed through the public process:

- Bunker Lake Boulevard and Puma Street, including storm water conveyance systems,
- Trunk Water Facilities,
- Trunk Sanitary Sewer Facilities,
- Trails, and
- Street Lighting.

While the street lights will most likely be installed by a private utility and the trails could potentially be constructed by the property owner, we have included these items as public improvements.

Other improvements were considered secondary and are typically the property owner's responsibility to install:

- Sanitary Sewer Service Extensions,
- Water Service Extensions,
- Natural Gas Lines to Buildings,
- Telephone Service to Buildings,
- Electric Service to Buildings,
- Site Grading,
- Site Landscaping,
- Site Storm Water Conveyance,
- Storm Water Ponding, and
- Easement Dedication.

These types of improvements are typically inspected by the City for conformity with applicable codes and standards, but are constructed by the property owner.

Figure 9 depicts the parcels considered for this report and also provides additional information related to each parcel. Similar information is presented in the following table:

Identification Number	Zoning Classification	Gross Area less NWI Area (Acres)	Adjusted Frontage (Ft)
Phase 1A			
1	B-2 Business District	20.307	1,358
2	B-2 Business District	10.843	1,002
4	R-2 Medium Density Residential	9.231	120
5	R-2 Medium Density Residential	19.691	399
Phase 1A Totals		**60.072**	**2,879**
Phase 1B			
6	B-2 Business District	27.116	1,141
7	R-2 Medium Density Residential	16.022	928
Phase 1B Totals		**43.138**	**2,069**
Phase 2			
8	R-1 Low Density Residential	28.338	683
9	R-1 Low Density Residential	4.107	419
10	R-2 Medium Density Residential	35.285	1,289
Phase 2 Totals		**67.730**	**2,391**
Future			
11	B-2 Business District	24.801	1,343
12	B-2 Business District	23.324	1,345
13	B-2 Business District	11.529	0
Future Phase Totals		**59.654**	**2,688**
Additional Area			
14	COR	7.507	1,263
15	R-1 MUSA	7.878	1,261
Additional Area Totals		**15.385**	**2,524**
Totals all Phases		**245.979**	**12,551**

Note: The table above includes a column for Gross Area – NWI Area. This represents the total area of the parcel based on GIS mapping, less the wetland area per the National Wetland Inventory (NWI) GIS mapping.

The zoning classifications listed in the table above are based on anticipated future zoning for the study area. Gross areas and frontages are based on GIS information and will most likely be refined during subsequent phases of project development.

A portion of the improvements will be paid by the City either through utility funds or other means. A list of assumptions is as follows:

- All trunk water and sanitary sewer system costs will be paid for through the City utility funds,
- Storm water management costs are related to ponding and are considered integral to roadway construction,
- Assessments will be made to benefitting properties as each phase is constructed,
- Two standard methods of assessments were analyzed including: Frontage and Area.
- The City's existing assessment policy very closely matches the Frontage method, and
- Gross acreage (less NWI Wetland acreage) was used in lieu of net developable acreage in the calculations below.
- Lot 3 was not considered in the assessments as the lot is zoned residential. The resultant assessment amounts are considered negligible related to the entire Business Park area.
- Lots 14 and 15 abut Armstrong Boulevard, a County roadway, and will access off of Bunker Lake Boulevard. Lots 1 and 4 abut a portion of the Puma Street right of way that is anticipated to be vacated. Lots 8, 9 and 10 abut Alpine Drive, but access will be limited to Puma Street.

The table below depicts a distribution based on all costs being assessed to the benefitting properties. We have assumed for this analysis the costs would be assessed to properties benefitting from each phase of construction. For instance, properties directly benefitting from Phase 1 improvements would be assessed for Phase 1 costs at the time of Phase 1 improvements.

Calculations were based on the areas and front footages, along with the costs per phase as developed earlier within this report. Trunk sanitary sewer and trunk watermain were considered City costs and were not included in the calculations. While this study focuses primarily on Phases 1 – 3, the future phase and the area of additional consideration were included for comparison. A summary of the unit costs used in the calculations is presented below:

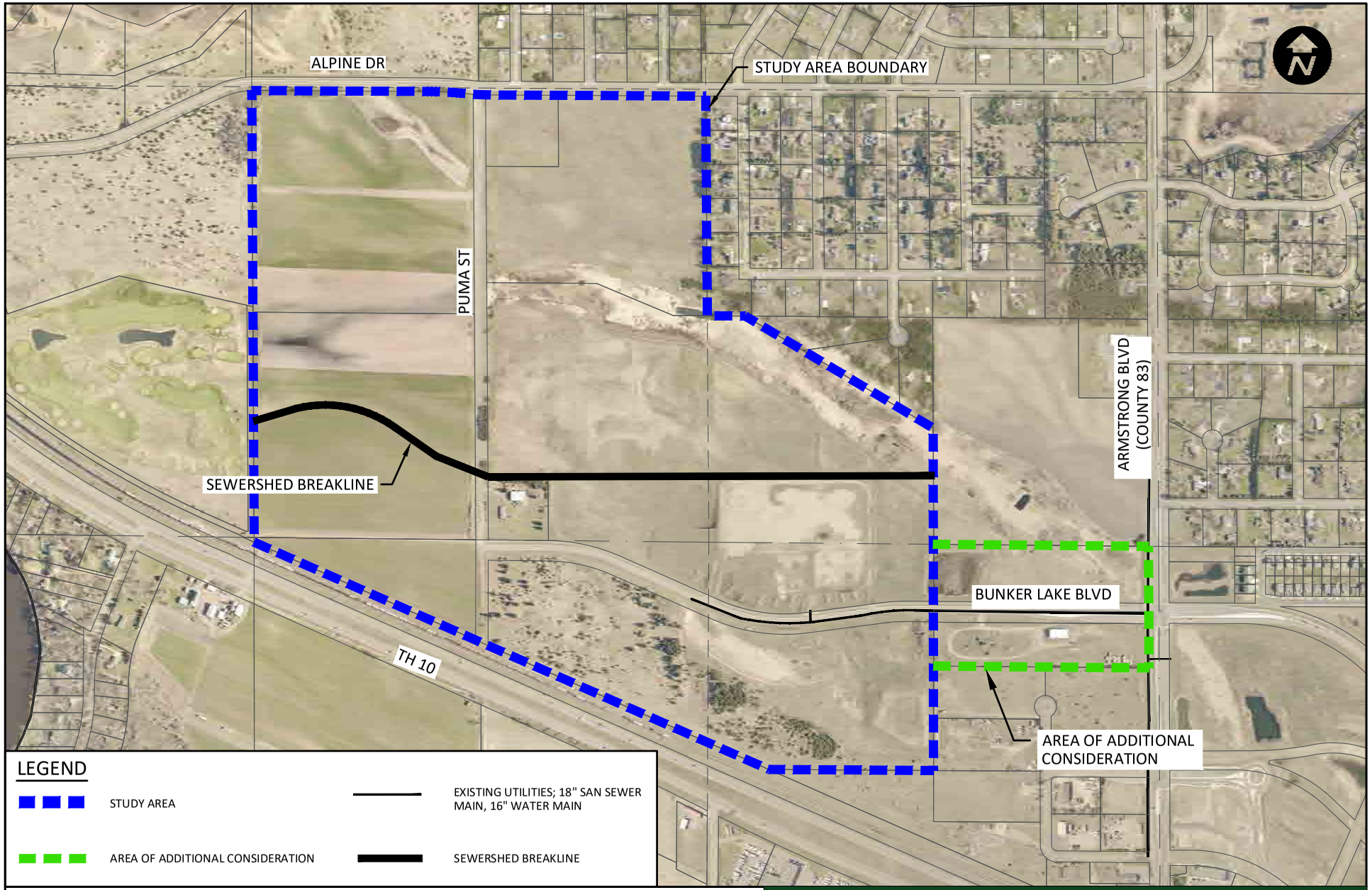
Phase	Frontage Method (Cost/FF)	Area Method (Cost/Acre)
1A	$ 408.13	$ 19,559.86
1B	$ 694.54	$ 33,311.70
2	$ 424.09	$ 14,971.21
Future	$ 346.73	$ 15,623.43
Additional Area	$ 341.13	$ 55,963.60

Based on the above cost distribution, the potential assessments per lot per phase is depicted below:

Identification Number	Frontage Method	Area Method
Phase 1A		
1	$ 554,200	$ 397,200
2	$ 409,000	$ 212,100
4	$ 49,000	$ 180,500
5	$ 162,800	$ 385,200
Phase 1A Totals	**$ 1,175,000**	**$ 1,175,000**
Phase 1B		
6	$ 792,500	$ 903,300
7	$ 644,500	$ 533,700
Phase 1B Totals	**$ 1,437,000**	**$ 1,437,000**
Phase 2		
8	$ 289,700	$ 424,300
9	$ 177,700	$ 61,500
10	$ 546,700	$ 528,300
Phase 2 Totals	**$ 1,014,000**	**$ 1,014,000**
Future Phase		
11	$ 465,700	$ 387,500
12	$ 466,400	$ 364,400
13	$ 0	$ 180,100
Future Phase Totals	**$ 932,000**	**$ 932,000**
Additional Area		
14	$ 430,800	$ 420,100
15	$ 430,200	$ 440,900
Additional Area Totals	**$ 861,000**	**$ 861,000**
Total all Phases	**$ 5,419,000**	**$ 5,419,000**

The information presented in this section of the report is intended to allow for discussions with property owners and developers to be initiated. Refinement of the amounts presented is anticipated based on those discussions.

Appendix A: Figures



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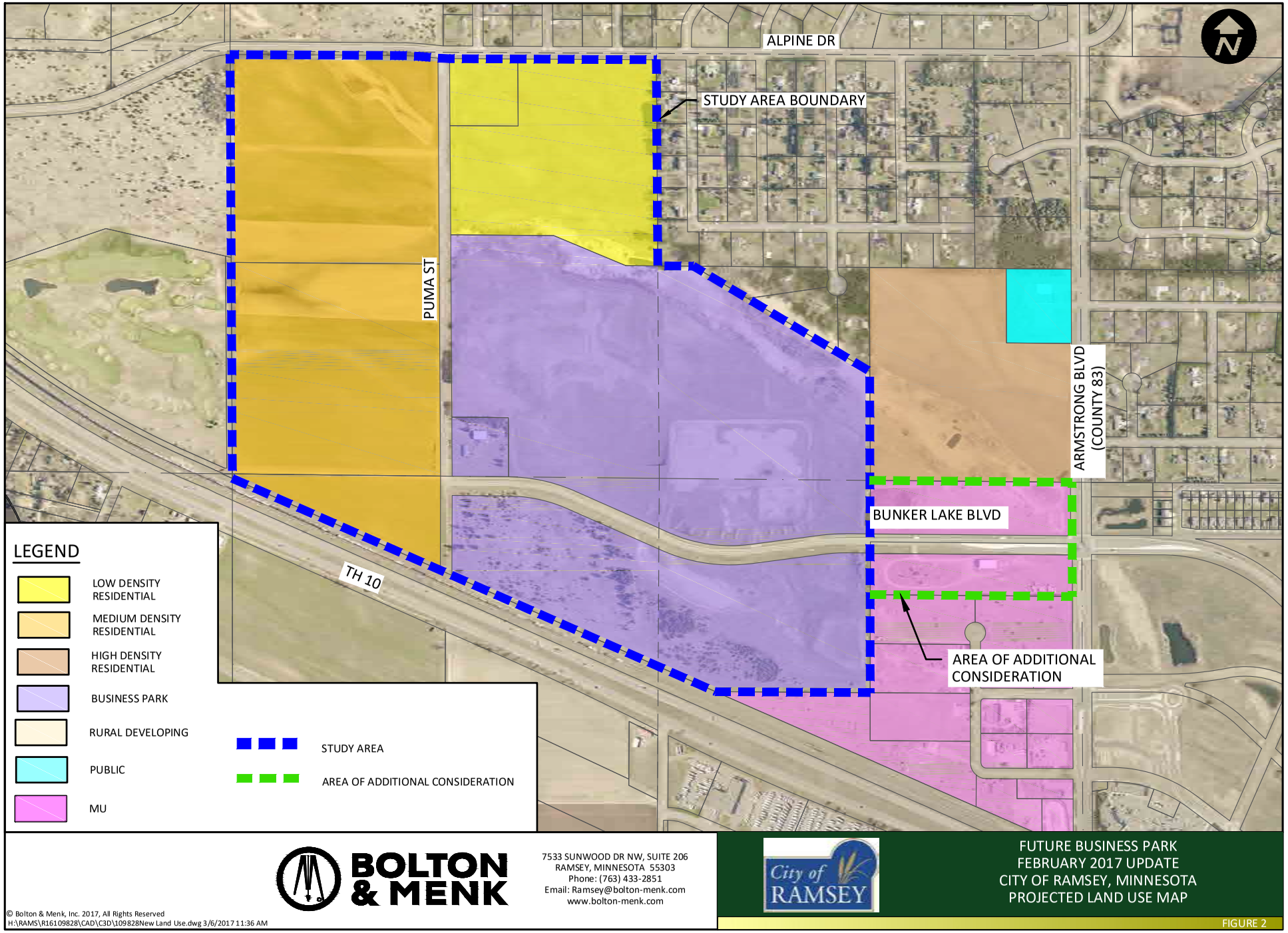
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City of RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
LOCATION & EXISTING CONDITIONS

FIGURE 1

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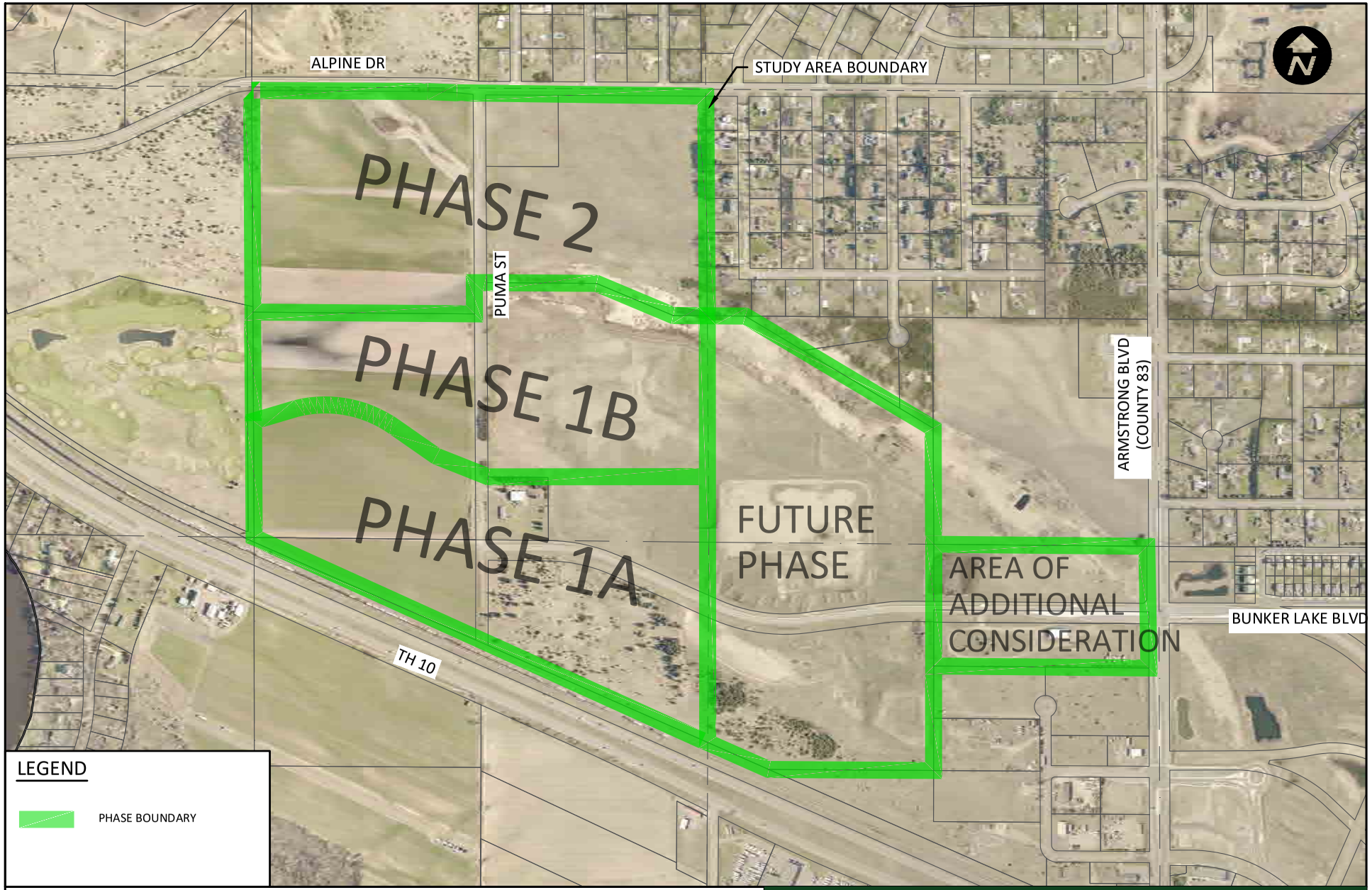
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City of RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PROJECTED LAND USE MAP

FIGURE 2

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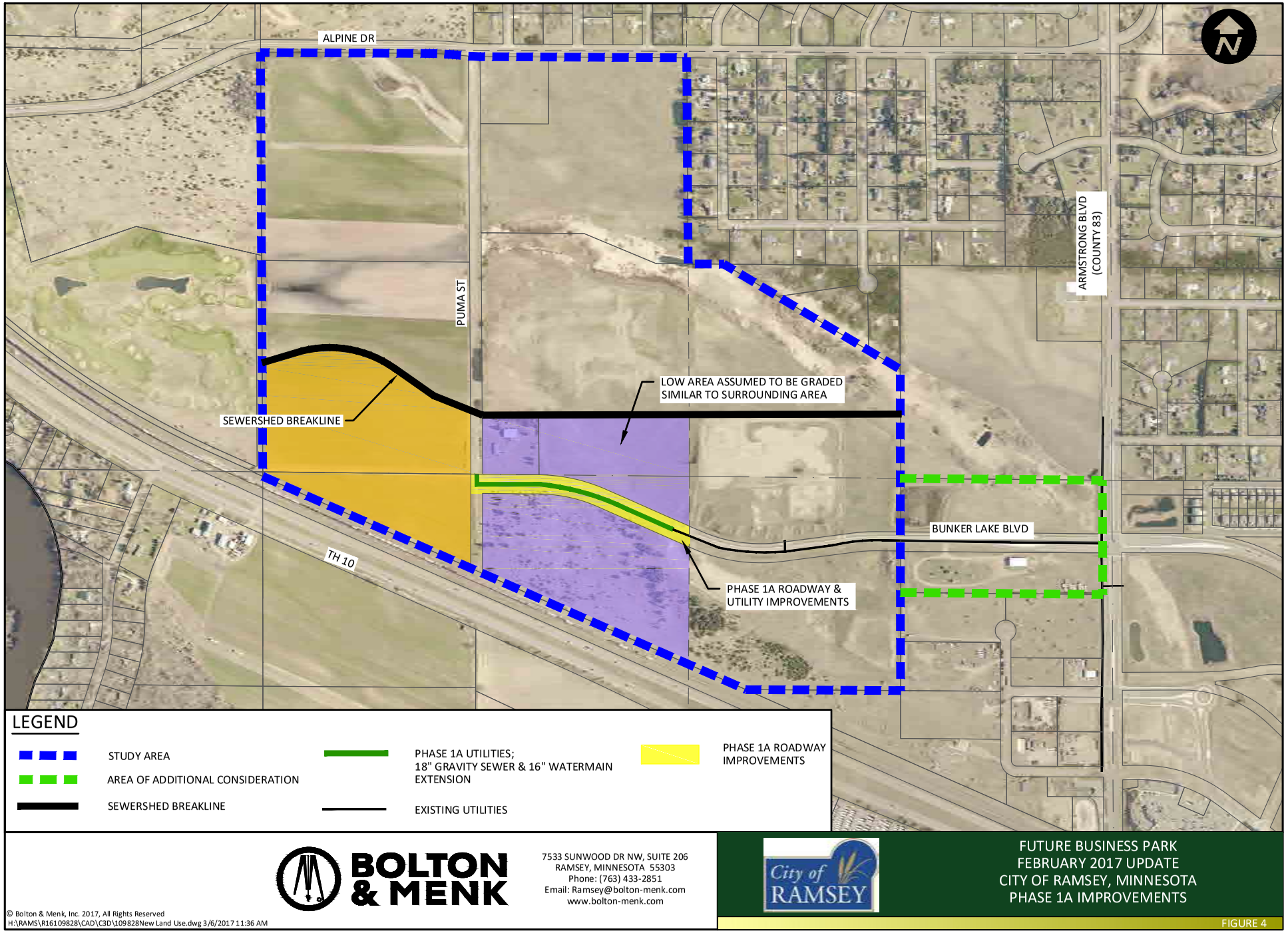
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City of RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PHASING MAP

FIGURE 3

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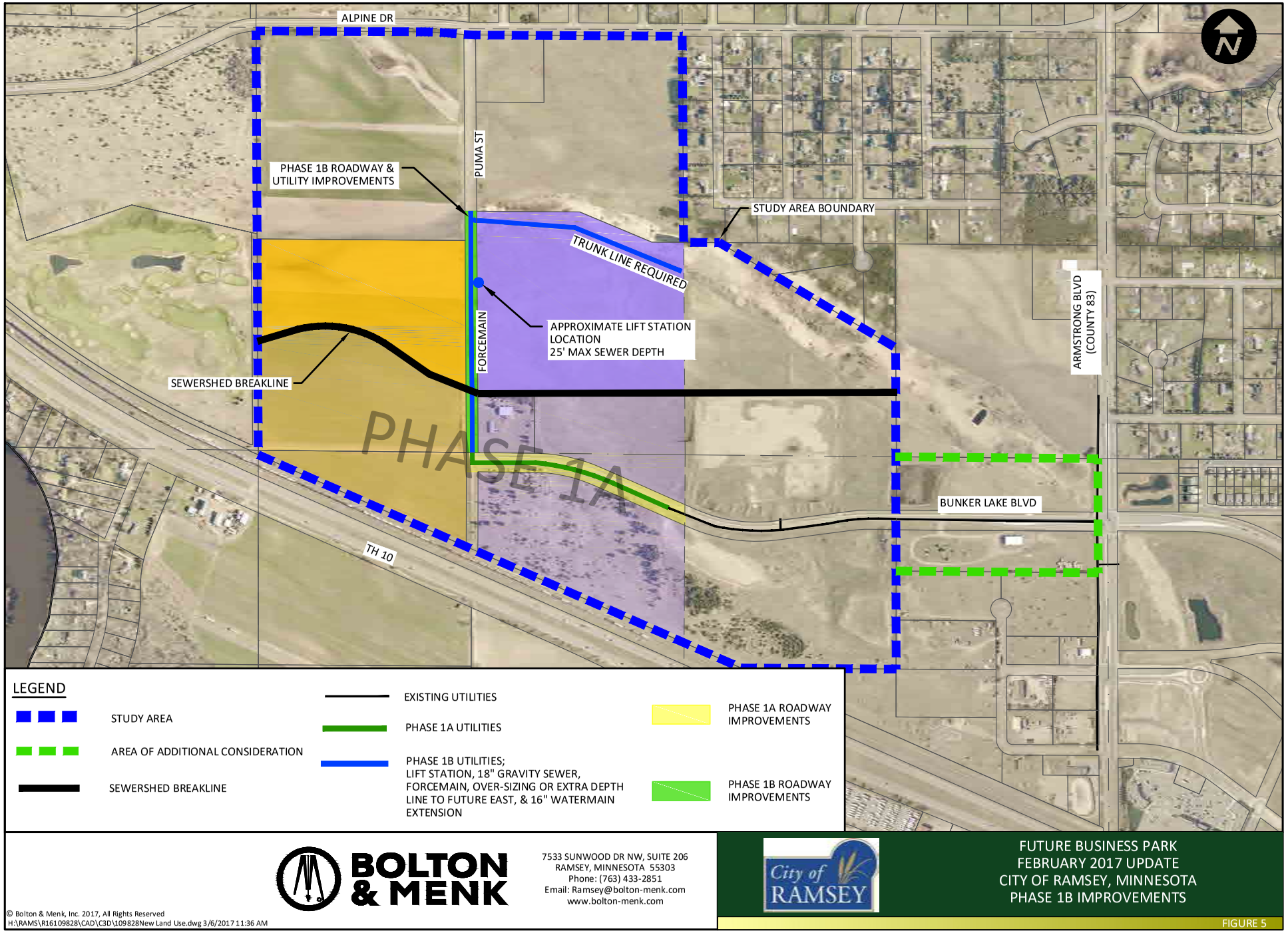
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FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PHASE 1A IMPROVEMENTS

FIGURE 4

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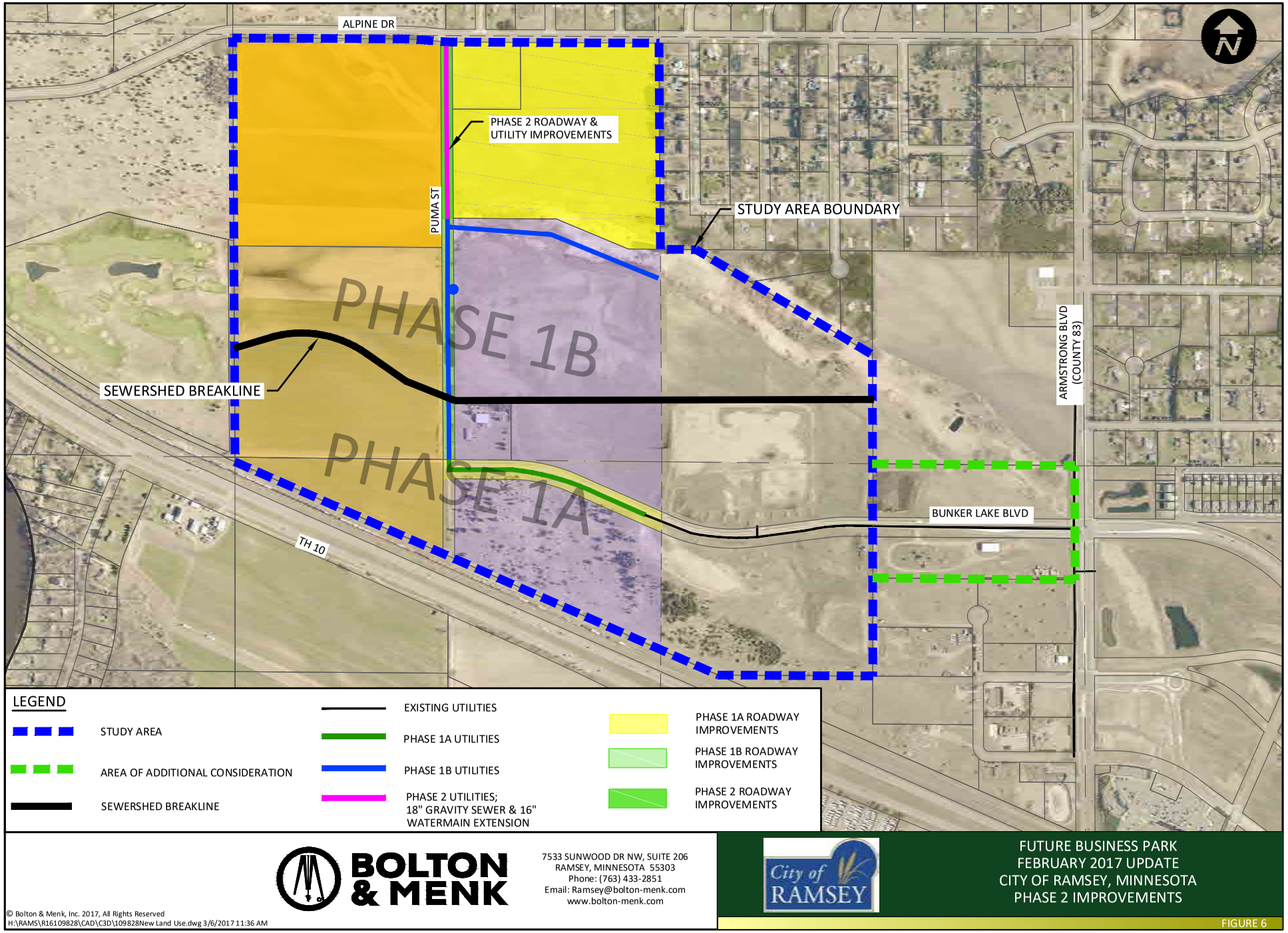
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FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
PHASE 1B IMPROVEMENTS

FIGURE 5

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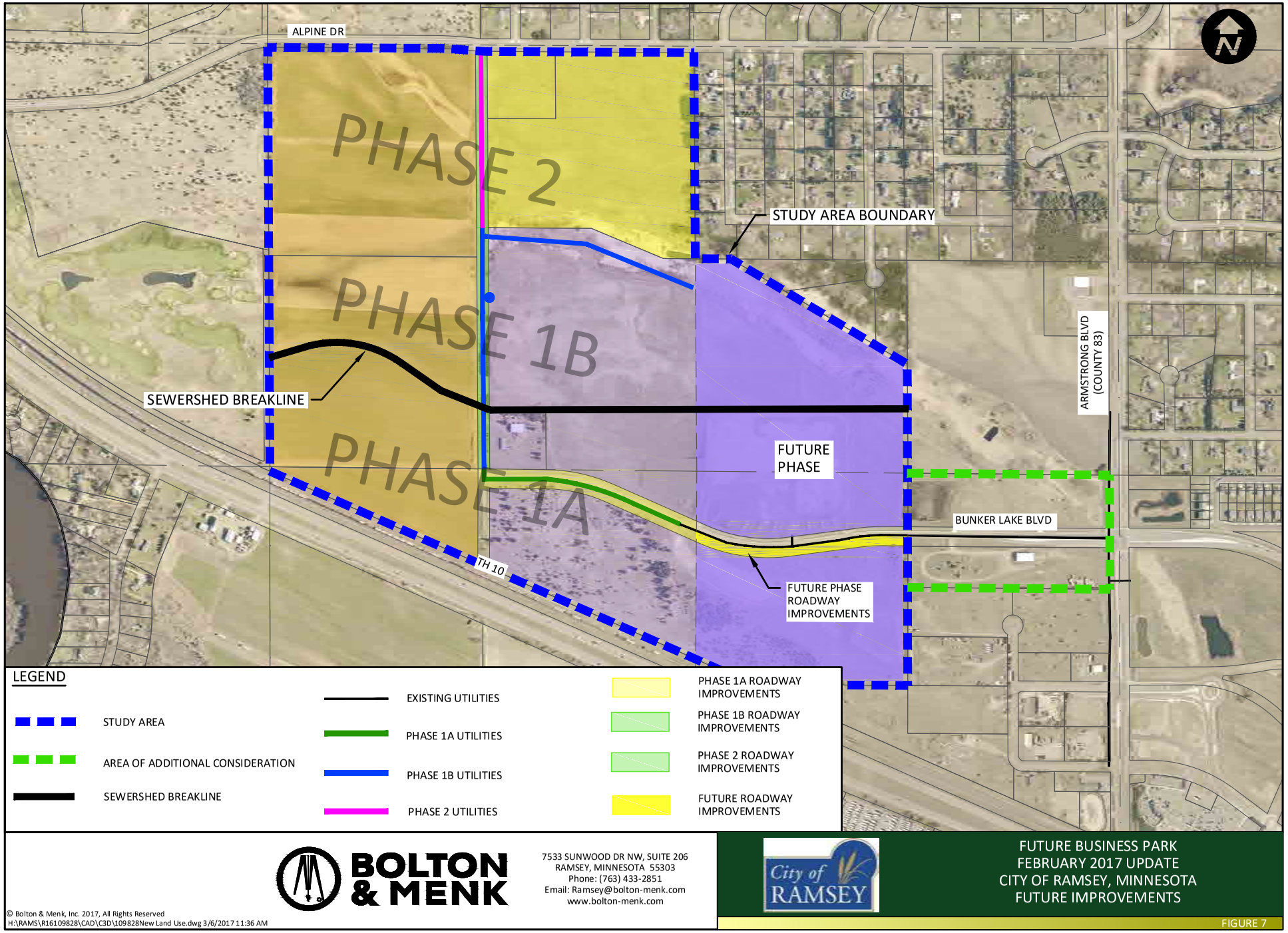
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FUTURE BUSINESS PARK
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CITY OF RAMSEY, MINNESOTA
PHASE 2 IMPROVEMENTS

FIGURE 6

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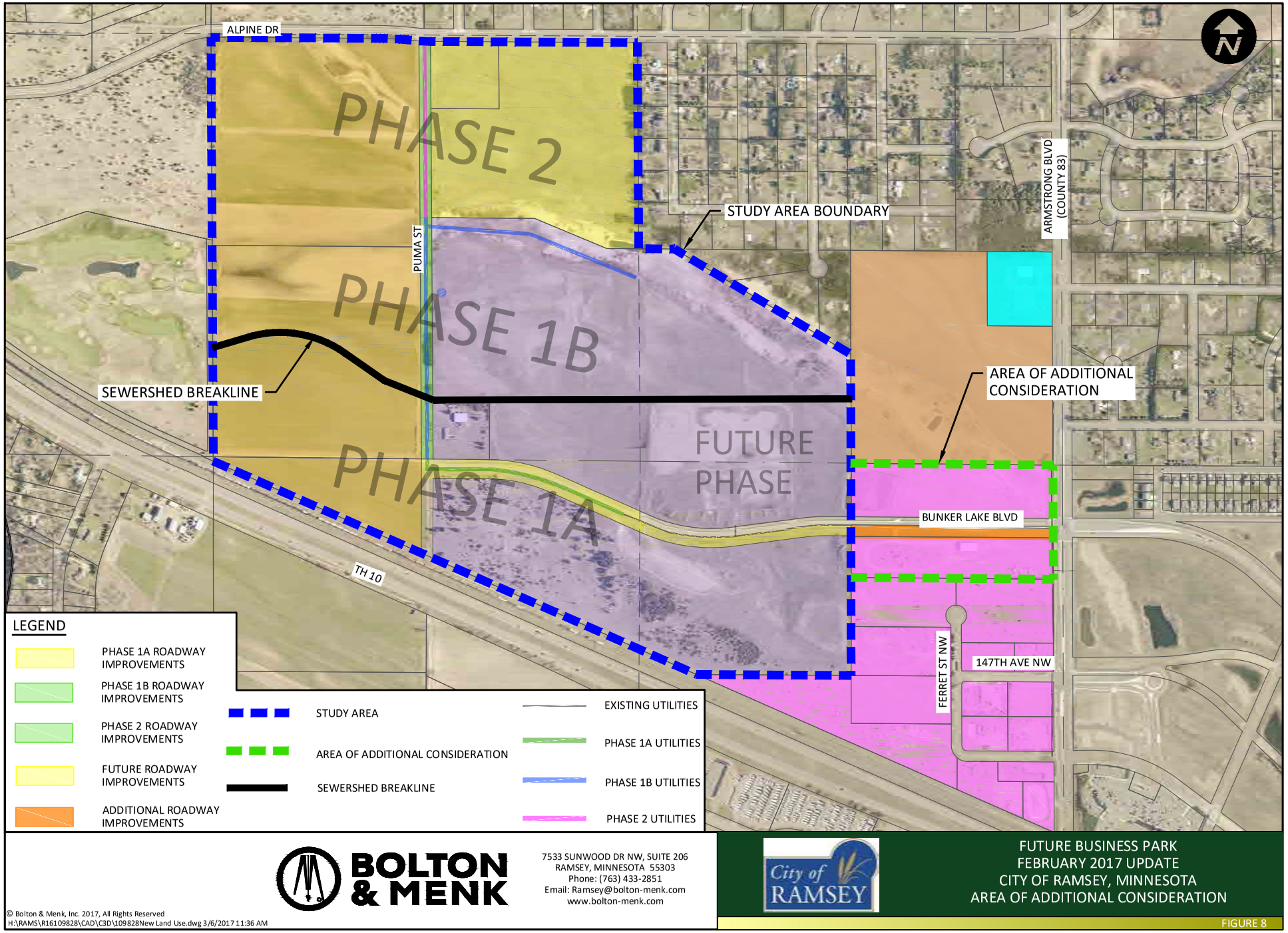
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FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
FUTURE IMPROVEMENTS

FIGURE 7

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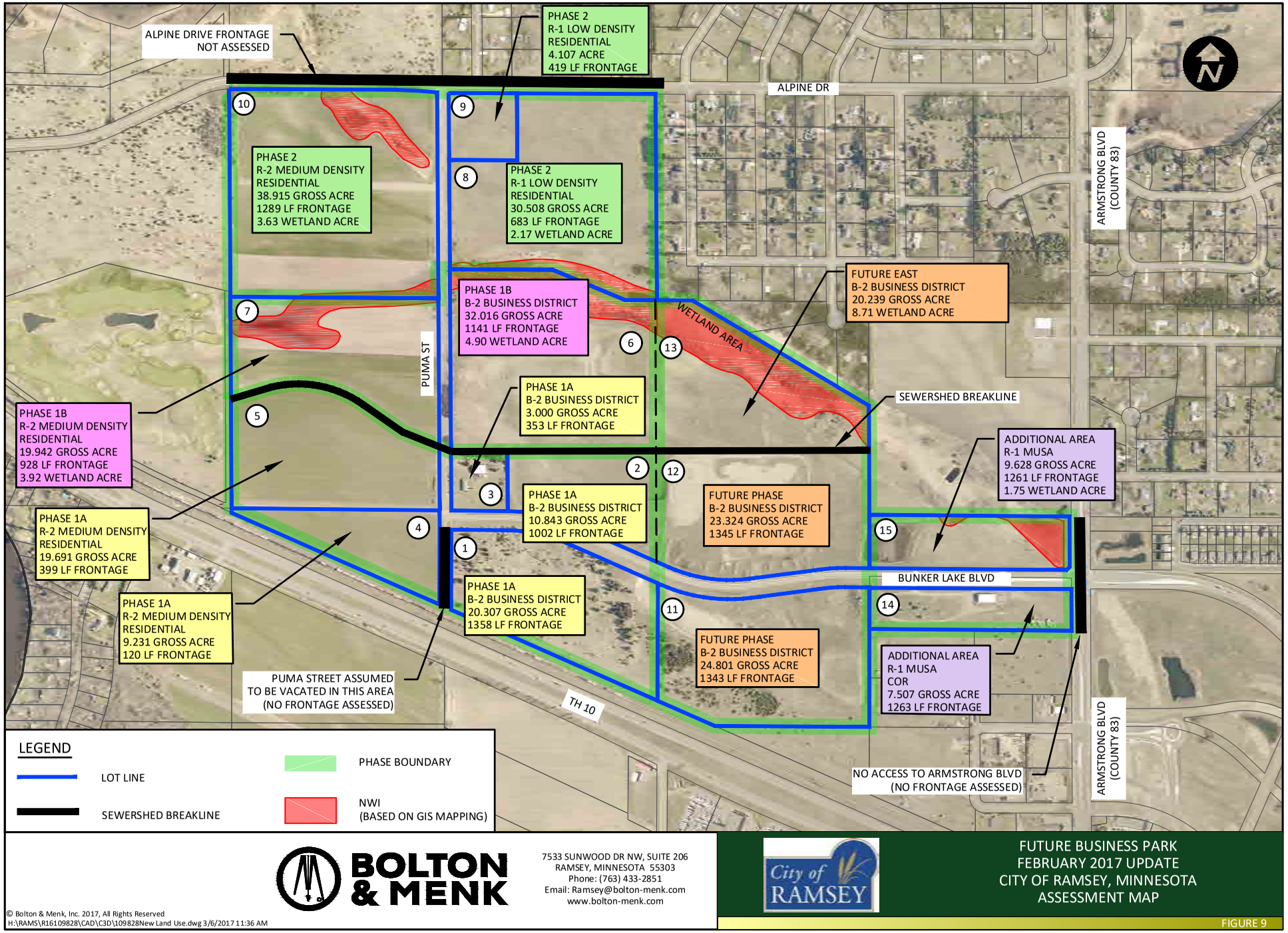
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City of RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
AREA OF ADDITIONAL CONSIDERATION

FIGURE 8

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City of RAMSEY

FUTURE BUSINESS PARK
FEBRUARY 2017 UPDATE
CITY OF RAMSEY, MINNESOTA
ASSESSMENT MAP

FIGURE 9

Appendix B: Traffic Study

BOLTON & MENK
Real People. Real Solutions.

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Burnsville, MN 55337-1649

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Fax: (952) 890-8065
Bolton-Menk.com

TRAFFIC MEMORANDUM

Date: January 27, 2017

To: City of Ramsey

From: Bryan Nemeth, P.E., PTOE

Subject: Supplemental Traffic Memorandum
Traffic Impact Study for Future Business Park: October 21, 2015
City of Ramsey, MN
Project No.: R16.109828

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

By: _____
Bryan T. Nemeth, P.E., PTOE
License No. 43354

Date: January 27, 2017

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I. Introduction

This traffic memorandum provides an update to the Traffic Impact Study for Future Business Park, October 21, 2015, in Ramsey, MN. The update includes analysis of a revised Proposed Future Land Use plan for the area.

The revised analysis results in an increase of approximately 18,100 trips per day into and out of the area at 2040 Full Build. This is an overall reduction in trips compared to the previous land use alternatives proposed.

The analysis evaluates the mitigation needs Bunker Lake Blvd west of Armstrong Boulevard (CSAH 83) and Puma Street south of Alpine Drive. This includes the intersection of Armstrong Blvd (CSAH 83) at Bunker Lake Blvd (CSAH 116).

II. Recommendations

A. Intersection and roadway improvements along Bunker Lake Blvd (west of Armstrong Blvd) and Puma St. (south of Alpine Dr.) are revised as follows.

1. Short Term

a) Armstrong Blvd & Bunker Lake Blvd: Stripe the southbound left with dual left turn lanes. No other roadway improvements needed in the short term. Signal timing updates recommended.

(1) Plan for eastbound dual right turn lanes or free-right turn lane and two eastbound thru lanes in the future (See Long Term Recommendations).

b) Bunker Lake Blvd (west of Armstrong Blvd)

(1) COR area:

(a) With COR access to Bunker Lake Blvd: 4-lane divided roadway to full access intersection. Full access 775 ft. from Armstrong Blvd. Right-in/right-out access at least 475 ft. from Armstrong Blvd. Continuous median to full access.

(b) Without COR access to Bunker Lake Blvd: 4-lane Divided to full access intersection. Full access 540 ft. from Armstrong Blvd. Right-in/right-out access at least 475 ft. from Armstrong Blvd. Continuous median to full access.

(2) COR to Llama St. Alignment: 3-lane undivided roadway, right turn lanes into development roadways. Primary intersection spacing of 1/8 mile.

(3) Llama St. Alignment to Puma St.: 3-lane undivided roadway, right turn lanes into development roadways where development trips anticipated to be over 100 per day. Primary intersection spacing of 1/8 mile.

c) Puma St.: Potentially remain a 2-lane undivided roadway. Left turn lanes into Business Park accesses. Right turn lanes provided where development trips anticipated to be over 100 per day.

d) Bunker Lake Blvd & Puma St.: Single lane roundabout or all-way stop

control. Southbound left turn lane and westbound right turn lane recommended with all-way stop control.

2. Mid-Term

a) Armstrong Blvd & Alpine Dr.: Single lane roundabout. Intersection control evaluation study should be completed to verify.

b) Alpine Dr. & Puma St.: Add eastbound right turn lane. Add a northbound turn lane to separate left and right turns. Add a westbound left turn lane when needed. This need to be based on delay and crash experience, especially if there is trip redistribution due to congestion on Armstrong Blvd.

3. Long-Term

a) Armstrong Blvd & Bunker Lake Blvd: Dual eastbound right turn lanes or free right turn lane. Dual right turn lanes are recommended over the free right due to pedestrian accessibility crossing a heavy free-right and the bridge design of Armstrong Blvd.

b) Plan for two eastbound thru lanes in the future. The two eastbound thru lanes are not necessarily due to traffic volumes but are recommended to give more green time to conflicting movements, specifically the westbound left. Additionally, the high eastbound right turn volumes may result in trip reassignment to use Bunker Lake Blvd and access Highway 10 at Ramsey Blvd instead of Armstrong Blvd. This may also result in more trips using Alpine Dr. to access Highway 10 for trips to and from the west.

III. Analysis

The traffic analysis updates consider a change in land uses within the Future Business Park area as shown on the attached Armstrong West: Proposed Future Land Uses map.

A. Forecasts

The background trip forecasts are consistent with the previous analysis. The trip forecasts to and from each area are included at the end of this memorandum. Forecasts were developed using trip rates from the ITE Trip Generation Manual, consistent with the previous analysis. The additional trips due to the development result in the forecasted trips as shown on the attached map.

B. Traffic Analysis Results

1. 2040 Full Build with Existing Lanes

Table 1: Design Year (2040) with Existing Lanes

Traffic Control Scenario	Peak Hour	Intersection Delay*- LOS		Maximum Delay-LOS**		Limiting Movement ***	Max Approach Queue		
							Direction	Average Queue (ft)	Max Queue (ft) ****
Design Year 2040 Alternative 2									
TH 10/169 South Ramp & CSAH 83 (Armstrong Blvd)	AM	13	B	24	C	EBL	EBL	105	174
Signal	PM	12	B	22	C	EBL	EBL	98	148
TH 10/169 North Ramp & CSAH 83 (Armstrong Blvd)	AM	63	E	143	F	WBR	WBT/R	468	1152
Signal	PM	71	E	124	F	WBR	WBT/R	595	1560
CSAH 83 (Armstrong Blvd & 147th Avenue	AM	55	D	131	F	NBL	NBT	759	1327
Signal	PM	52	D	87	F	NBL	NBT	660	1252
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd)	AM	69	E	184	F	NBL	NBT	784	1086
Signal (assumed double SBL & double WBL were stripped)	PM	100	F	227	F	NBL	NBT	733	1109
CSAH 83 (Armstrong Blvd) & Alpine Drive NW	AM	5	A	20	C	EBT	EBL/T	45	114
TWSC	PM	9	A	46	E	EBL	NBL/T	68	167
Alpine Drive NW & Puma Street NW	AM	2	A	7	A	NBL	NBL/R	31	54
TWSC	PM	3	A	9	A	NBL	NBL/T	51	86
Puma Street NW & Bunker Lake Blvd	AM	3	A	9	A	NBT	SBL/T/R	50	75
Option 1: AWSC	PM	4	A	7	A	WBR	WBT/R	56	86
Puma Street NW & Bunker Lake Blvd	AM	0	A	3	A	EBR	EB L/R	4	18
Option 2: 3 Legged intersection (with curve)	PM	0	A	2	A	EBL	EBL/R	7	24
Puma Street NW & Bunker Lake Blvd	AM	2	A	5	A	NBT	SBL/T/R	16	51
Option 3: Roundabout	PM	2	A	4	A	SBT	SBL/T/R	4	23

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

Analysis indicates that it there are anticipated to be capacity concerns along Armstrong Blvd from Highway 10 to Bunker Lake Blvd. Mitigation is necessary at the intersection of Armstrong Blvd at Bunker Lake Blvd.

2. 2040 Full Build with Mitigation

Table 2: Design Year (2040) with Mitigation

Traffic Control Scenario	Peak Hour	Intersection Delay*- LOS		Maximum Delay-LOS**		Limiting Movement ***	Max Approach Queue		
							Direction	Average Queue (ft)	Max Queue (ft) ****
Design Year 2040 Alternative 2									
TH 10/169 South Ramp & CSAH 83 (Armstrong Blvd)	AM	11	B	22	C	EBL	EBL	95	147
Signal	PM	12	B	23	C	EBL	SBR	47	171
TH 10/169 North Ramp & CSAH 83 (Armstrong Blvd)	AM	21	C	53	D	SBT	SBT	382	727
Signal	PM	49	D	141	F	SBT	SBT	809	1272
CSAH 83 (Armstrong Blvd & 147th Avenue	AM	12	B	33	C	SBL	NBT	199	376
Signal	PM	56	E	111	F	SBT	SBT	664	1232
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd)	AM	38	D	84	F	NBL	NBT	353	868
Signal (Added double EB thru, free right)	PM	50	D	139	F	WBL	WBT	401	915
CSAH 83 (Armstrong Blvd) & Alpine Drive NW	AM	5	A	26	D	WBL	EBR	61	110
TWSC (Added EB/WB RT lane)	PM	10	B	88	F	EBT	NBL/T	77	171
Alpine Drive NW & Puma Street NW	AM	2	A	6	A	WBL	NBL/R	33	56
TWSC	PM	3	A	9	A	NBL	NBL/T	48	80
Puma Street NW & Bunker Lake Blvd	AM	3	A	9	A	WBL	SBL/T/R	50	78
Option 1: AWSC	PM	4	A	8	A	WBL	WBL/T/R	57	83
Puma Street NW & Bunker Lake Blvd	AM	0	A	3	A	EBL	EBL/R	4	18
Option 2: 3 Legged intersection (with curve)	PM	0	A	5	A	EBL	EBL/R	6	24
Puma Street NW & Bunker Lake Blvd	AM	2	A	5	A	NBT	SBL/T/R	11	37
Option 3: Roundabout	PM	2	A	4	A	EBT	SBL/T/R	3	21

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

Analysis indicates

Mitigation includes the lanes and traffic control indicated in the recommendations but also includes a third southbound lane along Armstrong Blvd from Bunker Lake Blvd to the Highway 10 North Ramp terminal. Additional review of the bridge design indicates that a third lane would not be feasible without substantial revisions to the bridge structure over the railroad. Based on this, two eastbound through lanes are recommended at the intersection of Armstrong Blvd and Bunker Lake Blvd to provide an alternative route if needed. The analysis below also considers an eastbound free right into the third lane. This is recommended to be a dual right turn when or if needed based on traffic redistribution in the area.

The resulting queues are shown below for each movement at the intersection of Armstrong Blvd and Bunker Lake Blvd. Dual eastbound right turn lanes would be anticipated to have similar average queues and shorter max queues. The max queues are anticipated to be less if there is traffic redistribution based on congestion.

Table 3: Design Year (2040) Armstrong Blvd & Bunker Lake with Proposed Lanes

Traffic Control Scenario	Peak Hour	Delay-LOS**		Max Approach Queue	
				Average Queue (ft)	Max Queue (ft) ****
CSAH 83 (Armstrong Blvd) & CSAH 116 (Bunker Lake Blvd)					
EBL	AM	41	D	64	122
	PM	37	D	106	191
EBR	AM	3	A		
	PM	47	D	390	916
WBL	AM	45	D	134	215
	PM	131	F	401	915
NBL	AM	84	F	305	412
	PM	52	D	207	307
SBL	AM	31	C	95	145
	PM	46	D	81	128

*Delay in seconds per vehicle

**Maximum delay and LOS on any approach and/or movement

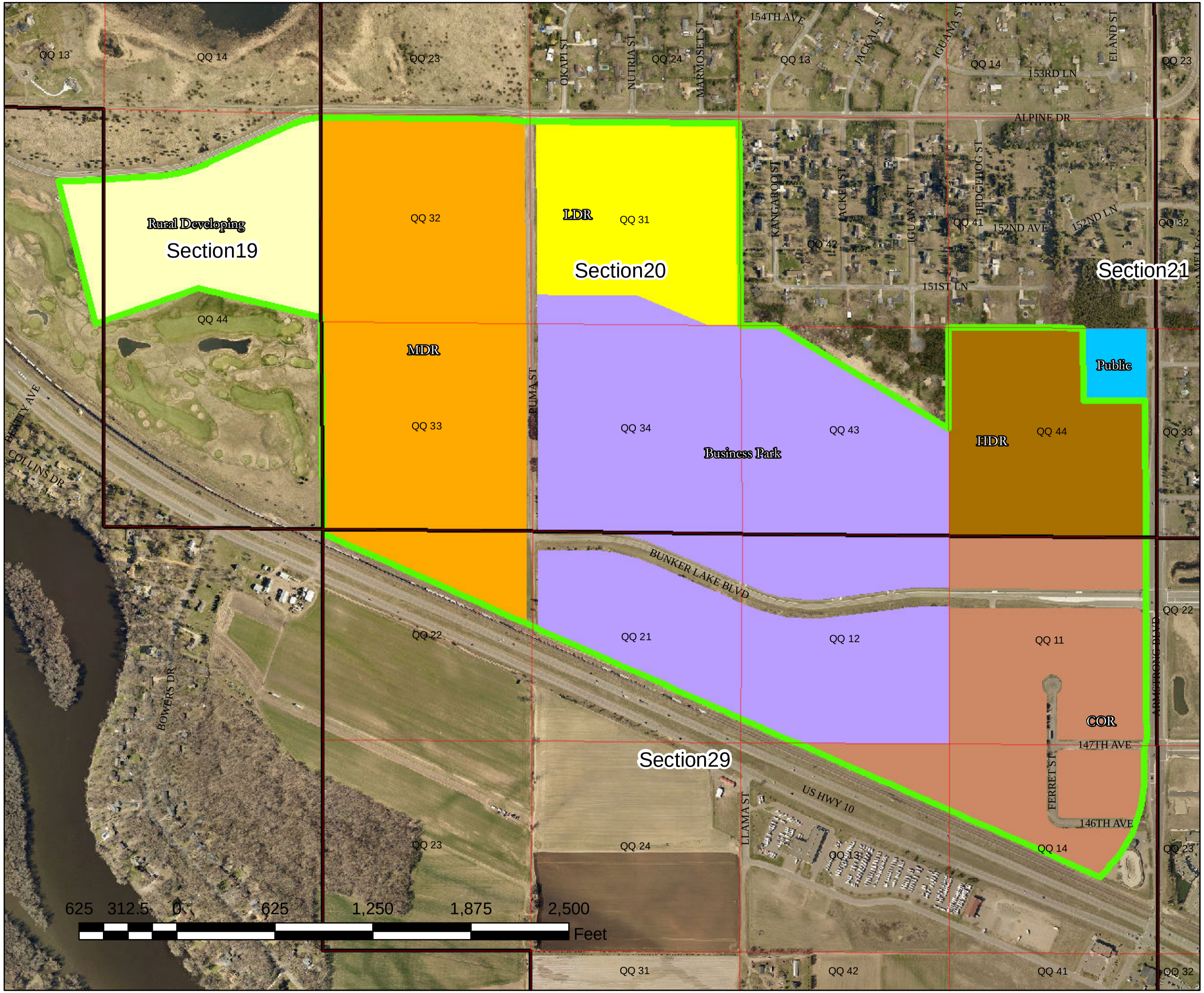
***Limiting Movement is the highest delay movement.

