

**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, June 14, 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 LeAnn Lambrecht (arrived at 7:32 a.m.)
 Member John LeTourneau
 Member Chris Riley

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

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: Member Lambrecht.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated May 10, 2018

Motion by Member Riley, seconded by Member Hardin, to approve the May 10, 2018, minutes as presented.

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

4. EDA BUSINESS

4.01: Review Letter of Intent for Purchase of Property (PID #34-32-25-13-0005) 6710 Highway 10 NW Ramsey, MN (Portions may be closed to the public)

Member Lambrecht arrived at 7:32 a.m.

City Administrator Ulrich presented the staff report.

Dave Steinbring, Sterling Trophy, stated that they are a family owned and operated business that has been providing awards and engravings for over 19 years. He stated that they have evolved from just youth associations to major corporations and events. He reviewed some of the equipment the business has and noted that they have been in the location in Anoka for 15 years and have simply outgrown that space. He stated that they have been pursuing projects for the past 3.5 years in attempt to find a new location and would love to be a part of Ramsey's growth.

Chairperson Steffen asked why the applicant is attracted to this site.

Mr. Steinbring replied that they like the visibility that this site has. He noted that accessibility is also important and noted that he is not concerned with future access being provided by Riverdale Drive.

Chairperson Steffen asked for details on the timeline of the applicant.

Mr. Steinbring replied that they would like to be in the building by fall/winter of this year because they have significantly outgrown their current location. He stated that currently they have five employees and within the next ten years he would hope to have 10 employees.

Chairperson Steffen asked and received confirmation that the business, parking and stormwater facilities would only use half of the site. He asked if there are plans for the remainder of the site.

Mr. Steinbring stated that he would like to create as much square footage as possible. He noted that there are other complimentary businesses, such as apparel, that could fit well with his business.

Member Riley stated that this would be a great addition to the community and he would be interested in the redevelopment of this site, removing it from City ownership.

Member LeTourneau stated that he is also excited about the business coming to the community. He stated that the inventory for available lots for development in the community has been studied and programed. He noted that the offer price falls within the deal range and will assist in turning over properties ready for development and putting them back on the tax roll.

Chairperson Steffen received confirmation that the property has been vacant for over five years and has been on the active market for five years.

Member Burandt agreed that this is a great business and an offer within the deal range for a property that has remained vacant.

City Administrator Ulrich confirmed that the EDA is comfortable with the proposal and noted that staff will work out the details and bring a formal purchase agreement back to the EDA the following month.

4.02: Consider Extension to Purchase Agreement with Capstone Homes for Outlot C, Alpha Development

Community Development Director Gladhill presented the staff report.

Chairperson Steffen asked why the date was not originally pushed out.

Community Development Director Gladhill replied that the terms followed the standard template, noting that the phasing and timing was not fully known at that time. He stated that now that the timing and phasing is better understood, this can be considered.

Member Riley asked if this transaction would have to occur before Puma would be finished.

Community Development Director Gladhill confirmed that would be part of the plat process and Puma Street would be upgraded at that time.

Member Riley stated that it appears that no one is ready for the road extension at this time, the developer, or the City.

Community Development Director Gladhill confirmed that neither party is ready for Puma to be completed. He stated that the two existing sections will be improved this year, but the extension would not occur until the future time along with the development.

Member Hardin asked for information on the trees along Puma,

Community Development Director Gladhill referenced trees that had created a sightline issue for many years. He noted that the previous property owner was still farming the land and therefore the decision was made to delay the tree removal until development occurred. He stated that the tree removal was a City action and not on behalf of the developer.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council to extend the Purchase Agreement by two years.

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

4.03: RCP Presentation: Restaurant Incubator Feasibility Study

Angelo Yuan stated that they have spent the last semester working with City staff on the restaurant incubator project.

Community Development Director Gladhill provided background information on the RCP program, noting that the students worked across many departments to provide ideas for the community.

