

**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, January 11, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Glen Hardin
 Member Jill Johns
 Member Dominic Kanaventi (left the meeting at 8:18 a.m.)
 Member Chris Riley
 Member Wayne Skaff

Members Absent: Member John LeTourneau

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:32 a.m.

2. APPROVE AGENDA

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

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Hardin, Burandt, Johns, Kanaventi, and Riley. Voting No: None. Absent: Member LeTourneau.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated December 14, 2017

Motion by Member Skaff, seconded by Member Hardin, to approve the December 14, 2017, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Hardin, Burandt, Johns, Kanaventi, and Riley. Voting No: None. Absent: Member LeTourneau.

4. EDA BUSINESS

4.01: Centra Homes Purchase Agreement (Portions of case may be closed to the public)

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

David Patberg, Centra Homes, stated that Centra Homes is a locally owned home developer based out of Coon Rapids. He provided background information on the company, noting that the company began with bank owned properties and has experience in Ramsey. He stated that as the market has changed in the last seven years, they have changed their focus from bank owned properties to land development. He noted that they have built homes all throughout the metro area and build about 120 homes per year. He stated that they like the energy and activity within Ramsey right now and have worked with staff to incorporate their comments into these proposed plans. He recognized that this is City owned land and noted that they are flexible and can adjust their plans to the demands of the City, while still remaining in the limits of the current market.

Member Skaff asked if the product is on slab, whether it would have multiple levels, price range, and when the model would be available.

Mr. Patberg stated that it seems the water table is high and therefore they are planning slab on grade, but will confirm that through engineering. He stated that they plan to start in the mid \$200,000's to middle \$300,00s. He estimated a range of 1,800 to 2,300 square feet for the product size and noted that most units would have three bedrooms and 2.5 bathrooms with some units having an option for a fourth bedroom. He stated that they would like to begin as soon as possible. He believed that if everything moves forward smoothly, they could have a model ready by late summer, early fall as roads would need to be in before homes could be built.

Member Skaff asked for information on access and whether it will be easy for visitors to find available parking.

Mr. Patberg noted that because Bunker Lake Boulevard is a busy road and the fact that there would be a ditch between that roadway and the homes that face Bunker, they will tell buyers that they cannot park on that roadway. He stated that there will be available parking within the site. He advised that each unit would have a two-car garage, with two additional parking spaces within the driveways. He confirmed that this development would be managed by a home owners' association. He stated that they have provided multiple options to gain input on from the City which would have different street access and layout.

Chairperson Steffen asked if the developer has a favorite choice.

Mr. Patberg stated that his preferred choice would be exhibit C. He noted that is the lowest price point because it would require the most street and utility work.

Chairperson Steffen asked for information on the element that runs through the middle.

Mr. Patberg replied that it is a proposed trail.

The members from Centra Homes excused themselves and thanked the EDA for their time.

Chairperson Steffen asked if the group should go into closed session.

Member Riley stated that he does not believe that the EDA would need to go into closed session.

Economic Dev. Mgr./Assistant City Administrator Brama stated that he believes the offer to be realistic and reasonable, however he would also think it reasonable for the City to counteroffer.

Chairperson Steffen agreed that would be fair. He stated that everyone would like to see that parcel developed as it has remained vacant for quite some time.

Member Skaff noted that the additional rooftops will also help the City to accomplish other goals.

Member Riley stated that this is exactly the type of development that is planned for that area. He stated that he prefers exhibit C, as it would have homes facing Ramsey Boulevard as well. He agreed that the price seems within the realm and the City should continue negotiations. He stated that this option would be a gain for the City with the additional rooftops and tax base.

Chairperson Steffen stated that the developer seems flexible and willing to work with the City.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed that the City has experience with this developer that has been positive. He noted that the developer has been great to work with and has been flexible.

Motion by Member Skaff, seconded by Member Kanaventi, to direct staff to continue negotiations and recommend to City Council to approve the purchase agreement with Centra Homes for 4.29 acres of City owned land with a preference for exhibit C because of the increased number of rooftops and tax base that would be generated.

Further discussion: Member Burandt stated that he prefers exhibit C as well, as that provides the highest number of rooftops and increases the tax base.

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Kanaventi, Hardin, Burandt, Johns, and Riley. Voting No: None. Absent: Member LeTourneau.

4.02: RCP Presentation: Community Center

It was noted that the students were not present today and therefore no comments were made on this agenda item.

4.03: Inland MOU Infrastructure

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

Chairperson Steffen asked if it is unique that the developer would pay the costs up front with the City to reimburse.

Economic Dev. Mgr./Assistant City Administrator Brama stated that every project is different. He noted that some projects have a real time split, some projects the City pays the costs up front and assesses the cost back to the developer over time, and in this case the developer would pay the costs up front and the City would reimburse their portion. He noted that this proposed case would be the least amount of risk for the City. He noted that this will move forward to the City Council on January 23rd. He advised that a final review would still come back before both the EDA and City Council for consideration of a formal TIF Agreement.