****Max Queue refers to the 95% Queue (Passenger car stored length = 25 ft, Heavy vehicle stored length = 45 ft)

C. Special Considerations

1. The trips from specific developments to Puma and Bunker Lake Blvd have not been analyzed. Trips to and from specific developments should be assigned to appropriate roadways based on the development roadway design. This is especially important for trip assignment at the intersection of Bunker Lake Blvd and Puma St.

2. Mitigation for intersections outside of the area due to development in the area have not been completed.



City of RAMSEY

Armstrong West
Proposed Future Land Uses

Section QQ

Section Only

AUAR Boundary

Future Land Use

- Business Park
- COR
- High Density Residential
- Low Density Residential
- Medium Density Residential
- Public/Quasi-Public
- Rural Developing

N

This is not an approved land use plan. This is a working document only, based on current feedback and concepts (both public and privately developed concepts).

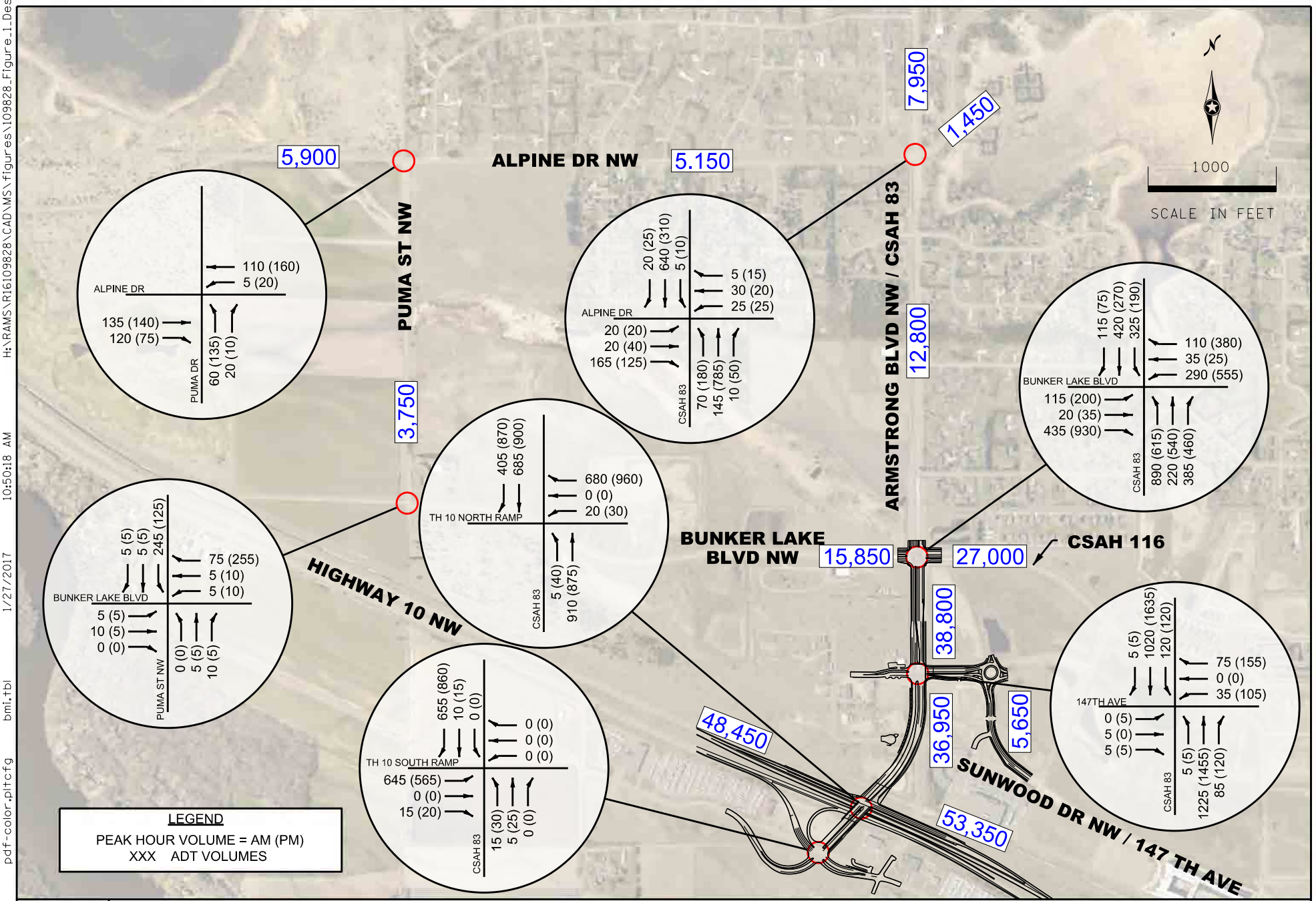


FIGURE 1: DESIGN YEAR (2040) TRAFFIC VOLUMES

FUTURE BUSINESS PARK TRAFFIC STUDY
RAMSEY, MN.

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Ramsey EDA Traffic Assumptions

Alternative 2: Business Park (January 2017 Update)

B-2 **Business Park** — 134.54 Acres — ITE Code 130 — Internal-to-Internal Reduction

Based on Acres

	Average Rate	#	% enter	% exit	entering	exiting		entering	exiting		Pass-by entering	Pass-by exiting	New Trips entering	New Trips exiting
AM	8.55	1151	83	17	955	196	10%	860	177	0%	0	0	860	177
Afternoon	4.42	595	50	50	298	298	10%	268	268	0%	0	0	268	268
PM	8.84	1190	21	79	250	940	10%	225	847	0%	0	0	225	847
Weekday	63.11	8491	50	50	4246	4246	15%	3609	3609	0%	0	0	3609	3609

B-2 **Retail/Commercial** — 74.4 K ft^2 — ITE Code X — Internal-to-Internal Reduction

Based on Square Feet — 7.43 Acres

	Average Rate	#	% enter	% exit	entering	exiting		entering	exiting		Pass-by entering	Pass-by exiting	New Trips entering	New Trips exiting
AM	7.41	552	53	47	293	259	20%	235	208	46%	109	96	126	112
Afternoon	5.46	407	50	50	204	204	20%	163	163	40%	66	66	97	97
PM	10.91	813	51	49	415	398	20%	332	319	39%	130	125	202	194
Weekday	124.59	9275	50	50	4638	4638	30%	3247	3247	39%	1267	1267	1980	1980

R-1 **Single Family Detached Housing** — 104 units — ITE Code 210 — 34.62 Acres

Based on Dwelling Units — 3 Units per Acre

	rate	#	% enter	% exit	entering	exiting	New Trips entering	New Trips exiting
AM	0.75	83	25	75	21	62	21	62
Afternoon	0.51	53	31	69	16	37	16	37
PM	1.01	109	63	37	69	40	69	40
Weekday	9.57	1078	50	50	539	539	539	539

R-2 **Residential Townhouse** — 527 units — ITE Code 230 — 87.79 Acres

Based on Dwelling Units — 3 to 7 Units per Acre

	Average Rate	#	% enter	% exit	entering	exiting	Assume 6 Units per Acre	New Trips entering	New Trips exiting
AM	0.44	196	17	83	33	163		33	163
Afternoon	0.26	138	31	69	43	95		43	95
PM	0.52	235	67	33	157	78		157	78
Weekday	5.81	2732	50	50	1366	1366		1366	1366

R-3 **Low Rise Apartment** — 525 units — ITE Code 221 — 43.74 Acres

Based on Dwelling Units — 7 to 15 Units per Acre

	Average Rate	#	% enter	% exit	entering	exiting	Assume 12 Units per Acre	New Trips entering	New Trips exiting
AM	0.46	215	21	79	45	170		45	170
Afternoon	0.29	153	31	69	47	106		47	106
PM	0.58	291	65	35	189	102		189	102
Weekday	6.59	3076	50	50	1538	1538		1538	1538

Rural Developing — ITE Code x

Assumed trips

	entering	exiting
AM	5	20
Afternoon		
PM	20	5
Weekday		

Total

	Pass-by entering	Pass-by exiting	New Trips entering	New Trips exiting
AM	109	96	1090	704
Afternoon	66	66	472	602
PM	130	125	862	1266
Weekday	1267	1267	9032	9032

West of Commercial Area

	Pass-by entering	Pass-by exiting	New Trips entering	New Trips exiting
AM			919	422
Afternoon			327	400
PM			471	970
Weekday			5514	5514

Economic Development Authority (EDA) **4. 3.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Anoka Area Chamber of Commerce: Manufacturers Cohort: 2017 Partnership Subscription Renewal

Purpose/Background:

Chamber Background

The City of Ramsey is a member of the Anoka Area Chamber of Commerce (http://www.anokaareachamber.com/). The Anoka Area Chamber of Commerce has a rich history of success in catering to the needs of retail, food, and professional service industries. The Chamber specializes in events, marketing, and networking.

Manufacturing Group Background

A few years back, the Chamber identified the need to better serve the large "manufacturing" sector physically located in the Chamber's service territory. Commonly, the Chamber's standard "events/ marketing/ networking" opportunities do not provide significant value to manufacturers. NOTE: the Cities of Ramsey and Anoka share a roughly 1,000 acre business park that includes over 10,000 jobs--most of said jobs are manufacturing (or related to manufacturing).

With this in mind, the Chamber began a new "sub-group" known as the "Manufacturer's Coalition" about three years ago. Here is a link to their website: http://www.anokaareachambermanufacture.com/). The mission of the Manufacturer's Coalition is to: become a catalyst for strengthening community manufacturing; accelerating transformation into a more efficient and powerful engine of innovation, job creation and economic growth.

In summary, the Manufacture's Coalition is a group of leaders from local manufacturers that meet periodically to discuss/ address issues unique to their industry (they create the topic list). In some cases, meetings are purely the exchange of best practices/ discussion led by the Chamber... and in some cases, the Manufacture's Coalition asks the Chamber to implement and develop a service/ product to help the group. Currently, the #1 topic the Manufacturer's Coalition is addressing is workforce. Lastly, the Manufacturing Group (via chamber staff) has routinely facilitated outreach with Legislators, businesses, and school districts to drive initiatives developed by this group. Several success stories exist.

Although the Chamber does receive some funding for the Manufacturers Coalition via subscriptions from manufacturing businesses, this initiative needs financial support to keep running. The purpose of this case is to consider continued support of the Manufacturers' Coalition by donating $5,000 for the 2017 program. These dollars would be utilized for "facilitation/ operation" expenses related to the Manufactures' Coalition (meetings/ website/ communications/ etc.). NOTE: the City supported the program in 2016.

John Letourneau of the Anoka Chamber will be in attendance of this meeting to answer questions.

Notification:

Observations/Alternatives:

Attached is a summary of accomplishments in 2016, and a workplan for 2017.

Funding Source:

2017 EDA Budget

Recommendation:

Considering Ramsey's limited internal resources (staff time) to pro-actively and effectively address large/ regional issues that effect our manufactures, the Anoka Area Chamber Manufacturers' Coalition provides the City an efficient opportunity to get involved. Staff would support sponsorship of this program again in 2017--as it appears this group is making good strides/ had several successes in 2016.

With the above in mind, staff would suggest an EDA discussion in 2018--to evaluate the effectiveness of this investment. Staff would like to wait until 2018 for that discussion, as the program is still fairly new, and still getting up on it's feet. Staff would like to have one more year on the record, to allow for a more robust evaluation.

Action:

Consider supporting the Anoka Area Chamber Manufacturers Coalition in 2017.

Attachments

2016 ReCAP
2017 Plan
2017 Invoice
Thank You Letter

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	04/06/2017 03:49 PM
Form Started By: Patrick Brama		Started On: 03/31/2017 10:15 AM
Final Approval Date: 04/06/2017		

2015/2016 Season Recap

12-5-15 Manufacture CoHort - Work force planning model open discussion on concept

2-16-16 Anoka-Hennepin ISD11 - CTE Manufacturing Advisory Board. Work with 6th and 9th grade/counselors; discover early aptitude

Middle school engagement, parent-teacher conferences
Career tours
Culture change (35% of HS grads need to go to 4-year college)
Procedure vs application (Math especially)

"More Math" does not necessarily mean Calculus; more in depth application of Algebra and Statistics
Curriculum review – relevance?
"Real career" fair
Role of career counselor, focus on better career exploration (*not just college apps*)
Types of equipment

1. 1. Automation/robotics/programming
2. 2. Mechanical
3. 3. Process – experiments, testing
4. 4. Chemical

Reciprocal visits

2-29-16 Manufacture CoHort - Work force planning narrow scope. Introduced structure on how the Workforce Model will look. Reviewed elements in play made choices on moving forward.

3-16-16 Anoka Enterprise Park Annual Meeting, Recap on manufacturing activity and discussion on direction.

8-18-16 Manufacture CoHort - ATC; **Meet Millennials where they are This** talent landscape is already undergoing significant change. Today's observations are the base from which to continue to build upon Manufacturing's approach to managing and communicating with employees now.

9-27-16 Manufacture CoHort - DecoPac; Address workforce inventory opportunities in direct support of manufacture pipeline needs. DEED - Minnesota Apprenticeship Initiative

10-13-16 ATC/ DEED work session: Kent Hanson capitalize on ability to effect and benefit manufacturing. Washington DC will notice this.

Erik will set up a meeting with Jon and Jami at ATC. We want to learn what programing is available to manufactures that supports the issues/topics we are drilling into.

11-2-16 Meet US Congressman Emmer. Otsego Congressional office; Create awareness and ask for support to drive the effort regionally.

11-17-16 Manufacture CoHort - ATC; Junior year tour into internship, summer between Senior year, ATC Fabrications coarse, Sr. year internship continue, look for job placement in spring aft graduation, continue ATC education

11-28-16 Manufacture CoHort meeting, AACC Office; Seasonal meeting to discuss continuing direction. feedback on where we are with the High School pieces – internships, tours, apprenticeships, career fair, and job opportunities. Been sharing many conversation with School district leadership, they have ideas and resources that need us (manufacturing) to be aware of and ready to take advantage of.

Anoka Area Chamber of Commerce Manufacture Work Plan for 2017

Currently in progress:

Scheduled rotating tours between manufacture and high school students
2nd and 4th Thursday of each month

Conduct Anoka Tec/Deed Job Fair preparedness – Fair date: February 22, Jessica Lipa High School Contact

Outreach and one on ones with local manufacturing. Cold calling, ongoing with visits to learn more about ways to support and educate on CoHort activities.

CoHort Programing Schedule for 2017:

January 31: MN Apprentice Ship initiative template for 2017-2018 summer jobs. Jon Olson

February 16 - Manufacture Signing Day. Jon Olson, Active commitment for Seniors to "sign" with a career in Manufacturing.

February 22 – Anoka Technical College/MN DEED Job Fair

April 6 – EJ Ajax Manufacturing internship template discussion

May 16 – Manufacturing touring template. Best Practices CoHort to build better outcomes with classroom or individual facility tours.

June 29 – Millennials in the workplace, phase lll.

August 10 – Robotic technology. Investing in next generation work force

September 19 – State of Manufacturing. Facility Tour.

We will deal with the issues that are difficult to deal with as individuals.
Providing local access and interconnectivity
Why or how do we support each other?
We believe that we have the right energy and resources to make a difference and now is our time!

Anoka Area CHAMBER of Commerce

12 Bridge Square,
Anoka, MN 55303
763-421-7130

Invoice

DATE	INVOICE #
3/2/2017	018004

Bill To
City of Ramsey Patrick Brama 7550 Sunwood Drive Ramsey, MN 55303

TERMS
Net 15

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Billing in the support of the activities and partnership associated with the Anoka Area Chamber of Commerce Manufactures CoHort 2016/2017 season	5,000.00	5,000.00

It's been a pleasure working with you!

Total $5,000.00

Questions, call the chamber office at (763) 421-7130

Anoka County WorkForce Center
1201 89th Ave. N.E., Suite 235
Blaine, MN 55434

March 7, 2017

City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

Dear Patrick Brama:

On behalf of the Anoka County WorkForce Center, we want to thank the City of Ramsey for partnering with us to support the Career Fair on February 22, 2017. The Career Fair this year hosted 96 employers and our staff estimate that over 1,000 people were in attendance.

We were so encouraged that the city wanted to have a part in this event. Being able to financially support the transportation expenses for a bus from the Eaglebrook Parking lot to the school was beneficial to many. With the large amount of job seekers and the high traffic, this additional bussing helped get many to and from the college.

We realize that filling the needs of our local employers is a concern we all share with projected labor shortages. By partnering in an event like this, we create the perfect opportunity to match job seekers with perspective employers. It is because of great partnerships like this that our job seekers had a chance to explore multiple employment opportunities and employers had the chance to fill the needs of their workforce in our community. Thank you again for supporting this event!

Sincerely,

Nicole Swanson

Nicole Swanson
Director

Erik Aamoth

Erik Aamoth
Area Job Service Manager

Economic Development Authority (EDA) **4. 4.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Continue Discussion Regarding Strategy for Marketing and Selling City Owned Land

Purpose/Background:

PURPOSE

Continue discussion regarding the City's strategy for selling city-owned land and marketing The COR. Regarding this case specifically, staff would like to review the attached two "feedback logs" with the EDA, and the attached process outline. Staff would like to forward these documents back to the City Council on 04/25/2017.

BACKGROUND

Please see attached background document.

CASE TRACKING

This case was brought to the EDA in September of 2016, December of 2016, February of 2017, and March of 2017. This case was brought to the Council in January of 2017. Attached are minutes.

PROCESS

Please see attached process document. The next step is to bring this case back to the EDA in May to begin scoping what we are looking for (what is the foundation of our strategy for selling city owned land/ marketing The COR?).

Notification:

NA

Observations/Alternatives:

ALTERNATIVES

Please see attached alternatives document.

Funding Source:

NA

Recommendation:

NA

Action:

Staff would like to review the attached two "feedback logs" with the EDA, and the attached process outline. Staff would like to forward these documents back to the City Council on 04/25/2017. Any EDA feedback or direction is appreciated.

Attachments

Process

Feedback Log: Developer Interviews

Feedback Log: COR Market Panel

Background

Alternatives

Minutes: EDA 10 2016

Minutes: EDA 12 2016

Minutes: EDA 02 2017

Minutes: EDA 03 2017

Minutes: CC January 2017

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	04/06/2017 03:47 PM
Form Started By: Patrick Brama		Started On: 04/03/2017 01:19 PM
Final Approval Date: 04/06/2017		

Marketing/ Land Sale Strategy Process

COMPLETED STEPS

1. CBRE contract update, review options w/EDA , outline process w/EDA (September 2016)
2. COR Real Estate Experts Market Panel w/CC, EDA, and PC (October 2016)
3. CBRE contract update, review options w/EDA , outline process w/EDA (December 2016)
4. CBRE contract update, review options w/CC , outline process w/CC (January 2016)
5. 6-month renewal of CBRE contract, EDA and CC (February 2017)
6. Informational Interviews with EDA, #1 and #2 w/EDA (February 2017)
7. Informational Interviews #3 with EDA w/EDA (March 2017)

UPCOMING STEPS

8. Review market findings/ feedback summary EDA (April 2017)
9. Review market findings/ feedback summary Council (April 2017)

10. Create Scope for RFP, with EDA, what does Ramsey want? (May 2017)
11. Create Scope for RFP, with Council, what does Ramsey want? (May 2017)

12. Finalize formal RFP document with EDA (June 2017)
13. Finalize formal RFP document with Council (June 2017)

14. Send out RFP (July 2017)
15. Receive RFP Responses (September 2017)
16. RFP Interviews joint EDA/ Council (October 2017)

17. Select new firm(s)/ arrangements, EDA recommendation (November 2017)
18. Select new firm(s)/ arrangements, City Council (November 2017)

19. Negotiation/ finalize/ execute contracts, EDA recommendation (December 2017)
20. Negotiation/ finalize/ execute contracts, EDA recommendation (December 2017)

21. Deploy new marking/ land sale strategy (January 2018)

TIME CONTINGENCIES

It has been suggested, Ramsey should….

A. Complete an updated and detailed real estate market analysis before the RFP, and include results in the RFP.

B. Complete their re-visioning process for The COR before issuing a RFP.

C. Complete their remaining due diligence items for The COR before issuing a RFP (i.e. cut/fill, concept road designs and budgets, concept park plan, concept storm water plan, etc.).

Summary of Feedback
City Owned Land/COR Marketing Strategy

Developers and Real Estate Brokers

Staff was requested by the EDA to setup interviews with 2-3 developers to discuss strategies for marketing/ selling/ developing The COR, and to provide general feedback. Below are the three developers the EDA interviewed. Each developer was provided the same set of questions (see appendix for list of questions).

1. Kruas Anderson, Jaci Bell
2. IAG Commercial, Jeff LaFavre
3. Oppidan, Drew Johnson

1. Kruas Anderson

http://www.krausanderson.com/

1. Jaci Bell led discussion.

2. City should consider a RFP process.
    - RFP should have a reasonable term (long enough to complete required research/ preparation).
    - RFP should be broken into sections that allow people to bid on different areas. For example, retail, housing, mixed, office park, etc.
    - City should have a clear vision for The COR before sending out the RFP—it will help set expectations. However, the City should remain flexible, after they get a developer on board, it is entirely likely changes will need to be made. Development processes and market are fluid, always changing, and don't always "fit" zoning, RFPs, etc. The more open Ramsey is to change, they better.

3. In order to have an effective discussion with anyone, the City should have a detailed market study completed. Not having a RFP will create a lot of ambiguity and guess work. It will allow for realistic discussion, and responses from developers. Will also save time in the RFP process. This was by far Kruas Anderson's strongest recommendation—you must know your market before you make decisions/ provide direction.

4. City should have discussions about near-term and long-term goals. They are not always the same. Short term success (i.e. quick development) might not be the same as long-term vision. City needs to be clear on what they want.

5. The amount of land zoned in Ramsey for retail needs to be further researched (i.e. the market study). It is entirely possible there is too much.

6. Kruas Anderson cannot make a specific compensation model now—they need to have the market report in hand, to better understand opportunities, and they need to know what the City's vision is for The COR.

2. IAG Commercial

http://www.iagcommercial.com/

1. Jeff LaFavre led discussion.

2. Need to make sure your vision is flexible. The market changes. You cannot create your own demand. You cannot force a product that you want, if there isn't a market. Sometimes you need to rethink your strategy on how to match demand with vision (creative solutions).

3. IAG thinks in many situations, communities might need consulting/ advising beyond just standard real estate broker/ land transactions. For example, financial analysis, cost-benefit analysis, gap analysis, etc. Many times, your staff/ decision makers might need professional consulting (rather than trying to be simply get a commission on the closing of sale).

4. IAG thinks there is a major trend around the corner, that Millennials will drive the demand--that is, urban/ mixed-use centers in the suburbs is a need. Ramsey has it right. Millennials want a strong sense of community (they like "the City"). They will be moving back to the suburbs in large numbers over the next decade. Ramsey is well positioned for this.

5. The COR is a destination. Highway 10 is a strength and weakness. How long before it's funded. Retail demand is not present. The global retail market is changing. Likely won't be strong in Ramsey. Ramey's perception in the development world is still not 100% recovered from the great recession and fall of Ramsey Town Center.

6. Spirt and cooperation of Ramsey is very unique and positive for Ramsey. Also, the fact that Ramsey has a generally clean slate for their vision, and the physically available land, is very helpful. Medical is an opportunity for Ramsey. Business incubators are an opportunity for Ramsey. IAG recommends the City remain flexible in what they expect/ want for The COR.

7. Ramsey's market for development will come from small/ medium sized developers and investors. Ramsey's market is likely not going to hit the radar for large/ national developers. This requires more work, more hand holding, and more flexibility on Ramsey's part. Also, since the great recession, master developers are not high supply—they will want a project in hand—they don't want to work on speculation. IAG specializes in addressing this situation (i.e. connecting developers, equity, financing, and projects).

8. A good web presence would be helpful for better responding to development demand (including social media campaigns). Also, the City should consider better Highway 10 signage/ visibility/ image. The COR's retail that will work is service oriented. Traditional retail is very challenging. The City might have too much retail zoned land.

9. In order to put together good proposal for Ramsey, IAG needs to better understand what the City's vision is—it needs to be clear (or at least the questions we may have). There need to be structure and definition behind what Ramsey's wants. IAG would pitch a base monthly fee, plus a commission on deals. They are open to negotiation.

3. Oppidan

http://oppidan.com/

1. Drew Johnson led discussion.

2. The driver (or incentive) for developers and investors are tenants (i.e. end users, businesses, etc.). Credit tenants are ideal (i.e. tenants that have a good track record of success and financial backing). Without tenants at the table, it would be very challenging to lure outside developers and investors to Ramsey.

3. Tenants are lured into a development by customer demand (i.e. demographics such as population within 5-10 minute drives, median income, and average daily trip counts). If sufficient customer demand cannot be displayed or justified, it is very challenging to entice end users/ tenants to come to Ramsey. The best strategy Ramsey can deploy to getting more customer demand is (1) adding more rooftops, and (2) adding destination users.

4. The world of retail is drastically changing. In fact, since the mid 2000's retail has been very weak, and unstable, not only in Ramsey, or the Twin Cities, but across the County. Nobody is certain about where it will go moving forward. Online shopping is drastically impacting the marketplace, and the lasting impact is yet to be known. Retail is very risky. Grocery still appears to have a place in new development projects. Most retail development over the past decade has been infill or redevelopment—greenfield is very rare. This is not a Ramsey issue.

5. Ramsey has about 150 acres of land available for retail. It is highly likely that is too much for Ramsey to absorb in the forseeable future, or perhaps ever. Ramsey may want to reduce the amount of land they have available for retail. In order for the COR, or land located near The COR, to obtain demand from major retail users, better signage and visibility is needed. The COR is located off Highway 10, not on Highway 10.

6. If Ramsey want's someone to purchase their land on speculation, that will be challenging. Ramsey would likely need to seek out larger firms such as United Properties or CMS. These groups are okay with obtaining a large land portfolio, and sitting on it for speculation. However, they will want a very low purchase price. Land "eats" every day (i.e. there are fixed costs to holding land). Most developers, especially since the recession, are very sensitive to buying land without tenants in mind.

7. It appears Ramsey is on the right track with The COR. There has been lots of great projects and successes. The City should continue to build out residential and destination users. Restaurants and retail will follow when they are ready, and when the demand pushes. The City should consider interviewing John Hoinstien the former City Administrator of Eagan.

8. In order to get developers interested in The COR right now (via the City's proposed RFP)--it would likely take giving away land for very cheap or free. Or, placing multi-year option agreements on land with very little compensation to the City. Oppidan is concerned that might not be a strategy Ramsey would be interested in pursing—or the public would be okay with. However, that would likely be the realistic approach (based on the market).

9. Parking ramps are very expensive. Market rent rates and returns in the suburbs don't justify parking ramps. If the City want's parking ramps, they will likely need to pay for them. Most developers will resist.

Appendix

List of Questions for Master Developer/ Real Estate Broker

INTRODUCTION

The purpose of informational interviews is to allow for a free-flowing conversation to take place RE The COR, between you and the EDA. The EDA wants to get a better general understanding of what options exist to market/ sell The COR (and provide master developer services), and to gather your thoughts on The COR. They want to have these conversations to get better educated/ become more informed. They prefer this method, rather than simply doing a standard blanket RFP process (with expectations not clearly defined by the City). The outcome of these interviews will be a basis in which the EDA can create a "scope" for how they want to market/ sell The COR (i.e. define their expectations).

We will have 3-4 informational interviews. We expect each informational interview to last 30-40 minutes.

1. **Background** (ideally something we can attached to staff report ahead of time)
    a. Contact Person, Company (area of expertise, service offerings, strengths)

2. **Example Projects** (could be one project that covers all)
    a. Projects that included multiple sites/ large sites/ master planning
    b. Projects that included consulting a land owner and/or city

3. **The COR** (from a development perspective)
    a. What is your general perception of The COR (as a development project). What are Ramsey's Strengths and weaknesses?

4. **Marketing/ Sale/ Master Developer Services Strategies**
    a. What strategies do you *RECOMMEND* for Ramsey?
    (i.e. broker listing agreement, financing partnerships, option-to-buy agreements with master developers, professional service agreements for master developer services, upfront land sale to master developer, partnership agreements with master developers, marketing campaigns, websites, construct speculative buildings, etc.)

    b. Are those options your company can help with? If yes, from a high level, what might those options look like (i.e. basic deal parameters).

5. **Three specific questions**
    a. About 150 acres of available retail land is located within/adjacent to The COR today. Is it realistic for Ramsey to absorb that much retail land? For example, by comparison, Riverdale is just shy of 200 acres.

    b. Ramsey currently owns about 85 acres of greenfield land located within The COR (multiple zoning districts). Is it realistic for the City to create a single RFP for all of the City's land holdings in The COR at this time—would developers be interested in purchasing all land upfront?

    c. What can the City do to better entice developers/ investors in wanting to come to The COR? (specifically for retail and restaurants) Are there any specific strategies we should consider?

The COR: Market Panel Discussion

Log of Feedback from 10/27/2017

Panel Included: Ehlers, SEH, Maxfield Research, CBRE, and a former City Administrator. The City's Community Development Director, Tim Gladhill, facilitated this discussion. The Planning Commission generally oversaw this effort.

Themes of Feedback

1. **Structured Parking**
2. **Retail & Restaurants**
3. **Vertically Mixed Use**
4. **Community Center**
5. **Zoning District Flexibility**

1. Structured Parking

DESCRIPTION

- Construction of parking ramps is a strategy for implementing density goals within The COR-1 zoning district. Density within The COR-1 zoning district is one of the basic foundation pieces behind the original vision of The COR—and has been used as rationalization for funding various infrastructure projects within The COR (i.e. Ramsey station, various road improvements, The Draw, etc.). Density of development also helps push other desired uses within The COR (such as traffic for restaurants/ retail).

- The current COR master plan shows the construction of four parking ramps within the COR-1 zoning district (one already completed). Many people involved with the original visioning process of The COR expect the construction of additional parking ramps to occur.

- It is important to note, The COR-1 zoning district minimum FAR (floor area ratio) was updated in 2015 to .65. This new FAR does not force users to construct parking ramps (higher FARs do). This is unlike the previous minimum FAR within the COR-1 zoning district (.75 and 1.0).

- The City has received strong and consistent feedback from developers, real estate professionals, and businesses that parking ramps are very expensive and the Ramsey market cannot justify this additional development expense. Generally, developers are opposed to constructing parking ramps.

FEEDBACK

Market Panel/ Developer/ Real Estate Professionals

- If the City expects additional structured parking within The COR, it is highly unlikely the private market will bring this to Ramsey alone. The only markets that see this type of development naturally, within the Twin Cities, are Minneapolis, St. Paul, and St. Louis Park. These markets have higher yield rates, which can justify the investment.

- If structured parking is a priority for Ramsey, the City should pro-actively prepare a plan to fund parking ramps. The City should generally be prepared to participate costs above and beyond standard surface parking. The City must lead this effort.

- Density within The COR-1 zoning district does benefit, and help push, the City's desire for restaurants and retail within The COR.

2. Retail & Restaurants

DESCRIPTION

- Restaurants and shopping opportunities are a major component of the vision for The COR (often times referred to as retail). A strong expectation exists within the community for restaurants and retail to be delivered. At this point, many parties have grown concerned with the lack of progress.

- The COR Master Plan currently calls for about 40-50 acres of traditional suburban retail development (west end, near Armstrong Boulevard). Traditional suburban retail development is 1-story, box-like configuration, with surface parking.

    - Located adjacent to The COR are two areas also generally guided for traditional suburban retail development: (1) about 40-50 acres just west of Armstrong Boulevard, on the north side of U.S. Highway 10, and (2) about 40-50 acres located just south of The COR, across U.S. Highway 10.

- Concerns have risen that amount of land zoned for traditional suburban retail development within The COR is more than the market can sustain, now or into the future. It has been suggested, the west end of The COR proper should be reconsidered (for less traditional suburban retail zoning). It has been suggested the City place more of an emphasis on smaller scale retail and restaurants within The COR proper, and allow for the areas adjacent to The COR to satisfy the demand for traditional suburban retail.

- In order to attract retail development, staff has received two consistent suggestions:

    - (1) additional residential development is critical—including density of residential development

    - (2) obtain traffic generating users/ destination users are important—examples include big box retail projects, a community center, hotels, recreation opportunities (Lake Ramsey), office complexes, etc.

FEEDBACK

Market Panel/ Developer/ Real Estate Professionals

- Generally, traditional retail development is very challenging to attract in today's economy (due to the major influence of the internet, push for smaller store footprints, etc.). Very little new, green-field, traditional suburban retail development has occurred since the Great Recession. This is not unique to Ramsey, the entire industry is very slow.

- Ramsey's geographic location is a major disadvantage for traditional retail development (Ramsey is stuck between two major retail nodes, and two major rivers).

- The city should also recognize, more rooftops are needed to attract retail and restaurants, especially in close proximity to The COR. Typically, communities (or demographic areas) need to achieve a population of 50,000-60,000 before they will start attracting traditional retail interest—Ramsey has a population of 25,000, and is expected to reach 40,000, at the high-end, in the long-run.

- The City should consider rethinking their retail strategy (how much land is available for retail, how much is needed/ can the market absorb, etc.).

3. Mixed Use

DESCRIPTION

- The original vision for The COR was a mixed-use development. Unfortunately, the definition of mixed-use is not clear for The COR—a formal policy does not exist. Below are the three general perspectives:

    - (A) Mixed-use is focused on The COR-1 Zoning District only. This zoning district should have a mix of uses within each individual development project (for example, commercial/ office below and apartments above within the same building). Some people refer to this as vertical mixed-use strategy. Some desire the city take a strong stance on vertical mixed-used policy for The COR (make it required with The COR-1 Zoning District).

    - (B) Mixed-use is focused on The COR-1 Zoning District. This zoning district should have a mix of uses within certain geographic areas (i.e. office building next door to an apartment complex). Some people refer to this strategy as a mix of uses within a block. This alternative still allows for option A above to occur—however, it does not require option A. This is the current method currently being deployed by staff.

    - (C) Mixed-use is focused on The COR as a whole. The COR, as a whole, should have a mix of uses located within close proximity to each other (i.e. we have a district for apartments, retail, business park, etc.). The COR-1 Zoning District should be flexible, and allow for various uses (as the market demands). Again, this alternative still allows for option A and B above to occur—however, it does not require option A or B.

- This item has become an issue because three different perspectives exist. When actual development projects have come forward to the City (e.g. PSD apartment, Residence at The COR apartment, Common Bond), the city has dealt with this item on a case-by-case basis, with no formal policy to follow. As a result, some people feel the City is not following our vision for a vertical mixed used development (within The COR-1 Zoning District).

FEEDBACK

Market Panel/ Developer/ Real Estate Professionals

- Generally, new vertically mixed-use development is very challenging to attract in today's economy, specifically in suburban areas. This is due to:

    - Developers' lack of knowledge/ comfort/ specialization in vertical mixed use projects. Outside of major cities/ downtown areas, vertical mixed use if very uncommon.

    - Finical institutions unwillingness to fund projects. Many developers have told the City—even if we wanted to complete a vertically mixed use project, we couldn't—our bank won't fund it. We would need to cover that portion of our project with equity.

- History of un-successful vertically mixed-use projects. In fact, many areas that do have vertically mixed-use projects are struggling to fill their ground level store fronts today, and many of those projects are located in the highest demand markets within the Twin Cities (i.e. uptown, St. Louis Park, etc.).

- If the City expects vertical mixed-use projects within The COR-1 Zoning District, it is highly unlikely the private market will bring this to Ramsey alone--the City should pro-actively prepare a plan to subsidize/ encourage this activity. The City should generally be prepared to financially participate. The City will need to lead this effort.

4. Community Center

DESCRIPTION

- The original vision for The COR calls for a community center. The scope of what a community center shall include has been loosely discussed over the past decade. No consensus vision exists today.

- The City has identified a $4,000,000 contribution to a community center with their 10-year Capital Improvement Plan (CIP). That plan contemplates a partnership style community center.

- Below are some example methods to deliver a community center, or a component of community center services.

    - ***Private Partnership:*** some people refer to the Champlin Lifetime Fitness as a potential model to consider (for a partnership). Champlin provided a $1.00 annual ground lease, and a parking ramp to Lifetime Fitness—in return for a nice facility, and discounted rates for residents, specifically for seniors. Private clubs do pay property taxes. This option provides Ramsey with the least level of control over programs, services, and rates.

    - ***Non-Profit:*** another example is the YMCA. Typically the YMCA will require a 50-60% project contribution from the local community. It is estimated, a Ramsey YMCA could range in costs from $15M-$25M, depending on the scope of series and building design. The YMCA does not pay property taxes. The YMCA does a good job of partnering with the local community to define expected programs, services, and rates.

    - ***City Owned:*** If the city were to construct a community center alone, many speculate a minimum upfront capital investment ranging from $15M-$25M, and significant annual operating expenses. This option does not generate property taxes. This option provides Ramsey with the highest level of control over programs, services, and rates.

FEEDBACK

Market Panel/ Developer/ Real Estate Professionals

- The City needs to define their plan for a community center. The market panel strongly cautions the City against planning for a full-fledged, city-owned, community center. The capital costs are very high, and even higher are operation costs.

- The market panel suggested the City should consider different options for amenities (i.e. parks, Lake Ramsey, splash pads, limited facilities, non-profit users, etc.), or a partnership situation (i.e. with a Lifetime Fitness) rather than a city-owned community center.

5. Zoning District Flexibility

DESCRIPTION

- The COR development has five general zoning districts that establish the underlying legal land use regulations that help guide/ restrict/ influence development. The implementation of zoning districts within The COR is one method to help achieve the City's vision (dense urban core, business park in east, retail in the west, residential in the north).

- Naturally, in order to have a zoning district, boarders of said zoning district need to be geographically defined. As a result, arbitrary lines have been drawn across The COR, where one district begins, and another ends. Unfortunately, these zoning districts don't necessarily follow clean parcel lines, and often times don't perfectly align with market demand (i.e. proposal form developers).

- Regarding COR zoning districts, the City commonly caught in the dilemma outlined below:

    - (A) Receiving requests from developers and businesses that want to adjust the boarders of certain districts. In other words, not follow the zoning regulations specified on the property in which their project is proposed/ desired—and rather follow market demand. In this situation, the city is pressured to be business/ developer friendly, and to better respond to the market demand. This alternative can result in unplanned projects (i.e. Casey's).

    - (B) Implementing the vision of The COR by enforcing existing zoning standards (districts). This alternative can result in losing potential projects (i.e. Dominium).

FEEDBACK

Market Panel/ Developer/ Real Estate Professionals

- The market panel was generally impressed and supportive of what Ramsey has accomplished, and generally encouraged Ramsey to maintain a strong vision, and not to waiver from their vision/ design standards.

- The market panel encouraged the planning commission and city council to make sure their visions are aligned—as not doing so could be obstructive to the success of the development. The city needs to act as a team.

Background Information

BACKGROUND

In 2012, the Council completed an exercise to determine Ramsey's inventory of city-owned land. The City of Ramsey owns over 250 parcels city-wide. The majority of these parcels are wetlands, existing or planned trails, existing or future right of ways (ROW) and greenways. About 20 city owned parcels are available for sale and development by the private sector. In 2013, staff was directed to market and sell surplus city owned land.

On January 28, 2014, the City of Ramsey entered into a contract with CBRE to provide professional real estate brokerage services. The contract with CBRE is set to expire January 28, 2017.

CBRE listed 19 different properties (about 25 parcels). CBRE has placed signs on available properties, and completed professional listing brochures for all 19 properties. Said listings have been placed on CoStar, MnCAR, LoopNet, CBRE's website, and on the City's website. CBRE has shared these listings via email blasts to their contacts monthly. CBRE has reached out to a long list of prospects individually RE their listings in Ramsey (roughly XXXX).

Periodically, CBRE provides the EDA/ City Council with updates. In late 2015, CBRE worked with staff to create a detailed community profile--that highlights the momentum taking place throughout the community (attached). Additionally, CBRE and staff developed a detailed pricing strategy table for the sale of city-owned properties.

CBRE has acted as an advisor to the City's Economic Development and Community Development staff on many occasions. The working relationship between staff and CBRE is positive and professional. CBRE has closed four deals, has three deals under contract (purchase agreements), and are currently working to get two more deals under contract.

CBRE has been paid $150,938 in commissions. If the currently executed purchase agreements close, CBRE would be paid an additional $63,750 (total of $214,688 in commissions). This contrasts with the 3-year Lanform contract which cost the city roughly $1.8M (commissions plus other professional services). The CBRE contract includes a six-month carryover commission clause. This contrasts with the former Landform contract that had an 18-month carryover commission clause.

NUMBERS

(1) Closed Deals: since 2013, the City has closed on the sale of eight properties, totaling 39.82 acres, and $4.216M. CBRE was involved with four sales. These sites include: the former municipal center site (GS Land), Windsorwood (former park), McDonald's, Common Bond, Casey's, PSD LLC, and Purmort (two deals).

(2) Deals Under Contract: the City (and CBRE) currently have three purchase agreements executed and in-play, totaling roughly 15.68 acres of land, and about $1.275M. These include Aeon, Lifestyle Homes, and Platinum Properties.

(3) Potential Deals: the City (and CBRE) are currently in negotiations on two more purchase agreements, totaling roughly 2 acres of land, and about $350K. These purchase agreements include OGA and a daycare/ children's academy. Today, staff feels cautiously optimistic about both prospects.

(4) Past Prospects: CBRE brought two deals to the City in 2015 that were eventually turned down, totaling roughly 8 acres. These included Dominium and SCA (both senior apartment projects).

(5) Remaining Opportunity: the City has 17 land listings remaining, totaling about 90 acres of land, with a roughly $19M total asking price.

NOTE: asking price should not reflect expectations for land proceeds--the City of Ramsey established a pricing table that has been discussed in closed session on multiple occasions--which better outlines land sale predictions/ ranges.

CHANGES TO CITY STRATEGY, Since 2013

(1) Template PA: The City has developed a template purchase agreement and policy for selling City owned land. This has drastically increased the efficiency/ effectiveness of negotiations with prospects.

(2) Pricing Strategy: The City has developed a detailed pricing/ land sales table that clearly outlines all basic data (numbers) needed to make decisions on deals (offers) that come into the city. This table tracks the number of listings, asking prices, deal ranges, actual sales, sales dates, brief site specific notes, etc. This table has drastically increased the efficiency/ effectiveness of negotiations with prospects.

(3) Community Profile: The City has developed a detailed community profile. This profile outlines basic demographic information on Ramsey. Additionally, as suggested by CBRE, this document was created to clearly identify the great momentum taking place in Ramsey--within the development community. This document has helped staff convey basic information on Ramsey quickly and professionally. Additionally, this document helps "sell" the city.

(4) Marketing Materials: The City has completed a basic refresh of all materials/ documents/ marketing materials (2015). This basic refresh has allowed staff to update a handful of basic marketing materials, and make custom marketing materials on-the-fly and as-needed. This has helped staff be more consistent, professional, and efficient with the materials and messages sent to potential customers.

(5) Shovel Ready: The City is in the process of completing MN DEED Shovel Ready Certifications for the majority of city-owned parcels. This process essentially prepares all information needed by a developer to conduct a preliminary analysis of a land purchase--upfront and ahead of time. This increases the efficiency of the city's development team, and makes city-owned land more marketable.

(6) Website Upgrade: The City Council has budgeted enough dollars in 2017 to allow for a website revamp. Said redesign could be an opportunity to improve the functionality of the City's economic development pages--including a mobile friendly website. This is an opportunity staff plans to explore with the EDA/ Council in 2017. It should also be noted, in 2014, for the first time, the City began keeping an inventory of available properties within the community online--which has made communications with prospects/ developers much more effective and efficient.

(7) Infrastructure Analysis: Staff is planning to bring a work order request to the EDA/ Council specifically related to The COR. Staff would like to complete a preliminary infrastructure analysis, sign plan, and regional stromwater plan for The COR. For a number of reasons, not having this work completed creates complexities/ ambiguities/ and delays when negotiating land transactions in The COR. Additionally, not having this work completed now could put the city in a disadvantaged position in future (as we may not understand what obligations we are assuming, or pushing off, as master developer, when working on isolated deals today). Attached is an overview of outstanding master developer items for The COR.

(8) 2017 Additional Resources: At this point, it appears the City Council will be approving a 2017 budget that will include a $25,000 increase in the EDA marketing budget and a 20-hour per week position to aid the economic development manager. Although the exact scope of the work to be completed with these additional resources is not 100% finalized today--these resources will certainly put the City is a position to take a stronger, and more pro-active, approach on economic development in 2017.

ALTERNATIVES

Over the past few years, staff has received feedback from elected officials, the public, and third party professionals related to our strategy for selling city-owned land. Listed below are a handful of opportunities/ alternatives to consider as this discussion unfolds. Staff would like to know if the EDA has interest in further pursuing any of these alternatives (or alternatives not listed). It should be noted, these alternatives are not mutually exclusive (they can be combined).

(1) Traditional Broker (current method)
(2) Value-Added Broker
(3) Public Relations/ Marketing Firms
(4) Private Economic Development Services
(5) Event Attendance & Networking
(6) Master Developer
(7) Market Research Firms

The EDA and City Council directed staff to concentrate on alternatives #2 and #6 in January of 2017—with a preference for #6. To begin the process of further evaluating alternatives #2 and #6, the EDA and Council directed staff to arrange informational interviews between the EDA and developers.

(1) Traditional Broker (current method)

Broker creates professional listings, lists properties on websites, places real estates signs, sends email blasts, connects with networks/ contacts, and provide market updates to city. A traditional real estate broker typically gets paid a commission between 5-7% on land sales. This marketing alternative is typically the most cost-effective, and requires the least amount of exposure to the city financially, in terms of upfront expenses.

Staff believes CBRE is a great fit for this particular strategy. CBRE's 3-year contract is due in January of 2017. The background section of this case provides more information on CBRE. One option to consider is keeping CBRE, and enhancing their services by hiring a PR firm for targeted marketing campaigns (for example, to restaurants or retail), or hire a research firm to help us further refine or prospects.
Examples: coldwellbanker.com, edinarealty.com, colliers.com/en-us/us, premiercommercialproperties.com

(2) Value-Added Broker

Organizations that provide traditional brokerage services, along with additional value-added services. For example, some firms provide professional engineering and land use services, along with broker services (i.e. Landform). Another example is a firm that provides broker services with a more robust marketing, public relations offering, and professional consulting (i.e. IAG, Jeff Lafavre). Typically, these firms cost more than a traditional broker--and often times include a combination of both higher commission payments (6-8%) and regular monthly professional service payments ($300-$15,000).

These firms would be a little more "hands on" with staff and our elected officials. Staff would expect these firms to have a higher emphasis on supporting Ramsey's vision, values, and zoning. These firms would go above and beyond listing properties and connecting with known relationships--they would be more pro-active. They would also work closer with known developers/ investors. These firms would act more of as an extension of staff. Although this type of broker would have a high motivation to close deals, it would not be their exclusive mission (as is for a traditional broker). The scope of work for a custom broker is variable, and highly customizable.

If the city were to select this alternative, staff would recommend we send a RFQ to our broker list, and within the RFQ specifically require certain services be provided (i.e. services we want above and beyond the role of a traditional broker). For, example, we want the broker to produce (or contract out) targeted marketing materials for restaurants and retail--and we want them send to a minimum XXX entities per year, directly and personalized (not just via a mass email blast of a generic message), and they should follow up with at least one direct phone call to each. Staff would also ask for the scope/ expectations for updates/ and progress reports to be clearly defined.
Examples:iagcommercial.com, landform.net

(3) Public Relations/ Marketing Firms

Private organizations that specialize in providing detailed/ specific marketing for real estate--including in-depth targeted marketing campaigns. This could be useful for Ramsey in the areas of retail (restaurants and shopping), anchor users (theaters), hotels, and office users. This could also be useful in aiding staff with keeping our content/ data fresh and out in the public eye (i.e. more press releases, facebook posts, etc.).

These firms would likely bill like any professional services firm--by project or by hourly rate. These firms would pay a lot of attention to Ramsey's customized marketing/ PR needs. These firms would not have a high motivation to close deals. The City would use our EDA marketing dollars to fund this work (and potentially EDA professional services dollars). A benefit of this alternative is no commission payments on land transactions (i.e. we could maximize land proceeds). Also, we wouldn't be tied into a contract.

If this route was utilized, staff would suggest hiring a PR firm to complete a specialized marketing package for three campaigns (retail, restaurants, and destination users--like hotels, theaters, community centers, etc.). Upon completion of marketing packages, the PR firm would develop a long list of prospects. The PR firm would send information to the prospect list. Then, either staff/ or the PR firm would follow up with the prospect list.
Examples: fallsagency.com, maccabee.com, antennaconsulting.com

(4) Private Economic Development Services

Organizations that specialize in aiding government agencies (and large utility companies) in maximizing the effectiveness of their economic development departments. Range of services is highly variable. Often times, these agencies have a plug-in to a base of traditional economic development prospects/ contacts. Additionally, these agencies typically target website improvements and advertising campaigns.

One example to consider is WEDA (word economic development alliance), they are based out of Texas and work across the US. For a fixed annual fee, they provide a pallet of economic development services. WEDA only works with 2-3 cities from each State. WEDA delivers 100+ leads of businesses considering relocation on an annual basis (traditional economic development, i.e. manufacturing). WEDA attracts prospects via their magazines, ads, websites, event attendance, relationships, the WEDA partnership board, and their brokerage. WEDA also has a network of nearly 8,000 restaurants and retailers--they would create a customized marketing campaign for our target market--and send out on our behalf. Any prospects Ramsey has would be managed by WEDA, via their CRM system. WEDA also offers website design and maintenance services. Lastly, WEDA has very strong tracking and reporting capabilities--they can track if prospects are opening our emails, if they are clicking on our website, etc.
Examples: goldenshovelagency.com/gsa, WEDA attractmorejobs.com

(5) Event Attendance & Networking

The development world is a relationship business. The city could put more of an emphasis on staff attending various networking events, trade shows, etc. Examples (site selectors events, commercial real estate development association, and the global retail convention).
Examples: siteselectorsguild.com, icsc.org

(6) Master Developer

Private sector organizations that specialize in managing large developments. This opportunity comes in many forms. On one end, the city could sell all city owned land in/ near The COR to a master developer. Then, let the master developer work the the city to develop their property (much like PSD LLC). On the other end of the spectrum, the city could simply hire a master developer for consulting/ professional services. The city would maintain control of land. Another option is in the middle, the city to allow a developer an option to purchase, or a commission for sale, on all city owned land. However, the master developer would manage/ partner in all development services/ planning/ marketing.

The positives with this alternative include: an organization that has experience successfully managing and completing large developments, the ability to bring in owner equity or equity partners, the city would only be dealing with one entity rather than several, and a "partnership relationship." The drawbacks would include: master developers often have their own opinion, vision, and priorities, master developers may only work with certain users, and may exclude other users, master developers may pressure the city to reduce development standards and development fees to get deals done, and if master developer were to pick up all city-owned land upfront, they would likely only do so for a discounted price.

Lastly, it should be noted, the city may want to consider engaging PSD LLC about strategy for marketing The COR. They are a major land owner, and a partnership may yield certain efficiencies and synergy. Regardless of which alternative is selected as part of this discussion, staff will recommend formally connecting with PSD LLC.
Examples: kadevelopment.com, rjryan.com, ryancompanies.com, opus-group.com

(7) Market Research Firms

Private organizations that specialize in providing detailed/ specific research for real estate--including in-depth marketing analysis, and demographic analysis. This could be useful for Ramsey in the areas of retail (restaurants and shopping), anchor users (theaters), hotels, and office users. This could also be useful in aiding staff/ brokers with better understanding what our best, and most market realistic, development opportunities in Ramsey are, and will be into the future. This could also help us better understand the customer profiles of potential shoppers.

These firms would likely bill like any professional services firm--by project or by hourly rate. These firms would pay a lot of attention to Ramsey's customized research needs. These firms would not have a motivation to close deals. The city would use our EDA marketing dollars to fund this work (and potentially EDA professional services dollars). A benefit of this alternative is no commission payments on land transactions (i.e. we could maximize land proceeds). Also, we wouldn't be tied into a contract.

