

**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, April 11, 2019, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Jim Steffen  
                          Member Shang Berg  
                          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  
                          Associate Planner Erik Maass  
                          CBRE Vice President Brian Pankratz  
                          City Planner Chloe McGuire Brigl

**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 Burandt, to approve the agenda.

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

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated February 14, 2019**

Motion by Member Riley, seconded by Member Kuzma, to approve the February 14, 2019, minutes as presented.

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

Chairperson Steffen welcomed the newest member of the EDA, Shang Berg.

Member Berg introduced herself to the group, noting that she has a background in real estate and has lived in Ramsey for seven years.

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

##### **4.01: Appoint Chairperson and Vice Chairperson**

Economic Development Manager Sullivan presented the staff report.

Member Riley nominated Jim Steffen for the position of Chairperson.

Motion by Member Riley, seconded by Member Hardin, to appoint Jim Steffen as Chairperson of the Economic Development Authority through March 31, 2020.

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

Member Hardin nominated Brian Burandt for Vice Chairperson.

Motion by Member Hardin, seconded by Member Kanaventi, to appoint Brian Burandt as Vice Chairperson of the Economic Development Authority through March 31, 2020.

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

##### **4.02: Consider Purchase Agreement for 6590 141<sup>st</sup> Avenue NW; Case of MDBNK, LLC (All Seasons Garage Door)**

Economic Development Manager Sullivan presented the staff report. The property has been vacant and off the tax rolls since 2006. The proposed project would secure a future for an existing and growing Ramsey business. Although the company is unwilling to commit to a future building and timeline to construct it, there is a possibility that it could happen. Construction of the parking lot and connecting sidewalk will improve the conditions of the site. Based on these factors, staff is recommending approval of the Purchase Agreement and to enter into a Right of Re-Entry Agreement with MDBNK, LLC for roughly .95 acres of City owned land located at 6590 141<sup>st</sup> Avenue NW, subject to City Attorney review and approval.

Mark Northfield, owner of All Seasons Garage Door, stated that they moved the business from Coon Rapids to Ramsey four years ago and love the community and business climate. He noted that the business has grown 40 percent since moving to Ramsey and has been able to increase the number of employees as well. He noted that they are looking for future expansion opportunities while transitioning to their succession planning, where their children will eventually take over the company. He stated that they do need additional parking at this time for employees and will expand that function first. He was unsure of the size and location of the building they would need in the future, or when they would want to build. He asked that requirements not be placed

on the size or timing of that future building. He stated that while they do not have specific expansion plans, they do know it is coming and want to be able to plan ahead.

Member Kuzma congratulated the business for their success and planning for the future. He asked if the business would be responsible for the curb cut.

Mr. Northfield replied that the business would be responsible for that.

Economic Development Manager Sullivan stated that when the parking is expanded, there are requirements within the purchase agreement that requires the current parcel and the additional parcel be combined and it would include a site plan.

Chairperson Steffen asked the likelihood that a future expansion would occur.

Mr. Northfield stated that since moving to Ramsey four years ago, the business has expanded by 40 percent. He stated that the business has a tremendous customer base that continues to be loyal and growing. He stated that the likelihood is very good that they will expand to a new building.

Chairperson Steffen asked how the employees would gain access from a new parking lot.

Mr. Northfield explained how the access would be provided from the new parking lot area which included the construction of a sidewalk from the parking lot to the existing building.

Chairperson Steffen asked if the expansion would be built on the existing fenced outdoor storage area to attach to the existing building in the future.

Mr. Northfield stated that they would be open to different options in the future. He confirmed that the new parking area would only be parking and would not include outside storage.

Chairperson Steffen referenced the right of re-entry relating to the construction of a building, and confirmed that the applicant would like that clause removed. The right of re-entry would remain in force for construction of the parking lot within a year. He asked if there is language that the applicant would be comfortable with that would ensure that a building is constructed one day.

Mr. Northfield replied that he is unsure what the economy would be in the future and he would not want to be forced into a decision that could impact the business.

Chairperson Steffen asked if the applicant would be comfortable with the right of re-entry set at five years and if the building is not constructed, the City could purchase that land back at the same price and lease the parking area to the business.

Mr. Northfield stated that he would like ownership of the land. He stated that the building cost would be \$750,000 to \$1,000,000 and he would not want to put that constraint on his children to have to build within five years. He stated that there are many elements in the air at this time in terms of needs and design and would simply like the ability to purchase the land and the City to have the ability to grow.

