

**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, January 10, 2019, 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 Mark Kuzma  
                              Member Chris Riley

Members Absent:     None

Also Present:         Sean Sullivan, Economic Development Manager  
                              Tim Gladhill, Community Development Director  
                              Kurt Ulrich, City Administrator  
                              Brian Pankratz, CBRE

**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 Burandt, to approve the agenda.

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated December 6, 2018**

Member Kanaventi suggested a change on page four of the minutes, it should read as follows:

“Mr. Pankratz stated that after construction there could be an outlot on the Coborn’s corner that could be used in the future for a building or other use.

Mr. Larson stated that they would be flexible and could purchase the entire site or a portion of the site and leave an outlot with the City”

Motion by Member Kanaventi, seconded by Member Hardin, to approve the December 6, 2018, minutes as amended.

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

#### **4. EDA BUSINESS**

##### **4.01: Consider Purchase Agreement for Lots 1, 2, and 3, Block 1, COR TWO; Case of RGH Ramsey LLC (Portions may be closed to the public)**

Chairperson Steffen noted that the developer is his uncle and he made the introduction to staff, therefore he will abstain from the review and decision for this case.

Member Burandt took over as Acting Chairperson.

Economic Development Manager Sullivan presented the staff report and the recommendation to approve the Term Sheet to be incorporated into the Purchase Agreement, which provides flexibility in the final determination of the site layout subject to City Attorney approval.

Rob Hardy provided background information on himself and his experience in commercial development, noting that he has over 40 years of experience in shopping center development. He stated that he would like to get interest from a drug store tenant (Walgreens or CVS), with a possible quick service restaurant/drive-thru, and perhaps an auto related retailer. He stated that his plan B would include talking to a Trader Joe's or Aldi. He stated that any of his users would be proposed for 2020 as most of these retailers look ahead on at least a 12-month cycle. He believed that the City is on track to meet the goals of The COR and this retail center. He stated that putting additional retail in that area will increase the use of the existing retail in that area and help prevent leakage of consumers going outside the community to get those retail services.

Member Riley stated that the City has had interest from Aldi and asked if the developer has experience with Aldi or whether that is being considered a warm lead because of the interest.

Mr. Hardy stated that he does have experience with Aldi and is currently working with Aldi on the project in North Dakota. He stated that typically Aldi likes to locate near a Walmart, and therefore he was surprised that Aldi had interest in this site. He stated that he does have contacts with the regional team for Aldi out of Minneapolis. He stated that he would like to run this site by Trader Joe's, as many retailers want to be near a Trader Joe's but noted that his first choice will be Walgreens or CVS.

Member Riley stated that these pads have been ready for many years and it is nice to see a developer that is interested and has real plans and would like to take the land off the City's hands.

Member Hardin referenced the extensions and asked if there are any benchmarks that the developer would need to meet during that time.

Economic Development Manager Sullivan stated that the language is similar to other purchase agreements that the City has. He explained that under a typical city purchase agreement the developer can request two extensions, each two months in length. He provided additional details

on the one-month extensions which would allow for a total of six months, noting that there would be no benchmarks required during that time.

Member Hardin asked if there are requirements for the developer to keep the City updated on conversations with tenants.

Economic Development Manager Sullivan stated that the conversations will be ongoing with the developer but that there are no requirements. He stated that the developer would like to have a primary tenant known for building one by June of 2019. He stated that the layout and buildings will go before the Planning Commission for review prior to construction.

Mr. Hardy stated that the proposed tenants would meet with the City staff directly to obtain additional details.

Member Kuzma asked for additional details on CBRE commission.

Economic Development Manager Sullivan stated that CBRE would be paid commission once when the purchase of all three lots are sold in one deal.

Acting Chairperson Burandt stated that it is exciting to have a developer with a plan that wants to take all three lots off the City's hands.

Mr. Hardy stated that even if his project were to fail and not move forward, he would still provide the City with any of the work product that he has completed on the site such as phase one environmental plans or any engineering information.

Motion by Member Riley, seconded by Member Hardin, to recommend to City Council approve the Term Sheet and Purchase Agreement for Lots 1, 2 and 3, Block 1, COR TWO subject to City Attorney approval.

Motion carried. Voting Yes: Acting Chairperson Burandt, Members Riley, Hardin, Kanaventi, and Kuzma. Voting No: None. Abstain: Chairperson Steffen.

Chairperson Steffen rejoined the EDA.

#### **4.02: Listing and Marketing of City Owned Land**

Economic Development Manager Sullivan presented the staff report and the recommendation that the City remove B & A Cylinder (Site 37A) from the CBRE listing agreement and to schedule a joint worksession between the EDA and City Council to allow for a broader discussion on City property listings and marketing strategy.

Chairperson Steffen asked for details on the three properties that are currently under contract. Economic Development Manager Sullivan provided details on those properties.