This city did complete two retail studies, similar to what is being proposed here, in 2008 and 2011. The city did contact all leads identified in the study. Unfortunately, no actual land transactions transpired as a result of this study. With that in mind, timing was not the best (i.e. since the Great Recession retail has been a challenging market). Attached is the 2011 study for example.
Examples: McComb Group LTD, buxtonco.com, nielsen.com

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, October 6, 2016, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:	Acting Chairperson Wayne Skaff (left the meeting at 8:30 a.m.) Member Philip Brunt Member Glen Hardin Member Chris Riley Member Kristine Williams (arrived at 7:36 a.m.)
Members Absent:	Chairperson Jim Steffen Member Brian Burandt
Also Present:	Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator Kurt Ulrich, City Administrator John LeTourneau, Anoka Area Chamber of Commerce Jason Aarsvold, Ehlers & Associates Brian Pincrates, City Realtor Jeff Hagen, Platinum Properties James Polk, Platinum Properties

1. CALL TO ORDER

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

2. APPROVE AGENDA

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated September 1, 2016

Motion by Member Riley, seconded by Member Hardin, to approve the September 1, 2016, minutes as presented.

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

4. EDA BUSINESS

4.01: Platinum Properties Purchase Agreement

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

Member Williams arrived at 7:36 a.m.

Mr. Jeff Hagen, Platinum Properties made a brief presentation to the Board.

Mr. Jason Aarsvold, Ehlers reviewed the project with the Board.

Brian Pankratz thought this project fit what the City was looking for.

RECESS AND RECONVENE

Motion by Member Williams, seconded by Member Hardin, to recess to a closed session.

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

The EDA Commission recessed at 7:40 a.m.

The EDA Commission reconvened the regular meeting at 8:00 a.m.

The Board thanked the speakers for their presentations.

4.02: CBRE Update

Mr. Pankratz presented market overview to the Board.

Member Hardin asked if the City should look at trying to market retail on the south side of Hwy 10.

Mr. Pankratz stated they have done that in the past and have not had success to date but he thought it would be a good opportunity if they can attract retail users on that site. Access off of Armstrong now is fantastic. He thought this would bring in some competition for the north side of Hwy 10 and he thought the visibility would probably be a little better but there is no density there because of the river.

Member Hardin asked if density a quarter of a mile away was a big deal for retail.

Mr. Pankratz did not think so but stated the developers think it is because they will take a demographics study and review it for negative and positive components.

The Board thanked Mr. Pankratz for his presentation and input.

4.03: Future Business Park

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

Acting Chairperson Skaff left the meeting at 8:30 a.m.

Member Riley chaired the remainder of the meeting.

Member Hardin stated under alternatives he did not see any alternative to sit down with Capstone to discuss a partnership with them.

Economic Dev. Mgr/Assistant City Administrator Brama stated they did have a conversation with Capstone Homes about that opportunity and their desire is to use the entire property for residential, that is what they want. They understand that a partnership is likely needed if they are going to get City help and because of that they are willing to work with the City on some level.

Member Brunt asked if it was the intent to do residential throughout the entire 48-acre site and when do they propose to do that.

Economic Dev. Mgr/Assistant City Administrator Brama stated that was correct. He showed the layout to the Board. He stated the intent of Capstone Homes is to purchase the entire Pearson Property parcel, 88 total acres, and they want the entire parcel to be residential. They have indicated on the south side of their site, near the railroad tracks, they would be willing to let that go for a business park (15-20 acres). They do not desire to do that, but are willing to do that.

Acting Chairperson Riley stated Capstone has been one of the good builders in the City. He is glad to see there is still continued interest. He stated the City has a different idea for that use there but does not mean they would not allow residential there but they have a different plan. He stated he was concerned that Capstone is still counting on the same tentative agreement that the City had of cost share, with the idea of bringing in a business park and he understands that the City would not do that same cost share to bring in residential. He stated there is a huge difference in what they would allow and what they would subsidize and in this case the City was very interested in bringing in a business park. He did not think the City would have the same appetite for bringing in more residential and he was concerned that Capstone is counting on that and he thought staff should make sure that Capstone understands that they would have to start over the negotiation process with the City and not count on what the City already committed to in the business park.

Member Hardin felt that was a good reason to sit down with Capstone to discuss this further and make sure there is no misunderstandings.

4.04: Begin Discussion RE Strategy for Marketing and Selling City Owned Land

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

There were no comments by the EDA members.

4.05: Select Date and Speaker for 2016 EDA Business Networking Event

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

Mr. LeTourneau made a presentation to the Commission on Millennials in the Workplace.

The Board discussed possible speakers for the upcoming EDA Business Networking Event. Staff was directed to work with Tim Herold of Herold Precision Metals for a keynote speaker. If staff needed additional time, the event could be delayed a month. If staff couldn't get Tim to commit, staff could work with a paid keynote speaker.

4.06: NCDA Termination Proposal

City Administrator Ulrich presented the staff report.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:45 a.m.

Respectfully submitted,

_____

Kurtis G. Ulrich
City Administrator

ATTEST:

_____

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

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 Dominium, 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,

_____

Kurtis G. Ulrich
City Administrator

ATTEST:

_____

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

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, February 9, 2017, 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

Members Absent: None

Also Present: Tim Gladhill, Community Development Director
Kurt Ulrich, City Administrator

1. CALL TO ORDER

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

2. APPROVE AGENDA

No changes were made

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated January 12, 2017

Motion by Member Riley, seconded by Member Hardin, to approve the January 12, 2017 minutes as presented.

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

4. EDA BUSINESS

4.01 Informational Interview: Kraus Anderson

City Administrator Ulrich stated this case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land. Staff met with Jaci Bell before the EDA meeting and she is prepared to answer questions from the EDA.

Ms. Jaci Bell, Director of Development, Kraus Anderson, was at the meeting to answer questions. She provided a handout to the EDA and reviewed the background on her company.

Mr. Dan Mossy, Krause Anderson was also at the meeting.

Ms. Bell stated one thing to note is Kraus Anderson is a family owned company. The projects they historically have worked on are owned. She stated there is a differentiation between Kraus Anderson as a developer and construction company from some others. They tend to buy and keep because they are supplementing their own owned portfolio. This is not the only format; it is just the historical format.

Ms. Bell reviewed projects in the packet that Kraus Anderson has done in the past and is currently working on.

Ms. Bell stated their general perception of The COR as a development project and what are Ramsey's strength and weaknesses. From a development perspective, some of Ramsey's strengths are that it is a transit-oriented development and she can tell there is a lot of heart in planning that has gone into The COR. She understood there is a desire to refresh the initiative to pushing things further along and really executing their vision and trying some different things. What she does not know is what Ramsey's partnerships have looked like to date and what they have leaned on each other for and how they have gotten there. She noted if they were working together, she would want to hear more about that and learn what has and has not worked well.

Mr. Mossy thought one of the biggest challenges from a demographics side of things is the river. They are kind of in between the river crossing access of Anoka and Otsego. When looking at a demographic study, it is done by a radius base and he thought it made some sense to alter that and go north up to Nowthen and touch on St. Francis and northern Andover, which would be The COR retail shoppers and the City of Ramsey and the residents who reside there are the everyday retail shoppers. He has noticed a little bit more activity as he came into The COR area along Ramsey Boulevard. There are a number of employers that are growing that way and from a retailer's perspective; daytime population for a restaurant is an important number for them to look at. He thought the City might want to hone in on the demographics a little more and present that in a more appropriate fashion to some retailers that are out there. He stated a lot of retail is tenant driven so if they could get a strong anchor, that would be the most important step to take, which will bring other tenants and shoppers into the market.

Ms. Bell stated when they brought up market study, it is something they have not done in Ramsey and have not released any work as far as a market study. She understood Ramsey has done this to some degree but it is something that Kraus Anderson would do as a first step in any project and it

is a very important step. She stated they do market studies. Market research and analysis is a super important part in knowing what is realistic. The content of this helps them to determine and understand what can be focused on. If retail is already saturated in other areas, then hopefully this will start to tell them where their opportunities will be. What are Ramsey's strengths and what can they draw from them, and a market study will help with that.

Member Riley asked if Ramsey brought Kraus Anderson onboard would a market study be one of the first things they would do or is this something the City should do now.

Ms. Bell indicated she did not know what the City's processes are so what she was saying was she valued market studies. She stated Ramsey indicated loosely that they were looking for more information and want to move forward in new and different ways but have not totally identified what an RFP would look like or if they even want to do an RFP or if they want to establish a relationship first and then chip away at working with something together. She stated if Ramsey were to do an RFP, she would prefer that they were prepared for it and have conducted that study in advance and would help her get off the ground quickly if their RFP timeline is really short because then she would know what they were looking for and it has a basis in xyz. If the City does not do that, then she needs the RFP to be long because she will have to gain partners and she has to look at a FIT study. She will have to get architects and will need to pull a team of people together and spend a fair amount of money to come up with her own findings, which Ramsey will have to trust and she would need a little more time for that.

Ms. Bell stated in regards to item four, strategies, none of them are bad for Ramsey but the last one, constructs speculative buildings, is the only one they generally do not do because of the basis Kraus Anderson already explained to the EDA. She thought many developers have strength in all of these different categories and knowing that Ramsey could break it out to work with different developers may bring something different to the table as it relates to how they are going to purchase or finance any given portion of it. She thought flexibility was great in that regard.

Ms. Bell stated the primary for Kraus Anderson would be typically purchasing and leveraging the asset to the best of its ability over time. For larger projects, they are now more than ever collaborating with other people.

Member Riley asked for clarification if Kraus Anderson would rather purchase the entire area and then develop it.

Ms. Bell indicated this is what Kraus Anderson has historically done in the past. She stated that getting to a deal structure standpoint would infer that she knew what the offering was and infer that she knew what the build is and she did not.

Member Williams stated this could be answered any way and the deal structure could have any type of details depending on the specifics and what the City wants.

Ms. Bell stated that was correct and there was not enough information to begin to hint at a deal structure.

Member Riley asked how long should the RFP process be.

Ms. Bell stated it depends on what the City is looking for.

Member Riley asked Ms. Bell to talk about the possibility of purchasing the property, how much Kraus Anderson would involve the City and their vision for the property and also how else Kraus Anderson would work with the City, another format that would keep the City vision and City control a little bit more.

Ms. Bell stated this is a tough one to answer because Kraus Anderson has not done any studies or FIT tests on it. She understood the City has a vision of strong retail draw so assuming this would be the only thing Kraus Anderson could do is retail she would let the City know they will have a hard time getting off the ground because her gut feeling is that is probably too much. She would want to do a market study to see how saturated the context, where is the draw. It is not a perfect circle or ring that crosses geographic border. It has to be realistic. It is an uneven line that goes all over the place. That begins to tell her how much retail can fit in an area. She did not know the way this market is drawn if it can support a large box retailer so she would need to find out what this market can support and what are the complimentary categories the City may not have thought of or could use more of. She would love to be able to execute the City's vision as they see it. She noted this is an informational study and she was not sure they were there yet.

Ms. Bell thought flexibility was important and in everyone's best interest to succeed. She stated Ramsey needs to know its own market and always think about sustainable needs and to be open-minded.

Chairperson Steffen stated Ramsey's land has been for sale for a few years and Kraus Anderson has not made an offer on the land, which tells him there is something off, price or positioning.

Ms. Bell stated that is true but Kraus Anderson has been in a different mode as a company for a long time. She stated construction has been a leader and development has been more ancillary. Their clients are the key and Kraus Anderson does not market or typically go after business. They typically have repeat clients so those relationships are well worn so the need to go out and look for and the need for people to find them is less. She added their development company is less than a year old – their strategy is different.

Chairperson Steffen asked if Kraus Anderson did not have ownership interest, would they work on some sort of consulting arrangement with the City and would their compensation be some sort of retainer, or project based or results based.

Ms. Bell stated this would be scope based; what are Ramsey's needs and how do they want to scope it. There is no definitive answer. It could be fee based.

Kraus Anderson left the meeting.

Member Williams thought they might have some of the answers already to the questions through past market studies but did not know how to interpret the market studies.

City Administrator Ulrich indicated the representatives for item 4.02 were not at the meeting yet and suggested they move item 4.03 to be discussed next.

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

City Administrator Ulrich stated the EDA is asked to consider the request from Ramsey Business for use of EDA Revolving Loan Fund, $72,500 EDA loan amount, 5% of project costs ($1.44M), 10-year term, and 3% interest. This case came to the EDA/Council for the first time in January 2017. At the time, the EDA/Council, provided the following direction to American Print & Digital: (1) an exception to the City's minimum owner equity would be allowed for American Print & Digital, from 10% to 5%, and (2) authorization to formally apply for the use of the EDA Revolving Loan Fund.

City Administrator Ulrich stated 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". He stated Mr. Mike Mulrooney is at the meeting and has done the credit analysis for the company they are considering for an EDA revolving loan.

Member Hardin indicated he would be abstaining from discussion of this project.

Mr. Mulrooney reviewed the applicant and project with the EDA.

Chairperson Steffen asked in regards to the Revolving Loan Fund deals if, in the past, they have always had sufficient collateral or have they done unsecured loans.

Mr. Mulrooney indicated this deal is a little different from what they have done in the past. In the past, they have had the Revolving Loan Fund be involved in a structure where it is ninety percent loan to value basis and there is sufficient collateral. This one is really a true gap financing. There is a lack of liquidity on the part of the borrower, which prompts the borrower to look for other sources to meet the equity requirements for the SBA 504 loan package.

Chairperson Steffen indicated he did not recall a deal in the past where the City was third in line and part of a real estate package.

Mr. Mulrooney stated this loan was set up initially using this structure. Other loans are typically structured that way. The policy states that there is a required minimum ten percent equity. In this particular case, to achieve all that is involved here, there are improvements to the building that when getting into appraisals do not give much value for fixing issues and that is where problems arise in a funding standpoint.

Chairperson Steffen asked if home equity would be available to the lenders in the first or second position.

Mr. Mulrooney stated the City would be in the second position because there is a first mortgage on the property now so anyone looking for additional collateral in the home would have to take a junior position to the Ramsey Revolving Loan Fund or ask for a subordination.

Member Riley suggested if the EDA does approve this that it be contingent upon approval from the bank and SBA.

Mr. Mulrooney agreed and stated from a funding standpoint this is going to be a little trickier also. Typically, the Revolving Loan Fund is used as a permanent or take out financing and in this particular case; it will have to go in on the front end because it is being viewed as equity in the transaction. They would not fund until they are sure the deal is going to close and all of the other funding sources are in line. He recommended that from a credit standpoint, it meets the standards set forth in their current policy and if the EDA moves forward with approval to make sure it is contingent that all the other loans are approved as well.

Chairperson Steffen asked if the collateral would be on his home.

Mr. Mulrooney stated he was offering that up for consideration as a way to secure the loan.

Motion by Member Skaff, seconded by Member Burandt, to approve the draft loan agreement with American Print & Digital for $72,500; contingent that all the other loans are approved as well as securing a second mortgage on the house and subject to final review and amendments by the City Attorney.

Further Discussion:

Member Riley stated they have these funds to be used and he thought this was a good use of it to be bringing in jobs and fixing up a building. He stated this does put the City in a funny position where the City is now acting like a bank. He thought they needed to be prudent with their money because these are City funds. He sometimes questions how much sense it makes to put a lien on the home and where that puts the City between being prudent and causing issues but if the borrower does not object then he does not object.

Chairperson Steffen asked who owned the building and asked if it was vacant.

Mr. Mulrooney stated the real estate is listed as other real estate owned so it is owned by a bank and vacant from his understanding.

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

4.02: Information Interview: IAG Commercial

City Administrator Ulrich stated this case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land.

City Administrator Ulrich stated staff met with Jeff LaFavre and Brian Beeman before the EDA meeting and are prepared to answer questions.

Mr. Jeff LaFavre, Owner/President, with IAG Commercial and Brian Beeman were at the meeting.

Mr. LaFavre and Mr. Beeman both reviewed with the EDA their background and history of and with IAG Commercial.

Mr. LaFavre stated they are working hard to build IAG Commercial. Their employees bring a nice mix and allows them to provide services that are more comprehensive. He stated they do a lot of brokerage business and work well when there is a demand.

Mr. LaFavre stated their firm is smaller and more hands on. They have worked with large cities and local governments. He reviewed their work that has been done with the City of Minneapolis.

Mr. LaFavre stated they have done a lot of master planning of campuses for companies such as Blue Cross Blue Shield, Imation, Med Con and others. They have talked to many cities like Ramsey and are familiar with the questions. He stated in working with cities they need to put a plan in place that is a little more flexible based upon the demands of the marketplace. They have a lot of advisory work experience.

Mr. Beeman indicated they have done many large projects. They are very nimble and can customize the business plan with a strategic real estate plan. He noted they have had many large clients and projects which is impressive for a smaller company.

Mr. LaFavre stated the biggest thing for them is so many of their clients say there is a role for the brokerage component being provided but sometimes more is needed because they don't know where they are going and don't know how to move it forward. Their clients have indicated they need more of the advisory component that IAG Commercial brings to the table. Their background in finance and in the development side and in the corporate side has helped them a lot in that whole process. He stated his personal experience in running companies has been very helpful for him to relate to senior management of companies and to think more strategically.

Member Riley asked what would "advisory" mean to Ramsey that IAG Commercial could provide.

Mr. LaFavre stated it means different things to different people and to them it means non-commission related which falls into an advisory bucket. Sometimes that might mean strategic real estate planning, sometimes it might be coordinating a master plan and sometimes that might be running a financial analysis for somebody because they are not sure what to do. There is a component that is not always a transaction component that falls into their advisory bucket.

Mr. Beeman stated they are not a pure brokerage firm. They are more of an all-encompassing property management company. They find business partners, people who make the project happen, and manage the projects so they are not just a marketing firm. They are more of an all-encompassing business that matches the business plan with a corporation and matches a strategic plan that is customized, whether it is phases or if they need to dispose of land or develop the land.

Whatever it is, they help to customize the plan to that specific corporation. He stated this is a little different approach than their typical brokerage firm and all of the employees in the firm have a different specialty that they focus on.

Mr. LaFavre stated in regards to question three, the hot issue now is the Millennials. Everyone wants to live where they work so the hot areas are downtown areas. What is happening is the older Millennials are now building families and want to move out further to the suburbs to work, live and have their children educated and they want a high-density location where they can walk and bike to close amenities like they had in the city. Many cities are talking about creating more density with a downtown core area and Ramsey currently has that. They need to have a long-term strategy plan and he thought the role of Government was to create the vision and then remove the barriers to make that happen. He stated Ramsey has already created the vision but needs to expand on it which can be discussed further. He thought the COR is well positioned to where the millennials and the next generations are going and he thought that was extremely important. He thought the other thing too is in these core areas, there is a lot of sense of community. For the COR to be successful, you need to think about cradle to grave. You cannot think about just one sector because a healthy community caters to the whole community, all ages.

Mr. LaFavre thought as far as strengths of Ramsey is the fact that there is energy behind the commissions in Ramsey and there is a lot of community pride to make a difference. He stated the other positive is Ramsey has a clean slate which will make it easier to make the vision come to life. He stated as far as weaknesses, there is still some hangover in the community of the things Ramsey went through before. People who are close to it know the professionalism of the City Council and the other groups here today but they also know the challenges the community had in the past. For better or for worse there is some of that out there and when he talks to some of the developers he knows they put up a red flag. He thought that would change as the City continues to do what they are doing but that also creates a little bit of a distraction as they try to recruit and talk to people. He stated another weakness is that Ramsey is smaller but growing and developers are focusing now on bigger opportunities where the demand equation is clearly defined. In Ramsey, there are smaller opportunities. Many of the large developers are going to say that they cannot clearly define the demand equation and it is too small of a project to focus energy on. He thought there would be smaller developers that will make a lot of this happen which will mean there will be a lot more hand holding and a lot more help will be needed to put financing together, etc.

Mr. LaFavre stated in regards to marketing they have a well-defined corporate base in Ramsey, which is a positive, and they want to continue to mold that. The ability to attract large corporations into this area is going to be difficult because most of the companies that want to be in Ramsey are already here so they want to continue to cultivate the businesses that are here. He thought it would be interesting to think about an incubator concept and try to do something that would allow small businesses to really thrive and start up here, people who are already living in this area that have a passion. The City has had great success with medical and there is nothing really set aside area for that. He wondered with the growth of medical if they should rethink The COR a little bit and put more of a medical component in there that is more defined and centralized which will allow some room for growth. Medical clients like to be close to one another.

Mr. Beeman thought maybe The COR could be more diverse and think about features for seniors. He also thought something could be done with the website to make it easier to direct people to what they are looking for. He thought if they could reach out to all of the different kinds of developers that would be ideal. They cannot create demand but they can make people aware and attract the specialty businesses to the area and it should be done in phases.

Mr. LaFavre stated the City's best marketing tool is the residents of Ramsey. He thought they should use social media and blast the positive things going on in the City. This will attract more people and small businesses into the area.

Mr. LaFavre stated in regards to retail land, more retail will be moving to the internet and he thought The COR had too much retail land at this time. He stated the online market has changed the retail world and is the storefront of the future. He thought that The COR retail area would need to be service oriented. The people that live there are people that will need retail services and those types of businesses will survive in The COR area. He stated right now multi-resident housing is the popular thing but it could change in the future and the City needs to flexible with what the market demands at the time.

Mr. Beeman stated many people want mixed use and that seems to be the trend but it only works in certain pockets of the Metro and they have to have the demand. It is very difficult to create without the demand.

Chairperson Steffen asked if IAG Commercial were hired by the City what would they do for the City.

Mr. LaFavre thought they would first need to sit down with the EDA and see what they want accomplished. From their perspective, what they have learned over the years is that the people who have the best answers as to what should be done are the people that are closest to the problem. They would like to gather the information as quickly as they can in order to form a plan. The COR plan the City has needs to be reviewed and discussed and it would be really nice to create a vision with partners that want to work with the City. They would like to feature the amenities in The COR and work in entertainment features around the water features already there. He would really like to understand the affordable housing feature better. It is nice to have but needs to be managed well. They need to come up with a master plan and define it. He stated they try to maximize what the client gets for their dollar so IAG Commercial would also become the broker of the land.

Chairperson Steffen stated the City wants to sell their land and get out of the developer business as quickly as possible so how will IAG Commercial advise them to do that.

Mr. LaFavre stated IAG Commercial is a non-profit so they will need to find a compensation plan that gets the City what they want and also gets the benefit of the commission structure and tie the two together a little more. He stated they are only as good at selling the land, as there is demand for the land.

IAG Commercial representatives left the meeting.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:25 a.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

DRAFT 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, March 9, 2017, 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 Kristine Williams
Members Absent:	Member Wayne Skaff
Also Present:	Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator Tim Gladhill, Community Development Director Kurt Ulrich, City Administrator

1. CALL TO ORDER

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

2. APPROVE AGENDA

No changes.

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

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated February 9, 2017

Motion by Member Riley, seconded by Member Hardin, to approve the February 9, 2017, minutes as presented.

Chairperson Steffen stated there was one change on page 9, last paragraph the sentence is incorrect and should be changed to reflect the following: "IAG Commercial is not a non-profit".

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

4. EDA BUSINESS

4.01: Informational Interview Oppidan Development

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is a follow up to the EDA's ongoing discussion RE marketing strategies for The COR, and the sale of City-owned land. He presented the staff report.

Mr. Drew Johnson, Manager of Commercial Development for Oppidan Development reviewed his background and the history and previous projects Oppidan Development has done with the Board. He stated Oppidan Development is mainly merchant developers, they sell ninety percent of the projects they do, they do not have a portfolio.

Mr. Johnson reviewed a six-acre site they are developing in Minneapolis.

Chairperson Steffen asked if Oppidan Development owns the site on the current project they are working on in Minneapolis.

Mr. Johnson stated they do own the site but they usually do not own a site until they are ready to break ground. He stated this project is A-typical in the nature of it.

Chairperson Steffen asked what is the general perception of The COR and what are the strength and weaknesses.

Mr. Johnson stated knowing how hard and expensive mixed use has been and is to do, he thought Ramsey was doing pretty well in terms of what has been done so far and also knowing how expensive market rate housing is to build. He stated from the center of where the money is flowing, Ramsey is pretty far out and suburban housing is challenging and hard and when looking at some of the other large projects that have gone on has been pretty big with city subsidies and free land, TIFF's and things that have been done to make that happen, he thought that was a huge barrier of entry for how big the COR is and how much Ramsey has so far, he thought they have been doing pretty well. There is a lot of communities in the same spot where they want to remake an area and do a downtown.

Member Riley asked what Mr. Johnson thought of vertically integrated building, which he thought Ramsey had a little bit already and a lot more of that in the plan.

Mr. Johnson thought it was hard because on a large scale format to do well, if they have a footprint that is going to handle 100 residential units and enough underground parking where it is efficient to build, where the project needs a large project to do that because of some of the costs. He stated if the expectation of the ground floor will be a lot of retail, for a less dense area like Ramsey, that is a huge challenge. He thought a reasonable expectation, may be the best corner could have some support style retail uses.

Chairperson Steffen asked which strategies would be recommended and which ones would Oppidan Development help them out with.

Mr. Johnson stated he would be as flexible as possible. He stated a firm like CBRE has a strong international and national reach, he would choose CBRE path if just starting out and put their best foot forward. Secondly to that and as it would relate to engaging a developer, their interest in land anywhere is very tenant driven. He stated they could have a project built within twelve, eighteen to twenty-four months.

Chairperson Steffen stated the City has about 150 acres of available retail land is located within/adjacent to The COR today. He asked if it was realistic for Ramsey to absorb that much retail land.

Mr. Johnson thought right now there was too much land there for retail. He did not think it needed to be rezoned right away but they should look at the next step of retail development after the grocery, he thought better retail would be larger box stores such as Michaels, JoAnn Fabrics, Maurices, TJ/MAXX which from a real estate risk profile would be harder to do for a developer to do. He did not think there was the population or critical mass to pull that off. He would advise the big power centers to be built such as Home Depot, Menards, Lowe's, Fleet Farm.

Mr. Johnson stated in closing, the best strategy, where in terms of development they would not just doing another convenience store, the question is how do they grow the tax base and CBRE is already aware of this. He thought there is shovel ready, utility stub, soil corrected large parcels of land in Mpls and there is very few of them left where people are bringing them further out to surrounding communities. He stated Ramsey was probably in the position to respond to a larger land owner such as a manufacturing business use.

The EDA thanked Mr. Johnson for being at the meeting.

4.02: Anoka County Open-to-Business Program Update

Economic Dev. Mgr/Assistant City Administrator Brama stated Kathleen DuChene with the Anoka County Open-to-Business Program was at the meeting to provide an update.

Ms. DuChene updated the Board on the Open-to-Business Program in Anoka County and customers they have helped get financing and start, grow their businesses.

Ms. DuChene stated the trends she has seen in the last few years are very little brick and mortar businesses. A lot of new businesses are inside the home and online women's boutique businesses. She stated she has helped a business owner put together an online business in the travel industry for women who want to travel but travel alone. She stated another trend is micro-breweries and organic home to table micro greens businesses. She noted the pet industry is growing and specialty foods, mostly ethnic foods and pasty and baked goods are also growing.

Ms. DuChene thought there was a lot going on in different industries and retail is changing rapidly. She stated big box stores are having difficulties and closing stores and there are more global markets and more online shopping and ordering is happening. She thought there were some implications for economic development in cities and economic development brings in business, hiring and creates tax base. She also thought there are going to be changing trends drastically in the next fifteen years.

Chairperson Steffen asked besides financing what are businesses looking for.

Ms. DuChene stated existing businesses are struggling with cash flow. Because of some of the changes she is seeing happening, business is not reacting quick enough on how to market differently, how to find different customers, they are struggling. Some of them have gone into business with not putting together a good plan or thinking through it thoroughly enough. She stated some businesses she looks at she sends them back to the drawing board and tells them they need some financial projections. Part of it is in planning. She thought the businesses they have made loans to have a thought-out plan and they are second stage businesses and are going to grow, know what they are doing and expanding and need financing for that. She stated she has been brainstorming with people and find out what they need to do. She noted she does get a lot of calls from Ramsey and encourage them to get a little blurb out into a newsletter every time it goes out.

4.03: EDA RLF Request, American Print & Digital

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA in January and February. This loan request was approved by the EDA and Council in February, contingent upon staff obtaining sufficient collateral. The purpose of this case is to update the collateral source. American Print & Digital is suggesting the City take a first lien on the attached existing equipment list, rather than a second mortgage on their personal residence. Staff has verified sufficient value exists in the attached equipment list to collateralize the EDA loan. With this in mind, staff believes this change is administrative in nature, and still meets the intent of Ramsey's policies and prudent lending standards. Staff recommends the EDA re-approve this loan with the updated collateral requirement.

Member Hardin recused himself from discussion and voting due to conflict of interest.

Motion by Member Burandt, seconded by Member Brunt, to recommend to City Council approve the attached draft loan agreement with American Print & Digital and approve an EDA RLF loan in an amount of up to $72,500 (not to exceed 5% of the project cost), subject to:

- The borrower providing a first lien to the City on the attached "Equipment List"
- The borrower receiving approval of the project loan by the Bank of Elk River and the SBA
- Final review and approval of the loan agreement by the City Attorney and the CMDC.

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

4.04: Arterial Infrastructure Discussion for Bunker/Puma & Capstone Homes

Economic Dev. Mgr/Assistant City Administrator Brama stated this case is being reviewed by the EDA because the project is proposed to utilize two economic development funding sources. Since the proposed arterial infrastructure will serve the City's future business park, potential funding source for the arterial infrastructure include both the EDA Fund and Anoka County EDA/HRA accounts.

Economic Dev. Mgr/Assistant City Administrator Brama presented the staff report. He reviewed the three alternatives with the Board.

Economic Dev. Mgr/Assistant City Administrator Brama stated the benefits of Alternative A is that it appears it can work for all parties and an agreeable deal. This would trigger 300 to 350-unit residential development which would help drive traffic and consumers to The COR and would help to push their demographics to bring in retail restaurants. This would also help to trigger development of the new Itasca Park and modifications to Alpine along with allowing for new pedestrian connections within their community.

Economic Dev. Mgr/Assistant City Administrator Brama stated Alternative B would minimize the City's exposure to risk. Alternative C is to hold tight. They are able to meet their primary goal of getting their business park ready to go and have land available. He stated Capstone is at the meeting to discuss and answer any questions the EDA may have.

Chairperson Steffen asked if 60/40 is past policy. Economic Dev. Mgr/Assistant City Administrator Brama stated this is not past policy but is what happened for Legacy Christian Academy, Sunwood Drive and Rhinestone. The City does not have a formal policy and is usually negotiated.

Economic Dev. Mgr/Assistant City Administrator Brama stated the proposal that stands today, typically assessments are going to be over a ten to fifteen-year term. Capstone Homes has requested that the assessment be paid back at the time the property is sold. He thought the City would not want to sit on the assessments for any length of time so he thought a five-year sunset clause for when assessments would be due is appropriate. That would state that the lots, if not sold within five years, those assessments will come due. He noted this is sort of a hybrid approach. He stated Capstone Homes and staff has not had a lot of time to review this MOU in detail.

Member Williams asked to revisit the past practice statement. She asked if the 60/40 split is the basis for other residential developments in the City.

Economic Dev. Mgr/Assistant City Administrator Brama stated from a residential perspective, typically residential projects do not get involved with arterial infrastructure. Usually they will locate a development off a County Road or an existing city collector street. He stated the City of Ramsey typically does not get involved with infrastructure for residential projects, especially interior to a site. In this project there is going to be a lot of interior residential roads and the City

of Ramsey would not pay for any of that, what is less clear is arterial infrastructure collector roads, they would probably have to do some more digging to see what has been the practice in the past. He stated it was his understanding that those roads are typically City responsibility. He stated in this scenario they are extending those roads ahead of development and he did not know if they have done that in the past.

Member Riley asked if they should be considering this as two different phases. He thought it made sense to push it a little further when they know another phase is waiting.

Community Development Director Gladhill stated this does increase the cost of the project. What is unique here is that there is a specific phasing line. In this circumstance, they are only plating up to phase two which will give them a cleaner break. From a street maintenance perspective, they would prefer to do this all at once because then they do not have a sequential street maintenance program.

Member Williams asked if the gross and net numbers are different because there are already contributions from the City for the extension. She wondered why they are not calculating that difference as part of the 60/40 split proposal.

Economic Dev. Mgr/Assistant City Administrator Brama stated that is a perspective they can take on this project. Those dollars are preprogramed for those arterial trunk lines. This development along with any development pays trunk/sewer fees for every single development to help pay for that system. He stated to that point an argument could be made both ways that they are making a contribution through standard development fees just like any other developer would.

Mr. Steve Bona, Capstone Homes, stated they are really excited for this project and feel it would be wonderful for the City and great for Capstone Home. He thought there may be more of a benefit to The COR then to the business park. He thought the business park would be an added bonus if they can pave the road on the south side adjacent along Puma along the west side of the business park but The COR needs rooftops and this project would provide that. He thought that was the biggest benefit they could provide to the City. They don't really have any frontage onto Bunker Lake Boulevard, it dead ends into their site but, if the road needs to be extended they would like to contribute to help that happen. They did come up with a dollar amount in order to assist that and then when it came to Puma, the 60/40 split, they looked at past practice, they have the business park on one side so it is not all residential. That seems to align with past practice and is why they included it that way in their proposal.

Mr. Bona stated they are offering funds along Bunker Lake Boulevard, even without any frontage on it in order to pull it towards their property. Right now one of the things they are fighting in regards to residential is there is still quite a few bank owned properties out there in those areas and they can only pay for so much offsite improvements before they get into the neighborhood. The bank owned land in Elk River and Otsego is their competition as well as coming closer to the cities and they are building in both of those areas and they know what those values are and to be competitive on this property, it is very important that they watch the

numbers. He stated he understood the City's view. He thought that the long-term vision for The COR is something they should be focusing on.

Mr. Bona stated they have revised their neighborhood plan. He thought plan was so much better than the first plan they presented to the City. He stated there is open space, curvature in the roads, they have created more ponding and amenities on the site.

Chairperson Steffen asked how long it will take to build out phase one.

Mr. Bona stated they are trying to determine what size phase one will be but assuming they are going to have fifty or so lots, they anticipate that will happen in a twelve to eighteen-month period once they gain some momentum. He stated they have different product type of homes that will be in the project. He noted they have removed the townhomes on the far south side and left them on the north side of the project.

Mr. Bona stated they have not gotten into the details about the assessment and how it would be paid back. In past practice, they have had a five-year term on assessments like this but they would divide out the total assessment by units that are envisioned to pay it back. He noted that phase one is not all of the units and it would have to be based on phase two as well but the minimum assessment payment could be made each year versus waiting until year five. He stated the benefit to them is it spreads out their cost and they would not need it to be pushed out to year five because as they are selling houses they will be paying back assessments.

Chairperson Steffen asked if they planned on preselling the lots.

Mr. Bona stated they will have permanent sales centers for each type of product. They will presell as much as possible. They are seeing a really good market in the Twin Cities right now.

Chairperson Steffen asked if Capstone has ever done a three hundred home project.

Mr. Bona indicated Capstone has not but Capstone has completed projects in multiple phases. He noted he has experience in this type of master planned communities project.

Chairperson Steffen asked how many homes Capstone built in 2016.

Mr. Bona indicated they built approximately 175 and closed around 150 and the target this year is to close 220 homes.

Community Development Director Gladhill stated from a planning perspective Capstone has done a good job of managing the Brookfield project and staff is excited about this project because it is something different.

Member Riley stated the Board has the MOU and alternative A of the 60/40 split. There is also alternative B which is a 50/50 split and he wondered how Mr. Bona felt about that alternative.

Mr. Bona stated with their contribution that they are making to Bunker Lake Boulevard, with no frontage on Bunker Lake Boulevard they feel like they are contributing more than their fair share to that. They have business parks on both sides of Bunker Lake Boulevard and they will achieve that value that will be built for the road and the arterial infrastructure at some point in the future. Even if they are not paying now or are paying a small share now, Capstone is not going to see any of that for their contribution made to Bunker Lake Boulevard. Those property owners will and they need to remember that. He stated that is where they are making a contribution that is over and above what would normally be done but they do see the benefit for it because they need the utilities to get to the property.

Mr. Bona stated on Puma, the 60/40 split there with the business park being on the east side and the residential being on the west side they feel it is fair for the City to look at the same approach that was taken the first time. He stated this is needed for the business park and this has been done in the past and they would like to see that continue here as well. Moving forward, north of this phase, that is different because there will not be a business park involved anymore and 50/50 split is what they anticipate with that phase once they get there.

Member Brunt left the meeting at 9:00 a.m.

Chairperson Steffen asked what their preferred timing is for closing.

Mr. Bona stated they would like to get this going as soon as possible but realistically they are probably looking at a fall completion for streets. They need to have this site under construction in July/August to have that happen. He stated the public project with Puma and Bunker Lake Boulevard will have to go through the 429 process which takes time.

Member Hardin asked on the fifty-five acres if it was shovel ready.

Economic Dev. Mgr/Assistant City Administrator Brama stated the shovel ready process they engaged WSB was for the entire south side of Bunker Lake Boulevard.

Member Hardin asked if the City has put a number to the two-business park parcel. If the City completed this project based on Alternative B, what would the cost per square foot be for the infrastructure on those business park parcels.

Economic Dev. Mgr/Assistant City Administrator Brama stated the study breaks the cost down per acre but it can be broken down per square foot. He stated he could find it out and let them know. He thought they would be looking at twenty-thirty thousand per acre.

Chairperson Steffen thought the EDA was in concurrence that they would not be in favor of Alternative C.

Member Hardin stated he was not opposed to the residential project but was concerned with leapfrogging and how long it is going to take to develop the business parks. He stated he had reservations on this. He stated if they do move forward he would like to see the timeline for the assessments moved up.

Member Williams left the meeting at 9:10 a.m.

Chairperson Steffen thought Alternative A was Capstone Homes only offer for this.

Member Riley stated if the EDA approved what Capstone Homes was asking for he wondered if they would be ready to close and move forward.

Mr. Bona stated Capstone is ready to close and move forward with this project and this project is good and sound.

Member Riley thought that was important, along with the leap frogging to have an end user that will utilize this. He stated he was in favor of this.

Chairperson Steffen asked if Capstone has new plans and drawings they will be showing to the City Council.

Mr. Bona indicated they did and he has discussed this with Mr. Gladhill.

Chairperson Steffen stated this is a great project and he would like to see this move forward.

4.05: Stone Brook Academy PA

Economic Dev. Mgr/Assistant City Administrator Brama stated the EDA is asked to consider the purchase agreement with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

Economic Dev. Mgr/Assistant City Administrator Brama stated this case was reviewed by the EDA, Planning Commission and City Council. All parties are generally very supportive of the use/proposed project. However, the site location has been the focal point of conversations to-date. The EDA is in general support of Stone Brook's proposed site location, Site #1. The Planning Commission is in general support of Stone Brook's proposed site location, Site #1. The Council is in general support of Stone Brook's proposed site location, Site #1. It appears all boards/commissions have indicated support for a north-to-south road construction (Verdin's to Sunwood). It appears there is not consensus on whether that road connection be a private drive or a public road. Additionally, it appears there is general support for Master Plan B which shows an east-to-west internal connection through the proposed Stone Brook site.

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

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council approval of the attached purchase agreement (PA) with Stone Brook Academy for 1-acre of land located near the center of The COR for a children's academy and childcare center.

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

4.06: Lifestyle Property PA Reassignment

Economic Dev. Mgr/Assistant City Administrator Brama stated Bill Gleason of Lifestyle Construction, desires to reassign the attached purchase agreement (PA) to Morning Sun Homes, Inc. In order for a reassignment of purchase agreement to occur, the City of Ramsey must provide written approval to Mr. Gleason and Morning Sun Homes.

Economic Dev. Mgr/Assistant City Administrator Brama stated staff considers this case to be administrative. The City needs to make sure they have proper documentation/final form agreements, ready-to-go, to allow the City to close on the sale of this property. As a result of this proposed change of ownership, the Board needs to update the Purchase Agreement, Resolution for Anoka County Recorder's Office and Right-of-Re-Entry Agreement.

Economic Dev. Mgr/Assistant City Administrator Brama stated the City entered into a purchase agreement for the sale of roughly 3-acres of city owned land to Lifestyle Construction on May 31, 2016 for what is commonly referred to as the "U-shaped" residential parcel located in The COR. This agreement was set to close by September 16, 2016, 10 days after the September 16th inspection period deadline. The PA was approved for an extension to close, via two amendments. The agreement is now set to close by March 16, 2017.

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

Mr. Bill Gleason, Lifestyle Construction, stated he originally looked at the property and was very excited about it. His position was always to be a part of this transaction to the finish. He stated Mr. Meuleners was a builder he worked with previously. He thought this would be a good benefit to the City.

Mr. Mark Meuleners, Owner of the property, stated this is a tough project as far as the size and quite a bit of design work that needed to be done. He reviewed with the EDA what the homes will look like.

Member Riley asked if the closing next week is ready to happen.

Mr. Gleason stated they were.

Chairperson Steffen asked what will happen after the closing.

Mr. Meuleners stated they plan on building two houses to begin with.

Motion by Member Burandt, seconded by Member Hardin, to recommend to City Council to:

1. Approve the attached Purchase Agreement Amendment #3; reassigning the agreement to from Lifestyle Properties, Inc. to Morning Sun Homes, Inc.
2. Adopt the attached Resolution #17-03-050; Authorizing the Sale of City Owned Land to Morning Sun Homes, Inc.

3. Approve the attached "Right-of-Re-Entry" Agreement with Morning Sun Homes, Inc.

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

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:30 a.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Sue Osbeck
TimeSaver Off Site Secretarial, Inc.

DRAFT

With Ramsey, please remember that each speaker gets their own paragraph. Even if it creates a one line paragraph.

Also, when there is an acting chair, their name is listed first in the roll call:

Members Present: Acting Chairperson Wayne Skaff
Member Philip Brunt
Member Glen Hardin
Member Chris Riley

Member Kristine Williams

Members Absent: Chairperson Jim Steffen
Member Brian Burandt

And, also listed first in the vote:

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

DRAFT

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, January 10, 2017, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:	Mayor Sarah Strommen Councilmember Jill Johns Councilmember Mark Kuzma Councilmember Chris Riley Councilmember Melody Shryock Councilmember Kristine Williams
Members Absent:	Councilmember John LeTourneau
Also Present:	City Administrator Kurtis Ulrich Parks and Assistant Public Works Superintendent Mark Riverblood City Clerk Jo Ann Thieling Community Development Director Timothy Gladhill City Engineer Bruce Westby City Planner Chris Anderson Asst. City Administrator/Economic Development Manager Patrick Brama City Attorney Joe Langel

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:32 p.m.

2. TOPICS FOR DISCUSSION

2.01: Receive Presentation on Resilient Communities Partnership

City Planner Anderson reviewed the staff report.

Mike Greco, AICP, Director of Resilient Communities Project, reviewed the mission and program objectives of the Resilient Communities Project. He explained that city staff is busy and this allows cities to complete projects that they do not have enough staff time to complete and also provides students with real world training in the field they are studying. He noted that this also provides an opportunity for the program to use the experience and knowledge they gather from one community to develop tools that can be shared with other communities and on other projects. He explained the process and the model that is followed for communities that are asked to submit a full application. He noted that cities identify 10 to 30 potential projects, with project leads identified and RCP matches each project with one or more University of Minnesota courses. He explained that the project leads, faulty, and RCP staff collaboratively clarify and

scope projects that students will undertake and identify and engage community partners and stakeholders. He stated that project length depends on the project and could be one semester or one academic year to complete. He explained why the model works and noted that projects should be part of the City work plan and not newly created projects, as they do not want to create additional work for City staff. He talked about the RCP staff matchmaking process between City staff and faculty to ensure that the project and course are a good fit together. He stated that multiple students or teams can work on projects and therefore are able to provide different perspectives and a range of ideas. He stated that RCP encourages frequent communication to ensure that projects remain on the right track. He stated that there is engagement with local residents, businesses, and organizations to create a buy-in. He noted that everyone involved in the process has "skin in the game" as the City has a financial investment as well as the investment of staff time, while faculty has their own accountability and students are working to earn a grade. He reviewed some of the community partners that RCP has worked with in the past four years as well as the number of courses and students that have been involved. He reviewed some of the different benefits that are provided to community partners, faculty, and students.

Councilmember Kuzma asked the cost to be a part of the program.

Mr. Greco stated that it would depend upon the number of project submitted. He stated that the base cost would be $40,000 if 10 to 20 projects are submitted and then there would be a cost of $2,000 per project that is matched, meaning that if a total of 20 projects are submitted and matched the total cost would be $80,000.

Councilmember Riley asked the timeline on the projects.

Mr. Greco explained that the partnership with the City of Brooklyn Park ends in May and therefore if Ramsey is selected RCP would begin working with staff in June and students would begin work with the fall semester in September.

Councilmember Kuzma asked if ten projects must be submitted or if less projects could be submitted.

Mr. Greco noted that at least 10 projects would need to be submitted to justify his salary and the payment for a graduate student. He stated that 10 to 20 projects are manageable.

Mayor Strommen noted that a list of potential projects was included in the Council packet to provide some examples that could be chosen from the current list the City has but does not have adequate staff time to complete. She stated that originally, she thought the cost seemed high, but noted that this is work that City staff or consultants would be paid to complete anyways and therefore would come from the professional services budget line item. She noted that this will also provide a broad area of expertise to complete these projects.

Councilmember Kuzma stated that these are students that do not have real world experience and asked how the City can be certain that the correct level of expertise is used to complete the project.

Mr. Greco stated that RCP ensures that students and faculty are matched correctly and students are evaluated to ensure that they are far enough along in their level of studies to complete the projects. He noted that the faculty members are involved throughout the process and noted that the element of redundancy also comes into play. He explained that perhaps two different classes are working on the same project and therefore if the first class does not excel on the project, the second class is also completing the same work. He acknowledged that you would not be able to build something designed by a student because they are not a licensed engineer but noted that the students are provided innovative ideas and multiple perspectives and areas of expertise that could assist in the project. He noted that typically the focus is on data collection and other elements of the project.

Councilmember Shryock stated that she participated in a similar program when she was in college and enjoyed it. She stated that this not only provides mentorship opportunities for students but it also provides innovative ideas from the students and multiple opinions and perspective that the City would not normally receive. She stated that she is excited, should Ramsey be chosen.

Councilmember Riley stated that he believes it is important for students to gain real world experience but asked how the City would ensure that they do not receive a solely academic response.

Mr. Greco stated that when they are matching projects, they are very clear with the students and faculty to advise them of the results that the City is ultimately looking for. He stated that if at the end of the project, the City is not satisfied with the results, RCP will pay a student that worked on the project to use the data to provide the results that the City desired. He stated that because the end result is shared with cities and made public on the RCP website, students put much more effort into their work.

Mayor Strommen shared an experience that she had working on a consultant project through the business school and noted that it was the most memorable part of her graduate studies. She stated that it is helpful to transition from classroom thinking to applied real world experience.

Councilmember Shryock agreed that students push themselves because the information is going to be shared and because they are gaining the experience.

Councilmember Kuzma stated that he was not thrilled with the option in the beginning but found this presentation helpful. He asked how helpful staff believes that this project would be.

City Administrator Ulrich stated that certainly staff needs to hit the sweet spot to ensure that they are not submitting too many projects that it overburdens staff or too few projects where the investment does not provide the full benefit. He suggested that a fair amount of time is spent to identify the potential projects and the right number of projects are selected. He stated that there are projects the City has identified which would be helpful to have assistance with data collection and analysis.

Community Development Director Gladhill explained a potential utility project that was discussed this morning that could benefit from GIS data collection that could be done by students to create a mapping database. He stated that there are several projects that would add value and would supplement the time staff would spend on the project. He noted that this would also provide a benefit to students that will eventually hold positions in these fields and the City could potentially work with.

Councilmember Riley stated that one of his original concerns was that this would require a lot of staff time but was happy to hear that this will actually help staff.

Community Development Director Gladhill noted that this will require some staff time.

The consensus of the Council was to direct staff to submit the full application to RCP.

2.02: Discuss Council Organization

City Clerk Thieling reviewed the staff report.

Mayor Strommen highlighted the only two changes in terms of Council appointments for Committees.

The Council did not have any issues with the information as proposed.

City Clerk Thieling pointed out a couple of staff changes and provided that the organizational resolution included in the work session agenda is on the Consent Agenda of the regular City Council meeting this evening for adoption.

2.03: Update on EDA Discussion RE Strategy for Marketing and Selling City Owned Land

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

Councilmember Williams stated that her concern is that CBRE also represents Anoka for their property around the train station as well as Big Lake and Monticello. She explained that therefore the City is not being marketed as a unique opportunity. She stated that the EDA and staff will help to craft an RFP and therefore needs the input of the Council. She stated that the EDA needs the Council to help articulate the expectations and the concerns that they may have.

Councilmember Kuzma stated that his thought was when the City brought CBRE in there would be more progress because of the size of the firm. He stated that he would support allowing the EDA to continue to work on this.

Mayor Strommen stated that she is encouraged with the idea of a master developer, specifically whether the City has to market parcel by parcel of whether a master developer could come in to develop the entire area and therefore the City could get out of the land sales game.

Councilmember Shryock stated that she agrees with Mayor Strommen but was concerned that a master developer may not have the same vision the City does. She stated that she likes the different options and being able to pick and choose elements. She was not sure the level of control the City could have with a master developer but did like the idea of the City getting out of the constant discussions regarding property.

Mayor Strommen stated that she would share those concerns but believed that there is groundwork that can be done to ensure the City's issues are addressed.

Councilmember Riley stated that he joined the Council four years ago, in an attempt to help the City get out of the land sale game and yet here they are four years later. He stated that he would support anything that leads to the desired outcome noting that the City does not have the development and marketing experience that a developer would and therefore he would prefer the master developer route.

Councilmember Shryock asked the proposed timeframe for this process.

Asst. City Administrator/Economic Development Manager Brama stated that there are many factors involved and provided examples, such as whether multiple RFP's should be created and to review the different options available. He stated that the target would be to have this completed in six months but noted that there is a potential that additional time would be needed.

Councilmember Williams provided details of the contract extension that should be considered.

Councilmember Kuzma stated that if the City states that they only want to extend the CBRE contract for six months, that could give them the impression that they are looking elsewhere and perhaps they will not put the same amount of effort in. He asked what would occur if the City did not sign a contract.

Mayor Strommen noted that it could also motivate CBRE to increase their performance levels.

Councilmember Williams stated that CBRE has offered the shorter contract extension as it is not uncommon for a landowner to take a step back and review their options. She noted that CBRE is a large firm that has multiple departments that could do a majority of the options the City is reviewing. She noted that CBRE would most likely think that the City is reviewing their options to further craft their desired outcome.

The consensus of the Council was to direct the EDA to continue their work.

2.04: Legal Update re Koenig v. City of Ramsey, Assessment Appeal, Anoka County District Court (This discussion is closed to the public)

City Administrator Ulrich stated that he can call City Attorney Langel to provide an update via conference call as he has not yet made it to the meeting because of the road conditions.

RECESS AND RECONVENE

Motion by Councilmember Riley, seconded by Councilmember Shryock, to adjourn the meeting to Closed Session at 6:35 p.m.

Motion carried. Voting Yes: Mayor Strommen, Councilmembers Riley, Shryock, Johns, Kuzma, and Williams. Voting No: None. Absent: Councilmember LeTourneau.

The Regular Session reconvened at 6:50 p.m.

2.04: Legal Update re Koenig v. City of Ramsey, Assessment Appeal, Anoka County District Court (This discussion is closed to the public) – continued

City Administrator Ulrich noted that the Council received an update on the Koening v. City of Ramsey case with City Attorney Langel present via telephone and advised that the Council provided direction to staff.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Councilmember Kuzma asked if there is a penalty for after the fact permits, as he would like a penalty charged so that it further discourages residents from completing projects without applying for a permit.

City Administrator Ulrich noted that there is a statute that allows a municipality to charge up to double the fee. He stated that staff can complete research on the topic.

Mayor Strommen noted that often in her experience contractors are not including pulling a permit in the cost and she has had to specifically tell the contractor that they will need to pull a permit.

Councilmember Shryock noted that perhaps an article could be included in the *Ramsey Resident* as an educational element on the topic.

4. MAYOR / COUNCIL / STAFF INPUT

City Administrator Ulrich noted that the joint Lower Rum River Water Management Organization will be held on March 8th or March 22nd, as they are still awaiting confirmation from the City of Anoka. He noted a potential strategic planning session.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:55 p.m.

Respectfully submitted,

_____
Kurtis G. Ulrich
City Administrator

ATTEST:

_____
Jo Ann M. Thieling
City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

Economic Development Authority (EDA) **4. 5.**

Meeting Date: 04/13/2017

By: Tim Gladhill, Community Development

Title:

QUICK CASE: Appoint Ad-Hoc Subcommittee Members to Update Housing Plans

Purpose/Background:

The purpose of this case is to appoint a member of the EDA to an ad-hoc housing sub-committee to update the City's Housing Plan. A Housing Plan is a required component of the 2040 Comprehensive Plan Update. Two Planning Commissioners (Randy Bauer, Cindy Nosan) have been appointed from the Planning Commission. The City Council requested that one EDA member be appointed. The group is following a three (3) member structure that was utilized in 2012 to update housing plans and policies.

Notification:

Notification is not required.

Observations/Alternatives:

The Planning Commission has been integral in establishing housing policies and plans for the community. The City does not have a Housing Committee or Housing and Redevelopment Authority to focus on housing issues and policy. The Planning Commission has served in this role in the past. In 2014, an ad-hoc sub-committee of the Planning Commission was established specifically to create a Housing Assistance Policy. The EDA plays an integral role due to certain financial strategies and real estate management.

Both the Housing Plan and Housing Assistance Policy are in need of update for a variety of reasons. Most notably, Staff believes there is a more effective way to retain the structure of both documents and coordinate with the City's Business Subsidy Policies, also in need of update. The EDA will be taking a proactive role in the update of the Comprehensive Plan Update - Economic Development Plan and updates to the City's Business Subsidy Policies. The EDA will also have a key role in the financial component of the City's housing plans. In essence, this board will be an equal partner with the Planning Commission in updating the City's Housing Plans.

