

**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, April 12, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Glen Hardin
 Member Dominic Kanaventi
 Member John LeTourneau
 Member Chris Riley

Members Absent: None

Also Present: Patrick Brama, Econ. Dev. Mgr/Assistant City Administrator
 Tim Gladhill, Development Services Manager
 Kurt Ulrich, City Administrator
 Jason Aarsvold, Ehlers, Inc.
 Chloe McGuire Brigl, City Planner

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 Kanaventi, to approve the agenda.

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

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated March 8, 2018

Motion by Member Riley, seconded by Member Hardin, to approve the March 8, 2018, minutes as presented.

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

4. EDA BUSINESS

4.01: Affinity Apartment Project: Resolution #18-061 Approving a TIF Agreement

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

Chairperson Steffen asked if the agreement has changed since the EDA last reviewed the MOU.

Economic Dev. Mgr/Assistant City Administrator Brama replied that the general agreement remains consistent although this version contains much more detail.

Jason Aarsvold, Ehlers, Inc., stated that the agreement does mirror the MOU. He noted that there has been a customary cost-share of the infrastructure. He stated that the method that would work best for the City is for CAP Acquisitions to complete the improvements fully as part of their project and noted that the City will redirect TIF funds generated by the building to pay back the note for infrastructure over seven to eight years. He stated that there will be no other obligation to the City and the City is only obligated to make payments on the note, as the funds are available through the TIF generated by the project itself.

Chairperson Steffen asked if the pay as you go note would represent the City's 80 percent cost-share.

Mr. Aarsvold confirmed that is based off the cost-share percentages in the MOU.

Member Riley stated that this is really about installing the infrastructure and therefore the City is not paying for the project. He stated that the TIF will be used for the installation of infrastructure and therefore this would be an appropriate use.

Motion by Chairperson Steffen, seconded by Member Hardin, to recommend to City Council to Adopt Resolution #18-061 Approving a TIF Agreement with CAP Acquisitions LLC.

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

4.02: Affinity Apartment Project: Multiple Actions

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

Chairperson Steffen asked and received confirmation on the completion date.

Motion by Member Hardin, seconded by Member Kanaventi, to recommend to City Council to Approve the Amendment #1 to the Purchase Agreement between the City of Ramsey and CAP Acquisitions LLC, Approve the Right-of-Re-Entry Agreement between the City of Ramsey and CAP Acquisitions LLC for a 174 Unit Senior Living Apartment Complex, and Approve Resolution #18-060 Authorizing the Sale of 3.36 Acres of City Owned Land.

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

~~4.03: ALDI Purchase Agreement: Preliminary Review~~

4.04: AEON Purchase Agreement, Phase II, Amendment I

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

Chairperson Steffen asked for details on the right-of-reentry date for Phase II.

Economic Dev. Mgr/Assistant City Administrator Brama provided additional details on why there is not a right-of-reentry agreement needed with this applicant.

Member LeTourneau stated that at times developers have different reasons for extensions and noted that it is his understanding that this type of project requires a lot of maneuvering to obtain multiple financing partners. He stated that it is his understanding that the applicant needs additional time to gain the needed financial partners and therefore it seems there is a solid reason to grant the extension.

Economic Dev. Mgr/Assistant City Administrator Brama confirmed those details. He noted that typically, the financial partners have a one-year financing cycle and therefore it would make sense to grant the one-year extension.

Chairperson Steffen noted that the previous night AEON received an award of Developer of the Year and therefore it seems the developer is doing good things in the state.

Motion by Member Hardin, seconded by Chairperson Steffen, to recommend to City Council to Approve the Amendment to the Purchase Agreement with AEON Ramsey 2 LLC dated June 30, 2017.

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

4.05: Centra Homes Purchase Agreement: Multiple Actions

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

Chairperson Steffen noted that the EDA met with the developer a few months prior to discuss this case. He referenced the re-entry date and noted that seemed a little long.

Economic Dev. Mgr/Assistant City Administrator Brama provided additional details noting that the agreement states five certificates of occupancy per year over the next three years, which begins in 2019. He confirmed that staff is comfortable with that approach and that the agreement is consistent with other approved developments.

Member Hardin asked for additional details on design standards and quality. He asked if the roads would be private and therefore not maintained by the City.

Community Development Director Gladhill confirmed that although the product is different than the other side of the development, the products would meet the minimum design standards of The COR. He noted that this would be a detached product with rear-loaded garages and private roads that would be maintained by the Homeowners Association. He noted that the adjacent neighborhoods also have privately maintained roads.

Member Hardin asked if the Planning Commission has reviewed the request.

Community Development Director Gladhill noted that the Planning Commission has reviewed the case twice on conceptual levels. He noted that the primary discussion thus far has been the private road connections and noted that a more thorough discussion will occur when the Preliminary Plat is submitted.

Chairperson Steffen noted that initially there were three options presented for layout and design and asked if that has been narrowed down.

Community Development Director Gladhill confirmed that one layout has been chosen.

Member LeTourneau referenced the right-of-reentry agreement and asked for details on what would trigger that element.

Economic Dev. Mgr/Assistant City Administrator Brama provided additional details, noting that the trigger would be whether investments and improvements have been made to the site. He stated that if improvements have been made, the City could enact penalties rather than attempt to take the property back.

Member Riley stated that the right-of-reentry is there to protect the City and ensure that the desired outcome is achieved. He stated that the agreement encourages the developer to build the project as planned, noting that the City does not want to take the property back.

Member LeTourneau agreed that the primary intent is to have the City owned property sold and in the hands of a developer but also to build the community. He agreed that the right-of-reentry helps to stimulate the development and ensure that it does not remain vacant for years.

