

**CITY COUNCIL JOINT WORK SESSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Joint Work Session on Wednesday May 23, 2018, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember Chris Riley
Councilmember Melody Shryock

Members Absent: Acting Mayor John LeTourneau

Planning Commission

Members Present: Chair Randy Bauer
Commissioner Gary Van Scoy
Commissioner Bruce Anderson
Commissioner Cheri Gengler (arrived at 6:30 p.m.)
Commissioner Daniel Onyambu
Commissioner Patrick Surma
Commissioner Matt Woestehoff

EDA Members

Present: Chairperson Jim Steffen
Member Brian Burandt
Member Glen Hardin
Member Dominic Kanaventi

Also Present: City Administrator Kurtis Ulrich
Community Development Director Timothy Gladhill
Asst. City Administrator/Economic Development Manager Patrick Brama
CBRE Vice President Brian Pankratz

1. CALL TO ORDER

Councilmember Riley called the City Council Work Session to order at 5:32 p.m.

2. TOPICS FOR DISCUSSION

2.01: Review Development Plan for The COR

Community Development Director Gladhill reviewed the staff report.

Councilmember Kuzma stated that he is troubled with the name COR and believed that should be addressed.

Community Development Director Gladhill noted that could be reviewed as the City has control over how that is marketed. He noted that perhaps tonight would not be the time for that discussion.

Councilmember Kuzma stated that COR can be confusing for people not from Ramsey.

Community Development Director Gladhill noted that there is work being done on streetscaping. He stated that he would recommend that be a future discussion and tonight focus on the other topics.

Planning Commissioner Van Scoy stated that within the framework is a plan for municipal parking that is not being followed. He asked if that vision and plan are still valid for high density areas.

Planning Commissioner Bauer agreed that he did not know what COR was when he first heard it.

Councilmember Shryock noted that other communities have areas with names within them. She stated that the City has been marketing The COR, which stands for Center of Ramsey. She stated that within Coon Rapids is Riverdale, and people know where that is. She stated that she would not necessarily agree with changing the name.

EDA Member Steffen stated that this is the first he has heard that COR is a problem.

Councilmember Kuzma stated that there have been some discussions, noting the recent work with the RCP.

EDA Member Steffen noted that there was a lot of work to change from Ramsey Town Center to The COR. He suggested revisiting those documents.

City Administrator Ulrich stated that it was a rebranding effort because it was determined that the Town Center name was tarnished. He stated that he has noticed a lot of people are starting to refer to The COR and it is becoming known. He stated that there will be an opportunity to review the work of the students from the RCP. He noted that a comment was made by the students that the City should be one rather than divided into The COR and the rural areas. He stated that The COR happens to be the commercial area of Ramsey and noted that perhaps those could be merged more together.

Councilmember Riley suggested staff gather background on the name change process and bring back to the Planning Commission, EDA and Council.

Planning Commissioner Surma stated that The COR came from the Council at that time. He noted that there would be time and funds spent to rebrand if the name is again changed. He noted that it could be simplified by simply adding the words "center of Ramsey" under The COR on signage.

Councilmember Riley referenced the issue of municipal parking and asked for opinions.

Planning Commissioner Van Scoy stated that he is concerned because the framework includes the idea of having the developer and City participate to build the ramps which would allow for the density desired at the center of The COR. He stated that if the City is going to focus on that, they should plan for it and if not, that should be removed from the framework.

Community Development Director Gladhill noted that the current stage of infrastructure analysis does include that element and noted that more meaningful discussion will occur in the future.

Councilmember Riley stated that he has heard that the City wants to utilize the ramps to get higher density, but at the same time the City is not selling the land and therefore empty land does not need ramps. He stated that the market will also not support that and therefore without heavy subsidy that would not be possible.

Councilmember Kuzma noted that at one time there was discussion of PSD building a ramp with another phase of apartments.

Asst. City Administrator/Economic Development Manager Brama replied that PSD is open to discussions but the cost for a ramp would be too high and therefore if the City wants a ramp there would need to be assistance. He noted that is the comment that all developers have given the City in regard to the high cost to build a ramp and the need for City assistance if that is to be a reality.