Funding Source:

Updates to the Housing Plans are being handled as part of normal Staff duties.

Recommendation:

Staff recommends the Planning Commission to appoint two (2) Planning Commissioners to the Ad-Hoc Housing Committee to update the City's Housing Plan. The City Council requested one (1) EDA member also be appointed.

NOTE: this appointment will require attendance to a meeting 1x per month, for the next 4-8 months. Meetings will be scheduled based on the availability of committee members (TBD). The number of meetings is variable, depending on the direction of the committee.

Action:

Motion to to appoint one (1) EDA Member to the Ad-Hoc Housing Committee to update the City's Housing Plan.

Attachments

2030 Comprehensive Plan Housing Plan

Housing Assistance Policy

Planning Commission Work Plan

Comprehensive Plan Update Schedule

Form Review

Inbox	Reviewed By	Date
Tim Gladhill (Originator)	Tim Gladhill	04/07/2017 11:11 AM
Patrick Brama	Patrick Brama	04/10/2017 08:41 AM
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Tim Gladhill		Started On: 04/07/2017 11:07 AM
Final Approval Date: 04/10/2017		

7. HOUSING PLAN

A. Introduction

History - The City of Ramsey has historically developed in a typical suburban fashion. In the 1970s, Ramsey's land was developed primarily as ramblers and split level housing on large, rural lots, with the exception of auto related commercial uses and some heavy industry.

Growth - Since 1985, Ramsey has had municipal sewer and water services available to the south-eastern part of the city. The relatively recent availability of these services, in addition to a continually growing and thriving metropolitan area, has sparked the interest of developers and metro area residents and workers. The City has begun a transition period of growth that is sometimes difficult to address. Developers are buying large tracts of land, requesting to connect to the available municipal sewer and water systems, and developing this land at higher densities than previously developed. This new urban development is oftentimes occurring directly adjacent to existing rural residential neighborhoods, which remain on individual septic systems.

Need to Establish a Plan – Due to increasing growth and changing development patterns from rural to suburban, the City and its residents need to determine how they want to develop in the future. A plan will help to provide for orderly, well-designed, and varied housing development that provides opportunities for all types of families and people of differing income ranges. In addition, the policy makers need to identify short and long term areas of growth and redevelopment that may require public facilitation and financial resources.

Purpose of the Plan - The Master Housing Plan (The "Plan") is intended to provide direction for future housing development in Ramsey as well as provide a vision for the City's neighborhoods as the community evolves and grows.

The plan includes a review of the existing housing stock, housing trends, and housing demand within the City as well as provides a variety of goals and objectives of the City and its Housing & Redevelopment Authority. The goals and objectives were identified through a series of discussions with stakeholders in the community as part of the Comprehensive Plan update process. This included feedback from housing partners and business leaders as well as Ramsey residents.

Not only does this housing plan state the realities and goals of the City, but it serves as a handbook of policy solutions to the challenges that Ramsey and similar communities face when deciding the future direction of the housing and population. Furthermore, it incorporates sources of funding available by local, state, and federal government agencies and other sources to achieve the stated goals of the community. This plan not only frames the housing issues and ideals, it answers the question of how to achieve these ideals.

B. Housing Supply

It is important to assess the current housing stock in order to determine how Ramsey residents' housing needs are being met currently and into the future. Analyzing the existing housing supply informs decision-makers about what exists, the condition of housing, and what segments of the housing stock are already well-represented and which are under-represented. This section will describe the structure, tenure, quality, and affordability of the housing stock in Ramsey. These attributes will paint a picture of existing conditions, and, combined with housing demand information, will assist decision-makers in creating housing policies and programs.

Structure

As the table below illustrates, Ramsey consists of primarily single family, detached housing. However, over the past several years Ramsey has seen an increase in the development of townhomes and multifamily housing. Between 2000-2007, 60% of the new development was multifamily type housing such as townhomes. Table 1 indicates the mix of housing types by structure within Ramsey.

Table 7-1: Occupied Housing Units

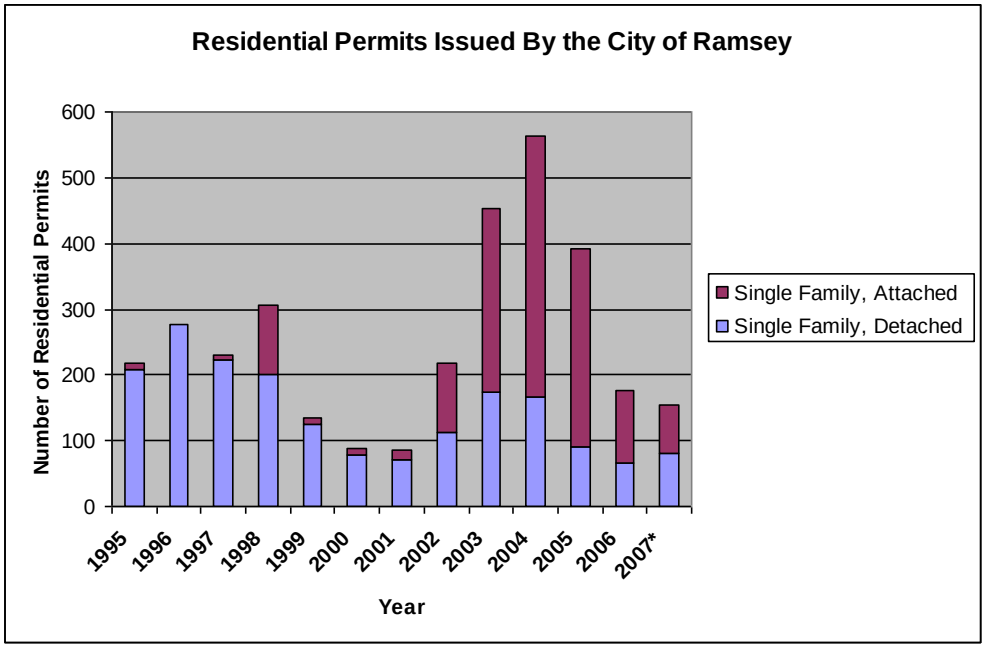
Type of Unit	Number	Percentage
Single Family, Detached	6,341	81%
Townhomes, Duplexes, Twinhomes	1,310	17%
Mobile Home Units	30	<1%
Apartment Units	114	1%
Total	7,795	100%

Source: Anoka County GIS Data, November 2007

In addition to existing housing units, there are many more units that have been approved by the City but are yet to be constructed. As of June 2007, there are 453 platted single-family lots that are currently unimproved. There are also 618 platted townhome lots that are unimproved. When constructed, the City will have a total of over 8,500 housing units, 19% of which will be townhomes.

In recent years, the City has been approving a larger variety of housing styles than in the past. The City of Ramsey has approved a larger number of townhomes since 2001, compared to earlier years. Single-family attached townhouses and rowhouses are gaining popularity in the market, and Figure 1 illustrates the shift in housing type between 2001-2004. While this recent increase in townhome development has contributed to the diversity of housing, Ramsey still consists of primarily single-family, detached homes. Permits for detached homes remain relatively steady over time, despite increases in other forms of housing.

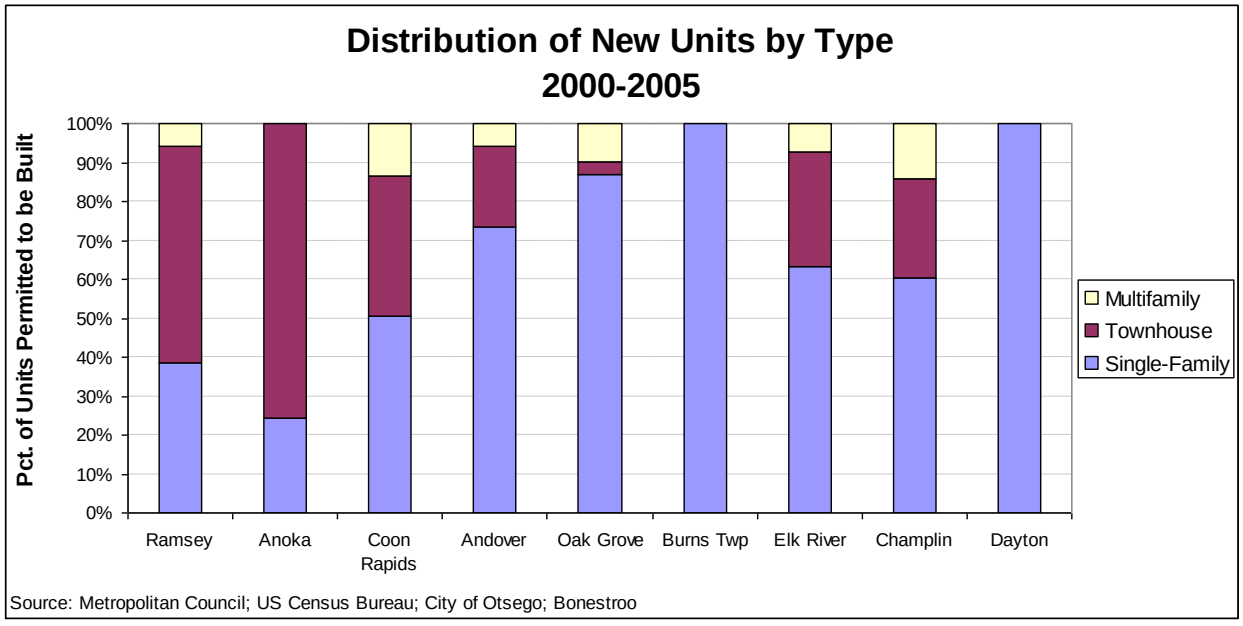
Figure 1: Permits Issued, by Type



Source: City of Ramsey, November 2007

Compared to other cities in the area for type of new units built between 2000-2005, Ramsey has the 2nd largest percentage of townhomes constructed.

Figure 2: Permits Issued in Surrounding Cities, by Type

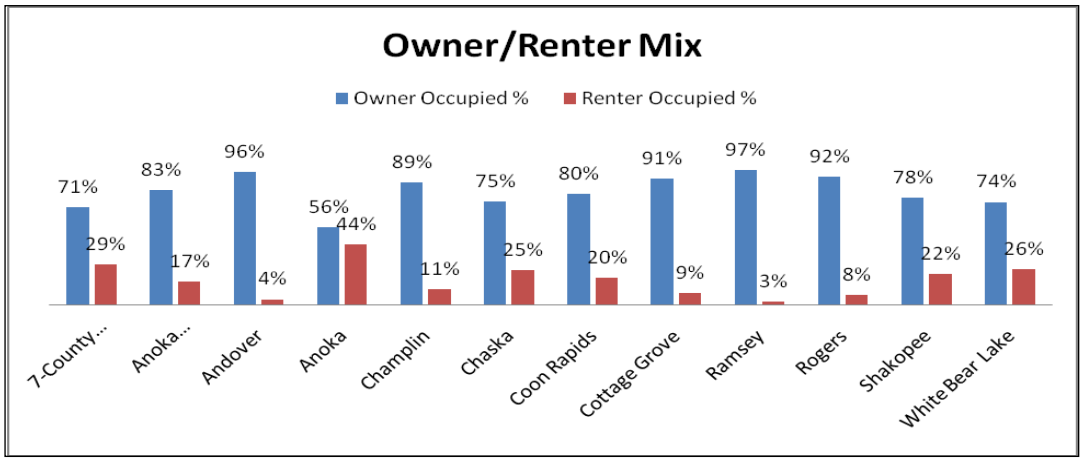


Tenure

As of 2007, there were approximately 300 rental units within Ramsey, or about 4% of the total number of housing units. In 2003, the City enacted a rental licensing requirement to ensure the quality of rental units and improve the ability of the City to track rental housing. This program tracks known units of rental housing within the City and conducts inspections every two years as a part of the licensure process. Of the 300 units, approximately one-third are located within apartment-style buildings. The remaining units are dispersed throughout townhome and single-family developments within the city.

Comparing the owner/renter mix of housing with other communities using 2000 census data, Ramsey's housing is primarily owner-occupied (97%) with very few rental units. This is a substantially higher percentage than Anoka County which has 83% owner occupied units and 17% rental housing overall. Ramsey has a smaller percentage of rental housing than all except seven incorporated cities in the metropolitan area, according to the 2000 Census. However, many cities in the northwest metro have similar ownership-to-rental ratios. Andover, Lino Lakes, and Ham Lake have very little rental housing but compared to other similar cities, Ramsey has the smallest percentage of rental units. Currently, a 63 unit apartment building is being constructed called Terrace Hill. In the past several years there has been an increase in developer interest for sites to construct apartments and this trend is likely to continue particularly with the downturn in the housing market for ownership units. With only 4% of the total housing stock as rental, Ramsey is a strong market for new apartment living.

Figure 3: Owner/Renter Mix in Surrounding Communities



Source: 2000 Census

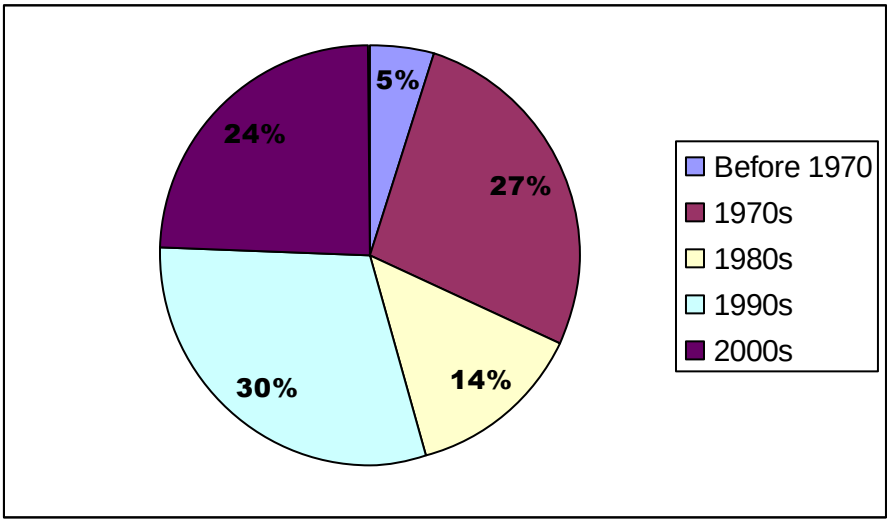
Why is Rental Housing Important?

Adequate opportunities for safe, decent and affordable rental housing are a key component of a balanced housing supply. There are many reasons why an individual and/or family choose to rent rather than own. Those choices may be short term due to financial issues (unable to afford a mortgage, need to save for a down payment, clear up credit issues), family issues (divorce, separation, job relocation) or social issues (disability, in-between home ownership, not secure in job, unsure on location preference). Also, many people choose a life of renting rather than owning due to income, transitional careers, traveling and aging. For all these reasons, a community should consider the benefits of providing a wide range of living choices which includes rental housing.

Housing Quality:

Quality is a crucial characteristic of the housing stock that oftentimes determines the marketability and affordability of a home. However, there are few measures of housing quality available for analysis within Ramsey. One factor that plays a role in the overall quality of housing is age. The following chart indicates the proportion of houses built in each decade since the 1970s.

Figure 4: Age of Housing Stock, By Decade

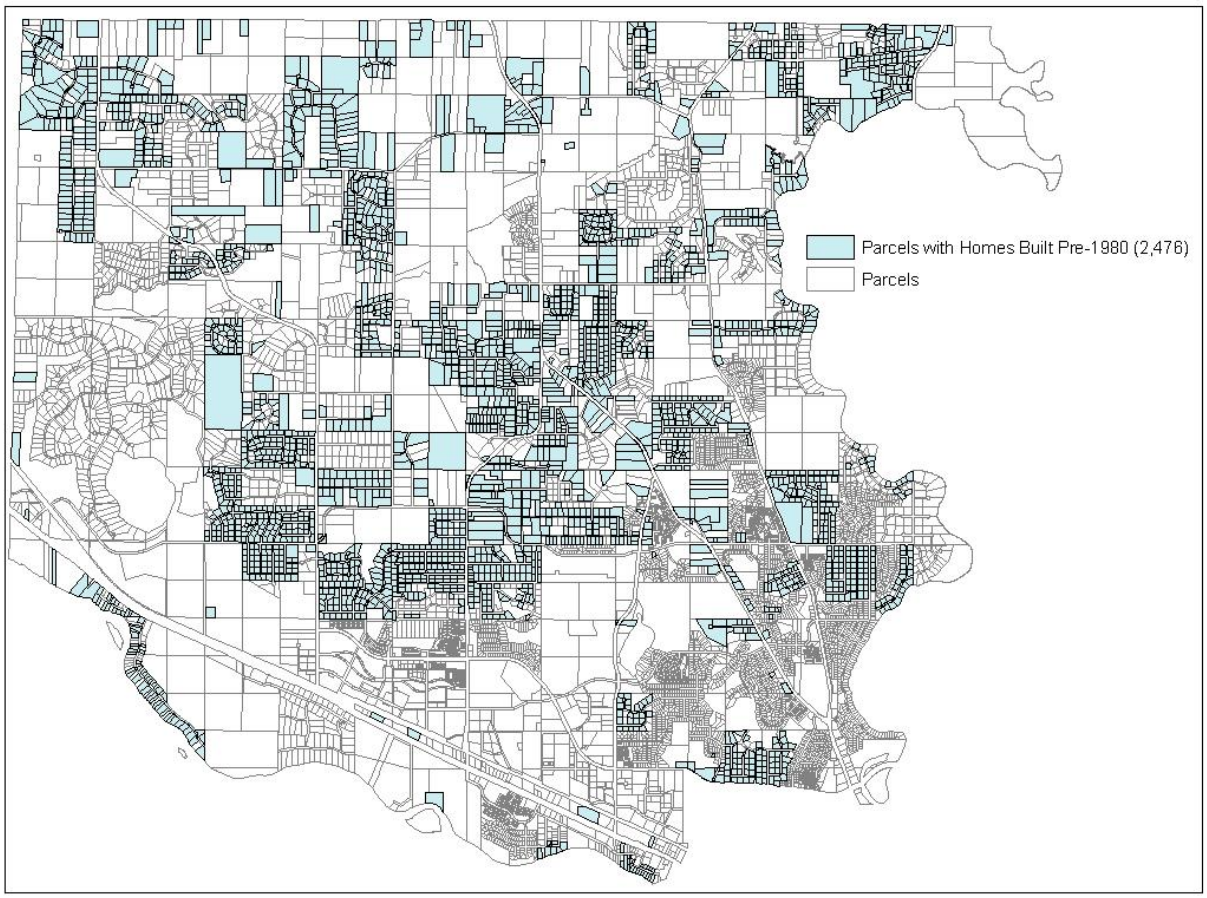


Source: Anoka County Property Tax Data, November 2007

About one-third of the housing in Ramsey was built in the 1970s or before. This suggests that some areas of the city are aging. The housing that was built before 1970 is scattered throughout the City, and lies on land that is unplatted or is part of the registered land survey conducted by Anoka County. Figure 5 provides a spatial representation of the older housing stock in Ramsey. Prior to 1970, there were no substantial subdivisions within the City limits. Between 1970 and 1980, many large-lot neighborhoods were developed, and the houses in these areas rely on septic systems and private wells.

Homes over 30 years of age require some level of maintenance and repair as well as modernization to remain positively valued. One of the most significant issues associated with neighborhood decline is the deferred maintenance of homes and street appeal or lack of modernization of the older housing stock.

Figure 5: Aging Housing in Ramsey



In addition to aging single family homes, the small percentage of rental housing in the City is aging. Keeping the rental housing stock maintained and fresh is just as important to the community as the single family housing stock.

Table 2: Age of Rental Complexes in Ramsey

Complex Name	Year Built	Number of Units
Rivers Bend	**1991**	**32**
Savannah Oaks	**1998**	**50**
Sunwood Rental Town Homes	**2002**	**32**

Source: City of Ramsey, 2007

Housing Cost: Ownership

One of the most important factors in analyzing the housing stock is its affordability. Up until recently, housing prices were increasing rapidly, and it was difficult to determine the true market value of housing. The County Assessor's Office is the best source of current information available to cities to determine

housing values. Table 3 outlines the estimated market value of housing in Ramsey. The table breaks down this data according to different categories of affordability.

Table 3: Affordability of Ownership Housing in Ramsey

Affordability Level	Approximate Affordable Market Value*	Number of Houses at this Estimated Market Value**	Percentage of Ramsey Homes at This Level
Affordable at 30% of AMI**	Under $70,000	**22**	**.03%**
Affordable at 60% of AMI	$70,001 to $152,000	**250**	**3.3%**
Affordable at 80% of AMI	$152,001 to $206,800	**2,177**	**28.4%**
Affordable at 100% of AMI	$206,801 to $250,000	**2,740**	**35.8%**
Affordable at Over 100% of AMI Only	Over $250,000	**2,464**	**32.2%**

Source: Anoka County Property Tax Data, November 2007

* These affordable home prices are approximate, based on a household spending 30% of their income on mortgage and obtaining a mortgage interest rate of 6.5%, with no down payment.

**The median total housing value for 2007 is $216,050 with the average total housing value at $249,813.

**AMI is "area median income" and represents the median household income in the seven county metropolitan area. This is approximately $78,500 in 2007.

About 28% of the market-rate, ownership housing stock in Ramsey is affordable to households earning 80% of Area Median Income (AMI), a common standard used in assessing the affordability of housing. However, there are considerably fewer homes (approximately 4%) available for lower income households in the 60% and 30% of AMI categories, as Table 2 indicates. Future (2011-2020) metropolitan area targets for affordable housing will focus on the lower income households making at or below the 60% AMI rather than 80% AMI.

Housing Cost: Rental

Although there are relatively few rental options in Ramsey, the majority of the rental housing is market-rate affordable. Table 4 represents the rental prices for Ramsey's units. According to the Metropolitan Council's "affordable rent" definition, 115 (52% of the total) of the rental units in Ramsey are affordable to a family earning 50% of the area median income.

Table 4: Rent Prices in Ramsey

	Number of Units	Rent Levels
Market-rate Senior	50	$700-1,000
General Occupancy-Subsidized	33	$700-1,000
Market-rate apartments	32	$600-850
Market-rate townhomes	98	$1,000-$1,500
Market-rate Single Family	10	$1,500
Total Rental Units	223	

Source: Maxfield Study, January 2006 & City of Ramsey 2005

Housing Foreclosures

Home foreclosures can have an impact on a neighborhood and community with deferred maintenance and vacant homes.

In 2006, Anoka County recorded 844 properties in foreclosure. Ramsey has a fairly small percentage of the County's foreclosed property 7% or 63 homes. However in the first half of 2007, the number of foreclosures in the county is above the total for 2006 at 863, with Ramsey having 66 properties (7.6% of the total).

What does this mean to Ramsey? It is possible that some housing values may decline and some homes may go unoccupied and not be maintained properly for a period of time, potentially putting additional burden on code enforcement staff and increasing the potential for neighborhood housing decline. These potential newly vacant homes could be an opportunity for affordable housing purchases. Conversely, the vacant homes may also attract investment buyers who in turn rent the homes for a short period until the market resurges. In a slow market, investment buyers tend to purchase homes of lower value ($200,000 or less) and rent without additional investment in maintenance and/or cosmetic improvements.

Land Supply

Available land for development will have a large impact on housing supply and demand within Ramsey. "Available Land" can be defined in a variety of ways. By examining the larger parcels in Ramsey, we can determine the areas that may be under development pressure. Also, by examining building permit and subdivision trends, we can estimate how many more housing units will be built in the next few years.

In 2006, there were over 4,000 acres of parcels that are at least 10 acres in size and zoned residential. This provides a significant opportunity for residential development in the future. Of the 4,000 acres of large parcels currently in Ramsey, over 800 acres (20%) were subdivided OR began the subdivision process in 2005 and 50 acres (1.3%) in 2006. Recently, there has been a general slowdown of requests for subdivisions. In addition, many of the recent development inquiries include land for new rental housing.

In 2005, the City of Ramsey approved approximately 500 new residential lots through the subdivision process and in 2006 there was approval for 100 units. There are an additional 1,200 units that are in some stage of the approval process. This is an unprecedented amount of growth for the City, and compares to cities like Woodbury and Maple Grove in the amount of new residential lots.

Based upon household growth projections provided by the Metropolitan Council through 2030, Ramsey would need an additional 998 acres available for new housing which is 32% of the total acres available for subdivision. However, the 998 acres assumed that 67% is for low-density development and 33% is for median to high density development with the majority of the development occurring between 2010 -2020. This translates into a total of 6,085 units of which 2,000 would be low density single family units and 4,085 would be medium to high density multifamily housing units.

Metropolitan Council Livable Communities Act: Affordability Goals

In January of 2006, the Metropolitan Council released goals for the production of new affordable housing in the metropolitan region for the years 2011-2020. The goals focus on households earning at or below 60% of the AMI to more effectively target lower income households with limited financial resources. In 2007 dollars, a household of four with an income at or below 60% AMI earns up to $47,100 and can afford to purchase a home at or less than $152,000 or pay fair market rent up to $1,177. This will be very difficult to achieve for ownership housing in developing suburbs such as Ramsey.

The Metropolitan Council has established a need for 1,140 new affordable housing units to be developed in Ramsey between 2011 – 2020 based upon existing growth projections. New affordable units are defined as

ownership or rental housing affordable to households earning at or below 60% AMI. According to the estimated growth needs for housing units between 2010-2030 as noted above, the City of Ramsey should strive to provide 28% of the 4,085 medium to high density multifamily housing units as affordable to meet the Metropolitan Council identified goals by 2020. According to the Metropolitan Council, the Update provides for an affordable housing need share of 669 units.

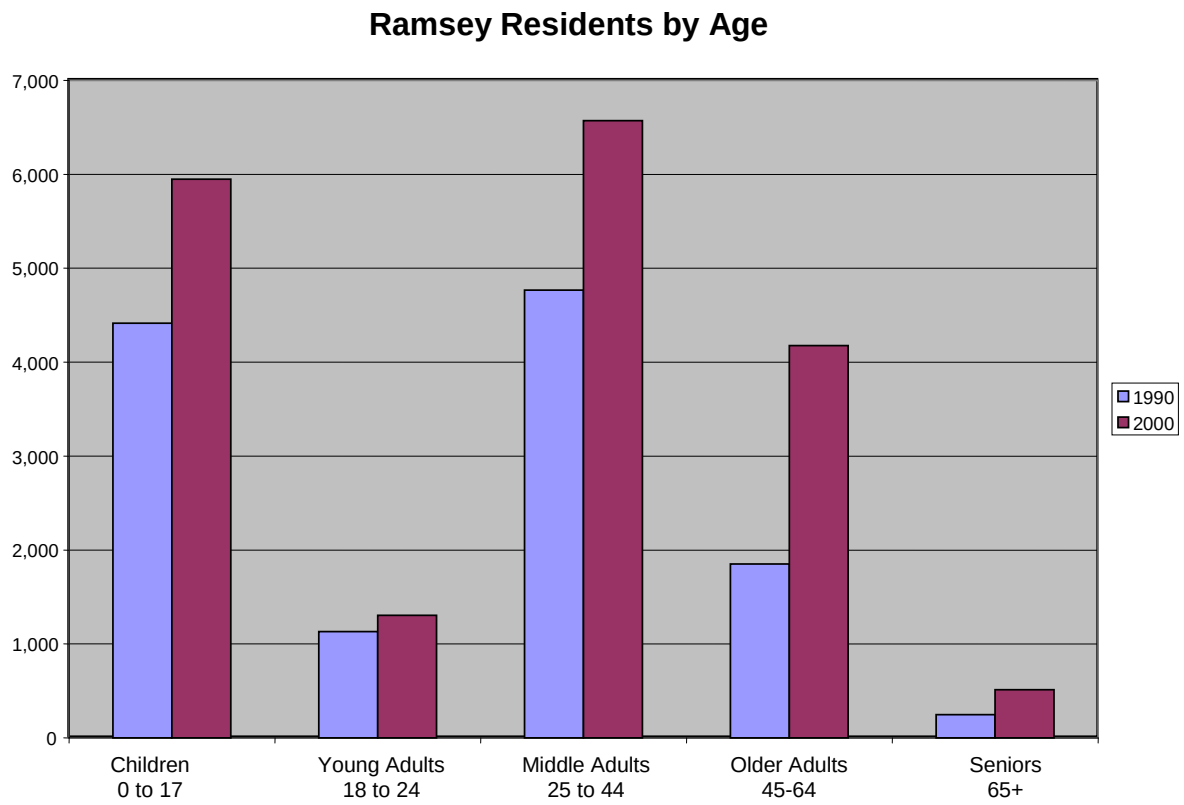
Considering that ownership housing would require a purchase price at or less than $152,000 and rental properties would need to charge rent at or below $1,177 for a family of four in 2007, Ramsey will need to consider a wide variety of housing options to achieve the Metropolitan Council's forecasted need. Those options will likely be additional rental housing and/or ownership multifamily or small lot housing that is developed in partnership with non-profit housing groups such as Habitat for Humanity and community land trusts.

C. Housing Demand

Age

The age structure of the population of Ramsey and surrounding areas will have an important impact on housing type, style, and price points that current and future residents will demand. It is important to examine the age distribution of current Ramsey residents because they will also affect demand for certain types of housing as their age and family composition changes. Figure 6 below shows the age of Ramsey residents, aggregated to examine "life cycle" categories. This chart shows that all age groups have gained population from 1990 to 2000. The categories of Children, Middle Adults, and Older Adults have shown the largest increases. The Senior and Young Adult categories increased only incrementally. The chart indicates that the largest categories had the highest percentage gains. The Older Adult category more than doubled in population from 1990 to 2000. This trend will continue as the Baby Boomers move into the 45 to 64 age category over the next 20 years.

Figure 6: Ramsey Residents within Life Cycles (Number)



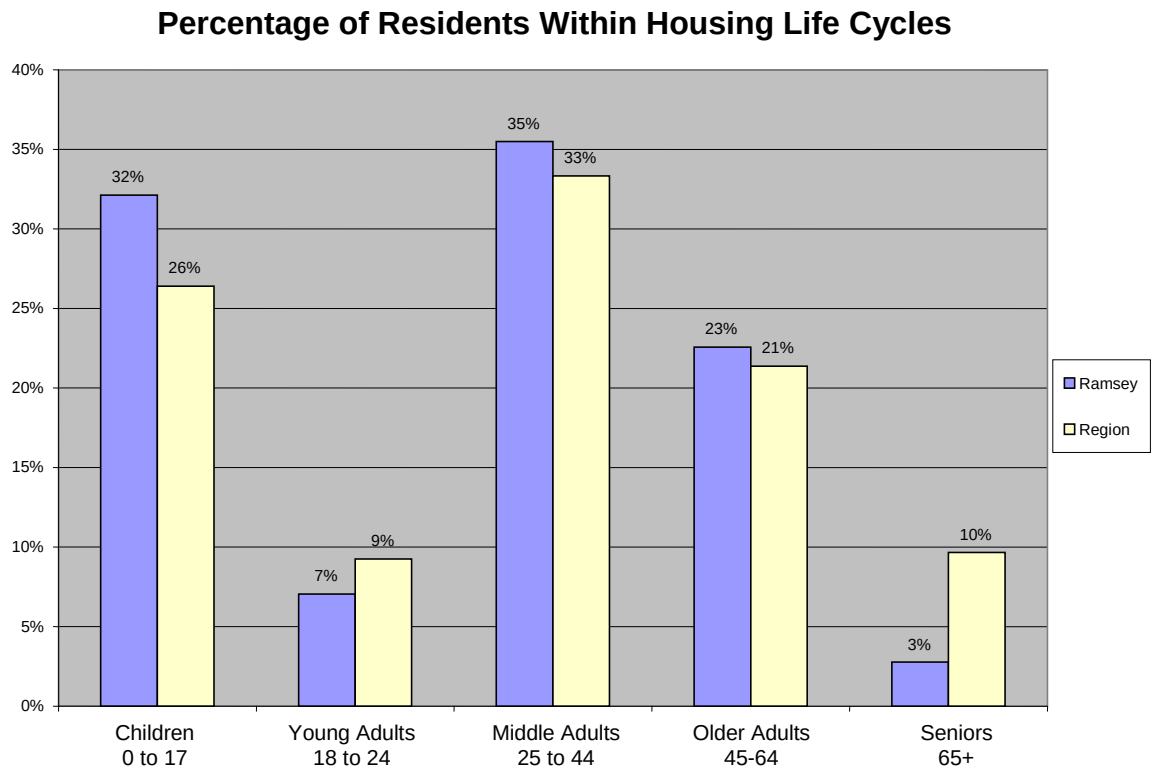
Source: 2000 US Census Data (aggregated)

This trend is typical of the metropolitan area, and will have a significant impact on the type of housing that will be in Ramsey in the future. Empty-nesters and pre-retirees often seek to downsize their living space and seek lower maintenance housing options. The demand for association-maintained and one-level living will only increase over the next twenty years in Ramsey as these age groups desire different housing styles. However, it is also important to remember that some empty-nesters and seniors will desire to stay in their existing home, and over time may require assistance to do so. Ramsey will need to continue diversifying its

housing stock in order to stay competitive in attracting new residents to the City, and retaining existing residents as they move into different life cycles.

Figure 7 indicates the differences between Ramsey and the overall metropolitan area. Ramsey has a substantially smaller percentage of seniors than the region as a whole, which could be attributed to the lack of housing options. This will change though as Middle Adults and Older Adults transition into older age categories – meaning that demand for lower-maintenance, more accessible housing will increase in the city.

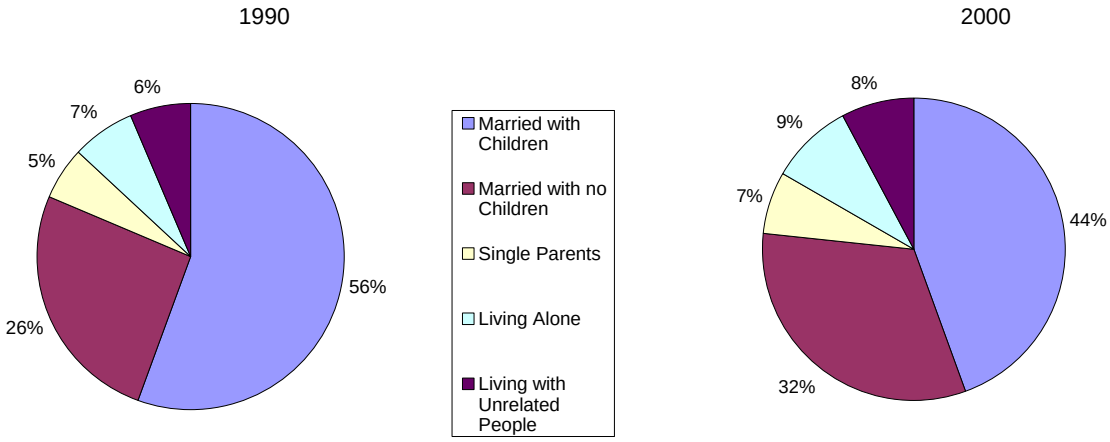
Figure 7: Ramsey Residents Within Life Cycles (Percentage)



Family Composition

In addition to age, family composition can provide clues as to the type of housing that will be needed by current and future residents of Ramsey. Figure 8 compares household composition in 1990 and 2000. In 1990, 61% of households had children. In 2000, this percentage had decreased to 51%. This decrease was attributable to the fact that the categories "non-family households" and "families with no children living at home" increased more than "families with children living at home." However, there are still 809 more families with children living in Ramsey than there were in 1990, according to the 2000 Census. The number of family households with no children living at home doubled, representing an increase of 1,085 households. This indicates that while 50% of households are families with children, their share of the total number of households is decreasing. If these changes continue, Ramsey will have more childless households than families with children by 2010.

Figure 8: Household Composition



Income

The median household income in Ramsey in 2000 was about $77,000, according to data obtained from the 2000 Census. This is higher than the metropolitan average. 10% of the ownership households and 30% of rental households in Ramsey are considered very low income by state standards. (State's standards for very low income are households earning less than 50% of the Area Median Income, AMI) which is very similar to the County as a whole at 9% ownership and 28% renter households. Only 1.3% of the total households in Ramsey lives in poverty or earn less than 30% of the AMI which is well below the poverty rate in the County at 4.1% and the metropolitan region at 6.4%.

Job Growth and Economic Base

Ramsey is a middle class community with a growing commercial base and a continually increasing number of jobs. In 1997, a survey was conducted by Decision Resources, Ltd that provided statistically significant information concerning the demographics of Ramsey residents. The survey showed that 11% of those surveyed worked in Ramsey and 41% worked in Anoka County.
Between 1990 and 2000, the City of Ramsey almost doubled its employment, from 1,941 jobs in 1990 to 3,587 jobs in 2000. The average salary for a job in Ramsey is $32,956 per year.

In addition, according to labor shed data prepared by Excensus, in the second quarter of 2001 there were 4,100 jobs in Ramsey and 19% (784) of those jobs were held by Ramsey residents with an average annual salary of $36,750. Of those 784 jobs held by Ramsey residents 15% earned less than $12,000 per year. These jobs are most likely part time and retail sector positions. Conversely, 52% of the jobs held by Ramsey residents pay more than $35,000 annually.

It is projected that Ramsey job growth will exceed over 10,000 jobs in the next 20-25 years. If 20% of those jobs are held by Ramsey residents there will be approximately 2,000 jobs held by people who live in the community. Many of those job holders will attract new residents who will look for a variety of housing choices.

Housing Sustainability/Green Community Components

Housing conditions are an important factor that influences a community's health and well being. Green design and building practices can create healthier home and community environments through better indoor air quality, healthier building materials and the overall reduction of green house gases and the reduction of water and energy resources. In addition, green affordable homes are becoming an increasingly vital part of the new "sustainable city". Developing cities like Ramsey have an opportunity to provide housing policy and dedicate resources to become a green community through housing sustainability.

While researchers remain cautious, many public health professionals, and a growing number of affordable housing developers believe sufficient evidence exists to justify adoption of basic "healthy homes" practices to keep homes dry, clean, well ventilated.

The following are benefits of green building practices, as outlined by the national Green Communities group (http://www.greencommunitiesonline.org/).

Benefit #1: Healthier Indoor Environments

Building practices and materials that minimize moisture, provide proper ventilation, prevent pest infestation and avoid chemical and biological contaminants, protect parents and children against asthma, toxic poisoning, cancer and many other conditions caused or affected by housing construction.

Benefit #2: Energy Savings

High utility costs often impose a substantial financial hardship on low-income households, forcing many to make tradeoffs between heat or electricity and other basic necessities. A recent national study documented the brutal choices that poor families make when faced with unaffordable home energy bills. The study found that during the prior five years, due to their energy bills:

- 57 percent of non-elderly owners and 36 percent of non-elderly renters went without medical or dental care;
- 25 percent made a partial payment or missed a whole rent or mortgage payment; and
- 20 percent went without food for at least one day.

In addition, energy costs have increased much faster than incomes for low-income households in recent years. Today a family earning minimum wage pays more than four times as much a share of their income for energy as a median income household.

Benefit #3: Reduced Transportation Costs

Transportation costs consume a large share of low-income family incomes. A study of 28 metropolitan areas found that families with incomes between $20,000 and $50,000 spend an average of 40 percent of their income on transportation and an average of 28 percent on housing. More broadly, poorly planned development can isolate low-income people in distressed areas and make it harder to get to better schools and job opportunities.

Benefit #4: More Active Living

Oftentimes, the steps for healthier communities are very simple. Smarter site planning and development creates a sense of community, encouraging walking and providing access to parks and mass transit. Research suggests that people who live in sprawling areas walk less, weigh more and are more likely to suffer from high blood pressure.

Benefit #5: Wider Opportunities

Residents of green communities often have greater community interaction through walking access to mass transit, jobs, schools and local services. Green communities also can enhance low-income families' exposure to natural environments.

Building green policies into the Ramsey Master Housing Plan will benefit the community and establish Ramsey as a proactive sustainable city.

D. Housing Goals & Policies

Providing a balanced community with a variety of housing stock is essential to the future stability of a city in terms of property value, ability to attract quality commerce and industry and support the services of the city. The following housing goals were developed by the City's Housing & Redevelopment Authority (HRA) as a guide for providing direction regarding development and distribution of housing financial resources. The Ramsey City Council serve as the board of directors of the HRA and evaluated citizens comments and discussions surrounding Ramsey's current and future housing needs in framing these housing goals.

HOUSING GOAL #1:

Provide a variety of housing options for people at all life stages and income levels to encourage existing and future residents to stay in Ramsey throughout their lives and to achieve a balanced housing supply.

***SUPPORTIVE FINDINGS*:**

1. **Ramsey's population consists of primarily middle-aged adults and children.** Children (ages 0-17) and middle adults (ages 25-44) compose 67% of the total population, which is substantially higher than the region (58%). An additional 23% are older adults (ages 45-64). Only 7% of the population is young adults (18-24) and 3% are seniors (over 65). Compared with the region, Ramsey has a substantially lower percentage of young adults and seniors. However, the senior population shows the greatest difference. The region's senior population is 10% of the total population, while the senior population in Ramsey is only 3% of the total.

2. **Despite increases in children and middle-aged adults, the percentage of households that are classified as families with children decreased from 61% of the total population to 51%.** This observation, combined with finding #1, indicates that the increase in children and middle-aged adults does not parallel the increase in the percentage of families in Ramsey. While the City is growing, and adding families, the percentage of the city defined as families with children is decreasing. This suggests that there is an increase in the number of families without children and middle-aged adults in non-family situations. This observation is important when assessing housing demand. It indicates that there is an increasing number and percentage of empty-nester households in Ramsey who may be exploring options to relocate, downsize, or age-in-place.

3. **According to the market study conducted by Maxfield Research, the Ramsey Town Center provides the best market, land use, and shopping and transit opportunities for rental housing development.** The area of the City where Ramsey Town Center lies is zoned for the highest density in the City. Furthermore, there are still many parcels available for housing development and the master plan calls for the development of market-rate and affordable rental housing opportunities. Maxfield Research concluded, as part of their market analysis, that Ramsey Town Center is the best location for any rental housing within the community. The proximity to transit and shopping makes Ramsey Town Center an ideal location for young people, seniors, and others who rely on public transportation.

4. **Ramsey is beginning to diversify its housing stock by developing alternatives to single-family housing, thus expanding options for residents of all income levels and lifestyles.** Reviewing the breakdown of the number of type of residential building permits issued in Ramsey since 1995 shows that the number of permits for single-family, detached housing has remained relatively steady, while the number of permits for townhomes has increased rapidly. This diversification contributes to Ramsey's housing goals.

5. **The price of existing single-family housing is affordable for the average family living in the metropolitan area.** According the Anoka County Assessor's records, in 2005 the mean market value for housing in Ramsey was about $198,000. The average home price in 1990 was $111,000, which results in an increase of 56% from 1990 to 2000. There are 3,765 (64% of total) homes in Ramsey that are affordable to households earning 80% of the Area Median Income (AMI). Furthermore, only 17% of Ramsey residents pay more than 30% of their income to housing costs. It must be noted, however, that the county assessor's estimated market value is usually below the true market value of property. This factor limits conclusions about the affordability of existing housing in Ramsey.

6. **The price of new single-family housing is increasingly unaffordable.** While the average home price in Ramsey is relatively affordable to a household earning the area median income (about $76,000), the cost of new housing is substantially more expensive. The average market value of a home built between 1990 and 2005 is $220,000, which is barely affordable to households earning the median income.

7. **Ramsey has very few alternatives to homeownership.** As of 2007, only 4% of the housing stock was rental. In the rental complexes there is very low vacancy rate and waiting lists for the senior rental complex. To have a balanced housing supply, affordable and market rate rental opportunities are essential.

IMPLEMENTATION STRATEGIES:

1) **Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable.**
    a. **Tactic-**Evaluate opportunities to provide Tax Increment Financing (TIF) for senior housing projects, such as Crest View Senior Communities' proposed project for the Ramsey Town Center.
    b. Tactic-Pursue partnerships with non-profit developers of senior housing, such as Lord of Life, Anoka County, and others
    c. **Tactic-**Continue to promote the Town Center as a neighborhood for residents of all ages, complete with amenities, multi-modal transportation options, recreation, and a variety of housing choices.

2) **Focus on providing choices for empty-nesters, including aging in place and downsizing, to allow the majority of current residents to stay in Ramsey.**
    a. **Tactic-** Evaluate lot split programs to allow seniors to split off their lot for income generation and downsizing
    b. Tactic- Consider the establishment of grant and/or loan remodeling programs to help seniors stay in their homes.
    c. Tactic- Consider coordinating service programs that would assist seniors with yard work or other home improvement projects.
    d. Tactic- Consider providing referral assistance to seniors looking to move to a smaller home within Ramsey or the surrounding areas.
    e. Tactic – Investigate the feasibility and desirability of allowing accessory apartments in residential areas.

3) **Provide opportunities for young adults to continue to live in Ramsey after leaving their parents' homes by supporting the development of quality rental housing.**

a. **Tactic-** Investigate the feasibility and desirability of allowing accessory apartments in residential areas.
b. **Tactic –** Verify through the 2008 Comprehensive Plan Update process that the City has sufficient land designated for the development of medium- and high-density residential development, to accommodate the construction of additional apartment buildings. This development should be focused within the Ramsey Town Center.

4) **Provide a balanced housing supply, with approximately 90% ownership housing and 10% rental housing, to expand options for workforce housing and housing for young professionals.**
   a. Tactic - Support the development of quality rental housing and a variety of affordable ownership housing options

5) **Continue to develop more affordable single family housing such as condominiums and small-lot single family homes.**
   a. Tactic - Support the development of quality rental housing and a variety of affordable ownership housing options

6) **Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City.**
   a. Tactic - Identify development areas to adequately accommodate executive level housing
   b. Tactic - Evaluate the costs and benefits of various housing types to ensure that there is a balance of housing choices

HOUSING GOAL #2:

Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized.

SUPPORTIVE FINDING:

The housing in some areas of Ramsey is aging.
According to the Anoka County Assessor's records, 32% of the housing in Ramsey was built before 1980. While that is not a large percentage, the older housing is relatively concentrated in a few neighborhoods within Ramsey. Neighborhoods in the central portion of the city such as Pineview Estates, Greenland Hills, Whispering Pines Estates, Groham's Sandy Acres, Halland Acres, Woodland Green, Hall Anderson Acres, and Hall's Dover Acres are examples of areas where the housing is starting to show signs of age. Additionally, these areas were developed at a time before municipal services were available, and are characterized by large lot development, with lots ranging from 1 to 2 acres.

SUPPORTIVE FINDING:

There are several areas where the land is underutilitzed and could become redevelopment areas that positively contribute to the growth of the city.
The HRA has preliminarily identified several opportunity areas in the City as shown in Figure 9. These opportunity areas are key nodes for infrastructure improvements, new housing development within core transit areas of the city, or areas where the housing stock is aging and property owners may be interested in rehabilitation and/or redevelopment opportunities.

IMPLEMENTATION STRATEGIES:

1) **Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space.**
    a. **Tactic-** Consider the establishment of grant and/or loan remodeling programs to assist people in upgrading their homes.
2) **Provide options for residents to subdivide and/or hook up to municipal services, if they so choose.**
    a. **Tactic-** Initiate a feasibility study, upon request from residents.
3) **Encourage redevelopment where land is underutilized**
    a. **Tactic-** Identify and designate areas appropriate for redevelopment
    b. **Tactic –** Prepare redevelopment plans
    c. **Tactic –** Identify resources and partners to implement those plans.

HOUSING GOAL #3:

Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods.

SUPPORTIVE FINDING:

The housing in some areas of Ramsey is aging. Similarly to Housing Goal #2, there are some homes and neighborhoods that will need rehabilitation in coming years. Also, in 2007 the City established an Abatement process that provides an additional tool for the City to use in addressing code violations and problem properties.

IMPLEMENTATIONS STRATEGIES:

1) **Encourage the development of homeowner's associations or common interest communities for areas of older multifamily housing and new subdivisions of smaller lot neighborhoods.**
2) **Develop and maintain a close relationship with existing homeowner's associations.**
    a. **Tactic:** Increase communication by meeting annually with homeowner's associations and maintaining an updated mailing list.
3) **Investigate the creation of a homeowner rehabilitation program, and increase marketing efforts for existing county and state home renovation programs.**
4) **Enhance code enforcement efforts.**
    a. **Tactic:** Review and update Ramsey's Housing Maintenance Code.
    b. **Tactic:** Consider neighborhood sweeps that includes a proactive code enforcement and education effort on housing maintenance.
    c. **Tactic:** Link code enforcement orders with home improvement funding.
    d. **Tactic:** Consider code violation disclosure and/or required improvement prior to sale of existing homes particularly those homes that are going into foreclosure through a point of sale or truth in housing program.
    e. **Tactic:** Increase education efforts surrounding code enforcement requirements and expectations.
5) **Educate Ramsey residents about the importance and value of maintaining their homes.**
6) **Partner with Anoka County to ensure that foreclosed homes that are vacant are maintained and secure.**
7) **Ensure that new housing developments provide appropriate density transition with existing established neighborhoods.**
8) **Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.**
9) **Continue to administer the rental licensing program**

a. **Tactic:** Improve the licensing and inspection process**,** and update City Code as needed.
b. **Tactic:** Provide additional outreach to landlords on the requirements of the program.

HOUSING GOAL #4:

Provide a development environment that increases residential health and respects the natural environment.

SUPPORTIVE FINDING:

Ramsey is a developing community that will have an impact on the protection and improvement of the environment. According to the U.S. Department of Energy's Center for Sustainable Development, buildings consume 40% of the world's total energy, 25% of its wood harvest and 16% of its water. While researchers remain cautious, many public health professionals, and a growing number of affordable housing developers believe sufficient evidence exists to justify adoption of basic "healthy homes" practices to keep homes dry, clean, well ventilated. Some of the key benefits to encouraging green building and sensitive land planning include:

- lower electric and water utility costs
- environmentally effective use of building materials
- enhanced health and productivity
- long-term economic returns
- reduced environmental impact

IMPLEMENTATIONS STRATEGIES:

1) Encourage development that incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices.
    a. **Tactic**: coordinate policies within the land use section of the comprehensive plan update that will include specific code amendments
    b. **Tactic:** educate residents on environmental issues and the financial impacts of implementing sustainability within the home
2) Evaluate additional sustainability standards, such as Minnesota Green Star Certification or LEED, for the Ramsey Town Center.
3) Encourage housing development that incorporates connections to existing pathways and creates natural and safe walkable areas.
4) Develop partnerships with utilities, banks and green building experts to develop financial incentives for incorporation of green building technologies.
5) Evaluate the cost and benefits of incorporating geothermal heating within new and existing housing developments.
    a. **Tactic:** create a geothermal prototype to present to housing developers
    b. **Tactic:** create a deferred loan program for households that incorporate geothermal heating within scattered site housing development and renovation.
    c. **Tactic:** evaluate zoning and building codes to ensure that geothermal heating can be implemented with no additional permitting costs

E. Housing Financial Resources

Providing an adequate amount of funding to assist in the implementation of the HRA Master Housing Plan is an ongoing issue. The following are several options that the HRA can access either through their own power or with the support of and marketing of existing programs to assist in the maintenance of the housing stock, development of affordable housing and encouragement of green building and energy efficient home building and renovation. The HRA evaluates the use of the tools to support the housing goals and to enable the success of the implementation strategies.

HRA Financing Tools

1. **HRA Levy Funds -** Per Minnesota Statutes 469.033, Subdivision 6, an HRA has the authority to levy a special tax upon all taxable property within the City boundaries specifically to fund the purposes of the housing plan within that City. The maximum HRA levy is equal to .0144 percent of taxable market value. The HRA levy is spread across all property owners including commercial and industrial properties. Any HRA levy funds must be expended only for the purposes of sections 469.001 – 469.047 and only through the authority of the HRA Board and with signature of the authorize representative. The HRA levy must be requested annually and approved by a majority vote of the City Council.

2. **Tax Increment Financing -** The HRA has the authority, with the City support, to provide TIF assistance to achieve its housing and redevelopment plans. TIF uses the increase in property taxes resulting from new development to finance qualified public improvement costs related to that development. It is this increase or difference between the current property tax on a parcel of land and the estimated property tax after development that is the tax increment. When TIF is used for a housing project, state law requires that a certain percentage of the units be made affordable for the life of the TIF district (typically 20-25 years). The HRA will consider the support and use of TIF for projects that meet the objectives of the Housing Master Plan and are consistent with the City of Ramsey TIF policies. However, each project will be reviewed individually and only on its ability to meet the statutory requirements

3. **Anoka County HRA Funds –** The County Housing & Redevelopment Authority levies a special tax upon all taxable property within communities that participate in their program. The City of Ramsey is a participant in the Anoka HRA's programs and has approximately $700,000 available funds to be used for housing & redevelopment authority purposes. Of the $700,000, $300,000 is earmarked for the ACCAP rental housing project at the request of the City. In addition, approximately $200,000 per year is available to the City of Ramsey for HRA eligible projects. The City can access these funds through a request to the County regarding the potential use of funds. The County is generally supportive of requests from local communities that participate in their levy as long as the use is an HRA eligible project.

Non-HRA Funded Financial Resources Available to Ramsey Residents

1. **Housing Improvement Programs:**

   a) **Minnesota Housing Fix-Up Loan Program -** low interest rate loans to qualifying homeowners. The Fix-Up Fund was established to improve the basic livability and/or energy efficiency of the borrower's home

   b) **Home Rehab Loan Program –** Up to $15,000 in zero interest deferred payment and interest loan funds provided by Anoka County Community Development Block Grant for necessary home

improvements. The program is available for low-income households and is administered by the Housing Resource Center North Metro at 651-481-7401.

