

# City of Ramsey 2040 Comprehensive Plan Update

Economic Development Plan

## Background on this Document

This document is a draft of the narrative to be used in the 2040 Comprehensive Plan Update. This is not a final version or actual layout. This document will be reviewed and revised multiple times. The City will try to add additional maps and figures to better tell the story of this vision.

## Our Mission

It is our mission to work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

## Our Vision

Ramsey will evolve through citizen-driven, collaborative processes that respect the balance and connectivity between its unique urban, rural, and natural environment for current and future generations.

## Core Values

- 1) Encourage new pedestrian friendly neighborhoods and balanced transportation.
- 2) Maintain landowner rights.
- 3) Employ careful foresight that involves all citizens in decisions that affect their lives, property, and neighborhoods through collaborative public engagement.
- 4) Nurture neighborhood and community interactions with flexibility to meet future needs without compromising the needs and interests of current residents.
- 5) Develop and maintain a well-connected park and public space system for all ages.
- 6) Attract and retain businesses that support the whole community.

## 2030 Plan Accomplishments

The last plan was adopted in 2010. While a number of factors changed since the last plan was adopted, the City can celebrate a number of successes as it relates to our land use vision. Subsequent chapters of the 2040 Comprehensive Plan will celebrate their own successes.

- Add accomplishments here. This section will be completed at a later date.
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## Goals and Strategies

The following represents goals and strategies for future land uses. Subsequent chapters will include their own goals and strategies that integrate with the above. Resources above and beyond current budget approvals are indicated in the ‘Additional Resources’ column.

Strategic Imperatives (4 key themes from Phase I of update)

1. Rural Character and Urban Growth Balance
2. An Active Community (Parks, Recreation, and Open Space)
3. A Connected Community (Transportation)
4. A positive learning environment

Goal/Initiative	Tactic	Timeframe	Key Outcomes	Additional Resources
	<p><u>1) Business Retention &amp; Expansion</u>                      The large majority local economic growth comes from existing Ramsey businesses. The purpose of this goal is to develop and maintain positive relationships with existing Ramsey businesses (establish trust). This goal is implemented through quality customer service, businesses visits, and facilitating business events.</p> <p>In 2017, staff would like to review the option of utilizing the University of Minnesota’s BRE program (<a href="#">link</a>). If the EDA was interested in the program, Connexus Energy has indicated a willingness to sponsor the program (2018).</p>	Ongoing	<p>Complete 24 business visits annually.</p> <p>Execute EDA business expo, business appreciation golf tournament, and fall networking event. Participate in Anoka County Broker Event and MN Marketing Partnership.</p> <p><i>This tactic fits within EDA objectives 2 and 3.</i></p>	Currently Sufficient: assuming moderate customer service demand levels, sufficient resources exist to complete this tactic as proposed.
	<p><u>2) Future Business Park</u>                      Continue to move along the City’s future business park initiative. Below are major work items to be addressed:</p> <ol style="list-style-type: none"> <li>1. Finalize Economic Development Analysis</li> <li>2. Develop and solidify the City’s position/ involvement/ policy.</li> <li>3. Attain shovel ready status.</li> </ol>	Complete/Ongoing	<p>“Ready-to-go” business park and clear position of City involvement.</p> <p><i>This tactic fits within EDA objectives 2 and 3 and the City’s strategic plan.</i></p>	<p>Currently Sufficient: assuming moderate customer service demand levels, sufficient resources exist to complete this tactic as proposed.</p> <p>This work item does require use of third-party professional services (Shovel Ready Certifications, Economic Development Analysis, and subsequent due-diligence). TIF #1 and the EDA Fund have been identified as funding sources for this work in the past by the EDA and City Council.</p>

