

**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, May 10, 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 Chris Riley

Members Absent: Member John LeTourneau

Also Present: Patrick Brama, Econ. Development Mgr./Assistant City Administrator
 Tim Gladhill, Community Development Director
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Steffen called the Economic Development Authority meeting to order at 7:32 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, and Riley. Voting No: None. Absent: Member LeTourneau.

3. APPROVE MINUTES

3.01: Approve Meeting Minutes Dated April 12, 2018

Motion by Member Hardin, seconded by Member Riley, to approve the April 12, 2018, minutes as presented.

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

4. EDA BUSINESS

4.01: Recruiting Restaurants to Ramsey

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

Chairperson Steffen referenced option three and received confirmation that program does not currently exist in Ramsey at this time.

Member Riley stated that it seems that there are two different categories of incentives, one which would apply to a small local restaurant and one which would apply to a national chain type restaurant. He stated that perhaps there would be two different programs for two different targets. He noted that while one category would not assist in bringing in a national chain restaurant, it could help a smaller local user to open a restaurant in Ramsey.

Chairperson Steffen asked if the first option would only apply to new construction and not an existing location.

Economic Development Mgr./Assistant City Administrator Brama confirmed that in most cases, that first tool would only apply to new construction. He stated that if the EDA is interested in multiple options, staff could tie those together into a restaurant incentive policy.

Chairperson Steffen noted that the first tool worked well in the past, although it has sunset, and agreed that would be a helpful tool to bring back. He asked if Member Riley felt that these tools would not be helpful for a national user.

Member Riley stated that he believes that a national user would take advantage of some of these tools but did not believe that the tools would be enough to bring those national users to Ramsey.

Economic Development Mgr./Assistant City Administrator Brama agreed that national users rely heavily on demographics. He explained that national users will make their decision based on demographics and then dig deeper to take advantage of tools available and agreed that the tools will not sway the decision of a national user. He agreed that the tools could however sway a local or regional user.

Chairperson Steffen stated that the revolving loan fund should include restaurant users. He stated that the revolving loan fund does not get the use that it could.

Economic Development Mgr./Assistant City Administrator Brama confirmed that one local business recently paid off their loan. He stated that there is an outstanding obligation to Stone Brook Academy for \$100,000 but noted that there still is an available balance of about \$200,000. He stated that it is difficult for a restaurant user to qualify for financing for a start-up.

Member Burandt suggested adding options one, two and three as tools. He stated that he would be in favor of adding those options, with the clause that the request still comes back to the EDA for review.

Chairperson Steffen asked if anyone would be opposed to using the revolving loan fund for restaurant users.

Member Riley stated that he would be in favor of that use because of the City's desire to have that use.

Chairperson Steffen asked if staff is suggesting making a change to the underwriting for that process for start-up restaurants.

Economic Development Mgr./Assistant City Administrator Brama explained that start-up restaurants often have trouble qualifying for financing because it is a high-risk business. He stated that in order to be available and aggressive, the City would most likely need to open its standards a bit.

Member Hardin agreed that restaurants are tough for financing because there is little collateral and credit can be an issue for a high-risk business. He stated that he would be leery of offering a discount on sewer and water connection fees for one type of business and not others.

Chairperson Steffen stated that there was an issue with the Lunchbox in the past, as to whether the developer or user would receive credit for that.

Economic Development Mgr./Assistant City Administrator Brama stated that staff was able to work out the details with the Lunchbox and Acapulco.

Member Burandt stated that he understands the viewpoint of Member Hardin with "winners and losers" and the tool not applying equally. He stated that it is a goal of the City to have restaurants and therefore the City should have strategies to attract that type of business.

Economic Development Mgr./Assistant City Administrator Brama explained that retail and restaurants do not qualify for TIF use, while industrial uses do qualify for TIF use.

Member Hardin noted that TIF funds are recouped while water fees would not be recouped.

Chairperson Steffen noted that tool five would most likely be a discussion for another day. He stated that in summary the EDA likes most of the tools and would recommend bringing back the tools as one policy, or multiple policies for review.

Member Riley stated that the City continues to hear that there are no restaurants and no places to shop, so therefore this needs to remain a priority and the EDA has a role in this. He believed that any of these tools would be helpful in attracting restaurants.

Member Kanaventi asked whether the EDA has found why the Lunchbox failed or closed.

Economic Development Mgr./Assistant City Administrator Brama stated that staff received feedback from the user that it comes down to demographics and the traffic coming into their business was not sustainable. He stated that towards the end the customer base was getting stronger, but the business was not willing to continue down the path. He stated that the business did say the traffic is growing and the new apartment buildings and other new development is creating more traffic.

Member Kanaventi asked if the EDA could have assisted the business for the first five years, to perhaps monitor progress. He stated that it could have been an inefficiency in the business.

4.02: Receive Update on New Ramsey Elementary School

Community Development Director Gladhill reviewed the staff report, providing an update on the new Ramsey Elementary School.

Chairperson Steffen asked if every Ramsey student would then attend one of the Ramsey elementary schools and not leave the City.

Community Development Director Gladhill stated that the process is ongoing, but he cannot confirm whether each Ramsey student would be able to attend one of these schools.

Member Riley stated that there is a portion of Ramsey that goes to Elk River, which is a separate district.

Chairperson Steffen stated that the entire new school site is surrounded by residential and therefore to add retail would require a substantial zoning change.

Community Development Director Gladhill confirmed that there would need to be a change in not only zoning but also the Comprehensive Plan. He stated that the land use plan for the surrounding area can continue to be reviewed after construction.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update.

5.01: Business Retention and Expansion Update

Economic Development Mgr./Assistant City Administrator Brama indicated that this case will continue to remain on the monthly agenda for the EDA. He noted that there are two visits scheduled for the next month and welcomed EDA Members to attend. He stated that they are on track to meet the goal of 24 visits per year.

Chairperson Steffen noted that he attended a meeting with staff yesterday and encouraged other members to attend if possible.

5.02: Update on Refilling Position: Assistant City Administrator/Economic Development Manager

City Administrator Ulrich stated that Economic Development Mgr./Assistant City Administrator Brama has big shoes to fill. He stated that the Council made the decision to make the position more focused and some of the duties that Economic Development Mgr./Assistant City Administrator Brama currently handles will be redistributed. He stated that the new Economic

Development Manager will now report to Community Development Director Gladhill. He stated that the intent is to begin the hiring process in attempt to fill that position. He believed that whomever is hired for the position will be in a great position to build on the legacy that Economic Development Mgr./Assistant City Administrator Brama is leaving.

Chairperson Steffen asked if Assistant City Administrator title would be removed from the position.

City Administrator Ulrich confirmed that part of the title and duties would be removed from the position.

Chairperson Steffen recognized Economic Development Mgr./Assistant City Administrator Brama's service to the City and specifically to the EDA. He presented Economic Development Mgr./Assistant City Administrator Brama with a plaque recognizing his service and wished him well in his future.

City Administrator Ulrich noted that the City Council did interview two candidates for the vacant EDA position and advised that the new Member should join the EDA at the June meeting.

Economic Development Mgr./Assistant City Administrator Brama stated that it has been an honor to work with the EDA for the past several years to accomplish many goals together. He stated that the City is heading in a great direction and expressed gratitude and appreciation for his time with the City.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:19 a.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Patrick Brama
Econ. Development Mgr./Assistant City Administrator

Draft by Amanda Staple, *TimeSaver Off Site Secretarial, Inc.*