2. Homebuyer Programs:

a. First Time Homebuyer Low Interest Loan Program – administered by the County and Financed by Minnesota Housing. Low interest first mortgages provided to first time homebuyers within Anoka County.

b. Down Payment Assistance – Administered by ACCAP, the program is designed to help first time homebuyers purchase homes more affordably by providing deferred loans that can be used for down payment assistance. Eligible buyers may qualify for up to $5,000 with 0% interest to bring their monthly housing costs down to 30% of income. The principle only mortgage must be repaid when the property is sold.

c. Family Assets for Independence in Minnesota (FAIM II) – Administered through ACCAP for Anoka County residents the program enables persons with a low-wage job to build assets through long-term savings. Each participant commits to 12 hours of financial management educational workshops. Participants deposit a portion of their income into a Family Asset Account that generates a 3:1 match in this program. Up to $120 a month is the maximum match amount for an eligible FAIM participant if they deposit up to $40.00 into their account. The account can be used only to buy a home, higher education expenses, or to begin a small business.

d. **Habitat for Humanity -** Habitat for Humanity forms a partnership with families that need and want decent housing and are willing to build or renovate housing. Habitat is a national model for increasing affordable home ownership through a series of financing and educational methods and has been implemented with success in the City of Ramsey.

e. **Community Land Trust -** A community land trust model of financing provides affordable housing on a long-term basis. The homeowner owns the house but the community land trust owns the land underneath the house and provides the homeowner with a 99-year, renewable ground lease. A resale clause helps to ensure affordability of the unit for the long term. The initial subsidy in the project can then be retained and applied to subsequent buyers, while also rewarding homeowners with equity and a portion of the market value increase, allowing them to eventually move into market rate housing. This method has been implemented successfully within many counties throughout the metropolitan area. Currently there are no available land trust entities within Anoka County. However, the Ramsey HRA may find this method desirable to meet their affordable housing goals and could encourage Anoka County to pursue the establishment and/or funding of a Community Land Trust within the County.

3. Foreclosure Prevention

a) Prevention Counseling & hotline provided by ACCAP for Anoka County residents – 763-783-4747.

4. Energy Assistance

a) MN Energy Loans - low interest (6.625%) fixed rate loan up to $35,000 for energy improvements administered by the Neighborhood Energy Center - 651-221-4462 x132. Household income must be less than $89,000. An energy audit is required and typical improvements might include air conditioning replacement, furnace replacement, kitchen & bath fans, new windows, insulation, water heater replacement, hard-wired lighting and weatherization. The program will also fund renewable

energy systems such as geothermal heating/cooling, solar water heaters and photovoltaic/solar electric.

b) Weatherization Program – Administered by ACCAP, the Weatherization Program provides energy saving improvements to income-qualified households of the Energy Assistance program. Priority is given to the elderly, disabled, and/or high fuel consumption households. An auditor inspects the home, furnace and water heater to determine if weatherization work is required. This program helps residents conserve energy, lower their monthly utility costs, and helps to make the home more comfortable.

c) Energy Rebates – various utility rebates provided for installation of energy efficient systems and appliances provided by Connexus Energy. Additional information on the rebate program can be provided by Connexus customer service department at 763-323-2650.

d) **Energy Audits –** online audit and guidance on performing your own audit to reduce utility costs provided by Connexus Energy. Access to the energy audit information can be provided at the Connexus website at http://www.connexusenergy.com/energyaudit.htm

e) **Federal Energy Star Tax Credit –** Federal tax credits are available for many types of home improvements including adding insulation, replacement windows, and certain high efficiency heating and cooling equipment. The maximum amount of homeowner credit for all improvements combined is $500 during the two year period of the tax credit. This tax credit applies to improvements made to your primary residence from January 1, 2006 through December 31, 2007. If you are building a new home, you do not qualify for the tax credits for "eligible building envelope components" (windows, doors, insulation, roofs) or "qualified energy property" (HVAC & non-solar water heaters). However, the tax credit for photovoltaic's, solar water heating, and fuel cells is available for homeowners building new homes. Access to the Federal Tax Credit information can be found at the Federal Energy Star website at http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

f) **Minnesota GreenStar Certification –** Minnesota GreenStar is a new program that offers green certification for new home construction and home remodeling. The benefits include mortgage and home equity rate discounts, rebates on building materials and products, tax credits, preferred utility rates and preferred homeowner and health insurance rates. For more details regarding the program visit http://www.mngreenremodeling.com/

Housing Assistance Policy

Affordable Housing

3/20/2014

City of Ramsey

Housing Assistance Policy – Affordable

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Housing Assistance Policy – Affordable

Background

The City of Ramsey is committed to supporting well planned single family, multi-family development and redevelopment as a necessary element to achieve the goals for well-balanced housing inventory meeting the needs of residents during all life stages. The City Council and the Housing and Redevelopment Authority (HRA) of the City of Ramsey have determined that a policy is necessary to review requests for financial assistance related to housing projects to ensure any financially supported project meets Housing Polices of the Comprehensive Plan and housing priorities established by the City and reviewed on a regular basis.

Housing Priorities

To maximize the impact of City and HRA involvement, a priority list was developed by the Ad-Hoc-Sub-Committee of the Planning Commission and is subject to City Council approval. This is a list of priorities that the City believes would qualify for or is in the highest need of assistance, if available. This is not a reflection of the amount of individual types of housing products that the City believes will develop overall.

This list is based off current market conditions, demographics and financial need for assistance. This list will evolve over time, and will be revisited at least annually. With each project completed, the priority for assistance will change. Priorities are listed below:

1. Senior Independent
2. Affordable/Workforce
3. Redevelopment
4. Energy Efficient
5. Rehabilitation of Existing
6. Amenity Rental (market rate)
7. Three plus bedroom Rental
8. Inclusion of Accessory Dwelling Units
9. Executive Single-Family (note: City funding not likely for this product)
10. Senior Skilled Nursing
11. Assisted Living/Memory Care
12. Condominium

Scoring Process

Projects will be scored on a two (2) step process: 1) Minimum Thresholds and 2) Priority Scoring. Priority scoring is divided between *affordable housing projects* (targeting households below 80% of AMI and *market rate housing projects* (targeting households 80% and above AMI.

Housing Assistance Policy – Affordable

All applicants shall meet at least one of the goals and related implementation strategies listed below. Please provide a check mark in the box and on a separate sheet provide a brief explanation as to how the proposed project will meet the goal.

Priority scoring will be used to gauge the quality of the project and used to rank projects in the event of multiple proposals. The City reserves the right to reject any and all applications if it deems necessary.

The amount of funds that may be provided will be based on several factors including:

1. Project meets a housing priority.
2. Ability to meet the minimum thresholds.
3. Priority scoring results and the overall quality of the proposed project.
4. Availability of funding. The City reserves the right to cap the maximum assistance given, if funds are available. ~~City funding (when available) will be capped at $10,000 per unit.~~ Grant funding will be based on the grant type and related funding.
5. Third party review. Assistance is subject to third –party financial analysis and a 'but-for' analysis. Please contact City Staff for specifics on this analysis. Financial review is subject to look-back provisions traditionally found in Tax Increment Finance (TIF) analysis.

Housing Assistance Policy – Affordable

Project Brief

Please briefly describe your project. This section will be used as general background on the project, and is not intended to be a full analysis of the project. This project description will be used for short marketing pieces if assistance is approved.

_____
_____
_____
_____

Project Details

Number of Units

	Market Rate	80% AMI	60% AMI	50% AMI	30% AMI	Total # of Units
# of Units						

Minimum Threshold:

All applicants must meet one of the following minimum thresholds listed below. These are goals and implementation strategies from the City's Master Housing Plan, adopted as part of the City's 2009 Comprehensive Plan update. Check which threshold best matches your project and describe how your project will meet the implementation strategies.

	Applicant	City
Goal 1: Provide a variety of housing options for people at all life stages and income levels to encourage existing residents, and attract new residents, to stay in Ramsey throughout their lives. Housing opportunities should include a mixture of rental and owner-occupied to provide life-cycle housing choices meeting a full spectrum of demographics. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words] 1) Work toward developing various senior housing options including independent living, cooperatives, and assisted living facilities, both market rate and affordable. 2) Focus on providing choices for empty-nesters, including aging in place and downsizing, to allow the majority of current residents to stay in Ramsey. 3) Provide opportunities for young adults to continue to live in Ramsey after leaving their parents' homes by supporting the development of quality rental housing.		

4) Provide a balanced housing supply, with approximately 90% ownership housing and 10% rental housing, to expand options for workforce housing and housing for young professionals. 5) Continue to develop more affordable single family housing such as condominiums and small-lot single family homes that includes higher architectural variety and quality. 6) Explore opportunities to attract executive level housing to provide a variety of housing choices and opportunities in the City.		
Goal 2: Revitalize/rehabilitate areas where the housing is aging and in need of repair and where the land is underutilized and/or has potential for future redevelopment consistent with the Comprehensive Plan. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words] 1) Encourage residents to upgrade the functionality and marketability of their aging housing, and put quality additions on as they need more space. 2) Provide options for residents to subdivide if consistent with and allowed by the Comprehensive Plan. 3) Encourage redevelopment where land has potential for future development consistent with the Comprehensive Plan.		
Goal 3: Maintain and improve the housing stock to preserve the character and quality of existing neighborhoods. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words] 1) Encourage the development of homeowner's associations or common interest communities for areas of older multifamily housing and new subdivisions of smaller lot neighborhoods. 2) Ensure that new housing developments provide appropriate density transition with existing established neighborhoods.		

3) Update and enhance design standards for new developments and encourage housing construction that incorporates quality and diverse architecture.		
Goal 4: Provide a development environment that increases residential health and reduces energy consumption. [On a separate sheet please describe how your project will use one of the following implementation strategies to achieve this goal. Word limit = 500 words] 1) The development incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality practices. 2) The development meets sustainability standards, such as Minnesota Green Star Certification or LEED. 3) Use of sustainable development elements such as the use of storm water management BMP's to manage on site storm water 4) The development incorporates connections to existing pathways and creates natural and safe walkable areas.		

Housing Assistance Policy – Affordable

Rank Scoring

Affordable Housing Project Scoring –Projects must target occupants that are below 80% AMI

Affordable Housing - Rental:	Applicant Point Allocation	City Point Allocation
Points will be given for units rented at greater affordability levels. **Chose 1 (or chose all that apply) and insert total number and percent of units at each affordability level:**		
~~50~~40% of units at 60% AMI = 5 points		
~~50~~20% of units at 50% AMI= 5~~7~~ points		
~~50% of units at 30% AMI= 10 points~~		

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Long-Term Affordability ~~Rental~~:	Applicant Point Allocation	City Point Allocation
Projects that demonstrate the ability to serve tenants for longest period of time. **Chose 1 (or chose all that apply) and insert total number of units.**		
30 years or more= 10 points		
15~~-29~~ years = 5~~8~~ points		
~~10- 15 years = 3 points~~ ~~(Deed restriction will be required for homes constructed with affordability limits in order to earn points)~~		

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~~***Affordable Housing - Ownership:***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~

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Housing Assistance Policy – Affordable

~~Points will be given for homes priced at greater affordability levels.~~ **~~Chose 1 (or chose all that apply) and insert total number and percent of units at each affordability level:~~**		
~~30% of units between 60 and 80% AMI = 5 points~~		
~~30% of units at 60 and below 80% AMI=7 points~~		
~~30% of units at 30% or less AMI= 10 points~~ ~~(Proposed affordable lots shall be deed restricted and scattered throughout the development)~~		

~~***Long-Term Affordability-Owner-occupied Housing:***~~ ~~Projects that demonstrate the ability to serve tenants for longest period of time.~~ **~~Chose 1 (or chose all that apply) and inset total number of units.~~**	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~5 years or more= 5 points~~		
~~10 years or more= 10 points (Deed restriction will be required for homes constructed with affordability limits in order to earn points. Lots shall be scattered throughout the development)~~		

Number of Bedrooms **If applicable, insert total number of units:**	Applicant Point Allocation	City Point Allocation
At least 25% of units include three + bedrooms = 5 points		
At least 50% of units includes three + bedrooms total units= 10 points		

Development of Senior Housing	Applicant Point Allocation	City Point Allocation
Senior independent (rental or owner-occupied) = 5 points. **Insert total number of age restricted units.**		

Housing Assistance Policy – Affordable

Specialized Senior Housing: At least 25% of total units include one (or combination) of specialized services. **Chose 1 (or chose all that apply) and insert total number and percent of total.** Maximum of 5 points		
Assisted Living units = 5 points		
Memory care units = 5 points		
Senior skilled nursing on site= 5 points		

Mixed Income Development:	Applicant Point Allocation	City Point Allocation
~~Inclusion of market rate and affordable within a single project (single or multiple buildings). All projects must have at least 50% of units at 80% AMI or above (market rate).~~		
Inclusion of market rate and affordable within a single project (single or multiple buildings). All projects must have at least 50% of units at 80% AMI or above (market rate).~~30% of total units (SF or attached) at 60-80% of AMI = 5 points~~		
~~30% of total units (SF or attached) at 50% (or below) of AMI= 10 points~~		

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~~***Redevelopment:***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Rehabilitation of existing housing unit(s) for occupants below 80% of AMI= 5 points.~~ ~~**If applicable, insert total number of units:**~~		
~~Rehabilitation of existing housing unit(s) 30% of AMI= 10 points.~~ ~~**If applicable, insert total number of units:**~~		

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~~Infill redevelopment that results in removal of blighted residential and/or commercial buildings/sites that result in new housing units: Occupants must be at or below 80% AMI. Additional points will be given for greater affordability levels.~~ **~~If applicable, insert total number of units:~~**		
~~50% of units at 60% AMI = 5 points~~		
~~50% of the units at 50% AMI= 7 points~~		
~~50% of the units at 30% AMI= 10 points~~		

~~***Proximity to Transit***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Within quarter mile (.25) of Northstar Commuter Rail-Ramsey Station: 10 points.~~	~~Circle: Yes/No~~	
~~Within one-half mile (.5) of Northstar Commuter Rail-Ramsey Station: 5 points.~~	~~Circle: Yes/No~~	
~~***Proximity to Local Employment***~~ ~~Within a two-mile radius of area zoned Employment= 5 points~~	~~Circle: Yes/No~~	

Proximity to Transit	Applicant Point Allocation	City Point Allocation
Within quarter mile (.25) of Northstar Commuter Rail-Ramsey Station: 10 points.	Circle: Yes/No	
Within one-half mile (.5) of Northstar Commuter Rail-Ramsey Station: 5 points.	Circle: Yes/No	
Proximity to Local Employment Within a two-mile radius of area zoned Employment= 5 points	Circle: Yes/No	

~~***Non-Financial Readiness to Proceed:***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~

Housing Assistance Policy – Affordable

~~Land use and zoning approvals have been obtained = 2 points~~ ~~***Architectural Standards (check all that apply)***~~	~~Circle:~~ Applicant Point Allocation	City Point Allocation
~~***Site Control:***~~		
Use of Hardi-Board or equivalent= 2 points ~~Fee Title Ownership has been obtained= 5 points~~	~~Circle:~~ ~~Yes/No~~	
Horizontal siding accessory only = 2 points ~~***Private Equity Percentage***~~		
~~Cash equity commitment of at least 5% down payment is secured: 5 points.~~ Minimum of 30% front elevation-brick or stone= 2 points	~~Circle:~~ ~~Yes/No~~	
50% brick or stone threshold = 2 points		
Building articulation= 2 points		
Roof articulation= 2 points		
Covered front porch > 50 square feet = 2 points		
Roof < 25% of front façade= 2 points		
2+ dormers (gabled ends to not count) for SF= 2 points		
Multiple dormers if townhome building or apartment building = 2 points		
Use of alley or internal drive for garage access (not visible from public street and HOA maintained) = 2 points		
Use of side loaded garages (SF and TH only) = 2 points		
House forward design (SF and TH only) = 2 points		
Architectural styled garage doors (15% of lots) (SF and TH only) = 2 points		
Anti-monotony elevation/color plan (applicable to developments with multiple buildings that have a minimum of three material colors that vary between buildings) = 2 points		
Four sided architecture (attached or detached) = 2 points		
High speed internet access in all units= 2 points		
Smoke free units/buildings= 2 points		

Housing Assistance Policy – Affordable

~~***Federal/Local or Philanthropic Partnerships:***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Project funds from the federal government, a local unit of government, area employer and/or a private philanthropic, religious or charitable organization. **If applicable, provide percentage:**~~		
~~20.1% and above of the development cost= 10 points~~		
~~15.1%-20%= 8 points~~		
~~10.1%-10%= 6 points~~		
~~5.1%-10%= 4 points~~		
~~2.1%-5%= 2 points~~		

Federal/Local or Philanthropic Partnerships:	Applicant Point Allocation	City Point Allocation
Project funds from the federal, county, or state unit of government, ~~a local unit of government~~, area employer and/or a private philanthropic, religious or charitable organization. **If applicable, provide percentage:**		
20.1% and above of the development cost= 10 points		
15.1%-20%= 8 points		
10.1%-10%= 6 points		
5.1%-10%= 4 points		
2.1%-5%= 2 points		

Project Amenities **- Check all that apply.**	Applicant Point Allocation	City Point Allocation
Community room/gathering area= 1 point		

On-site fitness center= 1 point		
Terrace/Courtyard or Roof top gathering area= 1 point		
Indoor theatre= 1 point		
Outdoor facilities= 1 point per element: (i.e. walking trails, tennis/basketball courts, playground, others as proposed by applicant)		
Indoor or outdoor swimming pool= 1 additional point		
Use of shared parking to reduce total parking installed= 2 points		

~~***Architectural Standards (check all that apply)***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Use of Hardi-Board or equivalent = 2 points~~		
~~Horizontal siding accessory only = 2 points~~		
~~Minimum of 30% front elevation brick or stone= 2 points~~		
~~50% brick or stone threshold = 2 points~~		
~~Building articulation= 2 points~~		
~~Roof articulation= 2 points~~		
~~Covered front porch > 50 square feet = 2 points~~		
~~Roof < 25% of front façade= 2 points~~		
~~2+ dormers (gabled ends to not count) for SF= 2 points~~		
~~Multiple dormers if townhome building or apartment building = 2 points~~		
~~Use of alley or internal drive for garage access (not visible from public street and HOA maintained) = 2 points~~		
~~Use of side loaded garages (SF and TH only) = 2 points~~		
~~House forward design (SF and TH only) = 2 points~~		
~~Architectural styled garage doors (15% of lots) (SF and TH only) = 2 points~~		

~~Anti-monotony elevation/color plan (applicable to developments with multiple buildings that have a minimum of three material colors that vary between buildings) = 2 points~~		
~~Four sided architecture (attached or detached) = 2 points~~		
~~High speed internet access in all units= 2 points~~		
~~Smoke free units/buildings= 2 points~~		

Development Standards (check all that apply) *Sidewalks, trails and streetscaping*	Applicant Point Allocation	City Point Allocation
Sidewalks to each front door (SF and TH) or main entry (apartment building)= 2 points		
Sidewalks/ trail on both sides of public streets (SF and TH); or sidewalk / trail on one side if project consists of only a single building = 2 points		
Installation of off-road trails within the development = 2 points		
Sidewalk " bump-outs" or "chokers" = 2 points		
Trail connection beyond development (installed by developer)= 5 points		
Boulevard trees at 35 foot spacing (new installation provided by developer= 2 points		
Installation of development wide streetscaping and decorative lighting= 2 points		

~~***Energy Efficient Elements (check all that apply)***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Storm water Best Management Practices= 2 points~~		
~~Energy efficient roofing material or colors = 2 points~~		
~~Buildings oriented on site to optimize passive solar and cooling= 2 points~~		

~~Installation of a green roof occupying a minimum of 30% of the total roof area= 2 points~~		
~~Use of resource efficient building materials= 2 points~~		
~~Use of Green Star certified mechanical and appliances = 2 points~~		
~~Use of energy efficient windows/doors= 2 points~~		
~~Other energy efficient new technology as approved by the City= 2 points~~		

Energy Efficient Elements (check all that apply)	Applicant Point Allocation	City Point Allocation
Storm water Best Management Practices= 2 points		
Energy efficient roofing material or colors = 2 points		
Buildings oriented on site to optimize passive solar and cooling= 2 points		
Installation of a green roof occupying a minimum of 30% of the total roof area= 2 points		
Use of resource efficient building materials= 2 points		
Use of Green Star certified mechanical and appliances = 2 points		
Use of energy efficient windows/doors= 2 points		
Other energy efficient new technology as approved by the City= 2 points		

Total Points

	Applicant Point Allocation	City Point Allocation
Total Points Accumulated		

FINANCIAL REQUIREMENTS/INFORMATION

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Financial award is based on availability of funds. Maximum funding is set ~~at $8,000 per unit or not greater than 15% of entire project cost~~based on actual project need after a detailed financial analysis of the Developer and the project. The City reserves the right to contract with a third-party for financial analysis, which costs of said analysis are the responsibility of the Developer unless otherwise waived by the City. Owner equity must be greater than 10%.

Eligible Uses of Funding

Eligible uses of funding include; site acquisition, land improvements, building construction, and payment of development fees. The City will not waive development fees (park dedication, trail development, sanitary sewer, stormwater) or permit fees). The City and Developer will need to work together to identify a funding source for these fees if assistance is required specific to these fees.

Required Information

1. Sources and Uses Statement (below)
2. Financial Scoring Scorecard ~~(below)~~
3. Organizational Financial Statements (2 years of P&L and Balance Sheet)
4. Personal Financial Statements of Stakeholders and Tax Returns (2 years)
5. Project Pro forma/Projections (two [2] year and fifteen [15] year projections)
6. Letter(s) of Commitment from other Funding Sources (terms, conditions)
7. Proof that the Property is not delinquent in Property Taxes

Sources and Uses

The Developer shall provide a detailed sources and uses statement. ~~Please use the Sources and Uses Excel Spreadsheet and include as an attachment.~~ This shall include all sources of financing for the project and how those funds will be used. The Applicant shall provide a detailed listing of each.

Owner equity shall be equity above and beyond any tax credit or grant source of funding. The City will exclude any tax equity.

SOURCES	AMOUNT ($)		USES	AMOUNT ($)
Owner Equity			Land Acquisition	
Bank Loan			Site Development	
Other Loan			Construction	
Fed. Grant/Loan			Engineering/Arch. Services	
State Grant/Loan			Debt Service	
TIF			Contingencies	
Tax Abatement			Other	
Revolving Loan Fund			TOTAL	
Other				
TOTAL				

The City reserves the right to request additional data regarding the above required information as well as sources and uses. Review of sources and uses is subject to third-party financial analysis.

~~Financial Scoring~~

~~Please calculate points based on this project's ratio of private to public financing.~~

~~Ratio= *Private Financing : Public Financing*~~

~~***Leveraged Funds***~~	~~Applicant Point Allocation~~	~~City Point Allocation~~
~~Ratio of Private to Public Investment~~ • ~~5:1 = 5 points~~ • ~~4:1 = 4 points~~ • ~~3:1 = 3 points~~ • ~~2:1 = 2 points~~ • ~~Less than 2:1 = 1 point~~		

Planning Commission Work Plan 2016 – 2018

THIS IS A WORKING DOCUMENT. ITEMS WILL BE COMPLETED AS RESOURCES PERMIT

MISSION

To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services

Strategic Imperative I: Financial Stability

Ensure strategic economic development that complements the city's desired quality of life and builds a stable tax base, all while maintaining a low tax levy.

On Target	Behind Schedule	Significantly Behind Schedule

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Improve budget preparation to identify operational efficiencies and cost-savings	Community Development/ Engineering	PC1.1 - Analyze development fees to ensure proper nexus to development impacts	2018	2018	None	None	Multiple	• Completion of System Plan Studies. • Amended rates and charges as recommended.
	Community Development/ Economic Development	PC1.2 - Create a policy to foster a business incubator facility	2016	2017	TBD	TBD	TBD	• Proper land use controls in place. • Completed an analysis of appropriate sites. • Completed an analysis of City's role.

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Planning Commission Work Plan 2016 – 2018

MISSION

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Strategic Imperative II: A Connected Community

Ensure that the city is a connected city that is part of a comprehensive regional transportation system that enables all citizens to easily navigate the community and attracts business development.

On Target	Behind Schedule	Significantly Behind Schedule

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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Improve the safety and mobility of major road corridors	Engineering	PC2.1 - Conduct CSAH 5 Corridor Study (land use and traffic integrated) in cooperation with the County [Strategic Plan]	2016	2017	Professional services - $50,000 (PIR) Anoka County Coordination Construction funds	None	B. Westby	• Corridor study completion in 2017 • At least one high priority improvement project commenced by 2018
	Engineering	PC2.2 - Conduct MN State Hwy 47 Study in cooperation with MNDOT and City of Anoka [Strategic Plan]	2016	2017	Anoka County & MNDOT coordination Construction Funds	None	B. Westby	• Corridor study completion in 2017 • At least one high priority improvement project commenced by 2018
	Community Development	PC2.3 - Ensure correct address and street name standards	2016	2016	None	None	TBD	• Corrected Street Name and Address Database
Create a diverse and robust offering of recreational opportunities	Community Development	PC2.4 - Develop Plan for future parks, trails, and open space capital improvements [Strategic Plan] [Comprehensive Plan]	2016	2017 [Minimum requirements for Comprehensive Plan Amendment – broader plan in future years]	None	None	T. Gladhill	• Completed Master Park and Trail Plan Update • CIP Aligned with Parks Plan

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Planning Commission Work Plan 2016 – 2018

MISSION

To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services

Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

On Target	Behind Schedule	Significantly Behind Schedule

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Improve and maintain safety of the community	Community Development/Fire Department	PC2.5 - Expand and improve residential rental licensing program [Strategic Plan]	2017	2017 Program approved by City Council. Implementation in Q2 2017.	None	None	T. Gladhill	• Cost Benefit analysis completed • Improved property maintenance • Improved landlord/tenant relationships • Improved public safety response
		PC 2.6 – Ensure adequate telecommunications coverage	2018	2018	None	None	TBD	• Revised telecommunications tower ordinance
Enhance Community Engagement	Community Development	PC2.7 - Increase engagement opportunities in future land use decisions [Strategic Plan]	2015	2018	Professional service dollars for technical support and analysis (forecasts, etc.) $32,000 Planning Grant awarded by Metropolitan Council.	TBD	T. Gladhill	• Adopt a citizen engagement framework for 2040 Comprehensive Plan update • Determine appropriate scale of update to the City's Comprehensive Plan • Complete required 2040 Comprehensive Plan update • Clarified vision for the COR • Tax Directed Planning Policy • Comprehensive Transportation Plan

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Planning Commission Work Plan 2016 – 2018

MISSION

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Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

On Target	Behind Schedule	Significantly Behind Schedule

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Enhance Community Engagement	Community Development	PC3.1 - Create a walkable community in The COR that balances market realities	2015	2016 New work plan approved for Q1 2017 Completion.	None	None	T. Gladhill	• Completed Boards and Commissions Survey • Completed Citizen Survey/Workshop • Updated Development Plan
	Community Development	PC3.2 - Prevent erosion from damaging shoreline properties and reducing water quality along the Mississippi River.	2015	2016 Complete!	$5,000 in professional services	None	C. Anderson	• Completed shoreline inventory through Anoka Conservation District.
	Community Development	PC3.3 - Create a community sign plan that focuses on community gateways and focal points. [Strategic Plan]	2017 Now part of COR System Plan Effort	2017	None	None	P. Brama	• Revised zoning code • Monument signage plan for the City completed • Tenant panel distribution policy completed • Funding and Priority Plan
Enhance Community Engagement	Community Development	PC3.4 - Enhance protection of wetlands during and after construction activities and ensuring adequately sized lots.	January, 2016	April, 2016 Complete!	None	None	L. Linton	• Amend City Code per LRRWMO requirements for wetland setbacks.

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Planning Commission Work Plan 2016 – 2018

MISSION

To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services

Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

On Target	Behind Schedule	Significantly Behind Schedule

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Community Development	PC3.5 - Create areas to support existing residential neighborhoods	2017	2017	None	None	T. Gladhill	• Create Neighborhood Office District
	Community Development	PC3.6 - Ensure timely completion of projects that do not disrupt the tranquility of residential neighborhoods	2018	2018	None	None	T. Gladhill	• Establish policy for extensions of Building Permits.
	Community Development	PC3.7 - Create lifecycle housing that allows our aging population find housing without leaving our community.	2016	2017 [2 projects in review process]	TBD	TBD	TBD	• Facilitate the private development of a one-level housing product with common area maintenance.
Ensure long-term sustainability of Public Water System	Engineering	PC3.8 - Develop a Comprehensive Plan for City long-term water supply [Strategic Plan] [Comprehensive Plan]	2015	2016 [Draft complete. To be reviewed Q1 2017].	None	TBD	B. Westby	• Updated Comprehensive Water Supply Study

DRAFT

Planning Commission Work Plan 2016 – 2018

MISSION

To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services

Strategic Imperative IV: An Effective Organization

Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meet the increasingly ever-changing needs of the organization.

On Target	Behind Schedule	Significantly Behind Schedule

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Continue to implement process improvement initiatives	Community Development	PC4.1 - Improve submittal process for the Lower Rum River Watershed Management Organization	2017 or as time permits in 2016	2017	None	None	T. Gladhill	• Revised Application Packet
	Community Development	PC4.2 - Ensure safety and welfare of the community without creating burdensome and duplicative requirements.	2017 Note – business licensing policy may be undertaken by the City Clerk in 2016	2018 Complete!	None	None	TBD	• Revised Variance Policy (2017) • Revised CUP Policy (2017) • Revised Business License Policy (2017)
	Community Development	PC4.3 - Clarify development standards for the Flintwood Hills Neighborhood	2018	2018	None	None	C. Anderson	• Bulk Standard Matrix

DRAFT

Comprehensive Plan

City Staff
WSB
Others

	Q4 2016		Q1 2017			Q2 2017			Q3 2017			Q4 2017			Q1 2018			Q2 2018				Q3 2018			Q4 2018	
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Task One: Community Engagement																										
1.1 Steering Committee Meetings	21-Nov		COR?		LU		X		X		X	DRAFT PLAN														
1.2 Community Workshops				COR		LU		X		X																
1.3 Online Engagement																										
1.4 Pop up Engagements (Happy Days, Expo, Concert series)						COR		LU	X	X	X															
1.5 Draft Plan Open House													X													
1.6 Interagency Coordination				X		X		X		X																
1.7 Commissions				EPB	EDA	EPB	EDA	Parks	Parks	Parks																
1.8 Planning Commission/ City Council meetings							X					X				PH PC	CC prelim							CC Final		
Task Two: Introduction and Demographics (Tim)																										
2.1 Chapter Completion, including charts/graphs																										
Task Three: Housing (Tim)																										
3.1 Prepare charts and data																										
3.2 Prepare maps																										
3.3 Goals and Policies																										
3.4 Draft Chapter																										
Task Four: Land Use (Tim/WSB)																										
4.1 Create Community Designation Map																										
4.2 Create Existing Land Use Map																										
4.3 Create Existing Land Use Table																										
4.4 Prepare Future Land Use Map (City to provide a marked up map																										
4.5 Create Future Land Use Table																										
4.6 Create forecasts for pop, hh, emp for 2020, 2030, 2040																										
4.7 Divide forecasts by sanitary sewer interceptor district																										
4.8 Goals and Policies																										
4.9 Draft Chapter (including exhibits)																										
Task Five: Transportation (WSB)																										
5.1 Divide forecasts by TAZ																										
5.2 Roadways																										
5.3 Transit																										
5.4 Bike/Ped																										
5.5 Aviation																										
5.6 Freight																										
5.7 Draft Goals and Policies																										
5.8 Draft Chapter (including exhibits)																										
Task Six: Parks, Trails, and Open Space Update (Bruce)																										
6.1 Draft Chapter (Regional Requirements)																										
6.2 Parks, Trails, and Open Space Chapter																										
Task Seven: Sanitary Sewer and Water (BMI)																										
7.1 update capacity analysis																										
7.4 Goals and policies																										
7.5 draft chapter (including exhibits)																										
Task Eight: Surface Water Management (BMI)																										
8.1 Surface Water Management Plan Chapter update																										
Task Nine: Implementation (Tim)																										
9.1 Review existing plans																										
9.2 Implementation Recommendations																										
9.3 Exhibits (Zoning Map)																										
Task Ten: Economic Development (Pat)																										
10.1 Goals and Policies																										
10.2 Draft Chapter																										
Task Eleven: Natural Resources/Resiliency (Chris)																										
11.1 Goals and Policies																										
11.2Draft Chapter																										
Task Twelve: Met Council Coordination (Tim)																										
12.1 Draft Full Plan																										
12.2Adjacent Community Review																										
12.3 Meeting with Met Council and Submit																										
12.4 Complete Comp Plan Submittal Form																										

Economic Development Authority (EDA) **4. 6.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Set Date for Annual EDA Golf Tournment and Fall Networking Event

Purpose/Background:

This case is administrative in nature and should take only a moment to complete. Staff is suggesting the following dates for the two remaining 2017 EDA events. Staff would like to confirm these dates with the EDA.

(1) Golf Tournament, 08/15/17
(2) Networking Event, 11/16/17

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

NA

Action:

NA

Attachments

No file(s) attached.

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	04/06/2017 10:28 AM
Form Started By: Patrick Brama		Started On: 04/04/2017 08:22 AM
Final Approval Date: 04/06/2017		

Economic Development Authority (EDA) **5. 1.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Update: Shovel Ready Reports Completed

Purpose/Background:

Per the attached case memo (06/02/2016), WSB & Associates was retained by the City to complete/ prepare/ obtain various documents related to the future development of various city-owned properties (survey, title work, phase I ESA, if needed phase iI ESA, utility information, site pics, soil borings, etc.). This information, as a whole, is often times referred to as "shovel-ready" pre-development information. This information is very useful for a developer considering the purchase and development of land.

The State of Minnesota has a program known as "Minnesota Shovel Ready Sites" which certifies this work, and plugs said certifications into the State of Minnesota's marketing pipeline. NOTE: the State of Minnesota marketing efforts, and shovel ready certification program, is not geared towards retail, residential, or mixed properties. This program is geared towards industrial land (i.e. manufacturing, warehouse, office, etc.).

WSB & Associates has completed all work necessary to apply to the State Shovel Ready Program, including pre-filling applications. Attached to this case is a simply overview of each site (3-4 pages). NOTE: the actual findings/ reports for each site are several hundred pages. If you would like to see the actual detailed findings for each site, please email staff--we will download onto a jump drive.

Notification:

Observations/Alternatives:

Future Business Park

Overall site appears to be clean. The large soil mound is not buildable material, and will need to be moved. There is debris across the site from people camping. Arterial infrastructure partially completed. Now that the business park will include the former Legacy Christian Academy site (i.e. 65 acres has been added), staff would like complete a shovel ready report for that site as well, and combined the two reports. Then, staff will obtain the State of Minnesota certification.

#37

This site did not come up clean. Soil vapor and water contamination exists (per the Phase II ESA). Additional work is needed on this site, including reporting to the MPCA. Likely, a limited site investigation (LSI) will be needed. Staff does not intend to obtain a State of Minnesota certification for this site until these items are resolved.

#42

Overall this appears to be clean. Because this site only allows retail uses, staff does not intend to obtain a State of Minnesota certification for this site until these items are resolved.

#45

This site did not come up clean. Soil vapor and water contamination exists (per the Phase II ESA). Additional work

is needed on this site. Staff does not intend to obtain a State of Minnesota certification for this site until these items are resolved.

#46
Overall this appears to be clean. It should be noted, cut/fill work is needed for this site, along with a plan of action related to the existing ponds. Because this site only allows retail uses, staff does not intend to obtain a State of Minnesota certification for this site until these items are resolved.

#48
Overall this appears to be clean. It should be noted, cut/fill work is needed for this site, along with a plan of action related to the existing ponds. Because this site only allows retail, residential, and mixed uses, staff does not intend to obtain a State of Minnesota certification for this site until these items are resolved.

#49
Overall this site appears to be clean. Staff intends to apply for the State of Minnesota certification, as this site is guided for office uses (corporate campus, health care uses, etc.).

Funding Source:
TIF 1

Recommendation:
No action requested. Staff plans to move forward as outlined in the "observations" section of this case.

Action:
NA

NOTE: Jim Gromberg of WSB will be in attendance to answer questions.

Attachments

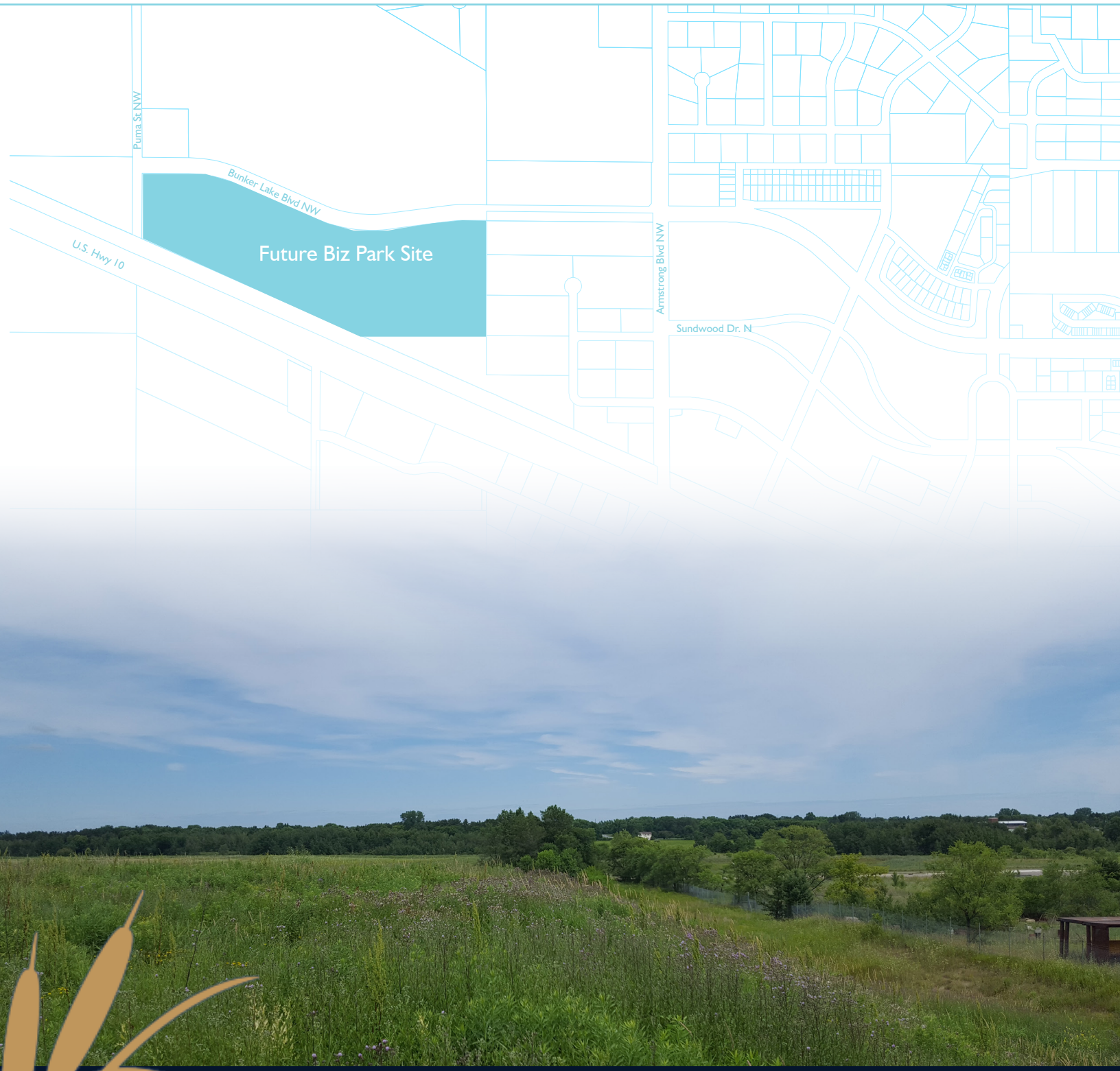
Business Park
37
42
45
46
48
50

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Patrick Brama		Started On: 03/30/2017 11:02 AM
Final Approval Date: 04/10/2017		

City of RAMSEY

Future Biz Park Executive Summary



WSB

Future Biz Park – Site Executive Summary

March 29, 2017

Site Information: The Future Biz Park is bordered to the south by railway for the Northstar Commuter Line which connects the site to downtown Minneapolis. Also to the south is U.S. Highway 10 which provides a direct connection to U.S. Highway 169. To the north of the property is Bunker Lake Boulevard NW, a major east/west corridor through the City of Ramsey. The Site currently has no stubbed access points; however, multiple access points onto Bunker Lake Blvd NW are anticipated upon the development of these parcels. In addition, there is a 1,000 acre nearly fully developed business park that runs through Ramsey-Anoka a ½ mile east of this site. Over 10,000 jobs and hundreds of businesses.

The property is 45 acres in size. The City is currently developing a new zoning district intended to be implemented over this area entitled "E-3 Employment District". As a basis, the E-3 district will have similar standards to the E-1 Employment District which is intended to provide for the mix of typically large volumes or bulk commercial goods and services, wholesale/warehouse activities and limited retail activities.

Building Permit Application and Commercial Site Review: The city's 2016 building permit and commercial construction requirements have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcel 29-32-25-12-00003 and 29-32-25-21-0003 located in Ramsey, Minnesota.

This Phase I ESA has revealed no RECs, no HRECs, and no CRECs associated with the Property. While one of the environmental maps indicates that some dumping took place on the site, the dumping has been reviewed and holds no negative effects on the property. No additional environmental review is necessary at this time.

One of the environmental maps indicates that some dumping took place on the site, please be aware that dumping has been reviewed and holds no negative effects on the property.

Alta Survey: An ALTA Survey was completed and is attached to this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the ownership of the property by Hageman Holdings. The complete title commitment and supporting documentation is included as Appendix D of the report.

Geotechnical Tests: Soil analysis was conducted on the property in March of 2011 by Vieau Associates, Inc. The boring profile consisted generally of topsoil overlying coarse alluvial soils and were shown as being suitable for development. The boring locations had a depth to groundwater which ranged between 6 to 21 feet.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 16" watermain, adjacent (in Bunker) [City of Ramsey, 763-433-9825]
-Sewer: 18" line, adjacent (in Bunker) [City of Ramsey 763-433-9825]
-Gas: 60 psi in a 4" plastic line, (in Ramsey Blvd) [Centerpoint Energy, 763-323-2685]
-Fiber: Adjacent (in Puma Street NW) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 69kV transmission/ 12.5kV distribution, adjacent (in Bunker) [Connexus Energy, 763-785-5432]

ALTA/NSPS
LAND TITLE SURVEY

OUTLOT □, ALP□A DE□ELOPMENT, ANO□A COUNTY, MINNESOTA

PRELIMINARY

0 120 240 Feet

LEGAL DESCRIPTIONS

(Per Commercial Partners Title, LLC Commitment No. 52221, Effective Date: November 7, 2016.)

Outlot B, Alpha Development, Anoka County, Minnesota.

GENERAL NOTES

(GN1) Location and sizes of underground utilities shown are approximate only and are shown based on field location of visible fixtures in combination with available data provided by various sources. Some underground utility locations are shown as marked on site by those utility companies whose locators responded to our Gopher State One call, ticket number 163370172. WSB & Associates, Inc., makes no guarantee that the utilities shown comprise all such utilities in the area nor that they are in the exact location indicated. Verify all utilities critical to construction or design.

Contact Gopher State One call at 1-800-252-1166 for on-site location of utilities prior to any excavation.

(GN2) The plat of ALPHA DEVELOPMENT was recorded on May 23, 2011.

(GN3) Easements shown are as identified in Commercial Partners Title, LLC Commitment No. 52221 with a Commitment Date of November 7, 2016. No other search of the public records for easements or encumbrances was made by the undersigned.

TABLE A

Table A Items 1, 5, 8, and 11 are as shown on survey.

2. No Address assigned (Per Anoka County GIS)
3. Said described property is located within "Zone X", as determined by FEMA Flood Insurance Rate Map No. 27003C0280E with an effective date of December 16, 2015. Zone "X" areas are determined to be outside the 0.2% annual chance floodplain.
4. The total are of the property described is 1,965,241 square feet (45.12 acres), as surveyed.

7a. There are no buildings on the surveyed property.

11. See General Note 1 (GN1).

14. No intersection specified by the client.

SCHEDULE B - SECTION 2 EXCEPTIONS

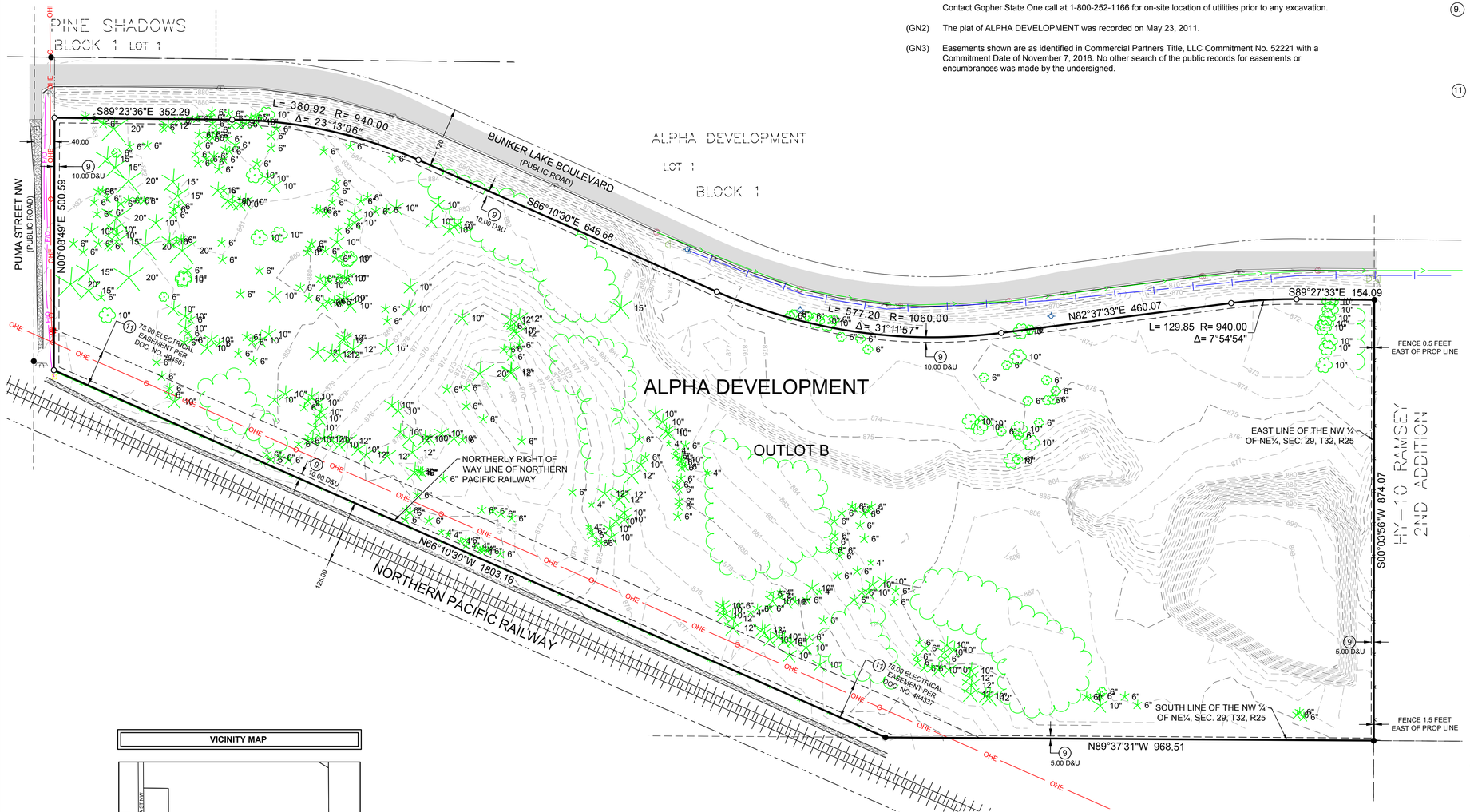
Items 1-8, 10, and 12-14 are not survey related, and therefore, are not shown on this survey.

(9.) Easements for utilities and drainage as shown on the recorded plats of HY-10 Ramsey 2nd DEVELOPMENT and Pine Shadows, and drainage and utility easements, wetland locations and access restriction shown on the recorded plat of Alpha Development. (Surveyor's Note: The easements shown on the recorded plats of HY-10 RAMSEY 2ND ADDITION and PINE SHADOWS do not fall within the subject property's boundary and are not shown. Portions of the easements shown on the recorded plat of ALPHA DEVELOPMENT fall within the subject property's boundary and are shown).

(11.) Easement for utilities in favor of Rural Cooperative Power Association, as created in document dated April 22, 1953, filed April 29, 1953, in Book 299, Page 33.

Assigned to Anoka Electric Cooperative by Assignment dated April 29, 1953, filed January 9, 1958, in Book 409, Page 41.

Partial Release of Easement dated November 29, 1977, filed November 30, 1977, as Document No. 484337, and dated March 10, 1978, filed April 14, 1978, as Document No. 494501. (Surveyor's Note: The described location of this easement falls within the subject property boundary and is shown).



LEGEND

●	FOUND MONUMENT		SIGN POST
○	SET MONUMENT		CATCH BASIN
	PROPERTY BOUNDARY		CURB STOP
	LOT LINE		GATE VALVE
	EXISTING LOT LINE		FIRE HYDRANT
	EASEMENT LINE		LIGHT POLE
	EXISTING RIGHT-OF-WAY LINE	D&U	DRAINAGE AND UTILITY
	SECTION LINE		APRON
	BIT EDGE		UTILITY METER
	GRAVEL EDGE		PEDESTAL
F/O	FIBER OPTIC LINE		DECIDUOUS TREE
UGE	UNDERGROUND POWER		EVERGREEN TREE
OHE	OVERHEAD POWER LINE		SPRINKLER HEAD
	WATER LINE		SIGN
	FENCE LINE		GRAVEL
	SANITARY LINE		BITUMINOUS
	TREE LINE		

VICINITY MAP



RAMSEY, MINNESOTA
NOT TO SCALE

BENCHMARK

ELEVATION = 875.04
(NAVD 88)

Top Nut Hydrant located on the south side of Bunker Lake BLVD, approx. 1,600 feet easterly of the intersection of Bunker Lake BLVD and Puma Street NW

SURVEYOR'S CERTIFICATE

To: Commercial Partners Title, LLC; and City of Ramsey, a Minnesota municipal corporation:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof. The field work was completed on November 18, 2016.

Dated this □□□□day of □□□□□□□□□□□□□□, 2016.

Jeffrey J. Rolfson - PLS # 49003

JOB # 01973-12
701 Xenia Avenue South, Suite 300
Minneapolis, MN 55416
www.wsbeng.com
WSB & Associates, Inc.
763-541-4800 - Fax 763-541-1700
INFRASTRUCTURE ENGINEERING PLANNING CONSTRUCTION

Site 37 Executive Summary



Site 37 – Site Executive Summary

March 29, 2017

Site Information: Site 37 is adjacent to The COR, and bordered to the west by Ramsey Boulevard which is adjacent to Ramsey's "COR" development area which is home to a Coborns Superstore, PACT Charter School, medical and office buildings and residential development. Ramsey Boulevard provides a direct connection to U.S. Highway 10. To the south, the property is bordered by the railway servicing the Northstar Commuter railway which connects to downtown Minneapolis. To the north is an existing commercial building and 143rd Avenue NW, and to the east of the property is Limonite St NW. The Site has one stubbed access point off of Limonite St NW. In addition, there is a 1,000 acre nearly fully developed business park that runs through Ramsey-Anoka adjacent to this site. This business park represents over 10,000 jobs supplied by hundreds of businesses.

The property is 4.14 acres in size and is zoned as "E-2 Employment District". The E-2 Employment District is designated to provide for the mix of typically large volumes or bulk commercial goods and services, wholesale/warehouse activities and limited retail activities. Manufacturing, warehouse, and office uses are encouraged uses within the E-2 district.

Building Permit Application and Commercial Site Review: The city's current building permit and requirements for the development of the parcel have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcel 27-32-25-33-0006 located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report. This Phase I ESA has revealed two RECs, one HREC, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3. Based on the results of this assessment, WSB provides the following recommendations:

- Complete a Limited Phase II ESA to determine if historical machine shop/engine repair, railroad, or adjacent closed leak site leaks have resulted in subsurface impacts at the Property.

WSB completed the Limited Phase II ESA and based on the elevated DRO and metals detected in groundwater, that additional groundwater sampling is required to determine the source and further define the magnitude and extent of petroleum and metals contamination at the site. Elevated dichlorodifluoromethane detected in the soil vapor require additional soil vapor sampling be completed to identify the source area(s) of the release. Dichlorodifluoromethane concentrations detected during the investigation were greater than 100 times the established industrial ISV for this compound. Vapor mitigation may be required below future buildings at the site as recommended by MPCS vapor mitigation guidance. Levels of DRO, barium, cadmium, lead, and dichlorodifluoromethane concentrations in the groundwater and/or soil vapor exceeded MPCA or MDH reporting thresholds and as such, the findings of this Limited Phase II ESA should be reported to the Minnesota State Duty Officer.

Alta Survey: An ALTA Survey was completed and is provided as part of this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is included as part of this report.

