

RRH FAQs
Last Updated: 12/07/2017
Answers provided by Rum River Hills (RRH)

1. How will the project be funded/ managed/ owned?

We have two alternatives to select from to acquire the funds to complete the project.

- A. Venture capital funding: RRH would act as General partner of the real estate development and sales. RRH has partners experienced in all facets of the steps required to bring this project to a successful conclusion. This is going to be our desired methodology as we have complete control of the project. We would negotiate an agreement with an experienced developer/contractor to act as our liaison with other experienced building . It is desirable to offer different building styles and price ranges for the potential purchaser to choose from within the development. The different styles and price ranges will be divided into separate neighborhoods.*
- B. Developer funded. A contractual agreement would be negotiated between RRH and a developer that would be given control of housing portion of the development. The developer would utilize his funding resources to secure the funds to develop the infrastructure. The three property owner groups would sell the platted lots to the developer at a negotiated price*

The reality of the two scenarios is that the funding and structure will probably be a blend of the two alternatives. Since the current process is conceptual in nature, this is merely a proposed viable methodology to structure the organization and secure the funds for the infrastructure.

As the process proceeds from the conceptual phase to a completion of the final plat approval, these two alternatives will possibly change completely.

--Rum River Hills

2. Why doesn't RRH complete the proposed project on their side of Highway 47 (east side)? RRH has 7.8 acres of land sitting vacant on the north side of their development (east side of 47). The city's property is located on the west side of 47. After deduction of ROW needed for Quicksilver, the City's property is roughly 9 acres (about 1-acre difference).

The projects concept is to develop a community with golf carts as the main mode of transportation for transportation to essential services, entertainment and relaxation. The community's population would stimulate the revitalization of the depressed shopping area at 167th and Highway 47 to provide these services. The concept plan requires a large number of homes to be built and seven acres is not enough space to accomadate this goal. The city's land west of Highway 47 has only 6.7 acres of viable residential land as the water tower height requires a 150 % setback. There is also a wetland area on the SW corner of this property as well as a major gas pipeline traversing the property from West to East which precludes any residential development within the area of the pipeline.

However, The setback areas of the water tower and the gas pipeline can be utilized as a golf course and the wetland would be an amenity for the golf course. The land on the East side of Highway 47 is included in the project to provide additional residential units. Essentially the plan moves the two golf holes to non viable residential property adjacent to the water tower and utilizes the previous land area occupied by the holes at the resent time as residential property.

--Rum River Hills

3. Why would the city provide public assistance to RRH, and not The Links at Northfork? The Links at Northfork paid for a bridge over Alpine; and, rather than requesting use of city land/ city assistance, they have donated the city land in multiple scenarios.

The bridge over Alpine at Northfork was constructed for the sole purpose of conveying golfers from one side of the road to the other side of the road. The tunnel under highway 47 would be part of the trail system of the city of Ramsey which will connect with the residents on the easterly side of highway 47 to the westerly side in a safe manner. The tunnel also provide a safe mode of transportation to the city park which contains the soccer fields. Highway 47 is also a state road with a high traffic volume. The city has requested permission from the state on several occasions to install a traffic signal at the intersection of Highway 47 and 167 th avenue and have been rejected. This tunnel would be a partial solution as the youth of the area would have a safe method to cross highway 47. This project will also upgrade the northern access to the soccer facility on McKinley

--Rum River Hills

4. Has a real developer shown real interest in this project, not just RRH? Has the developer reviewed the preliminary financials/ budget, and shown genuine interest, and ability to place the required significant equity into a project like this?

Yes, We have two viable developers and we have an alternative plan utilizing venture capital. The sticking point is the sewer line. The sewer line should be in place for the all the potential development of the vacant land in the NE quadrant of the city. The line is also an essential factor to revitalize the shopping node at 167 th av and highway 47. The city is at an age that most communities pass through during their development that they transition from septic systems to a centralized public system. The sewer system line should not be earmarked for this development project. However, the 180 to 200 homes would pay for the line through taxes within ten years.

- 5. If the City were to move forward with this project, due to the proposed upfront \$3M public contribution, we would likely require performance by RRH (or the developer), to complete a certain number of homes, a certain quality of homes, by a certain time. We would want to know RRH (or the developer) is on board with considering that type of arrangement.**

If the sewer system was not earmarked for this project but part of the overall plan for the area, The city would have the cost of the tunnel earmarked for this project. The tunnel as mentioned previously would become a part of the city trail system. The current estimate from SEH would be around 500 to 600 K. which would be public funds. The topic in (4) would addressed in the development agreement between the city and RRH.

--Rum River Hills