Chairperson Steffen asked if there would be first floor retail or a restaurant.

Economic Dev. Mgr./Assistant City Administrator Brama replied that the developer moved their project further away from Sunwood in order to avoid that element. He noted that the City would retain ownership of the parcel along Sunwood Drive for future commercial or mixed use development.

Motion by Member Hardin, seconded by Member Skaff, to recommend to City Council to approve the public infrastructure MOU with CAP Acquisitions.

Further discussion: Member Riley stated that this appears to simply be related to the short-term financing method as the long-term financing will come from TIF. He stated that it appears this option will let the developer finance upfront, with TIF paying that back in the future. Economic Dev. Mgr./Assistant City Administrator Brama confirmed that is generally correct. Member Riley stated that this seems to be a good use of TIF. Economic Dev. Mgr./Assistant City Administrator Brama stated that in past practice this seems to be a realistic time for payback.

Motion carried. Voting Yes: Chairperson Steffen, Members Hardin, Skaff, Burandt, Johns, Kanaventi, and Riley. Voting No: None. Absent: Member LeTourneau.

Member Riley stated that he does not like the street names. He stated that they have gone away from the naming mechanism in the past within The COR district and therefore recommend that they go away from the mechanism in this case as well.

Economic Dev. Mgr./Assistant City Administrator Brama stated that he will pass on the comments.

4.04: CBRE: Pricing Strategy (Portions of this case may be closed to the public)

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

Member Kanaventi left the meeting.

Recess and Reconvene

Motion by Member Riley, seconded by Member Hardin, to recess the meeting to closed session at 8:18 a.m.

The meeting reconvened to open session at 8:43 a.m.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed the consensus of the Board with the pricing strategy as proposed.

5. MEMBER / STAFF UPDATE

5.01: 2017 Business Retention and Expansion Program Report

Econ. Dev. Mgr./Assistant City Administrator Brama reviewed the staff report, reviewing the business retention and expansion program activity for 2017.

Member Burandt asked if additional background information will be given to the City Council regarding certain comments, using Highway 10 as an example.

Economic Dev. Mgr./Assistant City Administrator Brama confirmed that additional background information is available.

Chairperson Steffen asked the official response regarding additional low-income housing.

Economic Dev. Mgr./Assistant City Administrator Brama stated that there is not an official response. He noted that unofficially, he has observed the City may potentially be reaching their limit on low income housing specifically located on City owned land within The COR. He stated that on privately owned property, the City would not have control as long as the property owner has entitlement to the property and is not requesting City assistance.

Chairperson Steffen asked if there is a list of businesses to visit in 2018.

Economic Dev. Mgr./Assistant City Administrator Brama stated that the list has not yet been generated.

Chairperson Steffen stated that he would like to see the list once generated, noting that he likes to attend the visits with staff.

Member Skaff noted that he would also be interested.

Member Riley stated that he would like to see this information presented to the City Council in a worksession with multiple years of data so that discussion can occur. He asked if the comments regarding low-income housing are coming from the businesses and whether the businesses feel that is hurting their business.

Economic Dev. Mgr./Assistant City Administrator Brama provided inputs that he has received. He noted, he was told by businesses that if there is too high of a concentration of low-income housing in one area, it can deteriorate the perception of the community, and it can deteriorate the perceived value of properties in an area, and Ramsey business owners have invested a lot in their properties, and have a lot of pride in their properties. He noted that he also hears that some

businesses are pleased with the low-income housing because that provides workers for their warehouse jobs.

Chairperson Steffen stated that perhaps the City should determine what the balance should be to determine when that market would be saturated.

City Administrator Ulrich stated that there is a housing plan that encourages different types of housing. He stated that the Metropolitan Council also tracks the availability of affordable housing and noted that some of the housing stock within Ramsey also qualifies within the affordable range. He stated that there have been comments on the number of even market rate apartment buildings. He noted that there has been a lot of discussion within the past year on that topic.

5.02: Member/Staff Input

The EDA reviewed the Staff Update.

Economic Dev. Mgr./Assistant City Administrator Brama provided a brief update.

City Administrator Ulrich provided a brief update on the recent grant funds received by the City of Anoka for Highway 10 improvements. He provided additional updates on the potential Ramsey Boulevard rail crossing and Highway 10 Committee activity.

Member Skaff asked if there are plans for the property east of Village Bank.

Economic Dev. Mgr./Assistant City Administrator Brama provided an update on a land use application received by the City. He also provided a brief update on other development activity within Ramsey.

6. ADJOURNMENT

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

Motion carried. Voting Yes: Chairperson Steffen, Members Skaff, Hardin, Burandt, Johns, and Riley. Voting No: None. Absent: Members LeTourneau and Kanaventi.

The regular meeting of the Economic Development Authority adjourned at 9:06 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Dev. Mgr/Assistant City Administrator

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.