Geotechnical Tests: Haugo Geotechnical Services (HGTS) performed a standard penetration test boring on January 4, 2016. The boring location was selected and staked in the field by Hakanson Anderson. The test soil borings were performed in general accordance with ATSM Specification D-1586 procedures. The soil boring encountered a foot of topsoil underlain by generally native granular soils to the termination depths of the borings. Groundwater was encountered in each boring at depths of 5 to 8 feet below the surface, correlating to elevations of 854 to 856 MSL.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 6" watermain, adjacent (in 143rd Avenue NW) [City of Ramsey, 763-433-9825]
-Sewer: 6" line, adjacent (in 143rd Avenue NW) [City of Ramsey, 763-433-9825]
-Gas: 60 psi in a 4" plastic line, (in Ramsey Blvd) [Jake Schwietering, Centerpoint Energy, 763-323-2685]
-Fiber: Available adjacent (in Bunker) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

ALTA/ACSM Land Title Survey

~ for ~

CITY OF RAMSEY

DESCRIPTION OF PROPERTY

From Commitment for Title of Old Republic National Title Insurance Company, Commitment No. 1505780 dated November 19, 2015. ("The Commitment")

Parcel 1: All that part of the West 31 rods of the Southwest Quarter of the Southwest Quarter of Section 27, Township 32, Range 25, Anoka County, Minnesota, described as follows. Commencing at a point on the West line thereof, distant 335.51 feet South from the Northwest corner thereof, as measured along said West line; thence South along said West line a distance of 335.51 feet, more or less, to its intersection with the Northerly right of way line of Northern Pacific Railway; thence Southeasterly along said Northerly right of way line to its intersection with the East line of said West 31 rods; thence North along said East line thereof a distance of 448.92 feet, more or less, to a point on said East line thereof distant 448.92 feet South from the Northeast corner of said West 31 rods as measured along said East line thereof; thence Northwesterly in a straight line to the point of beginning. EXCEPT Parcel 2, Anoka County Highway Right of Way Plat No. 16.

Parcel 2: Lot 2, Block 1, Gateway North Industrial Park, Anoka County, Minnesota.

Parcel 3: Lot 2, Block 2, Gateway North Industrial Park, Anoka County, Minnesota, EXCEPT that part of said lot lying northerly of the following described line and its extensions: Beginning at a point on the west line of said Lot 2 distant 100.00 feet south of the Northwest Corner of said Lot 2; thence Southeasterly to a point on the east line of said Lot 2 distant 135.00 feet south of the Northeast Corner of said Lot 2 and said line there terminating.

Abstract Property.

SCHEDULE B NOTES:

Item 9 – Subject to Easement in favor of Northwest Bell Telephone Company over southerly 16.5 feet thereof, as contained in document no. 252084 and as shown on available maps (Parcel 1). **(Depicted on Survey)**

Item 10 – Subject to Easement in favor of Northwest Bell Telephone Company as contained in document no. 252084 and as shown on available maps (Parcel 2, 3). **(Depicted on Survey, Does Not Pertain to Parcel 3)**

Item 11 – Subject to Commuter Rail Service Easement Agreement as contained in document no. 1998378.001 (Parcel 2). **(Does Not Pertain)**

SURVEY NOTES:

1. The underground utilities shown have been located from field survey information per Gopher State One Call Ticket No. 153440222. The surveyor makes no guarantees that the underground utilities shown comprise all such utilities in the area, either in service or abandoned. The surveyor further does not warrant that the underground utilities shown are in the exact location indicated although he does certify that they are located as accurately as possible from information available. The surveyor has not physically located the underground utilities. Prior to any excavation, contact Gopher State One Call for an on–site location (612–454–0002). The subsurface utility information on this survey is utility quality level D. This quality level was determined according to the guidelines of CI/ASCE 38–2, entitled "Standard Guidelines for the Collection and Depiction of Existing Subsurface Utility Data.
2. The property lies in Flood Zone X (area of minimal flood hazards) as designated on Flood Insurance Rate Map (County of Anoka Map No. 27003C0280E) published by the Federal Emergency Management Agency effective date December 16, 2015.
3. Property is Abstract. (From Title Commitment)
4. Fee simple interest is in the City of Ramsey, a Municipal Corporation under the Laws of Minnesota. (From Title Commitment)
5. Area of properties are as follows:
   –Parcel 1: 191,211 Sq.Ft. or 4.390 Acres.
   –Parcel 2: 110,964 Sq.Ft. or 2.547 Acres.
   –Parcel 3: 54,423 Sq.Ft. or 1.249 Acres.
6. Property addresses are as follows: (From Title Commitment)
   –Parcel 1: 14165 Ramsey Blvd. NW, Ramsey, MN 55303
   –Parcel 2: 7060 142nd Ave. NW, Ramsey, MN 55303
   –Parcel 3: Unassigned
7. The property has direct access to Bunker Lake Boulevard NW. (No restricted access to Bunker Lake Boulevard per plat of ANOKA ENTERPRISE PARK THIRD ADDITION, plat of ANOKA COUNTY HIGHWAY RIGHT–OF–WAY PLAT NO. 78 or the commitment. Access subject to permit by Anoka County Highway Department).
8. Properties are zoned E–2 (Employment District). See City of Ramsey Zoning Code for complete information.

   Building Setbacks (E–2 Employment District) are as follows: 35 feet – Front Yard
   25 feet – Side Yard
   25 feet – Rear Yard
   95 feet – Centerline of Major/Minor Arterial Roads
   65 feet – Maximum Building Height
9. Access to public roads are as follows:
   –Parcel 1: Ramsey Boulevard (C.S.A.H. No. 56) and Limonite Street NW
   –Parcel 2: Limonite Street NW and 142nd Ave. NW
   –Parcel 3: Limonite Street NW and 142nd Ave. NW
10. Wetlands (Stormwater Pond) exist on Lot 2, Block 1 (Parcel 2). These cannot be delineated at this time due to the non–growing season.
11. Soil Borings were performed by Haugo Geotechnical Services.

UTILITY COMPANY CONTACT INFORMATION

UTILITY COMPANY	PHONE NUMBER
ANOKA COUNTY	763.862.4234
CENTER POINT ENERGY	800.778.9140
CENTURYLINK	800.742.6062
CITY OF RAMSEY	763.427.8254
COMCAST	612.522.8141
CONNEXUS ENERGY	763.323.4215
DEPARTMENT OF TRANSPORTATION	651.366.5750
WINDSTREAM COMMUNICATIONS	800.289.1901
ZAYO BANDWIDTH	888.267.1063

To City of Ramsey, Old Republic National Title Insurance Company, and Title One, Inc.:

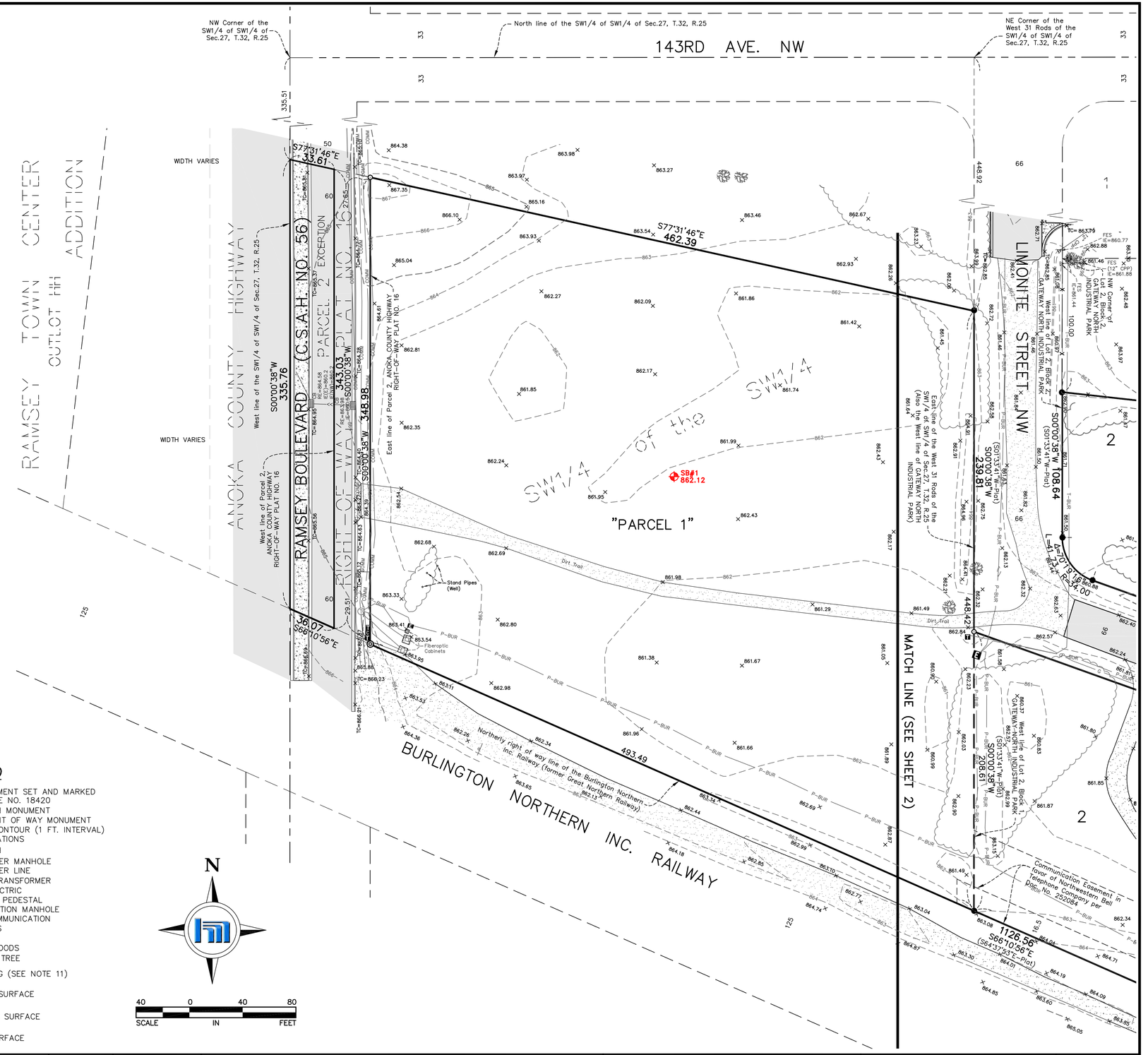
This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys", jointly established and adopted by ALTA, and NSPS, and includes items 1, 2, 3, 4, 5, 6(b), 8, and 11(b) of Table A thereof. The field work was completed on December 22, 2015.

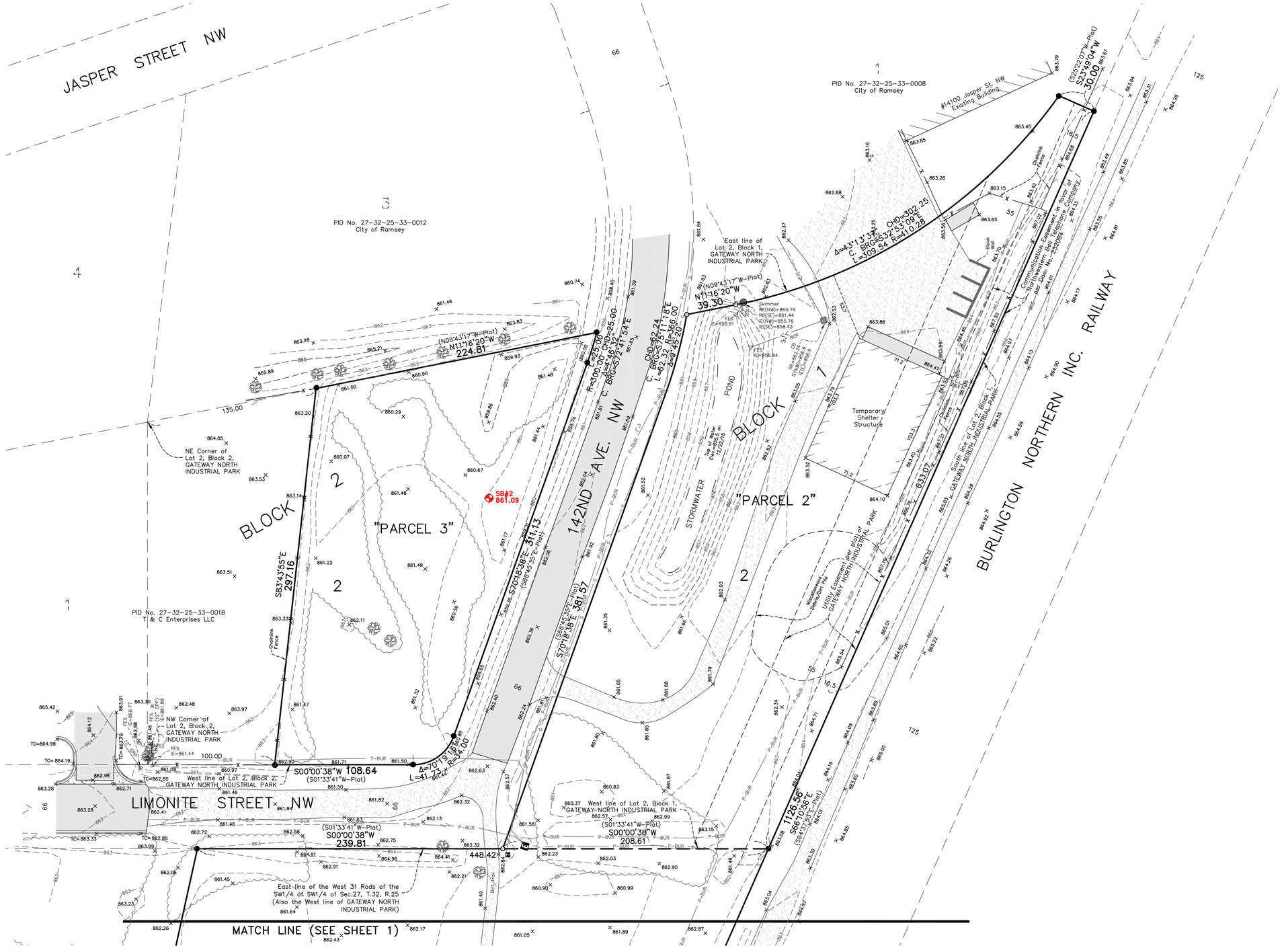
Dated: January 21, 2016

Charles R. Christopherson
MN License No. 18420
Hakanson Anderson Associates, Inc.
3601 Thurston Avenue North
Anoka, MN 55303
phone (763) 427–5860

LEGEND

- ○ = DENOTES IRON MONUMENT SET AND MARKED MARKED WITH LICENSE NO. 18420
- ● = DENOTES FOUND IRON MONUMENT
- ◎ = DENOTES FOUND RIGHT OF WAY MONUMENT
- --865-- = DENOTES SURFACE CONTOUR (1 FT. INTERVAL)
- x 867.23 = DENOTES SPOT ELEVATIONS
- = DENOTES CATCHBASIN
- Ⓓ = DENOTES STORM SEWER MANHOLE
- –>>– = DENOTES STORM SEWER LINE
- E = DENOTES ELECTRIC TRANSFORMER
- –P–BUR– = DENOTES BURIED ELECTRIC
- T = DENOTES TELEPHONE PEDESTAL
- Ⓣ = DENOTES COMMUNICATION MANHOLE
- – COMM – = DENOTES BURIED COMMUNICATION
- — G — = DENOTES BURIED GAS
- = DENOTES SIGN
- = DENOTES EDGE OF WOODS
- = DENOTES DECIDUOUS TREE
- SB#1 = DENOTES SOIL BORING (SEE NOTE 11)
- = DENOTES CONCRETE SURFACE
- = DENOTES BITUMINOUS SURFACE
- = DENOTES GRAVEL SURFACE


NW Corner of the SW1/4 of SW1/4 of Sec.27, T.32, R.25
North line of the SW1/4 of SW1/4 of Sec.27, T.32, R.25
NE Corner of the West 31 Rods of the SW1/4 of SW1/4 of Sec.27, T.32, R.25
143RD AVE. NW
335.51
448.92
S77°31'46"E 33.61
S77°31'46"E 462.39
RAMSEY TOWN CENTER OUTLOT HH ADDITION
ANOKA COUNTY HIGHWAY RIGHT-OF-WAY PLAT NO. 16
RAMSEY BOULEVARD (C.S.A.H. NO. 56)
PARCEL 2 EXCEPTION
WIDTH VARIES
West line of the SW1/4 of Sec.27, T.32, R.25
S00°00'38"W 335.76
S00°00'38"W 343.03
S00°00'38"W 348.98
West line of Parcel 2, ANOKA COUNTY HIGHWAY RIGHT-OF-WAY PLAT NO. 16
East line of Parcel 2, ANOKA COUNTY HIGHWAY RIGHT-OF-WAY PLAT NO. 16
"PARCEL 1"
SB#1 862.12
Stand Pipes (Well)
Fiberoptic Cabinets
Dirt Trail
Northerly right of way line of the Burlington Northern Inc. Railway (former Great Northern Railway)
493.49
BURLINGTON NORTHERN INC. RAILWAY
36.07
S66°10'56"E
1126.56
S66°10'56"E (S64°37'53"E–Plat)
LIMONITE STREET NW
GATEWAY NORTH INDUSTRIAL PARK
Lot 2, Block 2, GATEWAY NORTH INDUSTRIAL PARK
NW Corner of Lot 2, Block 2, GATEWAY NORTH INDUSTRIAL PARK
East line of the West 31 Rods of the SW1/4 of SW1/4 of Sec.27, T.32, R.25 (Also the West line of INDUSTRIAL PARK)
SOUTH 239.81
SOUTH 208.61
SOUTH 108.64
West line of Lot 2, Block 1, GATEWAY NORTH INDUSTRIAL PARK
Communication Easement in favor of Northwestern Bell Telephone Company per Doc. No. 252084
MATCH LINE (SEE SHEET 2)
L=1019.16 R=4400.00
FES E=860.77
FES (12" CMP) E=861.88
FES E=861.14
TC=863.76
TC=862.85
TC=865.51
TC=865.56
TC=865.67
TC=866.23
TC=866.21
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TC=864.61
TC=864.28
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TC=864.08
TC=864.06
TC=864.04
TC=864.02
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TC=863.92
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TC=863.56
TC=863.54
TC=863.52
TC=863.50
TC=863.48
TC=863.46
TC=863.44
TC=863.42



LEGEND

- ○ = DENOTES IRON MONUMENT SET AND MARKED MARKED WITH LICENSE NO. 18420
- ● = DENOTES FOUND IRON MONUMENT
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- = DENOTES DECIDUOUS TREE
- = DENOTES CONCRETE SURFACE
- = DENOTES BITUMINOUS SURFACE
- = DENOTES GRAVEL SURFACE

To City of Ramsey, Old Republic National Title Insurance Company, and Title One, Inc.:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys", jointly established and adopted by ALTA, and NSPS, and includes Items 1, 2, 3, 4, 5, 6(b), 8, and 11(b) of Table A thereof. The field work was completed on December 22, 2015.

Dated: January 21, 2016

Charles R. Christopherson

Charles R. Christopherson
MN License No. 18420
Hakanson Anderson Associates, Inc.
3601 Thurston Avenue North
Anoka, MN 55303
phone (763) 427-5860

DATE	REVISION

Mar 02, 2016 - 2:20pm sethm
K:\cad_surv\Land Desktop 2008\RA1108\dwg\RA1108.dwg

DESIGNED BY: CRC	BOOK/PAGE:
DRAWN BY: SMM	DATE: 01/21/16
CHECKED BY: CRC	FILE NO. RA1108

Hakanson Anderson
Civil Engineers and Land Surveyors
3601 Thurston Ave., Anoka, Minnesota 55303
763-427-5860 FAX 763-427-0520
www.haa-inc.com

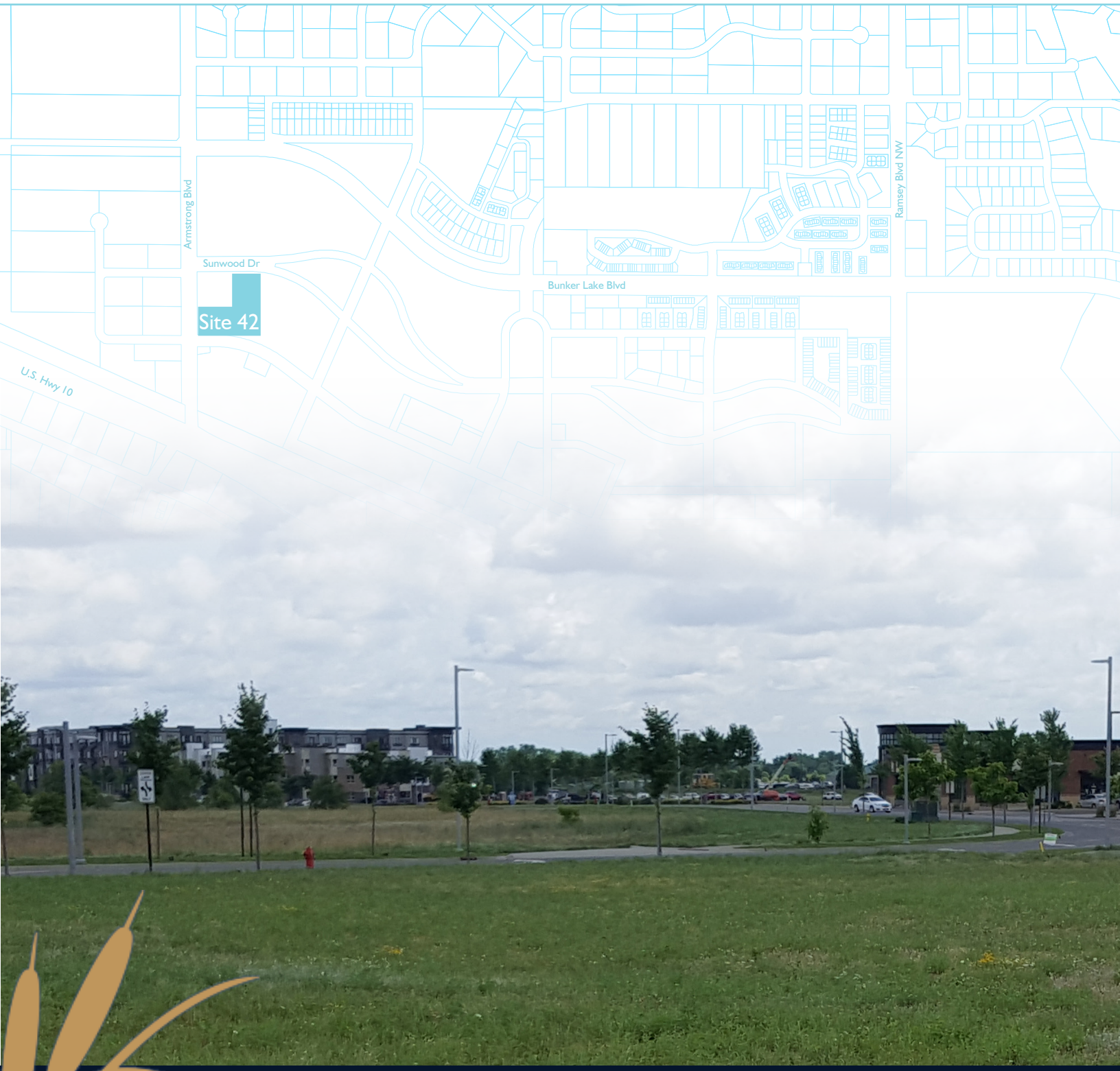
Lot 2, Block 1, Part of Lot 2, Block 2, GATEWAY NORTH INDUSTRIAL PARK, & Part of the SW1/4 of SW1/4 of Sec.27, T.32, R.25, Anoka County, Minnesota

ALTA/ACSM Land Title Survey for City of Ramsey

SHEET 2 OF 2 SHEETS

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Site 42 Executive Summary



Site 42 – Site Executive Summary

March 29, 2017

Site Information: Site 42 is bordered to the south by a large commercial development anchored by Coborn's Superstore and U.S. Highway 10 which provides access to U.S. Highway 169. Located to the east of the property is Sunwood Drive NW. To the north of the property is 147th Ave NW, and to the west is Armstrong Boulevard NW. Armstrong Boulevard is an interchange accessing U.S. Highway 10 which was open in 2016. The property is also adjacent to the Northstar Commuter Rail which provides access to downtown Minneapolis approximately 30 minutes away. The Site has stubbed access off of Sunwood Drive NW.

The property is 2.61 acres in size and is zoned as "The COR" and located in the "2B" Sub-district. The COR-2b Sub-district is designated to provide a location for retail commercial that has building and/or site designs inconsistent with the COR-1 Sub-district, including larger scale retail and other auto-oriented commercial uses. Please see attached zoning ordinances for details.

Building Permit Application and Commercial Site Review: The city's 2016 building permit and commercial construction requirements have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: A Phase I ESA was performed for this site in 2011. WSB has performed an updated Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcels 28-32-25-23-0011 and 28-32-25-23-0013 located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report.

This Phase I ESA has revealed no RECs, two HRECs, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3. Based on the results of this assessment, WSB provides the following recommendations:

- No additional environmental investigation is warranted at this time. The closed adjacent leaks discovered west and southwest of the Property (HREC1 and HREC-2) are located cross-gradient and downgradient from the anticipated groundwater flow direction in the area (southerly towards the Mississippi River). Additionally only low level petroleum impacts were detected in the groundwater at the adjacent closed leak sites. Therefore, it is unlikely that the adjacent closed leaks have impacted the Property.
- If future Property redevelopment activities encounter evidence of contamination or regulated materials, it is recommend that an environmental professional is contacted to ensure the regulated materials are handled/managed in accordance with state and federal regulations.

Alta Survey: An ALTA Survey was completed and is available with this report. The survey does not indicate any concerns for the development of the property.

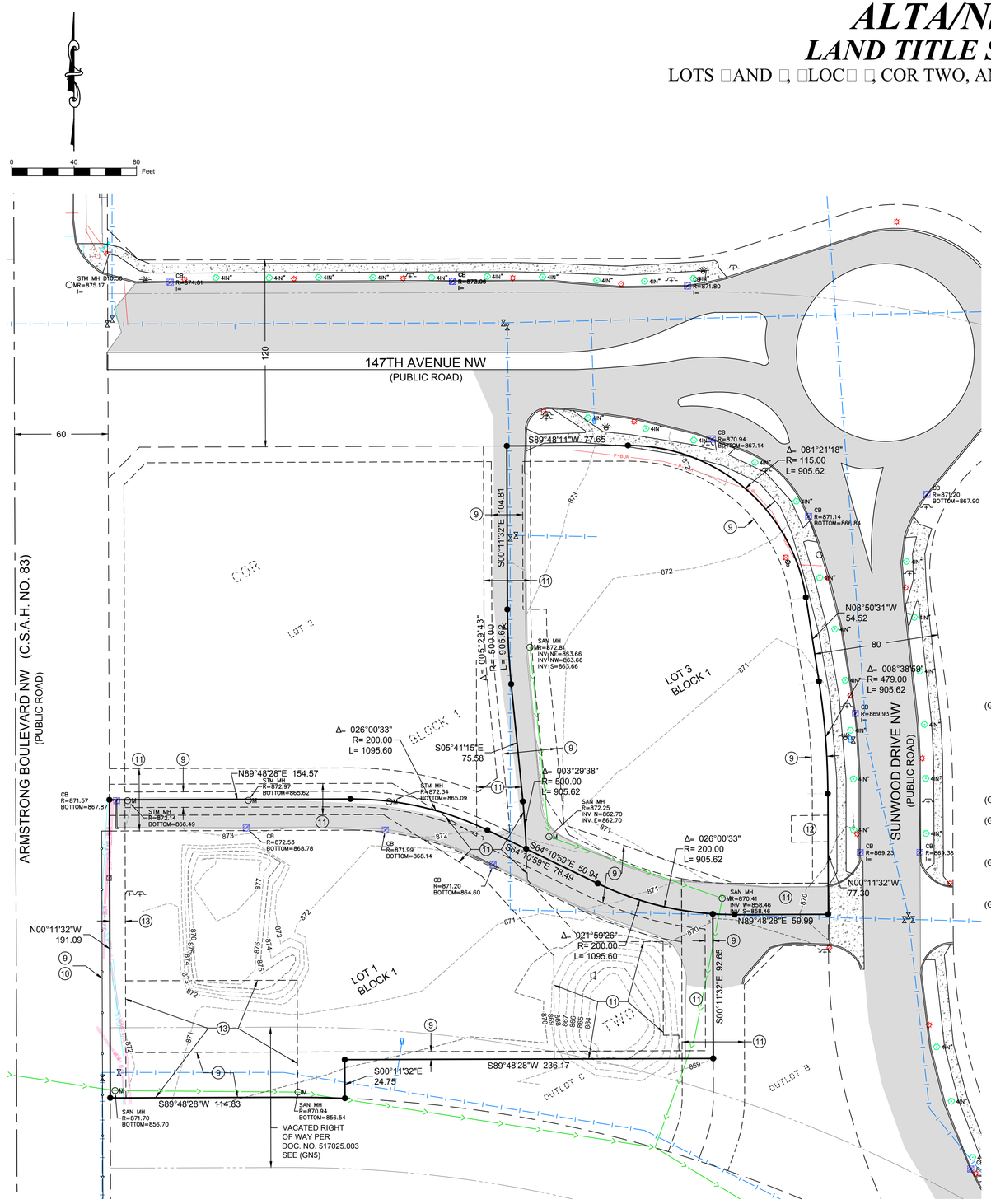
Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is included with this report.

Geotechnical Tests: While geotechnical tests were not completed for the site, the information that was completed for the environmental review of the site indicate the soils are consistent with the surrounding area and are suitable for future construction projects. Adjacent parcels were identified as having a depth to groundwater after drilling ranging from 4.5 to 10 feet in depth.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 8" watermain, adjacent (in Sunwood) [City of Ramsey, 763-433-9825]
-Sewer: 8" line, adjacent (in Sunwood) [City of Ramsey 763-433-9825]
-Gas: 60 psi in a 6" plastic line, (in Armstrong Blvd) [Centerpoint Energy, 763-323-2685]
-Fiber: 1K 'away (in Bunker) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

ALTA/NSPS
LAND TITLE SURVEY
LOTS □AND □, □LOC□ □, COR TWO, ANO□A COUNTY, MINNESOTA



LEGAL DESCRIPTIONS

(Per Commercial Partners Title, LLC Commitment No. 51623, Effective Date: June 13, 2016.)

Lots 1 and 3, Block 1, COR TWO, Anoka County, Minnesota.

LEGEND

FOUND MONUMENT	SIGN POST
SET MONUMENT	CATCH BASIN
PROPERTY BOUNDARY	CURB STOP
LOT LINE	GATE VALVE
EXISTING LOT LINE	FIRE HYDRANT
EASEMENT LINE	LIGHT POLE
EXISTING RIGHT-OF-WAY LINE	D&U — DRAINAGE AND UTILITY
SECTION LINE	APRON
BIT EDGE	UTILITY METER
GAS LINE	PEDESTAL
FIBER OPTIC LINE	DECIDUOUS TREE
CONC LINE	SPRINKLER HEAD
WATER LINE	CONCRETE
STORM LINE	BITUMINOUS
SANITARY LINE	
ACCESS CONTROL	
VACATED RIGHT OF WAY	

TABLE A

Table A Items 1, 5, 8, and 11 are as shown on survey.

2. Lot 1: 7990 Sunwood Dr NW Ramsey, MN 55303 (Per Anoka County GIS)
   Lot 3: 7992 Sunwood Dr NW Ramsey, MN 55303 (Per Anoka County GIS)
3. Said described property is located within "Zone X", as determined by FEMA Flood Insurance Rate Map No. 27003C0280E with an effective date of December 16, 2015. Zone "X" areas are determined to be outside the 0.2% annual chance floodplain.
4. The total are of the property described is 113,724 square feet (2.61 acres), as surveyed.

7a. There are no buildings on the surveyed property.

11. See General Note 1 (GN1).

14. No intersection specified by the client.

SCHEDULE B - SECTION 2 EXCEPTIONS

Items 1-8, and 17 are not survey related, and therefore, are not shown on this survey.

(9) Easements for utilities and drainage as shown on the recorded plat of COR TWO, filed July 3, 2013, as Document no. 517025.005. (Surveyor's Note: These easements affect the subject property and are shown).

(10) Subject to the right of access onto County State Aid Highway Numbers 83 and 116 as shown on the Plat of COR TWO, filed July 3, 2013, as Document No. 517025.005 (Surveyor's Note: This right of access affects the subject property and is shown).

(11) Terms, conditions, restrictions and obligations of and easements for ingress, egress and utility purposes contained in Declaration of Easements, Covenants and Restrictions for COR TWO dated December 20, 2013, filed December 27, 2013, as Document No. 521084.003. (Lots 1 and 3) (Surveyor's Note: These easements affect the subject property and are shown).

(12) Terms and conditions of and easements contained in Declaration of Signage and Related Electrical Line Easements dated December 20, 2013, filed December 27, 2013, as Document No. 521084.004. (Lots 1 and 3) (Surveyor's Note: These easements affect the subject property and are shown. See General Note 4 (GN4)).

(13) Subject to Anoka County Right-of-Way Plat No. 90 dated July 25, 2014, as Document No. 524652.001. (Lot 1). (Surveyor's Note: This Right of Way Plat contains permanent and temporary easements and are shown. The temporary easements are set to expire Dec. 31, 2017).

(14) Terms and conditions of Notice of Lis Pendens regarding condemnation for highway purposes dated September 29, 2014, filed October 10, 2014, as Document No. 526148.001. (Lot 1) (Surveyor's Note: This document refers to Anoka County Right-of-Way Plat No. 90, see Exception 13).

(15) Easement for drainage, utility, retaining wall, sloping, sidewalk, trail, snow storage and signing purposes in favor of Anoka County, a Minnesota municipal corporation, as described in Warranty Deed dated October 23, 2014, filed November 25, 2014, as Document No. 527007.003. (Lot 1) (Surveyor's Note: These easements affect the subject property and are shown).

(16) The following appear as memorials on the Certificate of Title. While the Company will affirmatively insure that the terms and conditions of these instruments no longer affect title to the property. Commercial Partners Title, LLC nor Chicago Title Insurance Company will not undertake to have the memorials recovered from the Certificate of Title.

A. Grant of Temporary Easement dated November 27, 2013, filed December 27, 2013, as Document No. 521084.002. (Lots 1 and 3). (Surveyor's Note: This temporary easement is now a permanent easement per Exception 11, and is shown).

B. Temporary easement for construction purposes created in Quit Claim Deed dated October 23, 2014, filed November 25, 2014, as Document No. 527007.002. (Lot 1) (Surveyor's Note: This temporary easement expired December 31, 2015 and therefore is not shown).

GENERAL NOTES

(GN1) Location and sizes of underground utilities shown are approximate only and are shown based on field location of visible fixtures in combination with available data provided by various sources. Some underground utility locations are shown as marked on site by those utility companies whose locators responded to our Gopher State One call, ticket numbers 161743025 & 162033625. WSB & Associates, Inc., makes no guarantee that the utilities shown comprise all such utilities in the area nor that they are in the exact location indicated. Verify all utilities critical to construction or design.

Contact Gopher State One call at 1-800-252-1166 for on-site location of utilities prior to any excavation.

(GN2) The plat of COR TWO was recorded on July 3, 2013.

(GN3) Easements shown are as identified in Commercial Partners Title, LLC Commitment No. 51623 with a Commitment Date of June 13, 2016. No other search of the public records for easements or encumbrances was made by the undersigned.

(GN4) This document refers to a Signage Easement area on Lot 2, which does not affect the subject property and therefore is not shown. The Signage Easement area described on Lot 3 does affect the subject property and therefore is shown.

(GN5) Vacated Right of Way of Sunwood Drive per Doc. No. 517025.003 as shown on the plat of COR TWO.

BENCHMARK

ELEVATION = 873.47
(NAVD 88)

Top Hydrant Nut on south side of Lot 1 approx.
235 feet east of Armstrong BLVD centerline

SURVEYOR'S CERTIFICATE

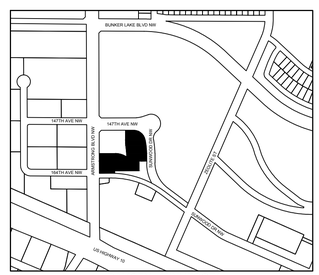
To: Commercial Partners Title, LLC; and City of Ramsey, a Minnesota municipal corporation:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof. The field work was completed on July 8, 2016.

Dated this □□□□ day of □□□□□□□□□□□□□□, 2016.

Jeffrey J. Rolfson - PLS # 49003

VICINITY MAP



RAMSEY, MINNESOTA
NOT TO SCALE

JOB # 01973-12
701 Xenia Avenue South, Suite 300
Minneapolis, MN 55416
www.wsbeng.com
WSB & Associates, Inc.
763-541-4800 - Fax 763-541-1700
INFRASTRUCTURE ENGINEERING PLANNING CONSTRUCTION

City of RAMSEY

Site 45 Executive Summary



WSB

Site 45 – Site Executive Summary

March 29, 2017

Site Information: To the southeast of Site 45 is a large commercial development anchored by Coborn's Superstore. Directly to the east of the property is Armstrong Boulevard which is an interchange accessing U.S. Highway 10 which was opened in 2016. U.S. Highway 10 provided access to U.S. Highway 169. Located to the west of the property is are two existing commercial properties and to the north of the property is 147th Ave NW. A transit stop for the Northstar Commuter Rail is located just a few blocks from this site to the south. The Northstar Commuter Rail provided rail access to downtown Minneapolis. The Site has stubbed access off of 147th Avenue NW and another is available from the south off of 146th Avenue NW.

The property is 2.8 acres in size. Based on review of the property, a portion of the existing 2.8 acres may need to be dedicated to either the City of Ramsey or Anoka County. We estimate that area to be approximately half of an acre which would leave a little over a two (2) acre parcel remaining for development.

The property is zoned as Cor 2 Commercial. The Cor 2 Commercial subdistrict is designated to provide a location for a mix of large and small floor plates accommodating auto-oriented uses.

Building Permit Application and Commercial Site Review: The city's 2016 building permit and commercial construction requirements have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcels 29-32-25-14-0009 and 29-32-25-14-0010 located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report.

This Phase I ESA has revealed one REC, two HRECs, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3. Based on the results of this assessment, WSB conducted a Limited Phase II ESA.

The Phase II ESA identified that vapor mitigation may be required below future buildings at the Site as recommended by MPCA vapor mitigation guidance. The Phase II ESA also identified that due to identified DRO and VOC impacts to soil, groundwater, and soil vapor will require special management during redevelopment activities. GRO, 1,3-butadiene, benzene and dichlorodilfluoromethane in soil/vapor exceeding MPCA reporting thresholds was identified and as such Phase II ESA results should be reported to the Minnesota State Duty Officer.

Alta Survey: An ALTA Survey was completed and is included with this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is included as with this report.

Geotechnical Tests: The boring profile consisted generally of fill materials overlying coarse alluvial soils and are suitable for development. The fills generally extended about two to seven and one-half feet (2 – 7 ½') in depth below grade. The two (2) boring locations had a depth to groundwater after drilling which ranged from 13 to 13 ½ feet with estimated groundwater elevations of 859 and 860.

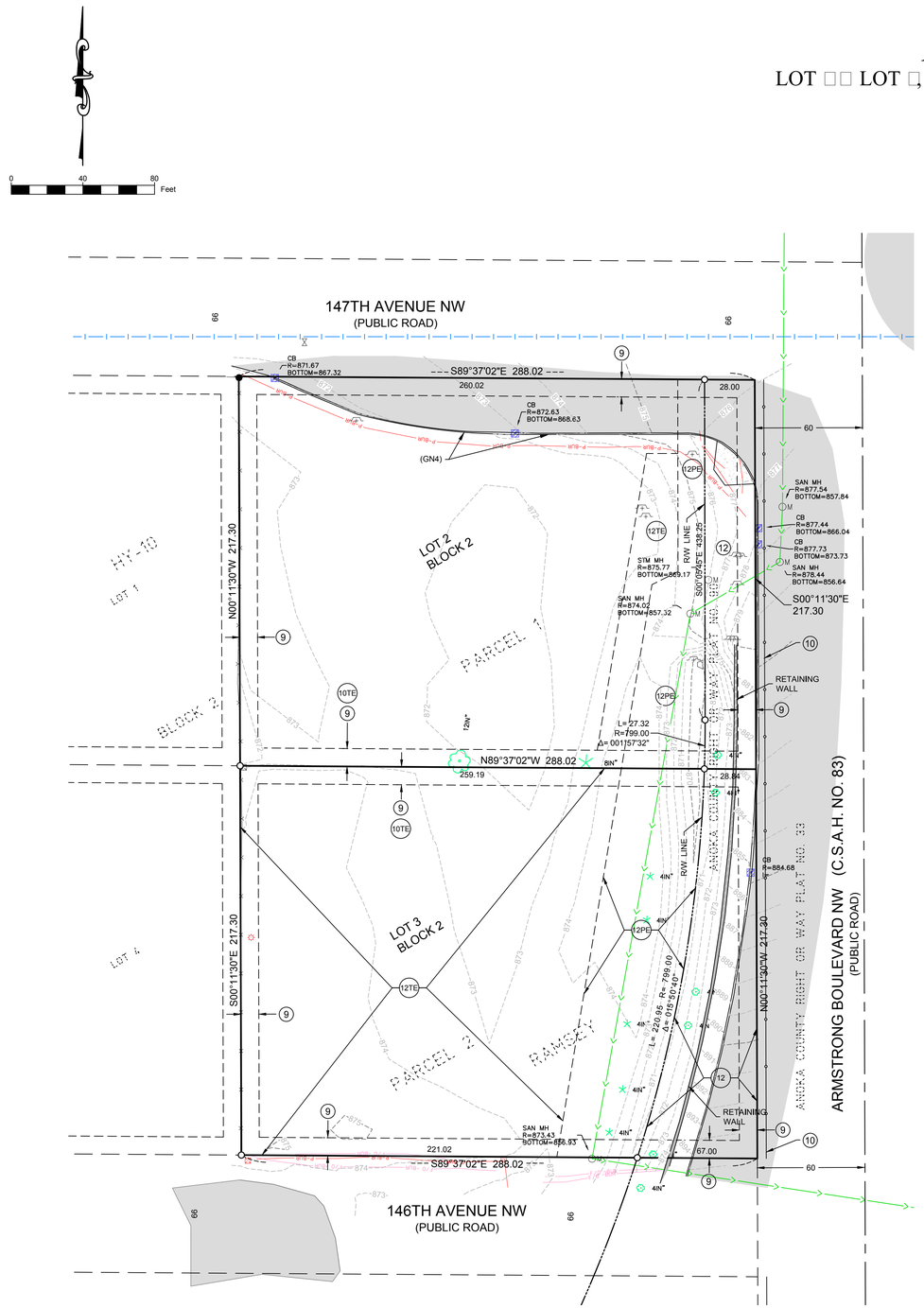
Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 12" watermain, adjacent (in Sunwood) [City of Ramsey, 763-433-9825]
-Sewer: 24" line, adjacent (in Armstrong Blvd) [City of Ramsey 763-433-9825]
-Gas: 60 psi in a 6" plastic line, (in Armstrong Blvd) [Centerpoint Energy, 763-323-2685]
-Fiber: Adjacent (in Armstrong Blvd) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

The COR development which this parcel is located within has a regional stormwater system which will allow for the site area to be maximized for development.

ALTA/NSPS
LAND TITLE SURVEY

LOT □□ LOT □, □LOC□ □, □Y□□□RAMSEY, RAMSEY, MINNESOTA



LEGAL DESCRIPTIONS

(Per Commercial Partners Title, LLC Commitment No. 51624, Effective Date: July 1, 2016.)

Parcel 1:
Lot 2, Block 2, Hy-10 Ramsey, Anoka County, Minnesota.

Parcel 2:
Lot 3, Block 2, Hy-10 Ramsey, Anoka County, Minnesota.

LEGEND

- FOUND MONUMENT
- SET MONUMENT
- PROPERTY BOUNDARY
- LOT LINE
- EXISTING LOT LINE
- EASEMENT LINE
- EXISTING RIGHT-OF-WAY LINE
- SECTION LINE
- BIT EDGE
- GAS LINE
- FIBER OPTIC LINE
- UNDERGROUND POWER
- CONC LINE
- WATER LINE
- FENCE LINE
- SANITARY LINE
- ACCESS CONTROL
- SIGN POST
- CATCH BASIN
- CURB STOP
- GATE VALVE
- FIRE HYDRANT
- LIGHT POLE
- DRAINAGE AND UTILITY
- D&U
- APRON
- UTILITY METER
- PEDESTAL
- DECIDUOUS TREE
- SPRINKLER HEAD
- SIGN
- PERMANENT EASEMENT
- PE
- TEMPORARY EASEMENT
- TE
- CONCRETE
- BITUMINOUS

TABLE A

Table A Items 1, 5, 8, and 11 are as shown on survey.

2. Parcel 1: 8020 147th Ave NW Ramsey, MN 55303 (Per Anoka County GIS)
   Parcel 2: 8019 146th Ave NW Ramsey, MN 55303 (Per Anoka County GIS)
3. Said described property is located within "Zone X", as determined by FEMA Flood Insurance Rate Map No. 27003C0280E with an effective date of December 16, 2015. Zone "X" areas are determined to be outside the 0.2% annual chance floodplain.
4. The total are of the property described is 125,168 square feet (2.87 acres), as surveyed.

7a. There are no buildings on the surveyed property.

11. See General Note 1 (GN1).

14. No intersection specified by the client.

SCHEDULE B - SECTION 2 EXCEPTIONS

Items 1-8 are not survey related, and therefore, are not shown on this survey.

(9) Drainage and utility easements as shown on the plat of Hy-10 Ramsey dated January 23, 1984, filed August 28, 1986, as Document No. 723307. (Parcels 1 and 2) (Surveyor's Note: The described location of these easements fall within the subject property boundaries and are shown).

(10) Right of access to County Road No. 83 from subject property dedicated to the County of Anoka as shown on the plat of Hy-10 Ramsey dated January 23, 1984, filed August 28, 1986, as Document No. 723307. (Parcels 1 and 2) (Surveyor's Note: The described location of this right of access falls within the subject property boundaries and is shown).

(11) Right-of-way of County State Aid Highway No. 83 (Armstrong Boulevard Northwest) as shown on Anoka County Highway Right-of Way Plat No. 74 dated September 3, 2009, filed September 10, 2009, as Document No. 2010105.001. (Parcel 1) (Surveyor's Note: Right of Way Plat No. 74 does not affect the subject property and therefore is not shown).

(12) Right-of-way of County State Aid Highway No. 83 (Armstrong Boulevard Northwest), temporary easements and permanent easements as shown on Anoka County Highway Right-of-Way Plat No. 90 dated July 25, 2014, filed July 25, 2014, as Document No. 2086888.001. (Parcels 1 and 2) (Surveyor's Note: The described location of these easements fall within the subject property boundaries and are shown).

GENERAL NOTES

(GN1) Location and sizes of underground utilities shown are approximate only and are shown based on field location of visible fixtures in combination with available data provided by various sources. Some underground utility locations are shown as marked on site by those utility companies whose locators responded to our Gopher State One call, ticket number 1617440966. WSB & Associates, Inc., makes no guarantee that the utilities shown comprise all such utilities in the area nor that they are in the exact location indicated. Verify all utilities critical to construction or design.

Contact Gopher State One call at 1-800-252-1166 for on-site location of utilities prior to any excavation.

(GN2) The plat of HY-10 RAMSEY was recorded on August 28, 1986.

(GN3) Easements shown are as identified in Commercial Partners Title, LLC Commitment No. 51624 with a Commitment Date of July 1, 2016. No other search of the public records for easements or encumbrances was made by the undersigned.

(GN4) Curb, bituminous road and underground power line appears to lie outside of any easement contained in the above title commitment.

BENCHMARK

ELEVATION = 875.99
(NAVD 88)

Top Nut Hydrant located on 147th Ave NW approx. 370 feet east of centerline of Armstrong BLVD NW

SURVEYOR'S CERTIFICATE

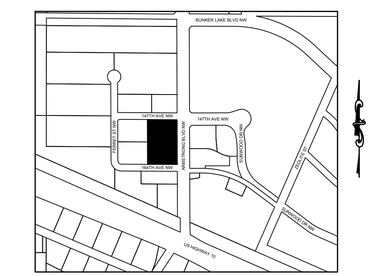
To: Commercial Partners Title, LLC; and City of Ramsey, a Minnesota municipal corporation:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof. The field work was completed on July 8, 2016.

Dated this □□□□ day of □□□□□□□□□□□□□□, 2016.

Jeffrey J. Rolfson - PLS # 49003

VICINITY MAP



RAMSEY, MINNESOTA
NOT TO SCALE

WSB & Associates, Inc.
JOB # 01973-12
701 Xenia Avenue South, Suite 300
Minneapolis, MN 55416
www.wsbeng.com
763-541-4800 - Fax 763-541-1700
INFRASTRUCTURE ENGINEERING PLANNING CONSTRUCTION

City of RAMSEY

Site 46 Executive Summary



WSB

Site 46 – Site Executive Summary

March 29, 2017

Site Information: Site 46 is bordered to the west by Armstrong Boulevard NW, undeveloped vacant land, and commercial properties. Armstrong Boulevard is an interchange accessing U.S. Highway 10 which was opened in 2016. To the north of the site is Bunker Lake Boulevard NW followed by undeveloped vacant land and residential properties. East of the property is Zeolite Street and to the south of the property is Sunwood Drive NW along with commercial properties. The Site has one stubbed access point off of Sunwood Drive NW and may be able to gain an additional access points off of Zeolite St NW and potentially one right in right out off Bunker.

The property is approximately 31 acres in size and is zoned as "The COR" and located in the "2B" Sub-district. The COR-2b Sub-district is designated to provide a location for retail commercial that has building and/or site designs inconsistent with the COR-1 Sub-district, including larger scale retail and other auto-oriented commercial uses. More detailed zoning information is provided in the zoning ordinance included with this report.

Ramsey Parkway is expected to be extended in the future which will split this parcel. The exact alignment and effect on the above mentioned parcels has not been defined. The City will work with the developer to balance developable space and transportation connectivity.

Building Permit Application and Commercial Site Review: The city's current building permit and requirements for the development of the parcel have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcels 28-32-25-23-0011 and 28-32-25-23-0013 located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report.

This Phase I ESA has revealed no RECs, no HRECs, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3.

Alta Survey: An ALTA Survey was completed and is provided with this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is provided with this report.

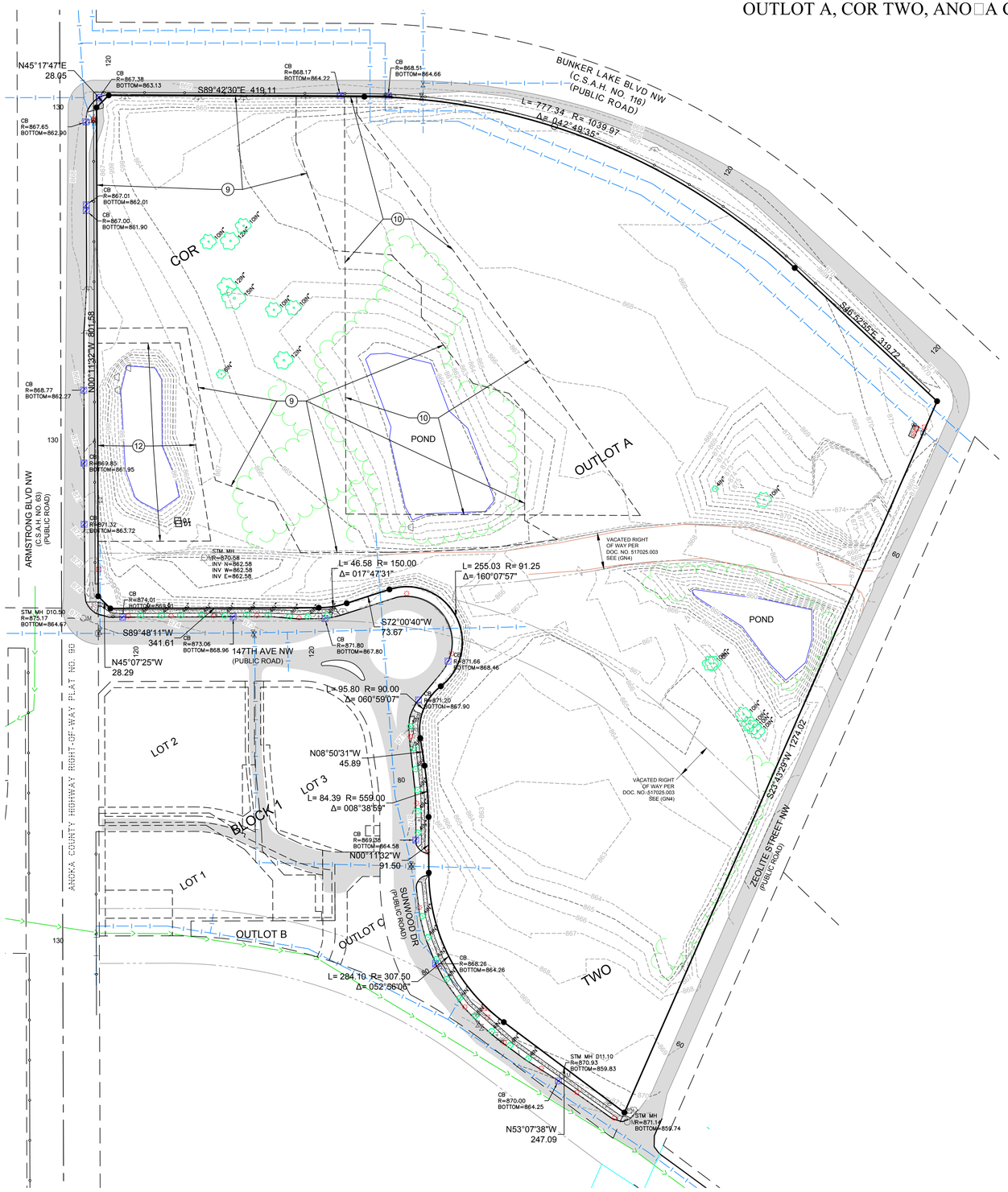
Geotechnical Tests: The boring profile consisted generally of topsoil overlying coarse alluvial soils and are suitable for development. The topsoil generally extended to about one-half foot (1/2') to two and one-half feet (2 ½') in depth below grade. The six (6) boring locations had a depth to groundwater after drilling which ranged from 4.5 to 10 feet.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 12" watermain, adjacent (in Sunwood) [City of Ramsey, 763-433-9825]
-Sewer: 30" line, adjacent (in Sunwood) [City of Ramsey 763-433-9825]
-Gas: 40-60 psi, (in Bunker) [Centerpoint Energy, 763-323-2685]
-Fiber: Adjacent to the Site (in Sunwood) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

The COR development which this parcel is located within has a regional stormwater system which will allow for the site area to be maximized for development.