	<p><u>(3) Old Municipal Center Redevelopment</u> Facilitate redevelopment of old municipal center site. Below are major work items to be completed:</p> <ol style="list-style-type: none"> <li>1. Remove former Fire Station #2 and clean site</li> <li>2. Close on sale of property, phase #2</li> <li>3. Close out land-swap agreement with Meadow Creek Builders</li> </ol>	Complete/Ongoing	<p>Old municipal center site cleaned and ready for sale by Winter 2016.</p> <p><i>This tactic fits within EDA objectives 1 and the Council's strategic plan.</i></p>	<p>Currently Sufficient: assuming moderate customer service demand levels, sufficient resources exist to complete this tactic as proposed.</p> <p>The Anoka County HRA account has been identified as a funding source for the demolition and site clean-up work in the past.</p>
	<p><u>(4) Recruit new industry and major retail businesses to Ramsey</u></p>	Ongoing	<p>Secure two new 30,000 square foot retail, and two new 30,000 square foot industrial facilities.</p> <p><i>This tactic fits within EDA objective 1. This tactic fits within the City's strategic plan and Council policy discussions.</i></p>	<p>Currently Sufficient: this tactic requires assistance from the City's real estate broker CBRE; and demand from the development market.</p> <p>In order to provide latitude on which method is selected to tackle this goal (several exist), staff is requesting an increase of the EDA marketing budget line item from \$3,000 to \$30,000 in 2017.</p>
	<p><u>(5) Sell Surplus City Owned Land</u> The City owns a large inventory of surplus land available for development.</p> <p>Attain shovel ready status for all listed City owned property (including cut/fill estimations and identifying major costs for development—such as required extension of public infrastructure).</p>	Ongoing	<p>Land sales are closed. Staff shall provide an annual overview.</p> <p><i>This tactic fits within EDA objective 1. This tactic fits within the City's strategic plan and Council policy discussions.</i></p>	<p>Currently Sufficient: assuming moderate customer service demand levels, sufficient resources exist to complete this tactic as proposed.</p> <p>This work item does require use of third-party professional services (Shovel Ready Certifications and subsequent due-diligence). TIF #1 has been identified as a funding source for this work.</p>
	<p><u>(7) COR Development Pro-Forma and Policy</u> The City of Ramsey has taken the role of master developer for The COR. From a development perspective, the list of City obligations (expenditures) for The COR is relatively long, and at this point not well-defined. Additionally, the list of revenue streams from The COR is relatively straight forward, but have been committed informally in several instances. Staff would like to develop a pro-forma for The COR outlining all anticipated expenses and all anticipated revenues for the project.</p>	2018	Completed development pro-forma.	<p>This work will require assistance from third party professionals:</p> <p>(A) infrastructure analysis for The COR--\$20,000-\$30,000.</p> <p>(B) regional stormwater plan for The COR--\$15,000-\$30,000.</p> <p>(C) updated sign plan and cost estimates for The COR--\$5,000-\$15,000.</p> <p>At this point, the numbers outlined above a very preliminary. Staff would like to get quotes for EDA review.</p>

	<p>NOTE: this work has been partially completed in the past in many different forms (i.e. Landform, Ehlers, City C.I.P., etc.).</p> <p>This discussion also warrants the City to take policy positions on various items (i.e. expenses) and how they will be paid for (all city, all developer, split, etc.), and roughly when various improvements will be made.</p> <p>Completion of this pro-forma will put the City in a much better position to effectively analyze development proposals, strategize marketing efforts (i.e. pricing of land), budget discussions, and various policy items.</p>			<p>Staff anticipates various funding sources will be utilized to implement this work.</p>
	<p><u>(8) RALF</u> The Metropolitan Council reinstated the RALF (revolving acquisition loan fund) program in 2015 with eligibility modifications which significantly affect cities' ability to use this program. In fact, since the 2015 rule change, no RALF awards have been made by the Metropolitan Council, to any city</p> <p>Staff would like the EDA/ City Council to consider pursuing amendments/ exceptions to the RALF program criteria. Staff is receiving requests/ inquiries from Highway 10 property owners RE this subject; which are intensifying with time.</p> <p>Staff would like to submit a RALF application to the Metropolitan Council to test/ challenge their new policies and positions. Additionally, said application will serve as a base point for future policy discussions for the City of Ramsey.</p>	<p>2018</p>	<p>A RALF program that can actually be utilized by the City of Ramsey.</p>	<p>No additional resources requested. Normal staff duties.</p>
	<p><u>(9) Business Incubator</u> Consider utilizing vacant space on the second floor of the Ramsey Municipal Center for a business incubator</p>	<p>2018</p>	<p>Decide if the City has a genuine interest in starting a business incubator.</p>	<p>At this point, no additional resources are being requested. Based on the scope of this project, additional resources will be needed.</p>

	<p>program—(or a cowork space, COCO).</p> <p>Staff would like to kick the process with a scoping meeting (i.e. how should we approach this task).</p>		<p>Have a general scope for what a business incubator means in Ramsey.</p>	
	<p><u>(10) ZIP Code</u>          In 2015, the City of Ramsey did open its doors to the first ever Ramsey substation USPS Post Office. Although this is a positive step for Ramsey, the need for an independent zip code still exists. The purpose of this tactic is to pursue an independent zip code for our community.</p> <p>Process:</p> <ol style="list-style-type: none"> <li>1. Meet USPS minimum standards for obtaining a new zipcode (delivery points, deliver routes, scheme items, sectors). The City needs to submit a request for an audit.</li> <li>2. USPS audit made— Ramsey either meets minimum thresholds or not. If they do, move on to step 3.</li> <li>3. USPS conducts a survey of community to gather feedback/ support for a new zip code.</li> <li>4. USPS grants Ramsey a new zip code.</li> </ol>	<p>2018</p>	<p>Approval or denial of a new Ramsey zip code.</p>	<p>No additional resources requested. Normal staff duties.</p>

## Existing Industrial Opportunities

Put something here.