Community Development Director Gladhill noted that staff and the consultant continue work on the infrastructure analysis and staff is working on the draft Comprehensive Plan. He stated that staff is aware that retail is important and desired by all Boards and Commissions. He stated that retail is changing very much with increasing vacancy in surrounding markets, noting that impacts how the City is then able to absorb retail.

2.02: Concept Proposal: 22,000 Square Foot Grocer

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report.

Community Development Director Gladhill noted that the design, layout, and orientation of the building will need to be further reviewed by the Planning Commission if this moves forward as the back would face Sunwood Drive.

Councilmember Kuzma referenced the letter from Coborn's noting that the business is not afraid of competition. He stated that the business has asked that the access be changed so that customers would not drive through the competition's lot and he believed that would be an appropriate request.

Asst. City Administrator/Economic Development Manager Brama provided additional details. He stated that the City would need to purchase a property and create that new entrance. He stated that he would like to review the financial information on what that would cost. He stated

that would be a costly request. He stated that the existing access would need to be demolished as the City could not allow that many access points within that short distance.

Mr. Pankratz stated that Coborn's does not own that outlot, the developer of that shopping center owns that outlot and therefore three parties would be combined into that agreement.

Planning Commissioner Woestehoff asked if semis would access the building from the south side and asked if there would be concerns with having that type of traffic near the entrance to the store.

Community Development Director Gladhill noted that turning radius exhibits would need to be provided during future review. He stated that type of scenario is not uncommon.

Planning Commissioner Woestehoff asked if having two grocery type retailers would dilute the chances that a retailer like Target would come in the future.

Mr. Pankratz used the example of Elk River and Coon Rapids in which there are multiple grocers and mass retailers in one location.

Planning Commissioner Woestehoff stated that Elk River and Coon Rapids have a lot more retail space than Ramsey and perhaps a retailer like Target would not come if there are already two grocers.

Mr. Pankratz replied that the retailers all feed off each other because they provide different specialties. He stated that a Target, Walmart or Petco often look for retailers that draw attention to a corridor as a benefit to generate more customers. He stated that if those businesses are successful, that often draws in the bigger retailers.

EDA Member Kanaventi stressed the importance of allowing competition. He stated that if they are hoping to develop Ramsey into a force, competition will attract business rather than divert.

Councilmember Shryock stated that she is concerned with Coborn's staying in the community as they have been great partners. She stated that she also believes that Aldi is a different store and serves a different customer and therefore that could be filling a need that the community is currently not addressing.

Planning Commissioner Bauer stated that when they met with Coborn's, he explained that the bulk of his shopping is done at Coborn's, but they sometimes go to Aldi for something that is on special. He stated that Aldi does not have everything and therefore customers have to go to another store in fill in the rest of their shopping needs. He stated that currently Ramsey residents are going to Coon Rapids to shop at Aldi. He stated that the more things that will draw traffic to The COR, the easier it will be to facilitate conversations with other retailers.

Councilmember Kuzma stated that the City has been told by its experts that Ramsey is most likely not going to get a big box retailer. He stated that Aldi is a destination store and therefore would seem to be a good fit.

Planning Commissioner Anderson stated that Aldi would have an advantage as they would have better signage. He stated that he does not like the right-in option as that would give a preference to Aldi. He stated that he would prefer to eliminate that right-in and rotate the entire store 180 degrees. He stated that logistically he could see how Coborn's would have an issue and he would like to make it more of an even playing field.

EDA Member Steffen stated that he also supports competition but never understood the idea of putting two similar services right next to each other, whether it be gas stations, liquor stores, or grocers. He stated that Coborn's estimated their revenue to decrease by 20 percent if this were to be approved. He noted that the Coborn's lease is up in two years and noted that if a decrease of 20 percent is enough for Coborn's to give up, they could move in two years. He stated that is not a risk he would be willing to take. He estimated that 95 percent of residents would say Coborn's is their favorite business within The COR.