ALTA/NSPS
LAND TITLE SURVEY
OUTLOT A, COR TWO, ANO□A COUNTY, MINNESOTA



LEGAL DESCRIPTIONS

(Per Commercial Partners Title, LLC Commitment No. 51625, Effective Date: July 6, 2016.)

Outlot A, COR TWO, Anoka County, Minnesota.

LEGEND

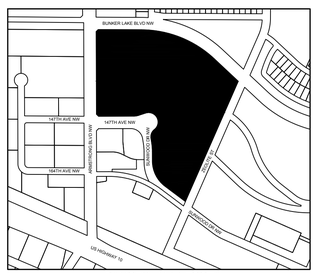
- FOUND MONUMENT
- SET MONUMENT
- PROPERTY BOUNDARY
- LOT LINE
- EXISTING LOT LINE
- EASEMENT LINE
- EXISTING RIGHT-OF-WAY LINE
- SECTION LINE
- BIT EDGE
- GAS LINE
- FIBER OPTIC LINE
- TREE LINE
- CONC LINE
- WATER LINE
- STORM LINE
- SANITARY LINE
- ACCESS CONTROL
- VACATED RIGHT OF WAY
- EDGE OF GRAVEL
- EDGE OF WATER
- SIGN POST
- CATCH BASIN
- CURB STOP
- GATE VALVE
- FIRE HYDRANT
- LIGHT POLE
- DRAINAGE AND UTILITY
- APRON
- UTILITY METER
- PEDESTAL
- DECIDUOUS TREE
- SPRINKLER HEAD
- DROP INLET
- SIGNAL POLE
- CONCRETE
- BITUMINOUS

BENCHMARK

ELEVATION = 869.82
(NAVD 88)

Top Hydrant Nut on southeast side of the intersection of Armstrong BLVD and Bunker Lake BLVD NW.

VICINITY MAP



RAMSEY, MINNESOTA
NOT TO SCALE

0 100 200 Feet

TABLE A

Table A Items 1, 5, 8, and 11 are as shown on survey.

2. Property address unassigned per Anoka County GIS.
3. Said described property is located within "Zone X", as determined by FEMA Flood Insurance Rate Map No. 27003C0280E with an effective date of December 16, 2015. Zone "X" areas are determined to be outside the 0.2% annual chance floodplain.
4. The total are of the property described is 1,340,338 square feet (30.77 acres), as surveyed.

7a. There are no buildings on the surveyed property.

11. See General Note 1 (GN1).

14. No intersection specified by the client.

SCHEDULE B - SECTION 2 EXCEPTIONS

Items 1-8, and 11 are not survey related, and therefore, are not shown on this survey.

(9) Easements for utilities and drainage and access restrictions as shown on the recorded plat of COR TWO. (Surveyor's Note: These easements affect the subject property and are shown).

(10) Easement for drainage purposes, in favor of the City of Ramsey, a Minnesota municipal corporation, as created in document dated August 29, 2003, filed October 9, 2003, as Document No. 447984 (Surveyor's Note: This easement affects the subject property and is shown).

(12) Easement for drainage, utility, sloping, sidewalk, trail, snow storage and sign purposes, in favor of Anoka County, as created in document dated October 23, 2014, filed November 25, 2014, as Document No. 527077.004. the easement area is depicted on Anoka County Highway Right-of-Way Plat No. 90, dated July 25, 2014, filed July 25, 2014, as Document No. 524652.001. (Surveyor's Note: This easement affects the subject property and is shown).

GENERAL NOTES

(GN1) Location and sizes of underground utilities shown are approximate only and are shown based on field location of visible fixtures in combination with available data provided by various sources. Some underground utility locations are shown as marked on site by those utility companies whose locators responded to our Gopher State One call, ticket number 161741031. WSB & Associates, Inc., makes no guarantee that the utilities shown comprise all such utilities in the area nor that they are in the exact location indicated. Verify all utilities critical to construction or design.

Contact Gopher State One call at 1-800-252-1166 for on-site location of utilities prior to any excavation.

(GN2) The plat of COR TWO was recorded on July 3, 2013.

(GN3) Easements shown are as identified in Commercial Partners Title, LLC Commitment No. 51625 with a Commitment Date of July 6, 2016. No other search of the public records for easements or encumbrances was made by the undersigned.

(GN4) Vacated Right of Way of W. Ramsey Parkway per Doc. No. 517025.003 as shown on the plat of COR TWO.

SURVEYOR'S CERTIFICATE

To: Commercial Partners Title, LLC; and City of Ramsey, a Minnesota municipal corporation:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof. The field work was completed on July 14, 2016.

Dated this □□□□ day of □□□□□□□□□□□□□□□, 2016.

Jeffrey J. Rolfson - PLS # 49003

PRELIMINARY

JOB # 01973-12
WSB & Associates, Inc.
701 Xenia Avenue South, Suite 300
Minneapolis, MN 55416
www.wsbeng.com
763-541-4800 - Fax 763-541-1700
INFRASTRUCTURE ENGINEERING PLANNING CONSTRUCTION

Site 48 – Site Executive Summary

March 29, 2017

Site Information: Site 48 is bordered to the east is East Town Center Drive N and a City well house. To the south is Sunwood Drive NW as well as multi-family housing. West of the property is Zeolite Street NW followed by commercial businesses to the southwest. Lastly, to the north is vacant undeveloped land. The Site has two stubbed access point off of Sunwood Drive NW, one stubbed access point off of East Town Center Dr, and may be able to gain an additional access point off of Zeolite Street NW.

The property is approximately 20 acres in size and is zoned as "The COR" and is split between the COR-1 and COR-2 Sub-districts. The Cor-1 Sub-district is the most urban of all sub-districts and is designed to be developed with a very urban pattern. The COR-2 Sub-district is designated to provide a location for retail commercial that has building and/or site designs inconsistent with the COR-1 Sub-district, including larger scale retail and other auto-oriented commercial uses.

Building Permit Application and Commercial Site Review: The city's current building permit and requirements for the development of the parcel have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcels #28-32-25-24-0008, #28-32-25-24-0009, #28-32-25-24-0010, #28-32-25-24-0011, #28-32-25-24-0012 and #28-32-25-24-0013, located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report.

This Phase I ESA has revealed no RECs, no HRECs, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3. Based on the results of this assessment, WSB provides the following recommendations:

- No additional environmental investigation is warranted at this time.

Alta Survey: An ALTA Survey was completed and is provided with this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is provided with this the report.

Geotechnical Tests: The boring profile consisted generally of topsoil overlying coarse alluvial soils and are suitable for development. The topsoil generally extended to about one to two feet (1-2') below grade. The five (5) boring locations had a depth to groundwater which ranged from 6.5 to 8 feet.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 12” watermain, adjacent (in Sunwood Dr) [City of Ramsey, 763-433-9825]
-Sewer: 30” line, adjacent (in Sunwood Dr) [City of Ramsey 763-433-9825]
-Gas: 60 psi in a 4” plastic pipe (in Town Center Dr) [Centerpoint Energy, 763-323-2685]
-Fiber: 1K ’away (in Bunker) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

The COR development which this parcel is located within has a regional stormwater system which will allow for the site area to be maximized for development.

City of RAMSEY

Site 50 Executive Summary



WSB

Site 50 – Site Executive Summary

March 29, 2017

Site Information: Site 50 is bordered to the north by Sunwood Drive NW followed by a medical office and PACT Charter School. To the west is a vacant commercial property, and to the east is Ramsey Boulevard NW which provides a direct connection to U.S. Highway 10. U.S. Highway 10 then provides a direct connection to U.S. Highway 169. To the south is a stormwater pond and the railway for the Northstar Commuter Rail Line which provides a connection to downtown Minneapolis. The Site has one stubbed access point off of Sunwood Drive NW and may be able to gain additional access points via future planed roadways that will run along the far west portion of the property.

The property is 14.7 acres in size and is zoned as "The COR" and located in the "3" Sub-district. The COR-3 Workplace Subdistrict is intended to accommodate a mix of large and small floor plates accommodating auto-oriented uses, this suggests even greater attention be paid to public realm and streetscape improvements that not only provide convenient access to storefronts, but present an additional challenge to the overall visual character and aesthetic appeal of the site.

Building Permit Application and Commercial Site Review: The city's 2016 building permit and commercial construction requirements have been included for the site.

Community Profile: The community demographics have been included with the report to allow for the potential development contacts to have a general understanding of the community.

Environmental Review: WSB has performed this Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 for Anoka County Parcel 28-32-25-41-0020 located in Ramsey, Minnesota. Exceptions to, or deletions from, this practice are described in Section 2.3 of the report. The complete report is attached as Appendix A.

This Phase I ESA has revealed one RECs, no HRECs, and no CRECs associated with the Property as described in Section 8.1, Section 8.2, and Section 8.3. Based on the results of this assessment, WSB provides the following recommendations:

- No additional environmental investigation is warranted at this time. The REC identified was the existing active Casey's General Store.

Alta Survey: An ALTA Survey was completed and was completed and is attached to this report. The survey does not indicate any concerns for the development of the property.

Title Commitment: The title commitment has been completed and indicates there are no concerns with the city's ownership. The complete title commitment and supporting documentation is included as Appendix D of the report.

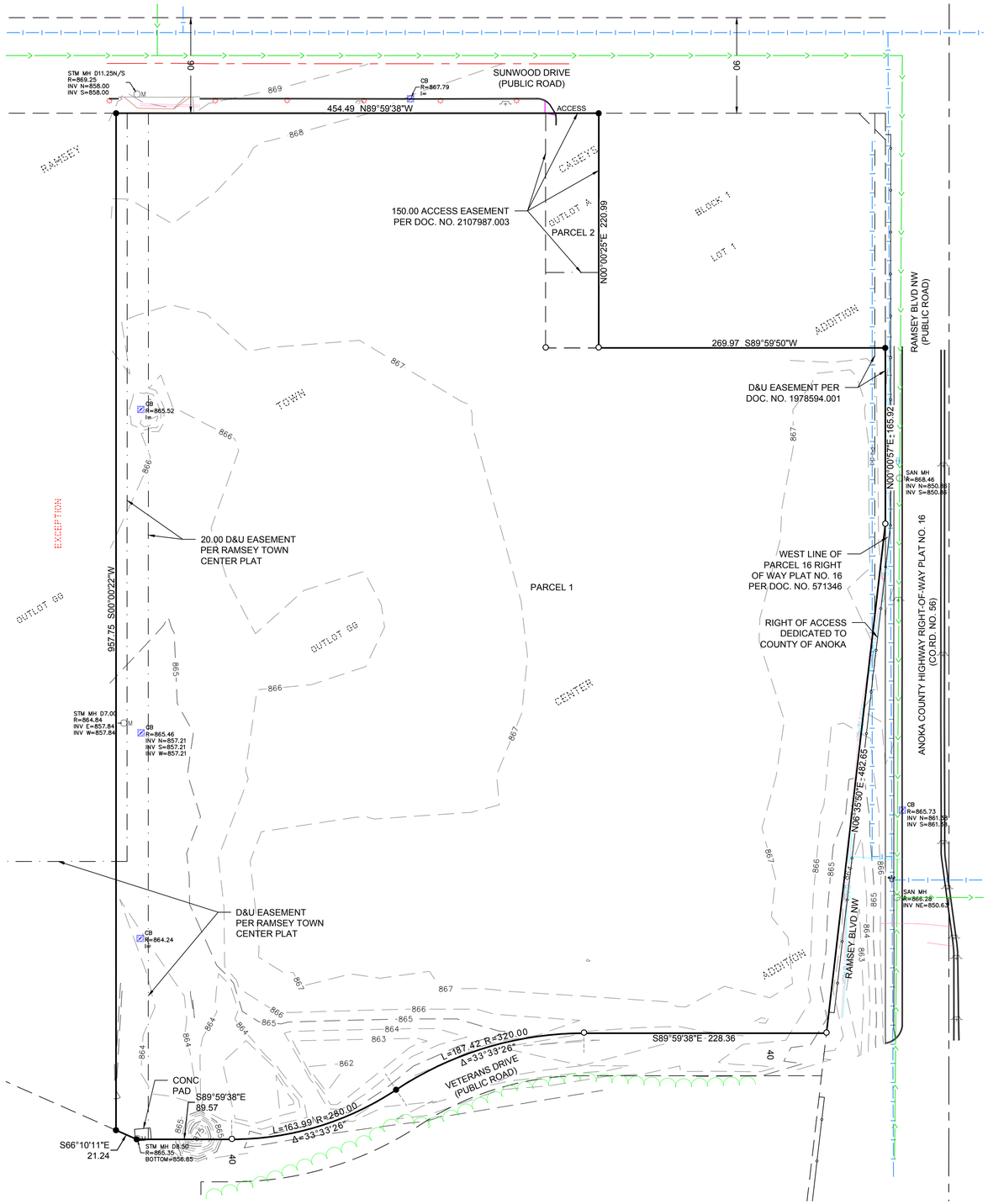
Geotechnical Tests: The boring profile consisted generally of topsoil overlying coarse alluvial soils and are suitable for development. The topsoil generally extended to between one-half and four feet (1-4') below grade. The four (4) boring locations had a depth to groundwater which ranged between 9 to 10.5 feet.

Utility Information: The site is currently served by public utilities. The following specifications may be adjustable depending on project demand.

-Water: 12" watermain, adjacent (in Sunwood) [City of Ramsey, 763-433-9825]
-Sewer: 30" line, adjacent (in Ramsey Blvd) [City of Ramsey 763-433-9825]
-Gas: 6" line, 40-60 psi adjusted to meet requirements, adjacent (in Sunwood) [Centerpoint Energy, 763-323-2685]
-Fiber: Available (in Sunwood) [Comcast, 651-755-2602] [Century Link, 651-312-5387] [Zayo, 952-857-9383]
-Electricity: 12.5kV voltage available with up to 4 MW service [Connexus Energy, 763-785-5432]

The COR development which this parcel is located within has a regional stormwater system which will allow for the site area to be maximized for development.

ALTA/NSPS
LAND TITLE SURVEY
PART OF OUTLOT GG, RAMSEY TOWN CENTER ADDITION, RAMSEY, MINNESOTA



LEGAL DESCRIPTION

(Per Commercial Partners Title, LLC, Commitment No. 51627, Effective Date: July 6, 2016)

Parcel 1:
Outlot GG, Ramsey Town Center Addition, except that part described as follows: Beginning at the Northwest corner of said Outlot GG; thence on an assumed bearing of South, along the Westerly line of said Outlot GG for 567.55 feet to a point of curvature in said Westerly line; thence Southerly for 36.04 feet along said Westerly line along a tangential curve concave to the West, radius 540 feet and a central angle 03 degrees 49 minutes 27 seconds to a point of tangency in said Westerly line; thence South 03 degrees 49 minutes 27 seconds West along said Westerly line for 87.95 feet to the most Southerly corner in said Westerly line; thence South 66 degrees 10 minutes 33 seconds East along the Southwesterly line of said Outlot GG for 659.59 feet; thence on a bearing of North for 957.75 feet to the Northerly line of said Outlot GG; thence on a bearing of West along said Northerly line for 596.36 feet to the point of beginning, LESS AND EXCEPT that part platted as Caseys Addition.

Parcel 2:
Outlot A, Caseys Addition, according to the recorded plat thereof.

LEGEND

○	FOUND MONUMENT		SIGN POST
●	SET MONUMENT		CATCH BASIN
	PROPERTY BOUNDARY		CURB STOP
	LOT LINE		GATE VALVE
	EXISTING LOT LINE		FIRE HYDRANT
	EASEMENT LINE		LIGHT POLE
	EXISTING RIGHT-OF-WAY LINE	D&U	DRAINAGE AND UTILITY
	SECTION LINE		
	BIT EDGE		
GAS	GAS LINE		
F/O -BUR	FIBER OPTIC LINE		
	CENTERLINE ROAD		
	CONC LINE		
	WATER LINE		
	STORM LINE		
	SANITARY LINE		
	GRAVEL EDGE		
	TREE LINE		
	ACCESS CONTROL		

GENERAL NOTES

(GN1) Location and sizes of underground utilities shown are approximate only and are shown based on field location of visible fixtures in combination with available data provided by various sources. Some underground utility locations are shown as marked on site by those utility companies whose locators responded to our Gopher State One call, ticket number 161793147. WSB & Associates, Inc., makes no guarantee that the utilities shown comprise all such utilities in the area nor that they are in the exact location indicated. Verify all utilities critical to construction or design.

Contact Gopher State One call at 1-800-252-1166 for on-site location of utilities prior to any excavation.

(GN2) The plat of RAMSEY TOWN CENTER ADDITION was recorded on December 31, 2003.
The plat of CASEYS ADDITION was recorded on May 15, 2015.

(GN3) Easements shown are as identified in Commercial Partners Title, LLC Commitment No. 51627 with a Commitment Date of July 6, 2016. No other search of the public records for easements or encumbrances was made by the undersigned.

BENCHMARK

ELEVATION = 871.28
(NAVD 88)

Top Hydrant Nut on east side of property approx. 875 feet south of Sunwood Drive centerline

TABLE A

Table A Items 1, 5, 8, and 11 are as shown on survey.

2. 7222 Sunwood Drive NW Ramsey, MN 55303.
3. Said described property is located within "Zone X", as determined by FEMA Flood Insurance Rate Map No. 27003C0280E with an effective date of December 16, 2015. Zone "X" areas are determined to be outside the 0.2% annual chance floodplain.
4. The total area of the property described is 581,669 square feet (13.35 acres), as surveyed.

7a. No buildings observed on the surveyed property.

11. See General Note 1 (GN1).

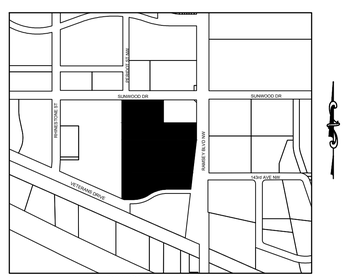
14. No intersection specified by the client.

SCHEDULE B - SECTION 2 EXCEPTIONS

Items 1-8, and 17 are not survey related, and therefore, are not shown on this survey.

9. Easements for utilities, drainage and access dedication as shown on the recorded plat of Ramsey Town Center Addition. (Surveyor's Note: These easements affect the subject property and are shown. The Access Dedication affects the subject property and is shown).
10. Terms and conditions of and easements contained in Master Declaration of Ramsey Town Center dated August 5, 2005, filed September 15, 2005, as Document Nos. 484495.001 (Torrens) and 1978252.001 (Abstract). (Provides for the lien of private assessments) (Surveyor's Note: This easement does not affect the subject property and therefore is not shown).
11. Anoka County Right of Way Plat Number 16 dated April 13, 1981, filed April 13, 1981, as Document No. 571346 (Abstract). (Surveyor's Note: This Right of Way Plat affects the subject property and is shown).
12. Final Certificate dated August 14, 1985, filed August 28, 1985, as Document No. 684424 (Abstract). (Surveyor's Note: This document refers to Anoka Right of Way Plat Number 16 and therefore is not shown).
13. Anoka County Right of Way Plat Number 16, Parcel 15 dated July 14, 1981, filed August 10, 1981 as Document No. 575763 (Abstract), and dated April 13, 1981, filed July 1, 1981, in Book 2 of Right-of-Way Plats, Page 5 (Abstract). (Surveyor's Note: This parcel does not affect the subject property and therefore is not shown).
14. Anoka County Right-of-Way Plat Number 33 filed March 1, 1988, as Document No. 798409 (Abstract). (Surveyor's Note: This Right of Way Plat does not affect the subject property and therefore not shown).
15. Terms and conditions of and easements contained in Right of Way Easement granted to the Rural Cooperative Power Association dated April 20, 1953, filed April 29, 1953, as Document No. 150126, in book 299, Page 25. (Surveyor's Note: The easement contained within this document is undefined and therefore is not shown).
16. Easement in favor of the City of Ramsey as created in Document dated June 3, 2004, filed September 30, 2005, as Document No. 1978594.001 (Abstract). (Surveyor's Note: This easement affects the subject property and is shown).
18. Terms and conditions of Easement Agreement dated May 14, 2015, filed May 15, 2015, as Document No. 2107987.003, by and between Casey's Retail Company, an Iowa corporation, and the City of Ramsey, a Minnesota municipal corporation. (Surveyor's Note: This easement affects the subject property and is shown).
19. Terms and condition of Sign Easement Agreement dated May 14, 2015, filed May 15, 2015, as Document No. 2107987.004, by and between Casey's Retail Company, an Iowa corporation, and the City of Ramsey, a Minnesota municipal. (Surveyor's Note: This easement does not affect the subject property and therefore is not shown).

VICINITY MAP



RAMSEY, MINNESOTA
NOT TO SCALE

SURVEYOR'S CERTIFICATE

To: Commercial Partners Title, LLC; and City of Ramsey, a Minnesota municipal corporation:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items: 1, 2, 3, 4, 5, 7a, 8, 11, and 14 of Table A thereof. The field work was completed on July 8, 2016.

Dated this 11 day of August, 2016.

Jeffrey J. Rollison - PLS # 49003

JOB # 01973-12
701 Xenia Avenue South, Suite 300
Minneapolis, MN 55416
www.wsbeng.com
WSB & Associates, Inc.
763-541-4800 - Fax 763-541-1700
INFRASTRUCTURE ENGINEERING PLANNING CONSTRUCTION

Economic Development Authority (EDA) **5. 2.**

Meeting Date: 04/13/2017

By: Patrick Brama, Administrative Services

Title:

Update: Purchase of Former Sunfish Lake Gas Station

Purpose/Background:

Please see City Council Regular Session Case, 04/11/2017, item 7.3

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

NA

Action:

NA

Attachments

No file(s) attached.

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Patrick Brama		Started On: 04/03/2017 01:20 PM
Final Approval Date: 04/10/2017		

Economic Development Authority (EDA) **5. 3.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Update: Aeon PA Extension

Purpose/Background:

RE the attached Aeon PA. Staff has received a request from Aeon to extend the closing date on this PA by two months. Like other agreements, staff requested an additional $5,000 non-refundable earnest money from Aeon in exchange for the proposed extension. That request is anticipated to reach the Council on 04/25/2017(will be an amendment).

Staff met with Aeon recently. They are moving forward this project. They are excited about working in Ramsey. They are currently finalizing the plans and specs, and preparing to apply for Plat/ Site Plan.

Notification:

NA

Observations/Alternatives:

NA

Funding Source:

NA

Recommendation:

NA

Action:

NA

Attachments

Aeon PA

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Patrick Brama		Started On: 04/04/2017 08:21 AM
Final Approval Date: 04/10/2017		

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into effective as of May 24, 2016 (the "Effective Date") by and between AEON PORTFOLIO II LLC, a Minnesota nonprofit corporation, its successors and/or assigns ("Buyer"), and the CITY OF RAMSEY, MINNESOTA, a Minnesota municipal corporation ("Seller").

In consideration of the Earnest Money, the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Capitalized Terms and Other Key Terms. Capitalized terms used in this Agreement that are not otherwise defined herein shall have the meanings assigned to such terms as set forth on Exhibit A hereto, which is hereby incorporated by reference.

2. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, upon and subject to the terms, conditions, and limitations herein contained.

3. Purchase Price and Manner of Payment. The Purchase Price shall be payable by Buyer to Seller as follows:

   3.1 Earnest Money Deposit. Within two (2) business days following the Effective Date, Buyer shall deposit the Earnest Money in the form of cash with the Title Company and such funds shall be held and disbursed pursuant to the Escrow Agreement and this Agreement; provided, however, that if there are any inconsistent terms between the Escrow Agreement and this Agreement, the terms of this Agreement shall control. Except as otherwise provided herein, the Earnest Money shall be credited against the Purchase Price at the Closing.

   3.2 Balance of Purchase Price. The balance of the Purchase Price, as increased or decreased by any and all other adjustments set forth in this Agreement, shall be paid by wire transfer of immediately available funds at the Closing.

4. Inspection Period.

   4.1 Within ten (10) days after the Effective Date, Seller shall deliver to Buyer copies of all of the documents set forth in Exhibit C hereto in the possession or reasonable control of Seller. During the Inspection Period, Buyer shall have the right, at Buyer's sole cost, expense, and risk, to enter upon and examine and inspect the Property to conduct environmental reviews, soil condition testing, survey, engineering studies, and appraisals of the Property.

   4.2 Upon the completion of its activities on the Property, Buyer shall remove any debris resulting from such activities and shall restore the Property to the condition it was in prior to the commencement of such activities.

   4.3 Buyer shall indemnify, hold harmless and defend the Seller from and against all Claims arising out of, resulting from or relating to any loss of (or damage to) any

property or business or any injury to (or death of) any person, where such loss, damage, injury, or death actually or allegedly arises (whether directly or indirectly, wholly or in part) from: (a) any action or omission of Buyer (or its employees, agents, or contractors) while on the Property pursuant to this Section; or (b) the exercise by buyer (or its employees, agents, or contractors) of the permission granted by this Section; or (c) the release of any Hazardous Substance (as defined below) resulting (directly or indirectly, wholly or in part) from any action or omission of Buyer (or its employees, agents, or contractors) while on the Property.

4.4 Buyer (and its employees, agents, and contractors) shall comply with all applicable laws while on the Property.

4.5 Buyer will not commence any environmental testing until its work plan for such testing has been approved in writing by Seller, which approval shall not be unreasonably withheld, conditioned or delayed. Buyer will provide Seller with complete copies of the test data and test reports as soon as they are available to Buyer.

4.6 The cost of any test or additional survey work will be borne solely by Buyer.

4.7 Seller agrees not to negotiate with any third parties for the sale of the Property unless Buyer and Seller in writing terminate this Agreement.

5. Title Examination.

5.1 Unless otherwise agreed to by the Parties, the Escrow Agent shall be the Title Company for this transaction. Within 10 business days after the Effective Date Seller shall, at Seller's expense, deliver a title commitment covering the Property. The cost of an owner's policy and the cost of deleting of any exceptions in the Title Commitment, other than those deleted by providing the Title Company with an ALTA survey, shall be at Buyer's sole expense. Buyer shall be responsible for the cost of any endorsements required by Buyer.

5.2 Buyer, at Buyer's expense shall within 30 days of the Effective Date obtain an ALTA Survey from a licensed surveyor in Minnesota.

5.3 Buyer shall have until the later of: (i) the expiration of the Inspection Period; or (ii) ten business days after the receipt of the Survey and the Title Commitment (collectively, "**Title/Survey**") to review Title/Survey and to deliver in writing to Seller such objections as Buyer may have to anything contained therein. Any such item to which Buyer does not object shall be deemed a "**Permitted Encumbrance**." If Buyer's notice to Seller contains any objections to matters contained in Title/Survey, Seller shall notify Buyer within five days from receipt of Buyer's notice to notify Buyer in writing which items Seller will correct or remove from Title/Survey prior to the Closing ("**Seller's Title Notice**"). If Buyer notifies Seller within five days from receipt of Seller's Title Notice that Buyer accepts the matters contained in Seller's Title Notice, then such Title/Survey matters that Seller has not agreed to cure or remove from Title/Survey will be

additional Permitted Exceptions. If Buyer fails to respond to Seller's Title Notice within five days from receipt thereof, then this Agreement shall automatically terminate and the Earnest Money shall be promptly paid to Buyer. Seller shall cure or remove from Title/Survey those matters Seller has agreed to cure or remove to the reasonable satisfaction of Buyer and cause the Title Company to revise the Title Commitment accordingly to insure against such matters prior to the Closing (the "**Cure Period**"). If Seller fails to resolve any such objections to Buyer's satisfaction within the Cure Period (or it becomes reasonably ascertainable that Seller will be unable or unwilling to resolve any such objections to Buyer's satisfaction within the Cure Period), or if, for any reason, Seller is unable to convey title in accordance with the provisions set forth in this Section 2, then Buyer may at its option elect to: (A) waive such objections and accept such title as Seller is able to convey; (B) terminate this Agreement as to any or all of the Property by written notice to Seller; or (C) withhold from the Purchase Price an amount within the reasonable opinion of the Title Company is sufficient to correct the uncured objections.

6. Buyer's Contingencies. The obligations of Buyer under this Agreement are contingent upon each of the following:

6.1 Representations, Warranties, and Covenants. The representations, warranties, and covenants of Seller contained in this Agreement must be true as of the Effective Date and on the Closing Date as if made on the Closing Date.

6.2 Title. Title to the Property shall have been found acceptable, or been made acceptable, in accordance with the requirements and terms of Section 5 of this Agreement.

6.3 Access and Inspection. Seller shall have allowed Buyer, and Buyer's agents, immediate access to the Property during the Inspection Period without charge and at all reasonable times for the purpose of Buyer's investigation and testing the same in accordance with Section 4 of this Agreement, and Buyer shall have been satisfied in its sole discretion with the results of such investigation and testing before the expiration of the Inspection Period.

6.4 Document Review. Buyer shall have determined, on or before the expiration of the Inspection Period, that it is satisfied with its review and analysis of any contracts related to the Property.

6.5 Government Approvals. Buyer shall have obtained on or before the Closing Date all final approvals from all Governmental Authorities necessary in Buyer's judgment to make the use of the Property which Buyer intends.

6.6 Financing. Buyer shall have received, on or before the Closing Date, the proceeds of financing necessary and sufficient, in Buyer's sole discretion, to complete the purchase of the Property and to implement Buyer's planned use of the Property, including, but not limited to, an award of Low Income Housing Tax Credits and gap funding from the Minnesota Housing Finance Agency in an amount and under

terms acceptable to Buyer to facilitate the development of the Property as intended by Buyer.

Buyer shall inform Seller when the contingencies have been satisfied.

Buyer may terminate this Agreement by written notice to Seller on or before the last day of the applicable periods as specified above, but no later than August 29, 2017. Upon termination of this Agreement for failure to satisfy one of Buyer's contingencies set forth in this Section 6, neither party will have any further rights or obligations regarding this Agreement or the Property and if the termination occurs prior to the Inspection Period, the Earnest Money shall be returned to Buyer. If this Agreement is terminated by Buyer after the Inspection Period, other than as a result of Seller's default, Seller shall retain the Earnest Money. All the contingencies are specifically for the benefit of Buyer, and Buyer shall have the right to waive any contingency by written notice to Seller.

7. Seller's Contingency. The obligations of Seller under this Agreement are contingent upon the representations, warranties, and covenants of Buyer contained in this Agreement being true as of the Effective Date and as of the Closing Date.

8. Closing. The Closing shall occur on the Closing Date. The Closing shall take place at a location mutually agreeable to Seller and Buyer. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

8.1 Seller's Closing Documents. On the Closing Date, Seller shall execute and deliver to Buyer the following documents (collectively, the "Seller's Closing Documents"), all in form and content reasonably satisfactory to Buyer:

8.1.1 The Deed.

8.1.2 The Closing Statement.

8.1.3 A non-foreign affidavit, properly executed, containing such information as is required by Code Section 1445(b)(2) and the regulations promulgated thereunder.

8.1.4 Any executed documents that may be required in the State or other jurisdiction where the Property is located in order for the Deed to be recorded properly on the Closing Date.

8.1.5 All other documents determined by Buyer or the Title Company to be necessary to transfer the Property to Buyer free and clear of all encumbrances other than the Permitted Encumbrances.

8.2 Buyer's Closing Documents. On the Closing Date, Buyer will execute and deliver to Seller the following (collectively, the "Buyer's Closing Documents"):

8.2.1 The funds representing the remaining portion of the Purchase Price due hereunder, subject to any adjustments and/or prorations required hereunder.

8.2.2 The Closing Statement.

9. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

9.1 Title Insurance and Closing Fee. Seller will pay all costs of the issuance of the Title Commitment and the fees charged by the Title Company for any escrow required regarding Buyer's Title Objections. Buyer will pay all additional premiums required for the issuance of any lender's and owner's Title Policies and any endorsements requested by Buyer that are not necessary to cure Title Objections as provided in Section 5 of this Agreement. Seller and Buyer will each pay one-half (1/2) of any closing fee or charge imposed by any closing agent or by the Title Company.

9.2 Real Estate Taxes and Special Assessments. All real estate taxes payable in the years prior to the year in which the Closing occurs, any deferred taxes, and any and all and pending special assessments (regardless of when such assessments are due) shall be paid by Seller at the Closing. Real estate taxes payable in the year in which Closing occurs shall be prorated between Buyer and Seller based upon the Closing Date.

9.3 Recording Fees. Seller will pay any recording fees in connection with the release of all mortgages, liens and encumbrances and security interests against the Property that are not being assumed by Buyer. Seller shall also pay any deed tax due in connection with the sale of the Property pursuant to applicable State statutes. Buyer shall pay the recording fee in connection with the recording of the Deed.

9.4 Funds. Any account balances or other funds connected to the Property shall be retained by Seller.

9.5 Other Costs. All other operating costs of the Property shall be prorated between Seller and Buyer as of the Closing Date so that Seller pays that portion of operating costs payable before the Closing Date, and Buyer pays that part of operating costs payable from and after the Closing Date.

9.6 Attorneys' Fees. Each of the parties will pay its own attorney's fees, except that a party defaulting under this Agreement or any document referenced in this Agreement will pay the reasonable attorneys' fees and court costs incurred by the nondefaulting party to enforce its rights hereunder.

10. Seller's Covenants During Executory Period. During the Executory Period, Seller covenants to comply with the following conditions:

10.1 Seller shall maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance.

10.2 Without obtaining the Consent of Buyer, Seller shall refrain (i) from creating any mortgage, easement, lien, pledge or any other encumbrance in any way affecting the Property, (ii) from conveying any interest in the Property, (iii) from entering into any other contracts or agreements pertaining to the Property, except contracts or agreements which are consistent with Buyer's rights hereunder and that may be terminated on or prior to the Closing Date, and/or (iv) agreeing to any change in the property tax status of the Property or deferring any property taxes.

10.3 Seller shall refrain from committing any waste or nuisance upon the Property.

10.4 Seller shall not market the Property for sale and/or to negotiate with any third parties for the sale of the Property unless Buyer and Seller in writing terminate this Agreement.

10.5 Left blank intentionally.

10.6 Without the Consent of Buyer, Seller shall not allow any labor to be performed on the Property that could give rise to the filing of a mechanic's lien against any portion of the Property if the costs of such labor are not timely paid.

11. Representations and Warranties of Seller. Seller represents and warrants to Buyer as of the Effective Date and the Closing Date as follows:

11.1 Title to Property. Seller has good and marketable, fee simple title to the Property, subject only to the Permitted Encumbrances. The Property constitutes a separate tax parcel eligible for development in accordance with the Regulations without need for further subdivision.

11.2 Authority; Consents. Seller represents and warrants to and covenants with Buyer that: (i) Seller is duly organized and has received all requisite authority to transact business in the State in which the Property is located; (ii) Seller has the power and authority to enter into this Agreement and all of the Seller's Closing Documents signed or to be signed by it; (iii) the execution, delivery and performance of Seller of the Seller's Closing Documents do not conflict with or result in violation of Seller's organizational documents, any judgment, order or decree of any court or arbiter to which Seller is a party, or any local ordinance, or statute, rule, or law of the State; (iv) upon execution, the Seller's Closing Documents will be valid and binding obligations of Seller, and are enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, creditor's rights and other similar laws; and (v) the consents of no other parties are required as a condition to the Closing.

11.3 Unrecorded Agreements. There are no unrecorded agreements, undertakings or restrictions which affect the Property.

11.4 Leases. There are no leases or possessory rights of others regarding the Property.

11.5 No Default Notice. Seller has not received notice of a default or breach of any agreement to which Seller is a patty, and is not aware of any facts that would result in Seller being in default or breach of any agreement to which it is a party.

11.6 Reports. The Reports delivered or to be delivered to Buyer hereunder are correct and complete and, to Seller's actual knowledge, do not contain any false information.

11.7 Operations. Seller has received no notice of actual or threatened cancellation or suspension of any utility services at or on the Property, nor has Seller received any notice of any violation of any Regulations. Except as disclosed in the Title Commitment, Seller has received no notice of actual or threatened special assessments or reassessments, condemnation, or eminent domain proceedings with respect to the Property.

11.8 Environmental Laws. To Seller's actual knowledge, no Hazardous Substances have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Property, nor has any activity been undertaken on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, any Regulations relating to the protection of the environment. To Seller's actual knowledge, there are no Hazardous Substances in or on the Property that may support a claim or cause of action under any Regulations relating to the protection of the environment. To Seller's actual knowledge, the Property is not now, and never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances.

11.9 FIRPTA. Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign estate," as those terms are defined in Code Section 1445 and the regulations promulgated thereunder.

11.10 No Proceedings. No legal or administrative proceeding is pending or, to Seller's actual knowledge, threatened (i) against Seller or any of its affiliates which would adversely affect its right to convey the Property to Buyer as contemplated in this Agreement, or (ii) affecting the Property. There are no condemnation or eminent domain proceedings pending or, to Seller's knowledge, threatened with respect to the Property.

11.11 Additional Interests. There are no property interests or other improvements that are owned by Seller and which are necessary or useful for the use and operation of the Property that are not being conveyed pursuant to this Agreement.

11.12 Private Sewage Systems; Wells. There are no private sewage systems or wells located on the Property.

11.13 Use of Property. To the best of Seller's knowledge, no methamphetamine production has occurred on the Property.

11.14 Unpaid Labor and Materials. Neither Seller nor any other party is indebted for labor or material that might give rise to the filing of notice of mechanic's lien against any portion of the Property.

11.15 No Broker. Seller has not engaged the services of any broker in connection with the sale and purchase contemplated by this Agreement except CBRE, to whom Seller will pay all real estate commissions due and owning no later than the Closing Date.

11.16 Property Notice / No Redemption Rights. There exist no outstanding redemption rights in any third parties with respect to all or any portion of the Property and the Seller has given all proper notices and obtained all requisite approvals necessary to sell and convey the Property to the Buyer pursuant to the terms of this Agreement.

Seller will indemnify the Indemnified Parties, against, and will hold each of the Indemnified Parties harmless from, any expenses or damages, including reasonable attorneys' fees, that the Indemnified Parties incur because of the breach of any of the above representations and warranties. Each of the foregoing representations and warranties shall be deemed remade as of the Closing Date with respect to the Property.

12. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as of the Effective Date and the Closing Date as follows:

12.1 Buyer is duly organized or incorporated under the laws of the State of its formation and has received all requisite authority to transact business in the State in which the Property is located.

12.2 Buyer has the power and authority to enter into this Agreement and all of the Buyer's Closing Documents signed or to be signed by it.

12.3 Buyer's execution, delivery and performance this Agreement and of the Buyer's Closing Documents do not conflict with or result in violation of Buyer's organizational documents or any judgment, order or decree of any court or arbiter to which Buyer is a party

12.4 Upon execution, the Buyer's Closing Documents will be valid and binding obligations of Buyer, and are enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, creditor's rights and other similar laws.

12.5 No consents or approvals from any third parties are required for Buyer to perform its obligations under this Agreement.

12.6 Buyer has not engaged the services of any broker in connection with the sale and purchase contemplated by this Agreement. Buyer is purchasing the Property for an investment with the intent of making a profit.

13. Casualty; Condemnation. If all or any part of the Property is substantially damaged by fire, casualty, the elements, or any other cause, Seller immediately shall give written notice to Buyer, and Buyer shall have the right to terminate this Agreement by giving written notice within thirty (30) days after Buyer receives written notice from Seller of the same. If Buyer shall fail to give notice of termination, then the parties shall proceed to Closing and Seller shall assign to Buyer all rights to insurance proceeds resulting from such event. If eminent domain proceedings are threatened or commenced against all or any portion of the Property, Seller immediately shall give written notice to Buyer, and Buyer shall have the right to terminate this Agreement by giving written notice within thirty (30) days after Buyer receives written notice from Seller of the same. If Buyer shall fail to give notice of termination, then the parties shall proceed to Closing and Seller shall assign to Buyer all rights to appear in and receive any award from such proceedings.

14. Remedies.

14.1 If Buyer defaults in its obligation to proceed to the Closing in accordance with the terms of this Agreement and fails to cure such default within ten (10) days after being notified in writing thereof, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement and to retain the Earnest Money as liquidated damages. The parties agree that in the event of default by Buyer, subject to the expiration of the cure period above, Seller's damages will be difficult or impractical to ascertain and the Earnest Money will be deemed to constitute a reasonable estimate of Seller's damages and shall not be deemed to constitute a forfeiture or penalty. Seller shall not have the right to recover any other damages of any kind from Buyer or to obtain other equitable adjustment to the terms of the sale of the Property.

14.2 If Seller defaults on any of its material obligations under this Agreement and fails to cure such default within ten (10) days after receiving written notice thereof, Buyer shall be entitled to exercise any remedies available to Buyer at law or equity for a default by Seller hereunder including, without limitation, (i) the immediate return of the Earnest Money, (ii) to apply for and to receive from a court of competent jurisdiction equitable relief by way of specific performance to enforce Seller's performance of the terms of this Agreement, and/or (iii) to seek and recover from Seller damages for nonperformance of this Agreement for all of Buyer's out-of-pocket costs and fees, including without limitation, reasonable attorneys' fees, accountants' fees and other consultants' fees incurred by Buyer in preparing and negotiating this Agreement, preparing for the Closing, obtaining financing commitments, investigating the status, title and condition of the Property, and other similar and reasonable costs and expenses.

14.3 If either party hereto shall bring suit against the other to enforce the terms of this Agreement, the losing party shall pay to the prevailing party the prevailing party's cost and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in enforcing such prevailing party's rights under this Agreement.

15. Miscellaneous.

15.1 Construction. This Agreement shall not be construed more strictly against one party than against the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Buyer and Seller have contributed substantially and materially to the preparation of this Agreement.

15.2 Headings. The headings preceding the text of the paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

15.3 Further Acts. Each party hereto agrees to do such further acts and execute, deliver, file and record such further documents and instruments as may be reasonably necessary to effectuate, evidence, and record the transactions contemplated by this Agreement.

15.4 Severability. The invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted, and in such event, the remaining terms of this Agreement shall remain in full force and effect.

15.5 Governing Law; Parties in Interest. This Agreement shall be governed by and be construed in accordance with the laws of the State.

15.6 Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

15.7 Time of the Essence. All times, wherever specified herein for the performance by Seller or Buyer of their respective obligations hereunder, are of the essence of this Agreement.

15.8 Assignment. Neither party shall be entitled to assign or convey any interest in this Agreement to any third party, without first obtaining the prior written consent of the other party. Notwithstanding the foregoing, Buyer shall have the right to assign its interest in this Agreement to an entity affiliated with, or controlled by Buyer, without the consent of Seller; provided, however, that Buyer shall provide Seller with a copy of any such assignment promptly after it has been executed. The parties' rights and obligations under tills Agreement shall inure to the benefit of and shall be binding on successors and assigns.

15.9 Notices. All notices and other communications in respect to this Agreement shall be deemed to have been duly given, if in writing and delivered personally or if mailed in a sealed wrapper by United Sates registered or certified mail, return receipt requested, postage prepaid, or via facsimile, properly addressed to the parties as provided in Exhibit A attached hereto.

15.10 Complete Agreement. This instrument and any exhibits, schedules or addendums attached hereto contain the entire Agreement of the parties, and supersedes all prior negotiations, agreements or understandings, whether oral or in writing. This Agreement may not be changed orally but only by an Agreement in writing signed by the party against whom enforcement of any such waiver, change, modification, extension or discharge is sought.

15.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

16. Building and Site Design.

The Development Agreement required for development of the Land shall include, as exhibits, the site design and the front, side and rear elevations of the proposed structure(s). In light of the location of the Land and the importance of the COR to Seller's comprehensive planning, Seller expressly reserves the right to approve the site design and elevations to be utilized on this Property.

17. Option to Purchase.

17.1 Option Property. The property legally described in Exhibit B as Outlot A, Ramsey Town Center 7th Addition, Anoka County, Minnesota, will be subdivided prior to Closing. The portion being purchased by Buyer pursuant to this Agreement is the Land. The remaining property (approximately 1.36 acres) is subject to this Section 17 (the Option Property).

17.2 Option to Purchase. Seller grants Buyer the exclusive option to purchase the Option Property under the following terms:

17.2.1 Option Period. Buyer's option to purchase the Option Property shall remain available to Buyer for a period of five years from the Effective Date of this Agreement (the Option Period), provided Buyer fulfills its obligations under this Section 17. In the event the option to purchase is not exercised by the end of the Option Period, the option shall be deemed null and void without notice or action by either party.

17.2.2 Purchase Price. The purchase price for the Option Property is $2.08 per square foot for a total of $123,368. The Option Cost, as described below, is in addition to, and not part of, the Purchase Price.

17.2.3 Option Cost. In consideration for Seller providing Buyer with the exclusive option to purchase the Option Property, Buyer shall pay Seller $10,000.00 per year for each year Buyer chooses in its sole discretion to retain the option, up to five years. The first two years of option payments ($20,000.00) are due at Closing. In order to retain the right to purchase the Option Property, the subsequent option payments (beginning two years after the Closing) are due annually on the anniversary of the Closing

unless Buyer closes on the purchase of the Option Property. In the event an option payment is not received prior to or on the anniversary date of the Closing, and Buyer has not closed on the Option Property, this Option to Purchase shall be deemed null and void without notice or action by either party.

17.2.4 Exercising the Option. In the event Buyer chooses to exercise its option to purchase the Option Property, and the Option Period has not terminated and all option payments are current, the parties shall enter into a separate purchase agreement reflecting the purchase price set forth in this Section. Buyer will be subject to all City Codes in existence at the time the new purchase agreement is executed. A Development Agreement will be required for development of the Option Property and will be subject to the terms of Section 16, above. The Development Agreement will include deadlines for construction of improvements on the Option Property.

17.3 Survival. This Section 17 shall survive the Closing and continue to be fully enforceable by its terms.

{THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.}

IN WITNESS WHEREOF, Seller and Buyer have executed this Purchase Agreement effective as of the Effective Date.

SELLER:

CITY OF RAMSEY, MINNESOTA,
a Minnesota municipal corporation

By: _____
Name: Sarah Strommen
Title: MAYOR

By: _____
Name: Kurtis G. Ulrich
Title: City Administrator

BUYER:

AEON PORTFOLIO II LLC,
a Minnesota limited liability company

By: _____
Name: Caroline Horton
Title: Secretary-Treasurer

ESCROW RECEIPT

The undersigned, Commercial Partners Title, LLC ("Escrow Agent"), acknowledges receipt of Nine Thousand One Hundred Fifty and No/100 Dollars ($9,150.00) (the "Initial Deposit") to be held by it pursuant to the Purchase Agreement to which this Escrow Receipt is attached. Additional deposits may be made with Escrow Agent (collectively with the Initial Deposit, the "Deposit") pursuant to the Purchase Agreement. Escrow Agent agrees to hold the Deposit in accordance with the terms of the Purchase Agreement and disburse the same strictly in accordance with such terms. Escrow Agent shall invest the Deposit in such interest-bearing accounts or instruments as shall be approved by both Buyer and Seller. Interest shall accrue for the benefit of Buyer.

Seller and Buyer represent that their respective Tax I.D. Numbers are as follows: Seller, _____; Buyer, 45-2430948.

Escrow Agent shall have no responsibility for any decision concerning performance or effectiveness of the Purchase Agreement or to resolve any disputes concerning the Purchase Agreement. Escrow Agent shall be responsible only to act in accordance with the joint and mutual direction of both Seller and Buyer, or in lieu thereof, the direction of a court of competent jurisdiction. Seller and Buyer undertake to hold Escrow Agent harmless from all claims for damages arising out of this Escrow Receipt and do hereby agree to indemnify Escrow Agent for any costs and expenses in connection with this escrow, including court costs and attorneys' fees, except for Escrow Agent's failure to account for the funds held hereunder, or acting in conflict with the terms hereof.

The fees and charges of the Escrow Agent shall be paid by Buyer.

ESCROW AGENT:

Commercial Partners Title, LLC

By:_____
Its: _____

[Signatures continued on following page]

[Signatures continued]

SELLER:

CITY OF RAMSEY, MINNESOTA,
a Minnesota municipal corporation

By: _____
Name: SARAH STRONEN
Title: MAYOR

By: _____
Name: Kurtis G. Ulrich
Title: City Administrator

BUYER:

AEON PORTFOLIO II LLC,
a Minnesota limited liability company

By: _____
Name: Caroline Horton
Title: Secretary - Treasurer

EXHIBIT A

Key Terms and Definitions

A. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

1. "Agreement" shall mean the Purchase Agreement between Buyer and Seller to which this Exhibit is attached.

2. "Buyer" shall have the meaning assigned to such term in the opening paragraph of this Agreement.

3. "Buyer's Closing Documents" shall have the meaning assigned to such term in Section 8.2 of the Agreement.

4. "Closing" shall mean the closing of the purchase and sale of the Property contemplated by this Agreement.

5. "Closing Date" shall mean thirty (30) days after the expiration of the contingencies but no later than September 29, 2017.

6. "Closing Statement" means a closing statement prepared by the Title Company to be executed by Seller, Buyer, and the Title Company at the Closing that accurately describes the economic terms of transaction described this Agreement

7. "Code" shall mean the Internal Revenue Code of 1986, as amended.

8. "Consent" means the prior written consent of Buyer, which consent may be withheld in Buyer's sole discretion unless otherwise stated in this Agreement.

9. "Cure Period" has the meaning set forth in Section 5.3.

10. "Deed" shall mean a Limited Warranty Deed conveying the Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances, at the Closing.

11. "Earnest Money" means Nine Thousand One Hundred Fifty Dollars ($9,150.00), along with any interest or earnings accrued thereon while such funds are held by the Title Company.

12. "Effective Date" shall be as defined in the opening paragraph of this Agreement.

13. "Escrow Agreement" shall mean any form of acknowledgement of escrow deposit in the form required by the Title Company upon its receipt of the Earnest Money.

14. "Executory Period" shall mean the period of time from the Effective Date through and including the Closing Date.

15. "Extended Closing Date" means the date which is 60 days after the Initial Closing Date.

16. "Governmental Authority" means any state, federal, local, municipal or other governmental authority, agency, or licensing authority of any kind having jurisdiction over the Property or Seller.

17. "Hazardous Substances" shall mean toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in any state, local or federal Regulations relating to the protection of the environment.

18. "Indemnified Parties" means collectively, Buyer, its officers, directors, members, partners, governors, managers, and employees and their respective successors and assigns

19. "Inspection Period" shall mean the period of time from the Effective Date through and including the date that is seven (7) months after the Effective Date.

20. "Land" shall mean 88,000 square feet of the parcel legally described on Exhibit B to this Agreement. The parcel legally described on Exhibit B shall be subdivided prior to Closing and the legal description for the new 88,000 square foot parcel shall constitute the Land for purposes of this Agreement.

21. "Permitted Encumbrances" means any defects or encumbrances on the Property to which Buyer does not submit a written Title Objection during the Inspection Period, or any defect or encumbrance that is waived by Buyer in accordance with the terms of this Agreement.

22. "Property" shall mean collectively the Land and all rights related thereto, including easements and adjacent street and alleys.

23. "Purchase Price" means One Hundred Eighty Three Thousand and No/100 Dollars ($183,000.00), as the same may be adjusted pursuant to the terms and conditions of this Agreement.

24. "Regulations" means the rules and regulations applicable to the Property or Seller of any Governmental Authority having jurisdiction.

25. "Reports" means all feasibility studies, soil reports, environmental reports, permits, licenses, service contracts, title policies, surveys, and other appraisals, inspections, tests, reports, or studies in the possession or reasonable control of Seller with respect to the Property.

26. "Seller" shall have the meaning assigned to such term in the opening paragraph of this Agreement.

27. "Seller's Closing Documents" shall have the meaning assigned to such term in Section 8.1 of the Agreement.

28. "Seller's Title Notice" shall have the meaning set forth in Section 5.1.

29. "State" shall mean the State of Minnesota.

30. "Survey" means an updated ALTA/ACSM survey of the Property prepared by a surveyor acceptable to Buyer in its sole discretion.

31. "Title Commitment" means a commitment for an ALTA Owner's Policy of Title Insurance insuring fee simple title to the Property in the amount of the Purchase Price, which shall (i) commit the Title Company to insure fee simple title to the Property subject only to the Permitted Encumbrances, (ii) so long as Buyer obtains the Survey, affirmatively insure Buyer against any and all encroachments or mechanic's liens not of record, (iii) provide that the Title Company will increase its coverage at any time to reflect increase in the property values and /or improvements being made to the Property, upon payment to the Title Company of a standard policy premium for the amount of the increased insurance coverage; and (iv) provide that the Property is zoned properly for Buyer's intended use of the Property and that the Property is in compliance with all applicable zoning requirements.