### Ramsey/Anoka Industrial Park.

Put a description here. It is 1,000 acres.

- About 1,000 acres
- About 15,000 jobs
- Hundreds of businesses, with a high concentration of manufacturing

## Future Industrial Opportunities

Put something here.

- New 115-acre business park NW of new interchange
- 15-acre Connexus site, within existing business park.
- 9.3-acre city owned site, within existing business park.

### Bunker Lake Industrial Park

Put a description here.

Figure 1: Map of Bunker Lake Industrial Park

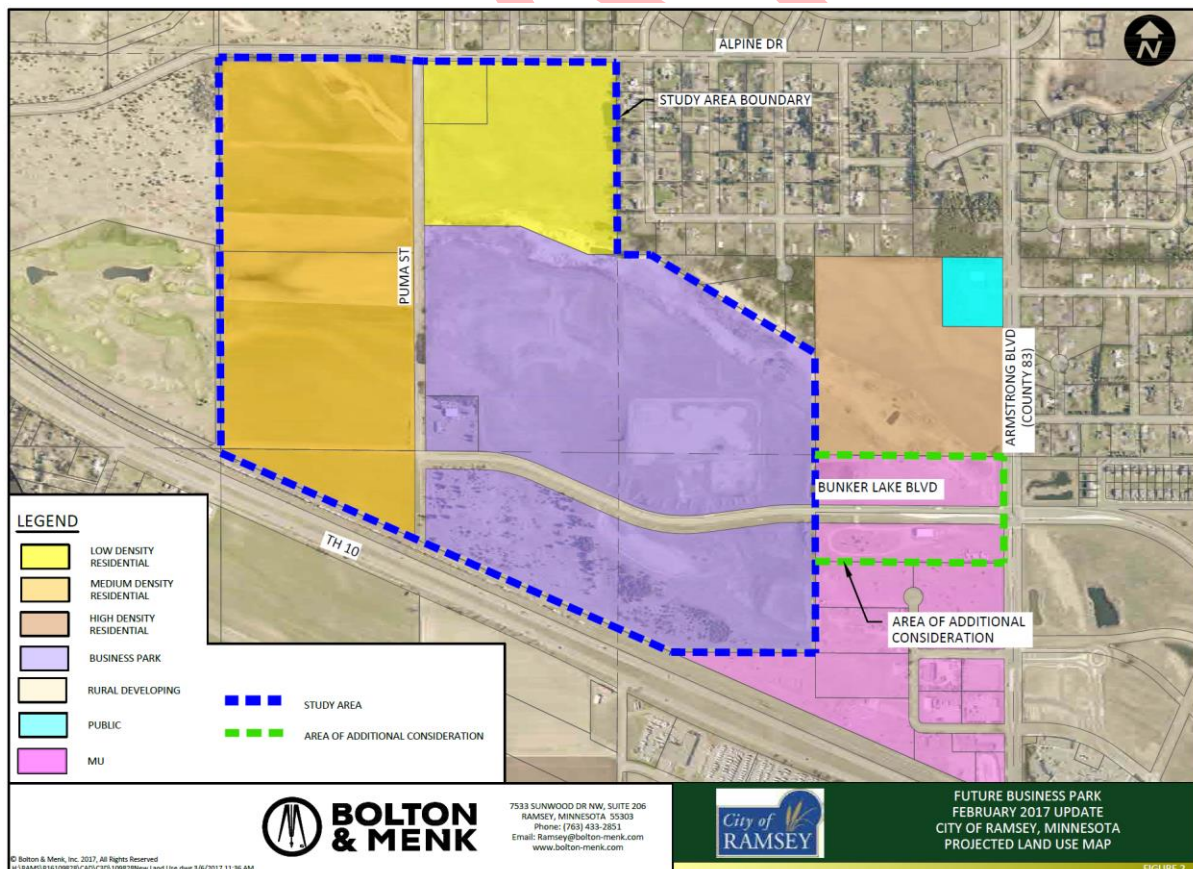


Figure 2: PSD, LLC Master Plan

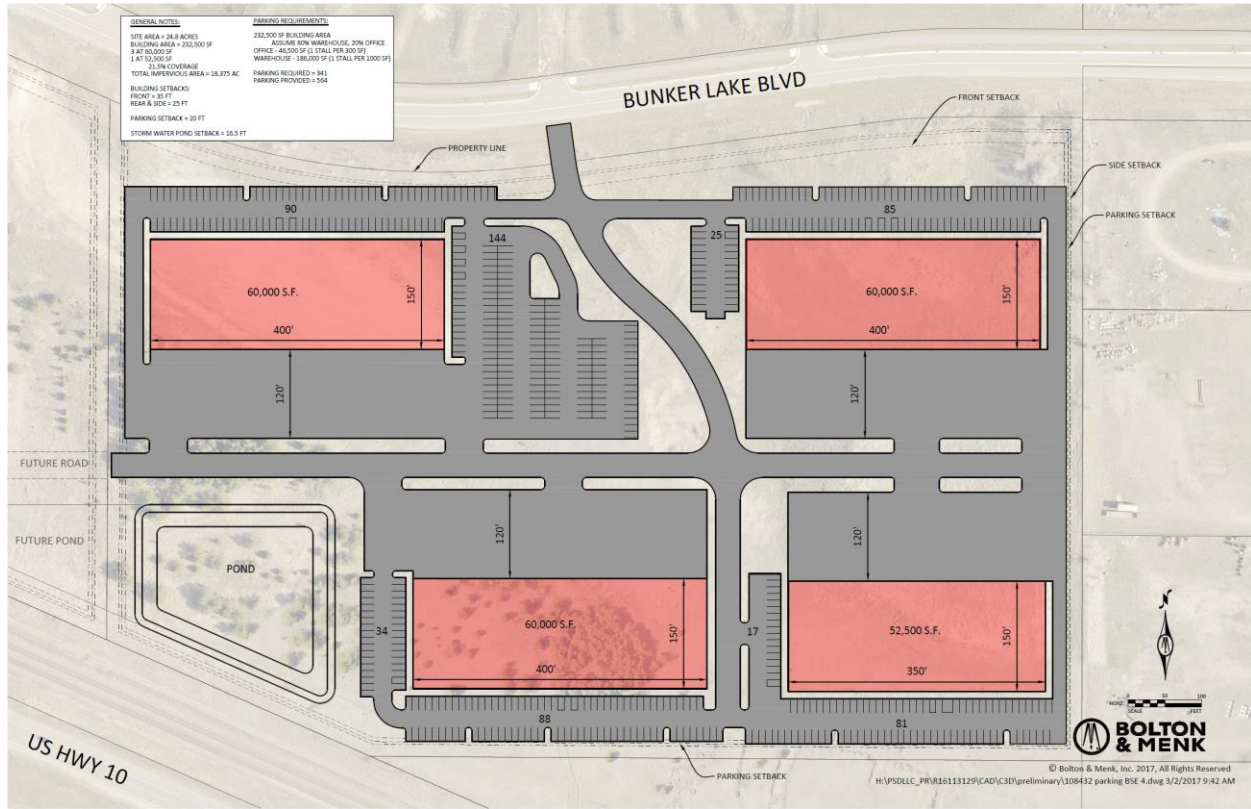


Figure 3: Hageman Holdings



## Retail Development Goals

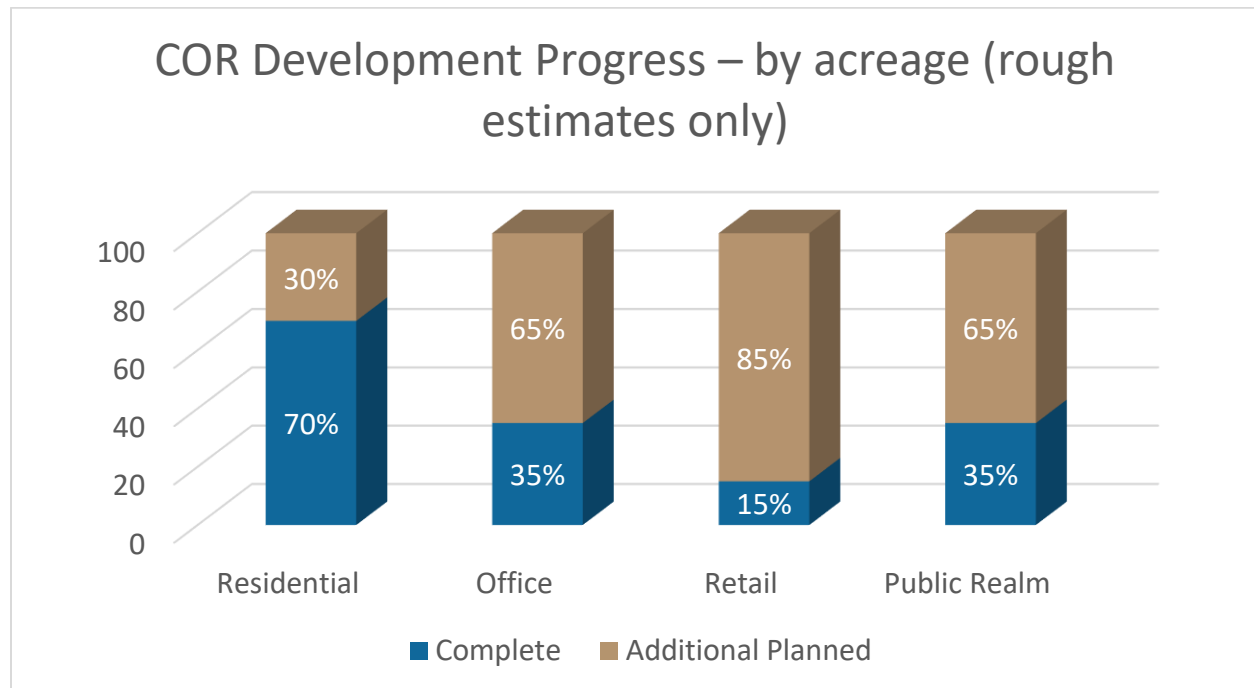
Describe our retail goals here. 115 acres guided for future retail development.