Chairperson Steffen noted that the right-of-reentry specifies 15 homes but there are many more homes included on the plan.

Economic Dev. Mgr/Assistant City Administrator Brama stated that it is difficult for the developer to commit to a large number of homes developed as the real estate market is unknown and therefore has difficulty committing to things beyond their control. He noted that this agreement is consistent with other developments, as the City does not require full build out in the agreement, for a single family home project.

Member Hardin asked if the City will request the developer to develop certain lots prior to other lots, such as lots along Ramsey Boulevard compared to interior lots. He referenced the language in paragraph three and asked if legal counsel should review the language that specifies “\$5,000 against the parcel”.

Economic Dev. Mgr/Assistant City Administrator Brama stated that he will ensure that the language is correct prior to this moving to the City Council. He stated that the phasing of homes will fall to Community Development and the Planning Commission.

Community Development Director Gladhill noted that a phasing plan has not yet been provided. He noted that if there is a preference, staff can encourage that.

Member Hardin stated that he would prefer the lots along arterial roads developed first, followed then by the interior lots.

Economic Dev. Mgr/Assistant City Administrator Brama stated that he would be happy to filter that comment through the Planning Commission as the review process continues.

Motion by Member Burandt, seconded by Member Hardin, to recommend to City Council to Approve Amendment #1 to the Purchase Agreement between the City of Ramsey and Centra Homes, LLC, Approve the Right-of-Re-Entry Agreement with Centra Homes (contingent upon review by legal counsel), LLC, and Approve Resolution #18-051 Authorizing the Sale of City Owned Land to Centra Homes, LLC.

Further discussion: Member Hardin asked if the right-of-reentry could be modified upon legal counsel review. Member Burandt confirmed that addition.

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

4.06: Authorize Staff to Complete Three Shovel Ready Certifications

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

Chairperson Steffen asked the number of shovel ready properties within the City today.

Economic Dev. Mgr/Assistant City Administrator Brama stated that although staff has gone through the process on seven or eight sites, there are only perhaps three that are Minnesota DEED Shovel Ready Certified. He noted that almost all of the significant City owned sites are “shovel ready” but simply do not have the Minnesota DEED certification because of the cost-benefit.

Member Riley stated that his question is why the City would spend the funds to improve land that is not owned by the City but noted that he understands that the developer would pay the actual costs and the City would only facilitate that process.

Motion by Chairperson Steffen, seconded by Member Burandt, to recommend to City Council to authorize staff to coordinate/manage the process of completing Minnesota DEED Shovel Ready Applications for three separate properties identified within this case and authorize staff to utilize up to \$25,000 from TIF District #1 for Minnesota DEED Shovel Ready Application costs.

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

4.07: Review Draft Comprehensive Plan Update

Community Development Director Gladhill presented the staff report.

Chairperson Steffen noted that the economic development seemed to be unchanged since the last review with the exception of the inclusion of pictures.

Community Development Director Gladhill confirmed that the draft is largely unchanged but advised that the discussed changes will be made prior to the next review.

Chairperson Steffen asked if the retail outlook will be expanded and suggested adding similar data for an industrial outlook.

Community Development Director Gladhill confirmed that section can be updated and expanded.

Member LeTourneau asked if the EDA would be open to discussing the economic development chapter in further detail once the changes are made.

Community Development Director Gladhill confirmed that staff intends to bring that topic back to the next meeting in further detail. He noted that further amendments can also be made during the jurisdictional review.

4.08: Receive Update on Development Projects

Community Development Director Gladhill presented the staff report.

Chairperson Steffen referenced the Ramsey Elementary School and suggested that staff present a high-level case in the future to provide additional details. He noted that he was unaware that the project is breaking ground next month.

Member Hardin agreed that he would like to review the project and adjacent zoning in a one-mile radius.

5. MEMBER / STAFF UPDATE

5.01: Training Opportunities Update

Econ. Dev. Mgr/Assistant City Administrator Brama reviewed opportunities for training for Members of the EDA. He stated that if Members have interest in any of these opportunities they should reach out to staff.

5.02: Business Retention and Expansion Update

Economic Dev. Mgr/Assistant City Administrator Brama stated that staff attempts to conduct 24 visits per year, noting that 14 visits have been completed so far in 2018. He stated that if Members are interested in attending visits, they should reach out to staff. He noted that Member Kanaventi attended the Dedicated Networks visit and thanked him for his participation.

Economic Dev. Mgr/Assistant City Administrator Brama stated that there is a vacant restaurant space in The COR and noted that staff is working with a potential start-up user. He provided other updates including interest from a potential grocer and updates within the business park. He noted that KORU Fitness provided the final payment on the loan they received from the EDA. He advised that Ms. Wenberg has completed her last day with the City and the economic development team will cover her responsibilities until a new staff member comes on board. He noted that Ramsey was recognized as one of the five finalist the previous night for its efforts with real estate development.

City Administrator Ulrich noted that the Council approved the Feasibility Study and ordered plans and specifications for an infiltration basin within The COR, which will help to provide storm water infiltration for COR projects. He provided an update on other recent Council activities noting that Councilmember Riley won the election the previous night. He noted that the Mayor position and multiple Council positions are up for election in November. He stated that legislation has been introduced in the Senate and House for the Ramsey Boulevard grade separation rail crossing.

Chairperson Steffen noted that there is a vacant position on the EDA and asked when a new Member will be appointed.

Economic Dev. Mgr/Assistant City Administrator Brama replied that applications for that position are due on April 20th and anticipated that the Council will conduct interviews in May with appointment occurring in June.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:46 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.