Planning Commissioner Van Scoy asked if other locations would be available for Aldi.

Asst. City Administrator/Economic Development Manager Brama stated that staff reviewed several sites with Aldi and this was the preferred site. He stated that they did talk about alternate sites, but this is the preference that Aldi wanted to go forward with.

Mr. Pankratz identified alternative sites and challenges that those sites would have for development.

Councilmember Riley asked if that alternate site would be a good fit if rental townhomes were constructed in that area.

Mr. Pankratz stated that there would be a shared infrastructure expense but noted that there would still be challenges. He stated that from a signage/visibility standpoint, each retailer will want building and pylon signage.

Asst. City Administrator/Economic Development Manager Brama stated that staff did suggest multiple other sites with Aldi for those exact reasons, but Aldi kept coming back stating that this is the number one desired site. He stated that the zoning fits and therefore Aldi wants the City to consider this site.

EDA Member Burandt stated that the issue of the fill and pond is a non-issue because it will need to be done eventually to support development. He agreed that it would not make sense to have two grocers with a shared driveway and could not think of another example in which two grocers have the same access. He stated that he would not want to risk Coborn's closing as a result of this.

Councilmember Shryock stated that she would want to ensure that there is a level playing field.

Councilmember Riley stated that it is not the job of the City to level the playing field or play favorites. He stated that the land is for sale and this is an acceptable use that fits the zoning. He believed that competition is good, and more retailers bring more retail.

Councilmember Shryock stated that she understands that point of view, but the City has put themselves in the position of master developer and therefore must make the decision of what this should look like. She stated that the City has the position to make the decision of whether to put two grocers that close together.

Planning Commissioner Surma stated that he shares the concerns of some of the others that this could put Coborn's at risk. He stated that if you put another building in that area, you will put additional demand on parking that is already stressed to the maximum. He noted that the parking lot is often full on the weekend and is dangerous for pedestrians. He believed that the parking would need to be expanded as it is and there would not be space for another building in that location. He believed that Aldi should go in another location. He stated that if this goes forward, he believes that when the Coborn's lease expires that business would leave and the City would lose that amenity.

Planning Commissioner Woestehoff stated that it is easier to retain a client than it is to find a new client. He stated that he would prefer to retain an existing business over attempting to recruit a new business. He did not think parking would be a problem and believed that the parking proposed would exceed the required amount of parking. He stated that his concern would be that forcing this competition could force out an existing business and he would prefer not to do that.

Community Development Director Gladhill stated that the parking requirements have been changed over the years as development has evolved. He stated that Aldi is proposing over the minimum amount of parking. He noted that there are times when the existing parking is taxed but overall there are enough spaces to meet the zoning requirements. He acknowledged that at peak times there is high demand for parking and pedestrian crossings could be improved.

Planning Commissioner Surma noted that if another building is added in that location there will be a parking and safety problem.

Councilmember Kuzma stated that competition is healthy and Coborn's will need to make sure their shelves are stocked properly and compete. He stated that there are often car dealerships next to each other. He stated that Aldi caters to a different shopping need and customers would probably go to both businesses. He did not think the City would lose Coborn's by allowing Aldi.

City Administrator Ulrich stated that in the meeting with Coborn's, he was surprised that the business was sorry to see McDonald's leave because McDonald's would pull traffic off the highway. He stated that perhaps that site would be a good fit for a restaurant or fast food operator. He stated that if an Aldi goes in this location, that would forgo other fast food/restaurant options that could pull traffic from the highway. He stated that the City is in the role of master developer and therefore this is not truly free market, although the market is going to dictate what will desire that site. He stated that Aldi has identified that this would be a

positive site and therefore that could be a positive site for other retailers as well. He stated that the City needs to take the role of master developer seriously and think about what is wanted for the future.

Councilmember Riley stated that while he agrees that these would be good restaurant sites, restaurants are not knocking the door down to have that space. He stated that the market is bringing another grocery store and not everyone is in agreement with that.

Community Development Director Gladhill stated that staff will bring the feedback to the developer that there is not full consensus and the developer will need to make the choice whether or not to move forward.