Yuan stated that Ramsey is situated within 15 minutes of two existing restaurant nodes but noted that most of the options in those nodes are fast food options. He stated that north of Ramsey has limited access to the restaurant nodes. He stated that the market size for this area is 110 to 155 restaurants in total. He stated that the finalized report will be sent to the City within the next few weeks. He stated that 650 national incubators were survived, with response from about 25 incubators. He stated that it is very difficult for an incubator to make a profit. He stated that they have maps and visual representations that will be provided at a later date because of technical issues. He provided information on the market assessment for Ramsey, stating that the majority age group in Ramsey spends a large amount of money on food outside the home. He stated that there are attraction points within The COR which can draw people to the location and would benefit the market in general. He reviewed the market barriers including the Mississippi and Rum Rivers. He stated that people living on the other side of those rivers would have to travel through an established restaurant node before reaching Ramsey.

Saikat Banerjee provided information on market competition within a 15-minute drive from The COR. He stated that there were close to 342 restaurants within that radius. He stated that currently the densest nodes for restaurants would be Coon Rapids and Anoka. He provided details on the different categories of food service available in the nearby radius, noting that there is a lack of full service restaurants.

Yuan stated that overall there is opportunity for Ramsey to pursue an incubator. He reviewed the different options for an incubator including a local restaurant/caterer, food trucks, culinary school graduates, and co-packagers. He stated that they did survey food truck owners and although the results were limited, they were able to obtain very complete information on why the locations are chosen. He explained that food trucks choose their location based on food traffic and licensing abilities. He stated that a survey was also done of students and instructors at culinary schools, also getting a limited response. He noted that they were able to gather a list of potential equipment that would be needed.

Banerjee stated that a food incubator is a new concept, about one decade old. He stated that there are many types of food incubators. He noted that the key takeaway point from those surveyed include that there is a high capital start-up cost and it is difficult to make a profit. He stated that surveys of local restaurants were also done, in the hope that perhaps one of those would want to be a future tenant but noted that they received very limited response.

Yuan reviewed the short-term and long-term recommendations. He noted that the report would include the full list of information discussed today.

Community Development Director Gladhill noted that the City does not have any intention of building a brick and mortar incubator space, but this project has provided the City with talking points that could be used when talking with potential restaurant users and also when explaining the challenges of attracting a restaurant to residents of the community.

Member Kanaventi stated that if there is a market to support a large number of restaurants, he asked why a recent restaurant would then have closed within The COR.

Yuan replied that after looking at reviews and photographs they believe that perhaps the reason was due to operational errors.

Member Kanaventi asked the percentage of existing restaurants within the number that could be supported in the market.

Yuan replied that it is difficult to determine that ratio.

Community Development Director Gladhill explained that this information provides the City with a baseline of information and market leakage. He stated that this will allow the City to avoid duplication and attract the right users.

4.04: Restaurant Subsidy Program

Community Development Director Gladhill presented the staff report.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the policies/programs related to recruiting new restaurants.

Further discussion: Member Riley stated that this is a huge goal and priority of the residents. He stated that these tools would not apply in full to every user but believed that it would be beneficial to give the City the highest number of tools possible. Member Hardin stated that he did not see anything listed in the policies regarding number of employees, wage of employees, or financial background data. He believed that staff should due some due diligence before providing funds. He noted that the term loan is used but was unsure if perhaps grant or award should be used in place of loan. He stated that he would want clarity before he could support the actions. Community Development Director Gladhill stated that perhaps some of the language is unclear without the actual application. He stated that he could add the language requiring a proforma. City Administrator Ulrich stated that language could be included stating that the applicant must display that they have secured financing. Member Riley referenced the water accessibility charge, which would be meant to ensure the business could be viable but noted that is tied to the real estate and an entity that would continue but would also help the user. Community Development Director Gladhill noted that underwriting costs are typically \$7,500, and therefore that would be an expense that may not be worth the return on the investment for this program. He stated that at the end of the day these are tied to the property, while restaurant users may come and go. Member Hardin disagreed. He stated that the City finance department has the capability to do the review. Chairperson Steffen stated that perhaps some of the financial information Member Hardin is looking for is included in the application. Member Hardin stated that he does not see any requirement for financial background information on the application. Community Development Director Gladhill noted that the policy could be revised to include the financial background information. He explained that the water connection program was used in the past and modeled after that previous policy. He noted that another policy was modeled after