Figure 4: Retail Guided Areas

Create a map of the areas guided for retail.

## Retail Goals in The COR

Table 1: Planned Growth in The COR



## Rum River Hills

This is the 167<sup>th</sup> Node.

## Background

The retail node located at 167th Avenue and Trunk Highway 47 has been a topic of discussion with City Councils and EDA boards for several years (“167/47 Node”). The 167/47 Node has struggled to become economically viable for some time, is experiencing high vacancy rates, an increase of blighted building conditions and escalating crime.

The City has received a significant number of inquiries from property and business owners located in the 167/47 Node from 2012 to 2013 requesting assistance to address concerns. Additionally, the City of Ramsey owns an inventory of real property located adjacent to the 167/47 Node totaling 16.52 acres. Said property was identified as surplus City owned land in 2012 and is available for sale.

The EDA, Planning Commission and City Council have expressed interest in addressing the 167/47 Node.

## Purpose

Guide City participation in the redevelopment of the 167/47 Node; and, specifically identify a common goal, vision, working parameters and garner public input.

The desired outcome of this document is to develop a clear, consistent, transparent and fair process the City, prospective developers, property owners and Staff can rely on as proposals are received. The Ramsey Economic Development Authority (EDA) shall act as first point of contact for City in relation to the 167/47 Node by utilizing this Statement of Goals.