Planning Commissioner Van Scoy stated that while he agrees that competition is healthy, he also agrees that this pad would be better used by other uses. He stated that he would prefer to have Aldi located in another area of The COR.

Councilmember Riley asked if there is consensus that Aldi would be desired if there was another location chosen.

EDA Member Kanaventi stated that most likely Aldi has a reason that they want that space and perhaps the City wants to find out if Aldi would accept another location.

Planning Commissioner Bauer stated that the City should be careful not to protect a monopoly. He stated that there are grocers that could come in and would almost be guaranteed to put Coborn's out of business. He stated that Aldi would not impact Coborn's in the same way other grocers would. He asked if Aldi would be receptive to selecting another location within The COR.

Asst. City Administrator/Economic Development Manager Brama replied that he is unsure of the response of Aldi as they have said that this is the site they want.

Planning Commissioner Anderson agreed that Aldi is a different type of grocer and he would like to see it come in. He stated that he does not like this location as he would prefer a different business in that location. He stated that perhaps the City offer the site across the street, which he feels would be a better location, noting that there is already an entry to that site off Sunwood across from the Coborn's entry.

Planning Commissioner Woestehoff noted that from a selling point that alternate location would be closer to residential which could be helpful for the business. He asked the amount of acreage that is dedicated to retail currently. He stated that there appears to be a large portion available and having two distinct large footprint buildings in the same parcel would be a skewed use of acreage.

Mr. Pankratz identified the available retail acreage available.

Asst. City Administrator/Economic Development Manager Brama estimated 115 to 130 acres of retail available in The COR, noting that the City owns 30-40 acres of that.

Councilmember Shryock stated that it appears that the majority of the people present would support Aldi coming in, if there was another location chosen. She stated that the parcel that is in discussion tonight would be better suited by another use and therefore the City will sell that, whether it is now or later.

EDA Member Steffen noted that staff showed Aldi the other sites available and it appears that Aldi did not have a close second for preference.

Asst. City Administrator/Economic Development Manager Brama replied that if staff tells Aldi that they cannot be near that intersection he feels that Aldi will not look seriously at The COR.

Mr. Pankratz agreed. He explained that Aldi uses analytics to make decisions on where to open new stores. He stated that Ramsey is on their list, but it could easily come back off the list.

Councilmember Kuzma stated that there is a willing buyer and he would support selling.

Planning Commissioner Surma stated that he smells a desperation to sell that spot and noted that often good things come to those that wait.

Mr. Pankratz asked if there would be consensus for the parcel on the north side of Sunwood.

Councilmember Johns stated that she is more in line with the comments from EDA Member Steffen. She stated that she would prefer the site on the north side of Sunwood. She believed that there would be a better purpose for the site on the south side of Sunwood.

Planning Commissioner Surma identified the red line parcel which he felt could be a good fit. He noted that there are residential properties planned for that area and if there are too many buildings with surface parking, that will not allow for that mixed-use development.

Planning Commissioner Anderson agreed that the red line property would be a better solution.

Mr. Pankratz replied that retailers will want access to Armstrong.

EDA Member Kanaventi stated that he used to work for home furnishings and every single home furnishing store is right off the freeway. He stated that they want that visibility from the highway. He stated that the City has to be very careful when offering Aldi other sites.

Councilmember Riley confirmed that there is not a consensus.

Asst. City Administrator/Economic Development Manager Brama stated that staff will take the input back to Aldi that there could be support for a site that would not directly threaten Coborn's but noted that might be a no go for Aldi.

2.03: Concept Proposal: 250+ Unit Rental Townhome Development

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report.

Planning Commissioner Van Scoy referenced the “fenced in” comment noting that would create a fortress feeling. He stated that one of The COR values is to have a pedestrian friendly open area. He stated that he likes the idea of residential but believed that fencing would go against the vision. He stated that the site across from The COR would be preferred.