an existing policy used by another municipality. Member Riley noted that the City has had the policy in the past. Community Development Director Gladhill confirmed the consensus of the EDA to add a financial proforma, resume, personal tax returns, and financial history would be desired. Chairperson Steffen noted that if the subsidy is being given to the real estate owner, he would be curious as to how that is being passed along to the user. He stated that the business welcome services are not financial in nature. He asked if those requirements would be desired for the sign and awning program or specific for the water connection fee. Chairperson Steffen noted that he would be less concerned with that because of the amount of subsidy. Member Hardin stated that he would like to see personal financial statement, resume, proforma. Member Riley believed that should be on a case by case basis. Chairperson Steffen noted that the current application that will be considered in the next case does not include that information. Community Development Director Gladhill noted that the applicant did provide some background information but the formal information that is being discussed now was not included. He stated that the restaurant was planning to open in mid-July and was unsure if this would change timing. City Administrator Ulrich noted that there is still a motion on the floor. He stated that delaying option one could be appropriate to add in some financial documentation. Chairperson Steffen asked and received confirmation that the other municipality that the City modeled the sign and awning language after does not require financial information. Member Burandt stated that perhaps it is fair to assume that by the time the business is requesting the sign and awning funds, they have already provided that financial information to a bank. He noted that the request is only \$1,500 and he would not require an applicant to provide a lot of financial information and redundancy. City Administrator Ulrich noted that the purpose of the sign and awning is aesthetic to make sure that the business looks nice. Member Hardin agreed that \$1,500 is not that much but believed that the City has fiduciary responsibility to review the documents. City Administrator Ulrich stated that perhaps for the sign and awning program there could simply be proof of financing from a bank provided. Member Hardin stated that he would be in agreement with that.

Chairperson Steffen withdrew the motion on the table.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the sign and awning program with the addition of providing proof of financing.

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

4.05: Restaurant Subsidy Application: Kitchen Table

Community Development Director Gladhill presented the staff report.

Member LeTourneau asked if the City would have early review in terms of the style and placement or whether that would fall under the review of the Planning Commission.

Community Development Director Gladhill noted that review would be done administratively.

Member Hardin asked if there will be multiple colors allowed throughout The COR, or whether color scheme would be part of the review.

Community Development Director Gladhill stated that color is not part of the review and he would not recommend going into that level of restriction as a user typically has its own brand and coloring.

Member Hardin stated that in his opinion perhaps it would be helpful to have a policy to provide guidance for colors allowed within The COR.

Community Development Director Gladhill acknowledged that there are higher design standards within The COR, but color has not been dictated in terms of zoning or design. He stated that there could be discussion when tying the request to subsidy requests.

Member LeTourneau stated that the EDA does not work with design standards and perhaps those concerns could be brought to the Planning Commission. He suggested that it simply be a discussion and not something that would lead to future policy.

Member Hardin stated that his concern would be that there could be a hodgepodge of colors throughout The COR.

Member LeTourneau noted that sometimes there is concern with what we do not know and therefore the issue is more about consistency. He stated that there has been a lot of discussion with design standards and therefore perhaps there is something in place that would regulate.

Community Development Director Gladhill noted that colors of awnings are not discussed in the regulations.

Member Riley stated that this is the EDA and therefore colors of awnings is not a discussion this group should have. He stated that there is an administrative process that will review the design of awnings. He stated that the City government does not have a place in deciding what awnings should look like, only that they are safe and appropriate. He stated that the issue before the EDA is the subsidy request. He believed that the decision for color and awning would belong to the business owner.