32. "Title Company" shall mean Commercial Partners Title LLC, 200 South Sixth Street, Suite 1300, Minneapolis, MN 55402, or such other title insurance company as Buyer may select in its reasonable discretion.

33. "Title Evidence" shall mean the Title Commitment and the Survey, together.

34. "Title Objections" shall have the meaning assigned to such term in Section 5.2 of this Agreement.

B. **Notices**. Notices, as provided in this Agreement, shall be given to the parties at the following addresses, or such other address as any of the parties may reasonably notify the other parties of in accordance with this Agreement:

If to Buyer:	Aeon Portfolio II LLC 901 North Third Street, #150 Minneapolis, MN 55401 Attention: James Lehnhoff email: jlehnhoff@aeonmn.org Phone Number: (612) 746-0528
With a copy to:	Faegre Baker Daniels LLP 90 South Seventh Street, Suite 2200 Minneapolis, Minnesota 55402 Attention: Angela Christy email: angela.christy@faegrebd.com Phone Number: (612) 766-7000
If to Seller:	City of Ramsey 7550 Sunwood Drive NW Ramsey, Minnesota 55303 Attention: Patrick Brama

Email: pbrama@ci.ramsey.mn.us
Phone Number: (763) 433-9868

With a copy to:

Ratwik, Roszak & Maloney, P.A.
730 Second Ave. South, Suite 300
Minneapolis, MN 55402
Attention: Joseph J. Langel
Email: jjl@ratwiklaw.com
Phone Number: (612) 339-0060
Facsimile Number: (612) 339-0038

EXHIBIT B

Legal Description

Outlot A, Ramsey Town Center 7th Addition, Anoka County, Minnesota.

EXHIBIT C

List of Required Documents

Copies of the following:

- Existing title policies, title commitments and survey, if any;
- Real estate tax statements and other tax bills (including special assessments) affecting the Property for the last two calendar years;
- All inspections, reports, clearances and other documentation issued by any Governmental Authority having jurisdiction of the Property in the last three calendar years;
- Any environmental reports in connection with the Property in Seller's possession;
- Copy of the plat for the Property; and
- All Reports.

Economic Development Authority (EDA) **5. 4.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Update: GS Land PA Extension

Purpose/Background:

RE the attached GS Land PA (multiple documents, this PA was re-assigned from NIK management, and has also been amended). This PA is for the two-phased residential project, on the former municipal center campus (known as Harvest Estates).

Staff has received a request from GS to extend the closing date on this PA by one year. Like other agreements, staff requested an additional non-refundable earnest money from GS Land in exchange for the proposed extension. The Council pre-arranged this potential extension in 2016 (via a formal resolution). GS Land will be providing $20,000 earnest money, $5,000 will be non-refundable immediately. That request is anticipated to reach the Council on 04/25/2017(will be an amendment).

Staff connected with GS Land recently. They intend to move forward this project (i.e. Phase II). However, they need to make a little more progress with land sales on Phase I.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Action:

Attachments

NIK PA

Amendment 1

Re Assignment to GS Land

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Patrick Brama		Started On: 04/03/2017 01:27 PM
Final Approval Date: 04/10/2017		

Original Agreement
Copy 1 of 3

REAL ESTATE PURCHASE AGREEMENT

This agreement is made by and between the City of Ramsey (the "Seller"), and NIK Management, Inc. a Minnesota corporation (the "Buyer"), its successors and/or assigns) effective as of the last date signed by all parties below (the "Effective Date").

In consideration of the parties' mutual covenants, undertakings and representations in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. **Sale of Property.**

   a. Subject to paragraph 1(d) below, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller's rights, title, and interest in the real property consisting of approximately 21.5 acres, located at 15240 Helium Street NW and 15153 Nowthen Boulevard NW, bearing PID Nos. 233225410035, 233225410019, 233225410018, the legal description of which is set forth in Exhibit 1 to this agreement (the "Property"), together with (a) all easements, privileges, and rights benefitting or appurtenant to the Property; and (b) without limiting the foregoing all water, mineral and all other rights held by Seller and/or which run with the land.

   b. The Property shall be conveyed from Seller to Buyer in two parcels, the approximate areas of which are illustrated in Exhibit 2. Parcel A is the southerly parcel of approximately 14 acres. Parcel B is the northerly parcel of approximately 7.5 acres. Within 60 days after the Effective Date of this Agreement, Buyer shall obtain a survey at its expense depicting Parcel A and Parcel B and setting forth the legal description for both. The survey and legal descriptions shall be attached to and made part of this Agreement.

   c. Parcel A and Parcel B shall be platted by Buyer at Buyer's expense as two separate plats. Buyer shall submit an application for preliminary plat approval of Parcel A within 60 days after receipt of the survey referenced above.

   d. The sale of Parcel B is contingent upon Seller approving the construction of a new fire station by April 30, 2015. In the event the City Council does not approve of the new fire station project by that date, the sale of Parcel B shall be deemed null and void and not part of this Agreement.

2. **Property Demolition.** As of the Effective Date, the former city hall, an existing fire station, access roads, associated parking facilities, and a mound septic system exist on Parcel B ("Existing Improvements"). The fire station will remain in use until a new fire station is completed on a new site in 2016. Upon completion of the new fire station and removal of all equipment from the existing fire station, the Seller shall demolish the Existing Improvements at its expense and remove the resulting debris. The Seller is not responsible for any changes to the existing grade on the site or any other site improvements.

3. **Purchase Price and Manner of Payment.** The total purchase price ("Purchase Price") Buyer will pay to Seller for the Property is Nine Hundred Twenty Nine Thousand and no/100 Dollars ($929,000.00) payable as follows:

a. **Earnest Money.** (Ten Thousand Dollars ($10,000.00) as earnest money (the "Earnest Money") to be paid into escrow to Title-1, 7535 Sunwood Drive, Ramsey, MN 55303 ("Title Company") by Buyer, upon execution of this Agreement by both parties, to be held by the Title Company and released to Seller at Closing in reduction of the Purchase Price, or as otherwise provided herein. The Earnest Money shall be returned to the Buyer if this Agreement is terminated by the Buyer during the course of the Buyer's due diligence investigations and inspection period, or if the parties do not reach a mutually acceptable developer's agreement timely, or if the Buyer's project does not receive final plat approval timely, or upon Seller's breach. Notwithstanding any other terms in this Agreement, $1,500 of the Earnest Money shall become non-refundable and released to the Seller by the Title Company 61 days after the Effective Date of this Agreement.

b. **Closing Payments.**

1. Buyer will purchase Parcel A for $581,000.00. Closing on Parcel A shall occur within 30 days after final plat approval of Parcel A and execution of a mutually acceptable developer's agreement, or by June 30, 2015, whichever is earlier. $3,000 of the Earnest Money remaining as of the date of closing shall be applied in reduction of the purchase price.

2. Buyer will purchase Parcel B for $326,250.00. Closing on Parcel B shall occur within 30 days after the Seller provides written notice to Buyer that demolition of Existing Improvements, as described in Section 2 above, is completed. The Earnest Money remaining as of the date of closing shall be applied in reduction of the purchase price.

(c) **Adjustment to the Purchase Price.** The Property is bordered on the west by Krypton Terrace N.W., which currently intersects with, and terminates at, the west driveway entrance to the existing city hall site. Seller intends to eliminate the west driveway entrance during demolition and construct an extension of Krypton Terrace N.W. so as to align it with the Nowthen Blvd. / 151st Lane N.W. intersection ("Street Option 1"). In the event that Street Option 1 cannot be constructed, as determined by Seller, Krypton Terrace will be extended by Buyer east/southeast into the Property and aligned with the right-of-way dedicated to Seller on Buyer's plat(s) ("Street Option 2"). If Street Option 2 is utilized, the Purchase Price shall be adjusted downward to reflect the cost of construction of the road and the loss of approximately one (1) acre of buildable land. Those costs are estimated to be One Hundred Forty Five Thousand Dollars ($145,000.00). The parties shall negotiate in good faith, using their best efforts, to reach agreement on the amount of the price adjustment. If the parties cannot reach agreement on this issue, they agree to submit the matter to binding arbitration.

4. Contingencies. Buyer's obligations under this Agreement are expressly contingent upon satisfaction or waiver of each of the following conditions:

a. **Title.** Title will have been found acceptable to Buyer, or been made acceptable, in accordance with this Agreement's requirements and terms.

b. **Performance of Seller's Obligations.** Seller will have performed all of its obligations required under this Agreement, as and when required by this Agreement.

c. **Representations and Warranties.** All of Seller's representations and warranties contained in this Agreement are true and correct as of the Closing Date.

d. **Inspections and Feasibility and Due Diligence Investigations.** Buyer's satisfaction with the results of and matters disclosed by such inspections, investigations and testing of the Property (the "Inspections"), including without limitation, surveys, soil tests, environmental reports, Phase I reports, and all other tests and inspections of the Property, which Buyer deems necessary or appropriate to determine the suitability and feasibility of the Property for Buyer's intended use of the Property (including without limitation, the successful application for rezoning and plat approval) and Buyer shall have determined, that the Property meets with Buyer's approval, including other assessments such as utilities and environmental suitability and riparian or other water rights. Seller shall allow Buyer, and Buyer's agents, physical access to the Property without charge at all reasonable times for the purpose of Buyer's Inspections. Buyer's Inspections will be conducted in a manner not unreasonably disruptive to the Property. Buyer shall further repair and restore any damage to the Property caused by or occurring during Buyer's Inspections and return the Property to substantially the same condition as existed prior to such entry.

e. **Due Diligence Documents.** Buyer shall be satisfied with Buyer's review and analysis of all of the following Due Diligence Documents previously provided by Seller and the information contained therein:

i) ALTA Survey by Kakanson Anderson dated December 19, 2012.

ii) Title Commitment from First American Title Insurance Company dated October 31, 2012, Commitment Number T12-11033.

iii) Phase I Environmental Assessment

iv) Phase II Environmental Assessment

v) Limited Site Investigation

vi) Response Action Plan

vii) MPCA Petroleum Tank Release Site File Closure

viii) Geotechnical Soils Evaluation

ix) Hazardous Materials Survey

x) Aerial Photo

xi) Lidar Contours Map

xii) Street Map

xiii) Sewer and Water Map

xiv) Official Zoning Map

xv) Development Concept Maps

xvi) Consumer Confidence Report (water)

f. **Inspection and Due Diligence Investigation Period.** Buyer shall be afforded a period of sixty (60) days from the Effective Date (the" Due Diligence Period") to complete its inspections and due diligence investigations. If Buyer's inspections and due diligence investigations are not completed within the Due Diligence Period for no fault of Buyer, Buyer may request and Seller shall grant one (1) thirty (30) day extension of the inspection and due diligence period.

g. **Financing.** The Buyer's obligations under this agreement are contingent upon the Buyer obtaining a reasonably satisfactory financing commitment within One Hundred Twenty (120) days after the signing of this agreement.

h. If any contingency has not been satisfied or waived by Buyer, in its sole discretion, on or before the Closing Date, then Buyer may at its option terminate this Agreement by written notice to the Seller at any time on or before the Closing Date. Upon termination of this Agreement pursuant to this Section 3 (and except as otherwise provided herein), all of the Earnest Money, and any interest accrued thereon, shall be immediately released to Buyer, and upon such return this Agreement shall terminate and neither party shall have any further rights or obligations regarding this Agreement or the Property. All of the contingencies set forth in this Agreement are specifically for Buyer's exclusive benefit, and Buyer shall have the right to unilaterally waive any of Buyer's contingencies contained in this Agreement. Notwithstanding the foregoing, nothing contained in this Section 3 will waive or diminish any right or remedy Buyer may have for Seller's default or breach of this Agreement.

5. **Seller's Cooperation.** Seller shall fully cooperate with Buyer's feasibility and due diligence investigations. Seller hereby authorizes Buyer and Buyer's representatives, agents, employees, contractors and experts to enter upon the Property during the Due Diligence

Period in order to complete Buyer's feasibility and due diligence investigations and thereafter until Closing to enable Buyer to prepare for taking possession as of Closing. This license to enter the Property excludes entry into any existing structures on the Property. Seller authorizes Buyer to apply for rezoning and final plat approval and for all other development approvals, rights and authorities, and Seller shall attend any meetings or communicate with such public officials and other third parties, as Buyer may reasonably request, in order to facilitate Buyers feasibility and due diligence investigations and Closing.

6. **Title Examination.** Except for the Permitted Encumbrances, Seller will satisfy all liens or encumbrances against the Property and Buyer will receive the Property free and clear of any and all liens or encumbrances. The title examination for the Property will be conducted as follows:

a. **Seller's Title Evidence.** Seller shall, as promptly as possible, and in any event within twenty (20) days after the Effective Date, furnish to Buyer all of the following title evidence (the "Title Evidence"):

(1) **Title Commitment.** A title commitment (the "Title Commitment") to issue an owner's title insurance policy (the "Title Policy") issued by Title Company or other mutually and reasonably acceptable title insurer. The Title Commitment will be issued on a current ALTA form, including complete and legible copies of all documents of record encumbering or affecting the Property and relevant tax lien, special assessment, judgment and bankruptcy searches, insuring title to the Property, deleting standard exceptions and in the full amount of the Purchase Price. The Title Commitment will commit the Title Company to insure that Buyer will have good and marketable title to the Property and its appurtenances on the Closing Date free and clear of all liens, mortgages and encumbrances, except the Permitted Encumbrances, and shall be updated prior to Closing and insuring the boundaries of the Property and of each parcel comprising the Property. The Title Commitment must include a contiguity endorsement for all parcels that make up the Property.

(2)

b. **Title Objections.** Within thirty (30) days after Buyer's receipt of the Title Commitment and the Survey, Buyer will make written objections ("Objections") to the form and/or contents of the Title Commitment and the Survey and the status of title as shown on the Title Commitment and the Survey. Buyer's failure to make Objections within such time period will constitute a waiver of objections. If an update to the Title Commitment reveals any encumbrance that did not appear in the original Title Commitment, Buyer shall have the right to make Objections to such encumbrance and the provisions of this Section 5 (b) shall again apply to such Objections. Seller shall use its best efforts to correct all Objections within 30 days after receiving the Objections (the "Cure Period"), during which period the Closing will be postponed as necessary. Seller further agrees to use all reasonable efforts and to expend such sums as may be reasonably necessary to make such title marketable in the event a defect is disclosed. To the

extent an Objection can be satisfied by the payment of money, Buyer will at its option have the right to apply a portion of the Purchase Price payable to Seller at the Closing to satisfy such Objections and the amount so applied will reduce the amount of the Purchase Price payable to Seller. If the Objections are not cured within the Cure Period, Buyer will have the option to do any of the following:

(1) Terminate this Agreement without any liability and receive a refund of all Earnest Money and accrued interest; or

(2) Withhold from the Purchase Price an amount which, in the Title Company's reasonable judgment, is sufficient to assure cure of the Objections. Any amount so withheld will be placed in escrow with the Title Company, pending such cure. If Seller does not cure such Objections within 30 days after such escrow is established, Buyer may then cure such Objections and charge the costs of such cure (including reasonable attorneys' fees) against the escrowed amount. If such escrow is established, the parties agree to execute and deliver such documents as may be reasonably required by the Title Company, and Seller agrees to pay the charges of the Title Company to create and administer the escrow; or

(3) Waive the Objections and proceed to close; provided that Buyer shall have the option, at Closing, to pay directly any liens, mortgages, charges or similar encumbrances against the Property that are liquidated in amount and to which an Objection has been made by Buyer, and Buyer may deduct the amount so paid from the Purchase Price. Waived Objections shall become "Permitted Encumbrances."

c. **Title Policy.** Buyer will obtain, at the Closing, a Title Policy issued by the Title Company, or a suitably marked up commitment initiated by the Title Company undertaking to issue such a Title Policy as approved by Buyer.

7. **Seller's Closing Documents.** On the Closing Date, Seller will execute and deliver to Buyer the following documents ("Seller's Closing Documents"):

(1) **Warranty Deed.** A Warranty Deed in a recordable form acceptable to Buyer conveying marketable fee title to the Property to Buyer free and clear of all encumbrances, except the Permitted Encumbrances (the "Deed").

(2) **Seller's Affidavit.** An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, fixture filings, tax liens or bankruptcies against or involving Seller or the Property; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and that there are no other known unrecorded interests in the Property, together with whatever standard owner's affidavit and/or, indemnity (ALTA Form) which may be reasonably required by the Title Company to issue the Title Policy.

(3) **Other Documents.** Any required federal income tax reporting forms, well certificates or septic system disclosures required by law or the Title Company, and all other documents required by the Title Company or Buyer which are reasonably necessary to transfer the Property to Buyer under this Agreement and record the Deed and other closing documents.

8. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and deliver to Seller the following ("Buyer's Closing Documents"):

(1) **Closing Payment.** The Closing Payment.

(2) **Title Documents.** Such affidavits of Buyer, Certificates of Value or other documents as may be reasonably required by the Title Company to record the Seller's Closing Documents and issue the Title Policy.

9. **Proration.** Seller and Buyer agree to the following proration and allocation of costs regarding this Agreement:

a. **Title Insurance, Closing Fee, Deed Tax, Recording Fees.** Seller will pay all costs of the Title Commitment. Buyer will pay all premiums required for the issuance of an Owner's Title Policy and any mortgagee's title insurance policy. Seller and Buyer will each pay one-half (½) of any reasonable and customary closing fee or charge imposed by the Title Company and any escrow fee charged by the Escrow Agent (except that to the extent Escrow Agent fees are required as a result of title defects or Seller's inability to close then Seller shall pay such costs). Seller will pay all transfer taxes and state deed tax regarding the Deed to be delivered by Seller under this Agreement. Buyer will pay the costs of recording all required documents related to this transaction.

b. **Real Estate Taxes and Special Assessments.** Seller and Buyer shall prorate as of the date of Closing all general real estate taxes, and installments of assessments and special assessments payable in the year of Closing. Seller shall pay all general real estate taxes and installments of special assessments payable therewith in all years prior to Closing. Seller will pay in full, on or before the Closing Date, all special assessments levied, pending, certified or constituting a lien against the Property as of the Closing Date, including without limitation any installments of special assessments including interest payable with general real estate taxes in the year of Closing. Seller shall pay all deferred real estate taxes or special assessments which may become payable as a result of the sale contemplated by this Agreement. Seller shall pay all delinquent real estate taxes and special assessments, together with all penalties, interest, and costs payable in the year of Closing and all prior years. Buyer shall pay all real estate taxes and special assessments payable therewith in all years after the Closing.

c. **Attorneys' Fees.** A party defaulting under this Agreement or any closing document will pay the reasonable attorneys' fees and court costs incurred by the non-defaulting party to enforce its rights regarding such default.

10. Operations Before Closing. During the period from the Effective Date to the Closing Date, Seller will not enter into or consent to any agreement or obligation regarding the Property which is not terminable before Closing without Buyer's prior written consent.

11. Seller's Representations and Warranties. Seller represents and warrants to Buyer now and as of the Closing Date as follows:

a. Title to Property. Seller owns the Property, and on the Closing Date,(which may be in connection with and as a result of the Closing) the Property will be free and clear of all liens and encumbrances, except the Permitted Encumbrances.

b. Roads and Utilities. The Property has full and complete legal access from an adjoining public road. Electric, water, sanitary sewer, and natural gas utilities are available to the improvements on the Property. Seller has no knowledge of and has received no notice of actual or threatened reduction or curtailment of any roadway access or utility service now supplied, or to be supplied, to the Property.

c. Assessments. Seller has no knowledge of and has not received any notice of actual or threatened special assessments or reassessments of the Property, or any hearing notice of a new public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property. Seller will promptly provide Buyer with any notices it receives regarding any special assessments or other charges against the Property.

d. Rights of Others to Purchase Property. Seller has not entered into any other contracts for the sale of the Property, nor are there any rights of first refusal, options to purchase, rights to build, leases or any other agreements regarding the Property, or any other rights of others that might prevent this Agreement's consummation or Buyer's purchase of the Property in any way.

e. Construction Liens. No materials have been delivered nor any work or labor performed on the Property under contracts with Seller during the last 120 days which have not been fully paid for, and no person or entity presently has any lien, or right of lien, against the Property for labor or materials. Seller will indemnify Buyer for all amounts that Buyer may be compelled to pay in discharging or settling any mechanics lien filed for record against the Property and relating to such labor and/or materials.

f. Wells, Septic Systems, Tanks. There is a well located on the Property. Prior to Closing, Seller shall cap the well, at Seller's cost, and in compliance with all applicable ordinances and codes.

g. Compliance With Law. To Seller's best knowledge, the Property is in compliance with, and shall be in compliance with on the Closing Date, all applicable zoning ordinances and other applicable federal, state and local laws and regulations with respect to the Property.

h. **Proceedings.** There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to Seller's knowledge, threatened against Seller or any portion of the Property except as disclosed to Buyer in writing as of the date of this Agreement.

i. **Environmental Issues.** To Seller's best knowledge, the Property does not contain any hazardous waste or materials and is in compliance with all applicable environmental laws, and Seller has obtained all permits required under the federal state and local environmental laws in connection with the Property's ownership and operation. Seller has not received, nor is aware of, any notice of any past, present, or anticipated future events, conditions, activities, investigations, plans, studies or proposals, which: (a) would interfere with or prevent compliance by Seller with any environmental law; or (b) may give rise to any common law or statutory liability or otherwise form the basis of a claim, action, suit, proceeding, investigation or hearing, involving Seller or the Property and related in any way to hazardous substances or environmental laws. To Seller's knowledge, no investigation, administrative order, consent order and agreement or litigation and settlement with respect to solid waste or hazardous materials is in existence or threatened or anticipated with respect to the Property. Seller shall indemnify and hold Buyer harmless from and defend Buyer against any and all claims for violations of the federal, state or local environmental laws (including without limitation, claims arising out of any discharge of hazardous wastes) that occurred prior to the Closing. This indemnification shall include the right of the Buyer to recover and be paid any and all legal fees and costs incurred by Buyer (whether or not an action was started) in enforcing this indemnification or otherwise incurred as a result of Seller's breach. This duty of indemnification shall survive the Closing.

j. **Methamphetamine Disclosure.** Seller is not aware of any methamphetamine production that has occurred on the Property.

k. **Authorization.** Seller has the requisite power and authority to enter into this Agreement and the Seller's Closing Documents signed by Seller. Seller's execution, delivery and performance of this Agreement and Seller's Closing Documents does not conflict with or result in violation of any contract or agreement, or any judgment, order or decree of any court or arbiter to which Seller is a party. This Agreement and Seller's Closing Documents are Seller's valid and binding obligations, and are enforceable in accordance with their terms.

Except as specifically provided in this Agreement, Seller makes no other express or implied warranties or representations of any kind regarding the Property, including without limitation, the Property's condition, merchantability or fitness for a particular purpose. Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Each of the representations and warranties contained in this Agreement shall survive the Closing and delivery of the Deed. Consummation

of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach. These warranties and the duty of indemnification shall survive Closing.

12. Buyer's Representations and Warranties. Buyer represents and warrants to Seller that Buyer has the requisite power and authority to enter into this Agreement and the Buyer's Closing Documents signed by Buyer. This Agreement and Buyer's Closing Documents will have been duly authorized by all necessary action on Buyer's part and will have been duly executed and delivered. Buyer's execution, delivery and performance of this Agreement and Buyer's Closing Documents does not conflict with or result in violation of any contract or agreement, or any judgment, order or decree of any court or arbiter to which Buyer is a party. This Agreement and Buyer's Closing Documents are Buyer's valid and binding obligations, and are enforceable in accordance with their terms. These warranties will survive Closing.

13. Condemnation. If, before the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller will immediately give notice to Buyer of such fact, together with a legal description of the property being taken, and Buyer shall have the right at its option to terminate this Agreement by giving notice to Seller within 30 days after receiving Seller's notice or to purchase any remaining part of the Property which has not been so taken by condemnation or eminent domain, with a pro rata reduction in the Purchase Price based on the number of square feet taken. Upon termination of this Agreement pursuant to this Section, the Earnest Money shall be returned to Buyer and neither party will have further obligations under this Agreement. If this Agreement is not terminated under this Section, any awards from such condemnation or eminent domain proceedings shall belong to Seller. Before the Closing Date, Seller will not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent, which shall not be unreasonably withheld.

14. Mutual Indemnification. To the extent allowed by law, Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership. Such rights to indemnification will not arise to the extent that: (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees); or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

15. Broker's Commission. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction other than CBRE, Inc. ("Seller's Broker"), which represents Seller. Seller shall pay

Seller's Broker as required by their specific agreement. To the extent allowed by law, Seller and Buyer agree to indemnify and hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's Broker as set forth above, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

16. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement when it is: (a) delivered personally to the party or an officer of a party; (b) deposited in a sealed wrapper in the United States mail, postage prepaid; (c) deposited cost paid with a nationally recognized, reputable overnight courier; or (d) faxed or emailed, provided an original is personally delivered or deposited as provided herein, properly addressed as follows:

If to Seller: Kurt Ulrich
City Administrator
City of Ramsey
7550 Sunwood Drive NW
Ramsey, MN 55303

If to Buyer: Neal Kzryzaniak
NIK Management, Inc.
11736 177th Street West
Lakeville, MN 55044
Email: nealkay@live.com

Notices will be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit the time for response to any notice by the other party will commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, five (5) days prior to the effective date of such change.

17. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

18. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written Agreements between the parties regarding the Property. There are no oral or side agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

19. **Binding Effect.** This Agreement binds and benefits the parties and their respective successors and assigns.

20. **Controlling Law.** Minnesota law will govern this Agreement.

21. **Time of the Essence.** Time is of the essence with respect to all matters in this Agreement.

22. **Remedies.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving 30 days written notice to Buyer. If Buyer fails to cure the default within 30 days of service of the notice, this Agreement will terminate, and upon the termination, Seller will retain the Earnest Money. Upon Seller's default, Buyer shall have the right to receive all Earnest Money. In addition to and not in limitation of the foregoing, if prior to Closing, Seller defaults on any of the warranties, covenants or agreements in this Agreement or if any representation shall be untrue, then Buyer may at its option terminate this Agreement without liability to Buyer and all Earnest Money shall be refunded to Buyer.

23. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which together shall constitute the Agreement. Facsimile and emailed signatures shall be sufficient for all purposes.

SELLER:

City of Ramsey

Dated: 1/14, **2015**

MAYOR

CITY ADMINISTRATOR

BUYER:

NIK Management, Inc.

Dated: 1-23 **, 2015**

By: _____

Its: President

FIRST AMENDMENT
TO THE
REAL ESTATE PURCHASE AGREEMENT

This First Amendment amends the Real Estate Purchase Agreement by and between the **City of Ramsey** (the "Seller") and **G S Land, LLC** (assignee of NIK Management, Inc.) (the "Buyer"), dated January 23, 2015.

In consideration of the mutual covenants set forth below, Seller and Buyer agree to the following changes to the Real Estate Purchase Agreement:

1. **Sale of Property – Exclusion of Parcel.** Paragraph 1(a) and Exhibit 1 of the Agreement are amended so as to exclude from the Property the single parcel located at 15240 Helium Street N.W., PID No. 23-32-25-41-0035, legally described as Lot 21, Block 1, MEADOW, Anoka County, Minnesota.

2. **Purchase Price.**

   a. Buyer submitted a survey dated March 13, 2015, revising the area of the Property. Given the revised survey dimensions, the Purchase Price is modified as follows:

Parcel A: 14.86 acres x $41,500/acre =	$616,690
Parcel B: 6.42 acres x $43,500/acre =	$279,270
Total	$895,960

   b. The first sentence of Paragraph 3 is modified as follows:

   "The total purchase price ("Purchase Price") Buyer will pay to Seller for the Property is ~~Nine Hundred Twenty-Nine Thousand and no/100 Dollars ($929,000.00)~~ Eight Hundred Ninety-Five Thousand, Nine Hundred Sixty Dollars ($895,960.00) payable as follows:"

   c. Paragraph 3(b)(1) is modified as follows:

   "Buyer will purchase Parcel A for ~~$581,000.00~~$616,690.00.

   d. Paragraph 3(b)(2) is modified as follows:

   "Buyer will purchase Parcel B for ~~$326,250.00~~ $279,270.00."

3. **Remaining Agreement Unchanged.** The remainder of the Real Estate Purchase Agreement remains unchanged, including all original timelines and Earnest Money requirements.

4. **Counterparts.** This First Amendment may be executed in any number of counterparts, all of which together shall constitute the First Amendment. Facsimile and e-mailed signatures shall be sufficient for all purposes.

City of Ramsey

Dated: 4/28/15, **2015**

Sarah Strommen, Mayor

Kurt Ulrich, City Administrator

BUYER (Assignee):

G S Land, LLC

Dated: 4/14/2015, **2014**

By:

Its: Chief Manager

ASSIGNMENT

For valuable consideration the receipt and sufficiency of which is hereby acknowledged, NIK Management, Inc. (the "Assignor") hereby sells, transfers, conveys and assigns all of Assignor's rights and interests in that certain real estate purchase agreement with the City of Ramsey as Seller and the Assignor as buyer, dated January 23, 2015 provided for the purchase and sale of approximately 21.5 acres of real property located at 15240 Helium Street NW and 15153 Nowthen Blvd NW, City of Ramsey, Minnesota (the "purchase agreement") to GS Land, LLC (the "Assignee"). This assignment is made pursuant to, and in reliance upon the parties' letter of intent dated March 9, 2015. This assignment is made without recourse, and without representation or warranty, except that Assignor represents that it is the buyer under the purchase agreement and has the right, power, capacity and authority to assign the purchase agreement to Assignee. Assignor shall provide any additional documents and take any additional actions reasonably requested by Assignee to effectuate this assignment. Assignee accepts the assignment made by this instrument, assumes the obligations of the buyer under the purchase agreement and agrees to perform in accordance with the purchase agreement. Assignee agrees to indemnify Assignor, and to hold Assignor harmless and to defend Assignor against any claims of breach of the purchase agreement arising after the time of this assignment or otherwise as a result of any act or omission by Assignee.

In consideration for this assignment, Assignee shall pay Assignor the sum of Seventy-Five Thousand Dollars ($75,000.00) as follows: (1) Thirty Thousand Dollars ($30,000) on execution and delivery of this assignment; and (2) the remaining Forty-Five Thousand Dollars ($45,000.00) upon completion of development approvals and authority from the City of Ramsey

in accordance with the March 9, 2015 letter of intent. These payments shall be delivered by bank wire transfer of funds delivered to following bank coordinates:

Account Name:	NIK Management Inc.
Account Number:	5231841619
Bank:	Wells Fargo Bank
Bank Address:	17365 Kenyon Avenue; Lakeville MN 55044
ABA Routing Number:	121000248

NIK Management, Inc.

Dated: March 9th, 2015

By: _____

Its: President

GS Land, LLC

Dated: _____, 2015

By: _____

Its: _____

Economic Development Authority (EDA) **5. 5.**

Meeting Date: 04/13/2017

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Title:

Update: Platinum Properties PA

Purpose/Background:

Attached is former PA with Platinum Properties (it has been terminated).

Staff has been told by Platinum Properties that they intend to bring back a new PA this week. The new PA will be very similar, if not identical, to the existing PA (as indicated by Platinum Properties). However, with that said, staff has not received a final/ formal request. This situation is fluid. Staff will likely have more updates come the EDA meeting on 04/13.

If this project is to move forward, it will need to move fast (this building needs to be constructed before January 1, 2018). If the PA that comes back to the City is the same as originally proposed, staff doesn't intend to bring said PA back through the EDA (due to timing). However, if the PA that comes back, has substantial changes, staff will bring it back through the EDA for review. In that situation, staff anticipates a request for a special EDA meeting.

Notification:

Observations/Alternatives:

Funding Source:

Recommendation:

Action:

Attachments

Platinum PA

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kathy Schmitz	04/10/2017 10:04 AM
Form Started By: Patrick Brama		Started On: 04/03/2017 12:47 PM
Final Approval Date: 04/10/2017		

PURCHASE AGREEMENT

This Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation ("Seller"), and **Platinum Properties Group, Inc.**, a Minnesota Sub S Corporation ("Buyer").

In consideration of the Earnest Money, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **EFFECTIVE DATE.** The effective date of this Agreement is November 10, 2016 (the "Effective Date").

2. **SALE OF PROPERTY.** Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Property, legally described as follows:

   The northern 9.3 acres of Lot 1, Block 1, Bury & Carlson Addition, Anoka County, Minnesota (County PID 27-32-25-34-009) to be further described by future plat to be completed by Buyer.

3. **PURCHASE PRICE.** The purchase price for the Property is $810,000.00 (the "Purchase Price").

4. **EARNEST MONEY.** Within five (5) business days after the Effective Date, Buyer must deposit the sum of $10,000.00 (the "Earnest Money") with Commercial Partners Title, 200 South Sixth Street Suite, 1300, Minneapolis, Minnesota 55402 ("Escrow Agent"), via wire transfer or delivery of a check payable to Escrow Agent.

   a. If Buyer does not deposit the Earnest Money with Escrow Agent as required above, then Seller may terminate this Agreement by written notice to Buyer; provided; however, if Buyer deposits the Earnest Money with Escrow Agent before Seller exercises Seller's right to terminate, Seller's right to terminate is extinguished.

   b. Unless Buyer has previously terminated this Agreement pursuant to Section 10, $10,000.00 of the Earnest Money (the "Initial Disbursement") becomes non-refundable to Buyer (except in accordance with Section 23 as a result of a default by Seller) on February 28, 2017, and on that date Escrow Agent must disburse the Initial Disbursement to Seller.

c. In the event Buyer requests an extension of the Inspection Period, and the extension is agreed to in writing by Seller, all remaining Earnest Money shall become non-refundable and released to the Seller by the Escrow Agent.

d. Upon Seller's receipt of a Notice to Proceed from Buyer in accordance with Section 10(b), all of the Earnest Money becomes non-refundable (except in accordance with Section 23 as a result of a default by Seller).

e. If Buyer does not provide a Notice to Proceed to Seller in accordance with Section 10(b), this Agreement automatically terminates and Escrow Agent must disburse all Earnest Money Escrow Agent holds to Buyer, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).

f. At Closing, Escrow Agent shall disburse to Seller any Earnest Money not previously disbursed to Seller, and Buyer shall receive a credit against the Purchase Price owing at Closing in an amount equal to the amount of the Earnest Money.

5. **SURVEY.** Seller shall, at Seller's expense, obtain an ALTA/NSPS 2016 survey (Table A, items 1-4 and 6, 8, and 11) (the "Survey") from a duly licensed surveyor and deliver it to Buyer within thirty (30) days after the Effective Date. Buyer may arrange with the surveyor to include additional information on the Survey at Buyer's expense.

6. **PLATTING & DEVELOPMENT AGREEMENT.** Buyer must obtain an approved final plat and a development agreement with the City of Ramsey for the development of approximately a 72,000 square foot building (phase one) and a 51,000 square foot building (phase two) on the Property before Closing. Development Agreement and Site Plan must comply with all local zoning ordinances and design standards.. The Development Agreement required for development of the Land shall include, as exhibits, the site design and the front, side and rear elevations of the proposed structure(s). Seller expressly reserves the right to approve the site design and elevations to be utilized on this Property.

7. **TITLE COMMITMENT.**

a. Seller makes no representations or warranties with respect to the status of title to the Property. Within ten (10) business days after the Effective Date, Seller shall, at Seller's expense, obtain a commitment from Escrow Agent to issue an owner's policy of title insurance insuring Buyer's title to the Property (the "Title Commitment") and deliver the Title Commitment and copies of or internet access to copies of all recorded documents referenced in the Title Commitment to Buyer.

b. Buyer shall have until the date twenty (20) business days after the receipt of the Title Commitment and the Survey (collectively, "**Title/Survey**") to review Title/Survey and to give Seller written notice of (i) any defects in the

marketability of Seller title to the Property or any encumbrances on Seller's title to the Property that are objectionable to Buyer, and (ii) the specific actions Buyer requests that Seller take with respect to each such defect or encumbrance (a "**Title Objection Notice**"). Any defects in or encumbrances on Seller's title that Buyer does not identify in a timely Title Objection Notice are each a "**Permitted Exception.**" Within three (3) business days after Seller's receipt of a Title Objection Notice from Buyer, Seller will notify Buyer, in writing, of the actions, if any, that Seller is willing to take with respect to each of the matters identified in the Title Objection Notice and the time frame in which Seller will take those actions ("**Seller's Title Notice**"). If Seller's Title Notice indicates that Seller unconditionally agrees to make Seller's title to the Property marketable on or before the closing date established pursuant to Section 10, the parties shall proceed to closing pursuant to the terms of this Agreement. If Seller's Title Notice indicates that Seller does not unconditionally agree to make Seller's Title to the Property marketable on or before the closing date established in Section 10, Buyer may, at any time with five (5) business days after Buyer's receipt of Seller's Title Notice, terminate this Agreement by written notice to Buyer in which case this Agreement is terminated and Escrow Agent must disburse any Earnest Money (other than Earnest Money that Escrow Agent has disbursed to Seller pursuant to Sections 4(b) and (c)) ("**Buyer's Title Termination Notice**"). If Buyer does not deliver a Buyer's Title Termination Notice to Seller within the five (5) business days after Buyer's receipt of Seller's Title Notice, than Seller must perform in accordance with Seller's Title Notice, Buyer shall be deemed to have waived Buyer's objections to the extent Seller has not agreed to address them in Seller's Title Notice, the matters to which Buyer objected and Seller did not agree to resolve are deemed Permitted Exceptions, and the parties shall proceed to Closing in accordance with the terms of this Agreement and the terms of Seller's Title Notice.

8. **RIGHT OF ENTRY.** At all times after Buyer has deposited the Earnest Money with Seller and before the expiration of the Inspection Period (as defined in Section 9), Buyer (and its employees, agents, and contractors) may enter the Property for the purpose of conducting soil tests, environmental tests, and additional survey work, subject to the following conditions:

   a. Upon the earlier of the date one week after Buyer's completion of its activities on the Property or the date one week after the termination of this Agreement, if either Seller or Buyer terminate this Agreement in accordance with the provisions hereof prior to Closing, Buyer must repair and or restore any damage Buyer or its employees, agents or contractors cause to the Property and remove any personal property, refuse or debris Buyer or its employees, agents or contractors brought onto or authorized third parties to bring onto the Property.

   b. Buyer must defend and indemnify Seller from and against and hold Seller harmless Seller from all "Claims," as defined in Section 10, arising out of, resulting from or relating to any loss of or damage to any property or business or

out of any injury to or death of any person, if the loss, damage, injury, or death arises or is alleged to arise either directly or indirectly and either wholly or in part from: (a) any action or omission of Buyer or its employees, agents, or contractors, while on the Property pursuant to this Section; or (b) actions or omissions of Buyer or Buyer's employees, agents, or contractors that cause or result in the release of any Hazardous Substance onto the Property or onto other property.

c. Buyer must comply with and shall cause its employees, agents, and contractors to comply with all applicable laws, while on the Property.

d. Buyer may not commence any environmental testing on the Property until Buyer submits a work plan for such testing to Seller, and Seller approves the work plan, in writing. Seller may not unreasonably withhold condition or delay Seller's approval of a work plan.

e. Buyer must, promptly and without demand from Seller, provide Seller with true and complete copies of all draft and final reports relating to Buyer's geotechnical and environmental investigations and testing of the Property including, without limitation, any reports relating to any Phase I Environmental Site Assessment of the Property.

f. The cost of any test or additional survey work will be borne solely by Buyer.

9. **PROPERTY SOLD AS IS.** Subject to Buyer's right to terminate this Agreement pursuant to Section 9, Buyer agrees to accept the Property in its current condition, including, without limitation, its current environmental and geological condition, and in an "AS-IS" and with "ALL FAULTS" condition. Buyer's payment of the Purchase Price at Closing constitutes Buyer's acknowledgment and agreement that:

a. Seller has not made any written or oral representations or warranties of any kind with respect to the Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose).

b. Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Property.

c. Buyer has had an adequate opportunity to inspect the condition of the Property, including without limitation any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and

d. The condition of the Property is fit for Buyer's intended use.

e. Buyer accepts all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future,

existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the Property, known or unknown, contemplated or uncontemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property or has migrated from or to the Property.

10. INSPECTION PERIOD.

a. Except as otherwise provided in Section 6, Buyer shall have from the date that Buyer deposits the Earnest Money with Escrow Agent to February 28, 2017 (the "**Inspection Period**") to investigate the Property and determine, in Buyer's sole judgment, whether (i) the condition of the Property is suitable to Buyer's intended use; and (ii) Buyer will be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. Buyer acknowledges and agrees that Seller has not made any covenants, representations or warranties regarding Buyer's ability to obtain governmental approvals from the City of Ramsey or any other governmental entity. The City of Ramsey will review, consider and act on any applications Buyer submits to the City for governmental approvals in accordance with City Code.

b. Buyer may, at any time on or before 5:00 p.m. on the last day of the Inspection Period, terminate the Agreement by written notice to Seller based on Buyer's determination, in Buyer's sole and absolute discretion, that the condition of the Property is not suitable for Buyer's intended use or that Buyer may not be able to obtain all governmental approvals and utilities necessary for Buyer's intended use of the Property. In addition, this Agreement automatically terminates at 5:00 p.m. on the last day of the Inspection Period unless, prior to that time Buyer delivers a written notice of Buyer's intention to proceed (a "**Notice to Proceed**") to Seller.

c. If, pursuant to Section 9(b) either Buyer terminates this Agreement or this Agreement is automatically terminated, the Escrow Agent must disburse to Buyer any Earnest Money Escrow Agent holds, other than Earnest Money Escrow Agent is obligated to disburse to Seller pursuant to Sections 4(b) and (c).

d. During the Inspection Period, Buyer will conduct pre-leasing for the Property (including the installation of a real estate sign), seek city approval of site plans and proposed uses, apply for governmental approvals and entitlements, commence negotiations with a source of financing, order due diligence items such as survey, appraisal, environmental assessments, etc.

11. DEFINITIONS. As used in this Agreement:

"**Claim**" or "**Claims**" means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgments, damages, consequential damages, losses, costs, and expenses of every kind (including without

limitation any attorney's fees, consultant's fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

"**Environmental Law**" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Federal Water Pollution Control Act (the Clean Water Act), 33 U.S.C. § 1251 et seq. the Clean Air Act, 42 U.S.C. § 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing or hereafter enacted.

"**Hazardous Substance**" or "**Hazardous Substances**" means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

12. **RELEASE.** Buyer, for itself, its directors, officers, stockholders, divisions, agents, affiliates, subsidiaries, predecessors, successors, and assigns and anyone acting on its behalf or their behalf hereby fully releases and forever discharges Seller from any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation), past, present and future, known and unknown, existing and contingent, arising out of, resulting from, or relating to the condition of the Property, and Buyer hereby waives any and all causes of action (including without limitation any right of contribution) Buyer had, has or may have against Seller and anyone acting on its behalf with respect to the condition of the Property, whether arising at common law, in equity or under a federal, state or local statute, rule or regulation. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or uncontemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property.

13. **INDEMNITY.** Buyer agrees to indemnify, hold harmless and defend Seller or anyone acting on its behalf for, from and against any and all Claims (including without limitation all Claims arising under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) past, present and future, existing and contingent, known and unknown arising out of, resulting from, or relating to the condition of the Property. The foregoing shall apply to any condition of the Property, known or unknown, contemplated or uncontemplated, suspected or unsuspected, including without limitation the presence of any Hazardous Substance on the Property, whether such Hazardous Substance is located on or under the Property, or has migrated from or to the Property, regardless of whether the foregoing condition of the Property was caused in whole or in part by the Seller's actions or inactions.

14. NOTICES. Notices permitted or required by this Agreement must be in writing and shall be deemed given when delivered in legible form to the party to whom addressed. Notices may be sent by certified mail, fax or e-mail. Notices are effective two business days after they are mailed via certified mail, return receipt requested or, if delivered in any other manner, when the party to whom the notice is directed actually receives the notice. If delivered at the Closing, a notice shall be deemed given when hand-delivered to the party's representative at the Closing. The business addresses of the parties are as follows:

Seller: City Administrator
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Buyer: Mr. Jeff Hagen
Platinum Properties Group Inc.
500 Lake Street
Suite 208
Excelsior, MN 55331

Notices not given in the manner or within the time limits set forth in this Agreement are of no effect and may be disregarded by the party to whom they are directed.

15. CLOSING. This transaction shall close on the date agreed to by Buyer and Seller, nor more than thirty (30) days after Buyer delivers a Notice of Suitability to Seller or on such earlier date as Seller and Buyer may establish by mutual, written agreement. The Closing shall take place at the offices of the Escrow Agent, or at some other place as the parties may mutually agree prior to such date. At the option of either Party, the executed closing documents, Purchase Price and closing costs may be deposited with the Escrow Agent and disbursed by the Escrow Agent pursuant to avoid the necessity for a Closing at which the Parties are present.

a. Seller's Obligations at Closing. At Closing, Seller must deliver to Escrow Agent, for delivery to Buyer:

i. A warranty deed, duly executed and acknowledged on behalf of the City and with the City's seal affixed, conveying title to the Property, subject to (A) the lien of real estate taxes, if any, not yet due and payable and any installments of special assessments certified for payment therewith; (B) Building, Subdivision and Zoning Ordinances; (C) Matters that would be disclosed by an accurate survey of the Property; and (D) matters that constitute Permitted Exceptions pursuant to Section 6;

ii. A certified copy of a duly adopted City Ordinance and Resolution authorizing Seller's sale of the Property to Buyer; and

iii. Seller's affidavits, well disclosure certificate (if required), settlement statement approved by Seller and Buyer, and any other documents required by the Escrow Agent.

b. Buyer's Obligations at Closing. At Closing, Buyer must:

i. Wire Transfer (or deliver a certified check in) an amount equal to the amount of the Purchase Price adjusted for to reflect Buyer's prior payment of the Earnest Money and to reflect amounts Buyer must pay or will receive pursuant to Section 14(c), to Escrow Agent for disbursement to Seller and others pursuant to this Agreement and the Settlement Statement; and

ii. File or cause Escrow Agent to file an Electronic Certificate of Real Estate Value.

16. OPTION TO EXTEND. In the event Buyer requests a 60 day extension of the Inspection Period, and the extension is agreed to in writing by Seller, Buyer must deposit an additional $5,000 Earnest Money with the Escrow Agent. The additional Earnest Money is nonrefundable, and will comply with terms outlined in Section 4 of this Agreement.

a. **Closing Costs.**

i. At Closing, the following Seller closing costs and expenses must be paid from the Purchaser Price or, if the Purchase Price is not sufficient, paid by Seller:

1. Seller's portion of the prorated property taxes.
2. Seller's own attorney's fees.
3. One-half the cost of any closing fees.
4. State deed tax.
5. The cost of providing Title Commitment as prescribed in Section 6
6. The cost of providing ALTA Survey as prescribed in Section 5.
7. The cost of real estate broker commission fees as prescribed in Section 15.

ii. At Closing Buyer must pay the Purchase Price to Seller and the following costs and expenses:

1. Buyer's portion of prorated property taxes.
2. Buyer's own attorney's fees.
3. One-half the cost of any closing fees.
4. Documentary and recording fees for the deed(s).
5. The cost of the owner's title insurance policy if Buyer elects to purchase an Owner's title insurance policy.

b. **Possession.** Seller must deliver possession of the Property to Buyer at Closing.

17. **REAL ESTATE BROKERS.** Seller and Buyer represent and warrant to each other that they have dealt with no brokers, real estate agents, finders or the like in connection with this transaction, other than CBRE, Inc. ("Seller's Broker"). Seller has agreed to pay a commission to CBRE in the amount of five percent (5%) of $500,000 ($25,000). Seller and Buyer agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any broker's fees or commissions resulting for their actions or agreements regarding the execution or performance of this Agreement, other than the fees payable to Seller's and Buyer's Broker, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

18. **ASSIGNMENT.** This Agreement may not be assigned without the express written consent of the non-assigning Party. The City of Ramsey understands Platinum Properties intends to reassign this agreement to a newly created partnership; in which Jeff Hagen of Platinum Properties will be a partial owner. The City of Ramsey will not unreasonably withhold Platinum Properties' ability to reassign this Agreement

19. **THIRD PARTY BENEFICIARY.** There are no third party beneficiaries of this Agreement, intended or otherwise.

20. **JOINT VENTURE.** Seller and Buyer, by entering into this Agreement and completing the transactions described herein, shall not be considered joint ventures or partners.

21. **CAPTIONS.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

22. **ENTIRE AGREEMENT / MODIFICATION.** This written Agreement, and the related Development Agreement, if any, constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver or modification of any of its terms will be effective unless in writing executed by the parties. In the event the terms of this Agreement conflict with the terms of the Development Agreement, the latter shall control.

23. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

24. **CONTROLLING LAW.** This Agreement is made under the laws of the State of Minnesota and such laws will control its interpretation.

25. **REMEDIES.**

    a. If Buyer fails to perform any of the terms or conditions of this Agreement within the specified time limits, Seller may declare this Agreement terminated pursuant to Minnesota Statutes section 559.21. Seller's sole remedy in the event of

Buyer's default is retention of the Earnest Money, unless Buyer defaults under Section 7 or 12 of this Agreement, in which case Seller may retain the Earnest money or suspend the performance of its obligations under this Agreement and commence an action in Anoka County District Court to recover its actual damages arising from the default.

b. If Seller fails to perform any of the terms or conditions of this Agreement within the specified time limits, Buyer may, as its sole remedy, declare this Agreement terminated in which case Escrow Agent and, if applicable, Seller, shall refund the Earnest Money (both the Initial Disbursement and the Remaining Earnest Money) to Buyer, or, in the alternative, Buyer may have this Agreement specifically enforced. Buyer waives all claims for consequential damages against Seller based on Seller's breach or alleged default hereunder.

26. WAIVER. Failure of Seller or Buyer to insist upon the performance of any of the covenants, agreements and/or conditions of this Agreement or to exercise any right or privilege herein shall not be deemed a waiver of any such covenant, condition or right.

27. SURVIVAL OF TERMS AND CONDITIONS. The terms and conditions of this Agreement shall survive and be in full force and effect after the delivery of the deed, and shall not be deemed to have merged therein.

28. SEVERABILITY. Each provision of this Agreement shall apply to the extent permitted by applicable law and is intended to be severable. If any provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

29. CONSTRUCTION. The Parties acknowledge that this Agreement was initially prepared by Seller solely as a convenience and that all Parties and their counsel hereto have read and full negotiated all the language used in this Agreement. The Parties acknowledge that because all Parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement to construe ambiguous or unclear language in favor of or against any Party.

30. DEVELOPMENT REQUIREMENTS, CONSTRUCTION DEADLINES, AND INCENTIVE PAYMENTS.

a. Seller shall provide an incentive payment to the Buyer in the event that any of the following conditions are satisfied by the Buyer:

b. Buyer must obtain certificates of occupancy from the City of Ramsey for the construction of:
   i. Building B (Phase 1) an approximately 72,000 square foot building by March 1, 2018.
   ii. Building A (Phase 2) an approximately 51,000 square foot building by March 1, 2021.

c. Incentive payments are scheduled as follows:
    i. Building A (Phase 1), $155,000 cash payment within 30 calendar days after receiving a certificate of occupancy.
    ii. Building B (Phase 2) ,$155,000 cash payment within 30 calendar days after receiving a certificate of occupancy.

d. If Buyer receives a certificate of occupancy from the City of Ramsey for Building B (Phase 2) by March 1, 2019, Seller shall provide Buyer an additional cash payment of $100,000 within 30 calendar days, for total incentive payment of $255,000 for Building B.

31. BUSINESS SUBSIDY ACT

a. The business subsidy is the sale of the Property at the Purchase Price and is needed in order for development to occur on the Property.
b. The public purpose is the development of the Property by the Buyer as required by this Agreement.
c. The creation of jobs has been determined not to be a goal of the Seller for the Property pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995 and the Seller has held a public hearing and set the wage and job goals at zero.
d. The Buyer agrees that it shall continue operations within the City for at least five (5) years after the acquisition of the Property.
e. There are no other state or local government agencies providing financial assistance for the Property other than the Seller.
f. There is no parent corporation of the Buyer.
g. The Buyer certifies that it does not appear on the Minnesota Department of Employment and Economic Development's list of recipients that have failed to meet the terms of a business subsidy agreement.
h. The Buyer shall provide the Seller with information about the development of the Property as requested by the Seller so that the Seller can satisfy the reporting requirements of Minnesota Statutes, Section 116J.994, Subd. 8.

32. COUNTERPARTS; DIGITAL COPIES. This Agreement may be executed in any number of counterparts and the signature pages of the separate counterparts combined into a single copy of this Agreement which will then constitute a fully executed version of this Agreement. A facsimile, .pdf file or digital copy of a signed counterpart or of an assemblage of counterparts of this Agreement shall be deemed to be an original thereof.

33. DEADLINE FOR REMOVAL OF CITY PROPERTY. The City shall have 120 days after the Effective Date of this agreement to remove: all bunker blocks located on the perimeter of the property (approximately 250+), approximately 100 tons of stock-piled boulders/ rocks, and approximately 500 tons of stock-piled con-bit (class 5).

SELLER: The City of Ramsey, Minnesota

By: _____ Dated: November 10 2016
Sarah Strommen, Mayor

By: _____
Kurt Ulrich, City Administrator

BUYER: Platinum Properties Group, Inc.

By: _____ Dated: November 10 2016
Jeffrey D. Hagen, President