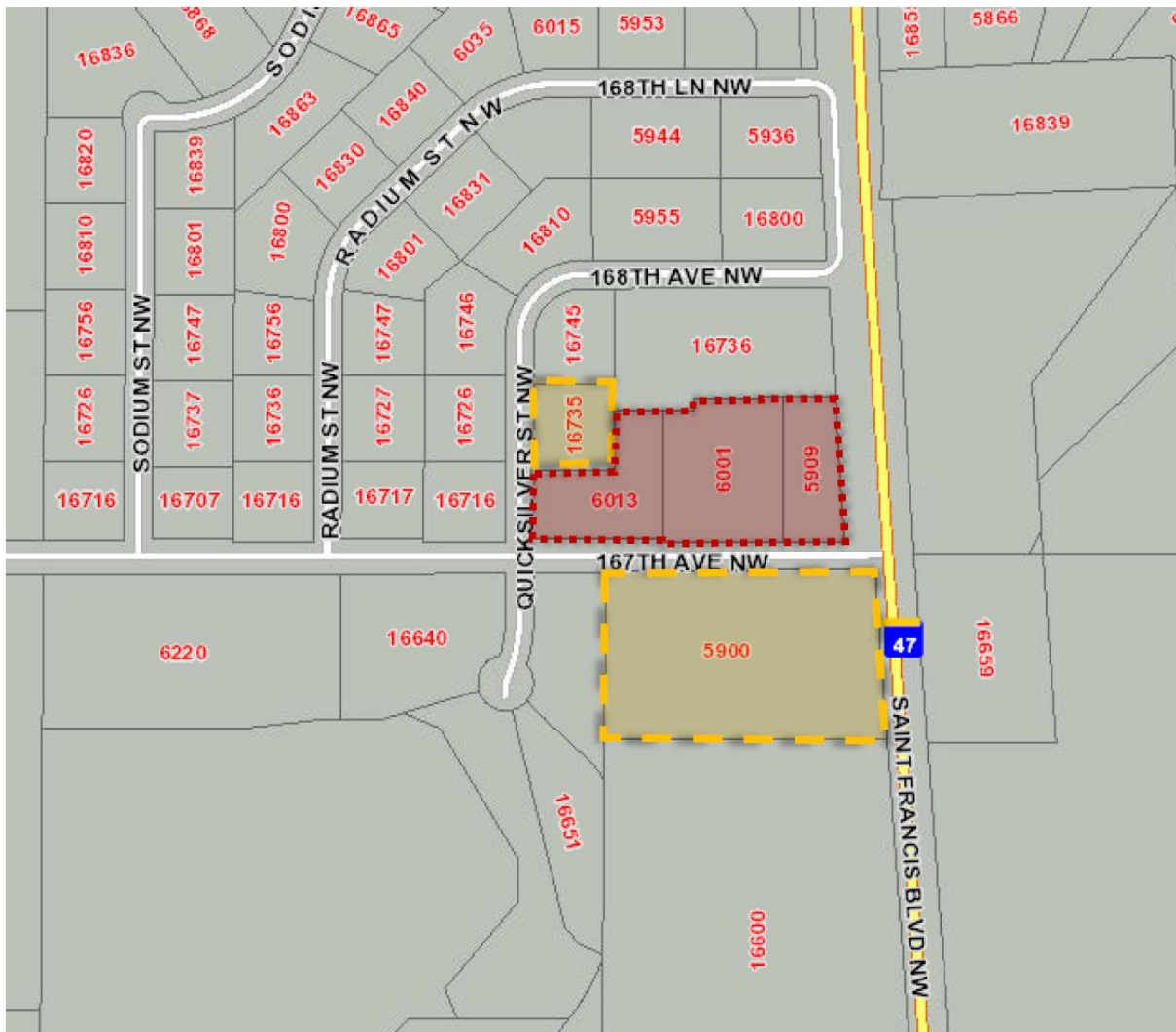
Note: The City Council makes all final policy decisions; which may deviate from this document. This document is not a legally binding agreement.

### Goal

To improve and/or remove blight from *properties-of-concern* and encourage sustainable market-driven redevelopment of the 167/47 Node that will benefit the entire City of Ramsey.

Figure 5: Area of Concern

RED [Sort Dash]: Primary Area of Concern  
 YELLOW [Long Dash]: Secondary Area of Concern



## Vision

A mixture of residential and retail uses. Residential users may include single family residential, townhomes, or senior living units as directed by the market. Retail will include a market driven neighborhood commercial node. Redevelopment of the 167/47 Node should include a connection to Elmcrest Park and/or nearby trails where feasible.

## Parameters

Listed below are a number of parameters intended to develop a clear, consistent, transparent and fair process the City, prospective developers, property owners and Staff can rely on as proposals and inquiries are received.

- A. CITY LAND ACQUISITION: The City does not support purchasing property to redevelop the 167/47 retail node.
- B. MARKETING: The Ramsey EDA does support facilitating a professional marketing package for the 167/47 retail node to entice redevelopment/investment; which would include:
  - I. Information matrix: asking prices, County valuations, tax information, utility information, ownership buy-in, maps, current zoning information, future land use information, etc.
  - II. An inventory of what City and State financial assistance options exist for a potential redevelopment project.
  - III. List of desirable uses (i.e. retail and wide range of residential); and, other allowable uses (i.e. compatible to surrounding residential)
  - IV. Professional material developed in partnership with the City and proactively marketed by a third party broker. Broker will be chosen by ownership group.
  - V. Marketing material shall be paid for by the ownership group. The Ramsey EDA is willing to considering financially contributing to this effort.
- C. ZONING:
  - I. The City would support a Comprehensive Plan and Zoning Amendment to allow retail or residential (of the appropriate density that balances compatibility of the surrounding area and market viability) land uses at 167/47 Node.
  - II. The Planning Commission will review requests for additional Permitted or Conditional Uses.
- D. CITY FINANCIAL ASSISTANCE:
  - I. AVAILABLE TOOLS:  
The City has a number of financial assistance programs potentially available for qualified projects; including

2. Tax Abatement
3. EDA Revolving Loan Fund (RLF)
4. Anoka County HRA Account
5. State Redevelopment Grant and Loan Program
6. Land Write Down (City Owned Parcels)

The City will consider all financial assistance programs listed above only for projects that directly address existing blighted properties; see Appendix A: Primary Area of Concern.

Utilization of financial assistance requires completion and approval of a Business Subsidy Application by the Ramsey EDA and City Council. Consideration will be based on the merits of an individual project and community benefit.