Planning Commissioner Anderson stated that single-level living residential was discussed for this property with a trail that went through the site in some method. He stated that if the property is gated that breaks up the parks/trails system, which is already in pieces. He stated that if the primary site is across the street, that would be a better fit as there is already a bike path in that area. He stated that as much as he would like to see residential in that area, the idea of gating bothers him.

Planning Commissioner Surma asked if the townhomes would be one level.

Community Development Director Gladhill noted that this would be multi-level, with separate housing units stacked on top.

Planning Commissioner Surma stated that this is not the place for that and believed that this should go across the street.

Councilmember Riley asked the purpose of reserving that space for one level living.

Planning Commissioner Surma stated that there is a surplus of multi-level housing in the community. He stated that the baby boomer generation desires single-level living and there should be room for that in Ramsey to allow residents to age in the community and provide a variety of housing stock.

Councilmember Riley stated that if there is a need for that, the market should dictate that.

Mr. Pankratz asked if the entire site would need to be reserved for single level living or whether it could be a combination.

Planning Commissioner Surma stated that there could be a combination but stated that rather than building “mini cities” of apartments, that site should be connected to The COR to allow pedestrian movement with a nice trail system.

Planning Commissioner Bauer commented that he just purchased a Capstone home and they had a hard time finding a one level property. He stated that those properties sell quickly and there is definitely a need in Ramsey. He stated that he likes the idea of residential with some of those lots being single level. He stated that with this applicant desiring gated property, he would prefer the site across the street.

Councilmember Riley confirmed the consensus of the group to support the developer choosing the site across the street, as that is the first choice for that developer at this time.

EDA Member asked if people would support this type of development in the location if it were not gated. He asked if people would want to bike through a townhome/apartment complex area.

Planning Commissioner Van Scoy stated that he would support the idea if the property were not gated. He stated that this proposal would potentially include single-level living for the unit on the bottom, there would just be someone younger living on top of that unit. He stated that he would want to ensure agreement with the Parks Commission.

Councilmember Riley asked if there are plans for a trail in this location.

Community Development Director Gladhill noted that the current Comprehensive Plan does have a general alignment through that site but is flexible as to where in that quadrant the trail would go. He stated that if the site does not want to be divided, that trail would go along Bunker.

Councilmember Riley stated that if the decision has been made to include a greenway corridor through the site, that may impact the flexibility and marketing of the site and therefore would support flexibility in that alignment.

Community Development Director Gladhill noted that there would be some developments which would work with a greenway corridor through the middle of the site.

EDA Member Steffen stated that he agrees that the preference should be made for the northwest parcel. He stated that he would be hesitant to decline an offer for an additional 250 rooftops in favor of a bike trail. He stated that he would be cautious to play hopscotch between high and low value developments throughout The COR.

Asst. City Administrator/Economic Development Manager Brama stated that it appears that there will be an issue if a greenway cannot be accommodated. He stated that it appears that the gate may or may not become an issue. He stated that the user could possibly flex to accommodate a greenway connection in another area of the site to provide flexibility.

Planning Commissioner Anderson stated that in the initial discussions, the Commission was not firm on the location of the trail through the site, there was simply a desire to have a trail. He stated that the location of the trail is flexible, but it is important to have the trail in there somewhere.

Planning Commissioner Surma noted that the developer prefers the site across the street and the City should support that.

Councilmember Shryock stated that she is not thrilled with the walls but noted that the walls could be broken up with landscaping.

Mr. Pankratz stated that it is a wrought iron fence with landscaping.

Planning Commissioner Van Scoy stated that the walls are a direct conflict with the idea of being open to pedestrians and therefore he would not support that component.

Planning Commissioner Anderson referenced the parkway concept, which is flexible. He stated that while he does not favor gated communities within The COR, he could support that if the bike system is connected.

Planning Commissioner Surma referenced a concept that gained consensus in the past. He noted that if this is followed, a restaurant will come into the site that Aldi wants.

City Administrator Ulrich asked if there are comments to expanding the residential area as opposed to keeping that retail, specifically the northern 20 acres north of Ramsey Parkway.