Member Burandt stated that if an awning comes forward for review that was not appropriate, would it then be denied.

Community Development Director Gladhill stated that there is not regulation on the color of the awning and therefore staff cannot deny something just because they do not like it.

Chairperson Steffen stated that he is comfortable with the history and resume of the applicant. He was unsure if there is financing for the project involved.

Community Development Director Gladhill stated they will still ask for appropriate financial information.

Motion by Member Hardin, seconded by Member Burandt, to recommend to City Council approve the sign and awning assistance request from Kitchen Table.

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

4.06: Review Options for Expiring Contract with CBRE

Community Development Director Gladhill presented the staff report.

Motion by Chairperson Steffen, seconded by Member Kanaventi, to recommend to City Council extend the contract with CBRE on a month to month basis through December 31, 2018.

Further discussion: Member Hardin stated that he would like to see a plan in place for the end of the six months. Community Development Director Gladhill confirmed that staff agrees with that direction.

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

4.07: Update and Discussion Regarding NW COR Development Concepts

City Administrator Ulrich presented the staff report.

Chairperson Steffen asked for information on the price negotiation.

City Administrator Ulrich stated that there is still a 30 percent gap in the negotiations and the gap would need to be closed towards the City position.

Chairperson Steffen asked the direction of the Council following the joint meeting.

Member LeTourneau stated that he is unsure that the City has enough information to say yes or no. He stated that additional broad questions were asked in regard to site location and feedback was provided. He stated that now it is a matter of if the user would select this site and if the price can be negotiated. He stated that the Council is attempting to look at this on a policy standpoint of a business that would like to purchase land from the City and come into the community. He stated that the Council is continuing to listen about the appropriateness of the business in relation to other businesses. He believed that additional discussion will need to occur before decisions can be made. He stated that because there is a business that would like to come to Ramsey, they would like to continue the discussions.

Member Riley stated that the Council consensus was to continue to move forward, with some people hesitant.

Chairperson Steffen agreed with that position.

City Administrator Ulrich noted that the next step would be for staff to sit down with Aldi and the next step for the EDA would be to consider the purchase agreement when that moves forward.

Member Riley stated that from the EDA and City standpoint, the statement is made that the City is business friendly. He noted that the last hour was spent talking about a \$1,500 incentive and comments have been made that perhaps Aldi is not welcome. He stated that those may be some of the reasons that businesses are hesitant to come to Ramsey.

Member Hardin stated that an hour was not spent talking about a \$1,500 subsidy but the fiduciary responsibility of the City when writing policy.

Member Kanaventi stated that perhaps it would be helpful to remind the EDA of their purpose and the purpose of the Planning Commission as he does not want to waste time talking about matters that do not pertain to the EDA.

5. MEMBER / STAFF UPDATE

5.01: Business Retention and Expansion Update

City Administrator Ulrich reviewed the businesses that have been visited since the last meeting and provided a summary.

5.02: Receive Update on Ramsey Brewery; Case of Tim and Corrin O'Shaughnessy

Community Development Director Gladhill provided an update on the potential Ramsey Brewery. He stated that the case will work its way through the cycle if formally applied for this summer.

5.03: Other Updates

Community Development Director Gladhill noted that the Economic Development Manager posting closed this past week. He stated that staff will complete first interviews next week and will then complete second interviews. He stated that the intent would be to have the new employee hired by mid-July or early August.

Communications and Events Coordinator who will begin on June 23rd. He noted that the City will also be repairing the City of Ramsey sign at North Forks.

Member LeTourneau thanked the RCP members for being present today and completing the work that they did. He stated that he is excited about having access to the information and using the data to become a better community.

Chairperson Steffen welcomed the newest member of the EDA.

Member Lambrecht introduced herself and provided background information on her experience and career noting that she is excited to be a part of the group.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:26 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Tim Gladhill
Community Development Director

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.