*II. EDA REVOLVING LOAN FUND (RLF)*

Upon adoption of this Statement of Goals, the Ramsey EDA will review alternatives to utilize the City’s existing Revolving Loan Fund (RLF) to stimulate cleanup and revitalization of the 167/47 Node. This *may* include, but is not limited to the following:

- i. Storefront Matching grants to help encourage/spark the ‘clean-up’ or improved ‘curb-appeal’ of properties. For example, a matching grant with a \$10,000 maximum City contribution.
- ii. Revitalization Loan Program: low interest loans that are tied to revitalizing properties to a marketable condition.

NOTE: the City has about \$275,000 available for these types of programs. This effort would require the creation and adoption of new program policies.

*III. PEDESTRIAN UNDERPASS*

It has been requested, for the City to consider funding a pedestrian underpass to connect the east and west side of MN trunk Highway 47. A pedestrian underpass would increase public safety, enhance connectivity to and from Elmcrest Park and increase foot traffic to retail businesses.

At this point, the City will not pre-commit a specific funding source, or specific dollar amount, to a pedestrian underpass. The City would react to this specific request at the time of future development; and, would base their response on the merits of a project—and the value it will bring to the community. Examples of potential funding solutions below:

- i. Cost Share Agreement with developer (most desired)
- ii. Redevelopment TIF District proceeds
- iii. Grant Programs (various)
- iv. Park/Trail Dedication Fees (from 167/47 area, new development)
- v. Land Write Down Contribution (city owned parcels)
- vi. Anoka County HRA Account

NOTE: When future development occurs, the City will consider methods beyond a pedestrian underpass for increasing safety at the 167/47 intersection.

#### IV. SEWER TRUNK FUND

The 167/47 Node is not currently connected to City sanitary sewer service. Extending sanitary sewer service to this node will make properties more attractive for future development and will provide existing property owners with an alternative to the use of septic tanks.

Presently, the City of Ramsey is not willing to *fully* fund a special sanitary sewer service line to the 167/47 Node. However, if a property owner (or developer) was willing to share the cost of extending sewer service, the City would be willing to discuss an agreement.

##### NOTES:

The cost of extending a special 8” force main sanitary sewer line to the 167/47 Node is estimated to be \$1.5M. It is estimated, at full build out, the special 167/47 Node sewer trunk line would recapture \$500,000-\$750,000 in sewer trunk fees (based on 2012 adopted sewer trunk fees). Therefore, a shortfall of \$750,000-\$1M in funding would occur.

Additionally, extending an undersized, special, sanitary sewer line to the 167/47 node may result in extra costs (in the long run) if the City ever decided to serve the north east portion of the Ramsey with sanitary sewer service.

Today, the City does have sufficient trunk fund dollars to pay for the 167/47 Node special sanitary sewer line. However, the City is planning for sanitary sewer service in three other future growth locations in Ramsey. Unlike the 167/47 Node, said areas do have sufficient forecasted development capacity to fully recapture the cost of proposed future sanitary sewer trunk lines.

#### Public Input

Two levels of public input were critical to this Statement of Goals: (A) Primary Property Owners; and (B) Surrounding Property Owners.

##### A. Primary Property Owners:

Primary property owners are outlined in Appendix B.

The City does support facilitating an ownership meeting group to brainstorm options, share information and to investigate opportunities for redevelopment and additional uses that are compatible with the surrounding residential area. This effort will be led by the Economic Development Authority (EDA).

The City desires a consistent, collaborative approach with a single voice amongst all property owners. Several separate messages per individual property owner is not a desired nor effective approach.

The City has received direction from surrounding property owners to market the entire 167/47 Node as an opportunity to developers—rather than only marketing properties individually. Through the EDA, the City will explore options to support a joint marketing effort for the 167/47 Node.

B. Surrounding Property Owners:

On September 26, 2013, the City of Ramsey hosted a collaborative public process with residents to discuss opportunities and barriers for redevelopment of the 167/47 Node. The intent of this process was to garner general public input before specific development proposals were crafted and reviewed by the City; and, before this Statement of Goals was adopted. The planning and facilitation of this public input process was led by the Planning Commission. 232 nearby property owners were invited via direct mailing, 26 participants registered and staff estimates over 30 people attended.

The following summarized public input was received:

I. PUBLIC UN-DESIRED USES

- Manufacturing
- Warehousing (in most cases)
- High density housing

II. PUBLIC DESIRED USES/IMPROVEMENTS

- Grocery store, coffee shop, convenience store, gun range, bar/lounge, hardware store, restaurant
- Anchor businesses
- Single family homes, retirement homes
- Townhomes are acceptable (in most cases)
- City support, light at intersection, address septic/sewer
- More rooftops and population needed

Continued on next page.