Councilmember Riley stated that residents were sold the idea that they were getting places to eat, and shop and the City has been slow to keep that promise.

Planning Commissioner Surma noted that this is one of the two concepts that was agreed upon and that space that Aldi wants is reserved and could be promoted as an ideal space for a restaurant.

Planning Commissioner Anderson stated that this is a concept but believed that the previous concept is more of what was agreed upon with retail in the northwest corner that would have road access. He stated that would open up residential as well in the area that is not high visibility from the road.

Councilmember Riley stressed flexibility with what the market is asking for. He stated that the concept referenced by Planning Commissioner Anderson would be half and half between retail and residential.

Community Development Director Gladhill noted that staff has enough to continue discussions. He confirmed the consensus that the group would be open to allowing additional residential in that area.

EDA Member Steffen stated that although the concept is great, there is not a developer proposing that use. He stated that he is surprised that people would want to push a developer to purchase land from another land owner.

Mr. Pankratz stated that this land is not zoned residential and there are a lot of developer groups that do not want to go through rezoning and Comprehensive Plan amendment processes. He stated that knowing that the City would be open to residential would open up additional interest.

2.04: Concept Proposal: 6,100 Square Foot Automotive Repair Center

Asst. City Administrator/Economic Development Manager Brama reviewed the staff report.

Councilmember Riley asked the current zoning of the property.

Community Development Director Gladhill noted that the property is zoned for retail. He stated that auto type uses were originally not permitted for that property.

Councilmember Riley asked for input on the proposed sites.

Asst. City Administrator/Economic Development Manager Brama provided background information on the previous uses of the properties.

Community Development Director Gladhill noted that existing uses in that area are heavy industrial and there had been an effort to redevelop that area as more retail.

Mr. Pankratz stated that this user was adjacent to a Cub Foods in another area. He noted that heavy mechanical work is not being done, it is more light work like tires and oil changes.

Councilmember Shryock stated that when she first read the case she did not oppose this use. She stated that some of the language makes her nervous, specifically allowing auto sales. She stated that perhaps the retail service auto use be allowed but not auto sales.

Planning Commissioner Woestehoff agreed and asked if the code distinguished between auto sales and auto retail.

Community Development Director Gladhill confirmed that specification could be made.

Planning Commissioner Bauer agreed that auto repair is needed in Ramsey. He stated that often when he drops a vehicle off, he frequents other businesses in the area. He stated that type of business will draw people in and encourage them to visit other businesses in the area.

Councilmember Kuzma agreed that he could also support this type of use.

Planning Commissioner Van Scoy stated that he likes the concept as this would bring people into the community. He suggested that staff consider rezoning the section west of Armstrong, modifying that to provide additional flexibility and separation.

Planning Commissioner Surma concurred with the comments of Commissioners Van Scoy and Bauer. He stated that the old Wisser Choice property would be a good fit.

EDA Member Steffen asked if the user is looking at one parcel specifically.

Mr. Pankratz stated that it is more of whether the use would be allowed before selecting a site preference.

Councilmember Riley confirmed consensus that the group would be supportive of that use in this area.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

Planning Commissioner Surma referenced his recent travels through other communities and referenced Hugo as a good example of development.

EDA Member Steffen stated that it is exciting that there are three good projects that were considered tonight which is good news. He looked forward to more in the future. He stated that this is the last meeting for Asst. City Administrator/Economic Development Manager Brama and noted that a lot of this action is due to his hard work. He thanked him for his contributions over the years.

Planning Commissioner Bauer echoed the comments of the great work that Asst. City Administrator/Economic Development Manager Brama has done to lay groundwork for the City. He stated that he has done a great job for the City.

City Administrator Ulrich stated that Asst. City Administrator/Economic Development Manager Brama has literally changed the face of the community and that will continue to be his legacy in the community. He thanked him for all of his efforts.

5. ADJOURNMENT

Motion by Councilmember Shryock, seconded by Councilmember Kuzma, to adjourn the Work Session meeting.

The Work Session of the City Council was adjourned at 7:21 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling

City Clerk

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.

DRAFT