Brian Pankratz, CBRE, stated that he has a great relationship with City staff, EDA and the City Council throughout the years. He stated that although B & A Cylinder site is included in the listing, that site is not being actively marketed. He stated that for some reason that sign gets the

most interest for call generation and they then attempt to direct that interest to other sites. He stated that it has taken time to get here but with the recent residential and commercial developments, the City is gaining more interest from developers. He stated that there is proximity to the transit station and visibility with signage from Highway 10, which is attractive. He stated that the City starting to get the scale and demand that makes the listings interesting and he would prefer to continue to work with the City.

Chairperson Steffen asked if CBRE has proactive marketing in addition to calls being received.

Mr. Pankratz provided additional details on the active marketing activities that CBRE does.

Member Riley asked for details on the properties that were just discussed in the last case. He stated that it was a few years ago that the City took back the McDonald's land and the City was told that the land would go quickly. He noted that the last case was not even brought forward from CBRE.

Mr. Pankratz stated that at the time they believed that there would be interest from a retailer going into a location where McDonald's was interested in going. He noted that since that time the face of retail has changed. He stated that with the additional residential and commercial development that has occurred within Ramsey, additional interest will be garnered as the population and traffic counts have increased.

Chairperson Steffen stated that he would be supportive of a worksession with City Council to further discuss the issue prior to the contract expiration in June or July.

Member Hardin stated that he would be interested in the City listing some of the properties itself. He stated that all brokers have access to the sources that the City can post its sites on. He stated that a broker with a client would make a higher percentage bringing them to another community, as if they bring their client to Ramsey, CBRE will be getting a percentage and the original broker's percentage of commission would be reduced.

Member Kuzma stated that he has been with the City for as long as it has worked with CBRE. He stated that his one concern with CBRE is that it also has listings in neighboring cities and therefore he wonders how much effort is spent focusing on Ramsey, as CBRE represents many properties in the area.

Chairperson Steffen stated that is the nature of the industry.

Mr. Pankratz shared that The COR zoning is complex and hard to understand for some developers. He used the example of Affinity, noting that client would have most likely never looked at the site because of the complex zoning without added explanation or description. There is a need to have a good understanding of COR zoning to truly explain to proposed developers. He stated that part of being a broker is having listings across the metro area and any broker will have listings in other communities if they are doing their job properly. He stated that part of that is the ability to cross sell and provide clients with options, noting that every site is different. He stated that development opportunities in Anoka and Coon Rapids a becoming harder to find..

Chairperson Steffen referenced the previous case where the developer was not brought forward by CBRE and asked if CBRE then backs down from accepting commission.

Mr. Pankratz replied that CBRE does still take a commission. He explained that part of the job of CBRE is to get the sites out there and garner interest, whether that is brought directly through CBRE or other avenues.

Economic Development Manager Sullivan noted that his original recommendation was to remove the B & A Cylinder site but noted that does not need to happen right now and the sign can remain.

Mr. Pankratz noted that if there is interest in the site, they reply that the site is not available and then provide the caller with other available sites.

Motion by Member Hardin, seconded by Member Kanaventi, to recommend to City Council to schedule a joint worksession between the EDA and City Council for a broader discussion on City property listing and marketing strategy.

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

#### **4.03: 2018 Business Retention and Expansion Presentation**

Economic Development Manager Sullivan presented the staff report. The report noted the goal for 2018 was to make 24 business visits and during 2018 there were 32 visits made. The report summarized all the data from the visits that occurred in 2018 and staff anticipates that achieving 24 business visits in 2019 will not be a problem.

Chairperson Steffen asked if staff has a list of potential visits for 2019.

Economic Development Manager Sullivan stated that he is still working to develop that list but can share that with the EDA one completed.

Member Riley stated that he was just at a Chamber of Commerce meeting the previous night and workforce is an issue across the nation. He asked if Ramsey is in a worse position than other communities.

Economic Development Manager Sullivan replied that he does not believe that Ramsey is in a worse position than other cities and that it is better than some.

Chairperson Steffen suggested that staff provide an email to the EDA Members prior to a business visit so that interested members could attend if available.

#### **4.04: 2019 Business Expo Update**

Economic Development Manager Sullivan presented the staff report. It was noted that the event scheduled to take place on April 6, 2019 from 10:00 a.m. to 2:00 p.m. at the Adrenaline Sports Center.

**5. MEMBER / STAFF UPDATE**

The EDA reviewed the Staff Update.

Economic Development Manager Sullivan provided an update on a recent property that was sold and additional development interest and activity. He stated that he intend to applying for grant funds from Minnesota Economic Development Foundation for additional assistance with preparing sites for Shovel Ready Certification.

City Administrator Ulrich stated that the City Council reappointed Councilmember Riley to the EDA along with appointing Councilmember Kuzma to the EDA, noting that Councilmember Musgrove is listed as the alternate. He notified the EDA of an upcoming meeting with the City Council involving Highway 10, at which Bolton & Menk will be providing details on their study. He stated that the City is working with WSB in preparation for an upcoming road funding discussion meeting, noting that all Board and Commission members are invited to attend.

**6. ADJOURNMENT**

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

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

The regular meeting of the Economic Development Authority adjourned at 8:37 a.m.

Respectfully submitted,

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Sean Sullivan  
Economic Development Manager

ATTEST:

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Wendy Schlueter  
Economic Development Administrative Assistant

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