## Rum River Hills Redevelopment Plan

The Rum River Hills has proposed a redevelopment plan to the City.

Figure 6: Rum River Hills Development Plan



## Economic Development Tools

The City of Ramsey has a number of financial tools available for economic development projects. Below is an overview of common economic development tools.

### GAP FINANCING:

1. Ramsey Revolving Loan Fund (RLF)
2. Minnesota Investment Fund (MIF)

The City's RLF and the DEED MIF programs are used to fill the financial "gap" of a particular project. A financial gap occurs when private financing and/or owner equity cannot fund an entire project. Commonly, these programs are used to purchase equipment; however, other eligible uses exist. Interest rates and terms are negotiable.

### DEED JOB CREATION FUND:

3. Capital Investment Rebate
4. Job Creation Rebate

DEED assistance to projects that have capital investment and provide well-paying jobs. Program would allow for a company to receive a 5% rebate on capital expenditures (construction costs, materials etc.) up

to \$500,000. In addition, this program allows for up to \$500,000 in job creation rebates based upon jobs created and their salary levels.

**PROPERTY TAX PROGRAMS:**

- 5. Tax Abatement
- 6. Tax Increment Financing (TIF)

Tax abatement and TIF are local tax programs typically used for development or land acquisition costs. In general, both programs work by capturing property taxes generated by a particular parcel then dedicating said tax revenue for a specific project cost.

**PRIMARY FINANCING:**

- 7. Private Primary Lender and/or Owner Equity [no involvement from City]
- 8. Industrial Revenue Bonds (IRB)

Typically, projects are funded in large part by a private primary lender and with some level of owner equity. Certain manufacturing projects are eligible for complete funding via Industrial Revenue Bonds (IRB). IRBs are have a tax exempt status—which results in a lower interest rate for the borrower.

**HOW DO I KNOW WHAT TOOLS I AM ELIGIBLE FOR?**

Identifying finical tools your business may be eligible for is a clearer and cleaner process if project specs can be provided to the City (i.e. project budget, job details, building specs, etc.).

**DISCLAIMER:** Eligibility for financing tools based on the merit of an individual project, compliance with specific program requirements and in many cases approval from the Ramsey EDA and City Council. The City of Ramsey targets quality projects with high quality job growth. Typically, projects require owner equity and/or private financing. Most programs require specific job creation goals and annual reporting. The following pages provide detailed information on each program.

**Tax Increment Financing**

Description goes here.

*Figure 7: Development District No. 1*

A map of Development District No. 1.

*Figure 8: Tax Increment Financing Districts*

A map of TIF Districts.

**Economic Development Implementation**

The Metropolitan Council’s Regional Development Framework, ThriveMSP 2040, outlines roles for the Metropolitan Council and Ramsey for land use policy. Specific to land use policy, the Metropolitan Council has set a goal for the region to achieve Economic Competitiveness.

Ramsey Role	Metropolitan Council Role
<ul style="list-style-type: none"> <li>• Consider how local efforts to focus economic development strategies along existing commercial centers (historic downtowns or commercial corridors) can contribute to the region’s overall economic</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in regional amenities and services,</li> <li>• including transit, regional parks and trails, and bikeways to support the Emerging Suburban Edge area as an attractive place to locate and do business.</li> </ul>

<p>competitiveness through enhanced integration of local and regional planning efforts.</p> <ul style="list-style-type: none"> <li>• Protect sites for highway-, river- and rail-dependent manufacturing and freight transportation needs from incompatible uses and identify local land supply and transportation needs for effective use of those sites.</li> <li>• Identify important multimodal intersections, alternative freight routes, key intersections, and other existing opportunities that may contribute to local and regional economic competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote local planning around key intersections, regional infrastructure, and business needs.</li> <li>• Support the development of workforce housing to provide nearby housing options for employees of local employers.</li> <li>• Convene interested partners to further strategies towards increasing regional competitiveness and include discussion of how Emerging Suburban Edge communities can contribute to the region’s overall economic growth.</li> </ul>
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Action	Priority	Timeframe

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List of Tables

Table 1: Planned Growth in The COR ..... 9

List of Figures

Figure 1: Map of Bunker Lake Industrial Park..... 7  
Figure 2: PSD, LLC Master Plan..... 8  
Figure 3: Hageman Holdings ..... 8  
Figure 4: Retail Guided Areas ..... 9  
Figure 5: Area of Concen ..... 10  
Figure 6: Rum River Hills Development Plan ..... 15  
Figure 7: Development District No. 1 ..... 16  
Figure 8: Tax Increment Financing Districts ..... 16

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