

M E M O

Date: June 5, 2017
To: Pat Brama-City of Ramsey Community
Development Director
From: Brian Pankratz, CBRE
Subject: City of Ramsey Sale Jasper & 143rd Land to
Sharp & Associates
cc: _____

Patrick

In reviewing the draft Purchase Agreement, we support the sale of this property to Sharp & Associates. With the sale and development of this property it will put the property back on the tax rolls, generate development fees, new jobs/businesses, and provide a new industrial development within the City of Ramsey. The proposed project will provide new modern warehouse options to tenants within and outside of Ramsey. The development will offer a variety of bay sizes to allow tenants to grow within the building and potentially expand from Sharp & Associates existing portfolio.

The price offered by Platinum is for \$606,622 or \$1.50 PSF and feel the price is fair based on market values in addition to the risk being taken by developer. The price is also higher than what was proposed by Platinum in a previous deal. There is not an established price range for this parcel but the proposed price would fall within these boundaries. The project is being built on a speculative development basis to my knowledge which is a good sign in the strength of the market. Ramsey is traditionally not a speculative industrial market so vacancy and market rental rates have been factored into the land price. There are not current comparable sales within the Ramsey market for this sale but understand another industrial land parcel with better access/visibility trading for approximately \$1.75 PSF. The project will allow tenants to take advantage of the easy access to Highway 10 via Ramsey Blvd. The industrial market has seen several spec industrial buildings in the Brooklyn Park, Rogers, and Dayton markets but this will be one of the first spec buildings built north of the river.

The deal will be contingent on final approval of the Purchase Agreement by the City Council and City Attorney. Within the Purchase Agreement there are contingencies for the Buyer

receiving the necessary governmental approvals for platting and securing any tenants within their due diligence period.

We feel this industrial development would be an added benefit to the City of Ramsey.