## **RECESS AND RECONVENE**

Motion by Member Hardin, seconded by Member Burandt, to recess the meeting into Closed Session at 7:47 a.m.

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

The meeting reconvened to Open Session at 8:08 a.m.

### **4.02: Consider Purchase Agreement for 6590 141<sup>st</sup> Avenue NW; Case of MDBNK, LLC (All Seasons Garage Door) (Continued)**

Economic Development Manager Sullivan summarized that during the closed session the EDA discussed land negotiation strategy and negotiation parameters.

Chairperson Steffen stated that City staff will continue negotiations with the applicant.

### **4.03: Review Site Concept and Recommendation for Public Hearing for Delta ModTech**

Economic Development Manager Sullivan presented the staff report. He stated that staff recommends that the EDA recommend to the City Council to call for a public hearing for the modification to the Development Program for Development District No. 1 and the proposed establishment of TIF District No. 17: Delta ModTech. The Planning Commission reviewed the project from site plan layout and land use perspective and the consensus was positive, recommending to move forward in the process.

Evan Shiebout, Delta ModTech, stated that they have been an actively growing company and continue to grow. He noted that they currently have three properties in Coon Rapids and would like to consolidate under one roof in Ramsey. He stated that the layout has been designed to support the current needs and would also include future expansion opportunity for manufacturing and office space.

Chairperson Steffen asked if this is the only site being considered.

Mr. Shiebout stated that they looked at many other sites in surrounding communities including Coon Rapids. He confirmed that they have been working with the City for some time and this is the only option they are pursuing at this time and they have put a significant amount of time and planning into this.

Member Kuzma referenced the northern boundary of the property and asked if that would be included in the greenway.

Economic Development Manager Sullivan stated that there is an area along the north lot boundary that is identified in the greenway corridor. He noted that the greenway corridor would be addressed during the site plan process by the Planning Commission.

Chairperson Steffen asked if there is information on a financial ask.

Economic Development Manager Sullivan stated that based it is approximately a \$15,000,000 project and that there was a request for \$1,500,000 in TIF financing in the business assistance application. He noted that analysis would be done to determine the need for assistance, potential TIF, to address the “But For” test and to review the rate of return.

Member Riley stated that this is not City owned land and therefore a different request than the previous and would not require a city purchase agreement.

Economic Development Manager Sullivan confirmed that the action requested today would be to ask the City Council to call for a public hearing to consider creating a TIF district and awarding a business subsidy.

Chairperson Steffen asked for additional information on what Delta ModTech does.

Mr. Shiebout provided additional information on what the business does and how it has evolved.

Motion by Member Burandt, seconded by Member Hardin, to recommend to City Council to call for a public hearing for the modification to the Development Program for Development District No. 1 and the proposed establishment of TIF District No. 17: Delta ModTech.

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

**4.04: Consider Purchase Agreement with Knoll Properties, LLC (Portions may be closed to the public)**

Economic Development Manager Sullivan presented the staff report. He recommended approval of the Purchase Agreement as presented.

Mr. Dave Knoll provided background information on previous expansions, noting that the 100,000 square foot expansion was expected to last five to seven years but only lasted one year. He stated that they would like to build this new facility across the street from their existing business for efficiency and to provide the business with the space it needs to keep up with the demand of its customers.

Member Riley stated that this is exactly what the City would want to see on this land and it would help an existing Ramsey business expand.

Chairperson Steffen states that there seems to be a trend this morning with existing businesses doing well and wanting more space. He asked if the public works facility would be dependent on these proceeds.

Member Riley stated that the space needed for the public works facility has been determined and therefore this land is available. He stated that although the proceeds could be put towards the public works facility, the facility is not dependent on the sale of this land.

Member Hardin referenced the Purchase Agreement and noted that CBRE is listed on the PA.

Economic Development Manager Sullivan stated that would be amended to remove CBRE. He noted that CBRE lists most other sites in the City but this site was not one of those.

Chairperson Steffen noted that this request does not include a business subsidy request.

Motion by Member Hardin, seconded by Member Kanaventi, to recommend to City Council to approve the Purchase Agreement with Knoll Properties, LLC, contingent upon final review and amendments from the City Attorney.

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

#### **4.05: Review Concept Plan for Zeolite/Bunker Townhomes; Case of Lennar**

City Planner McGuire Brigl presented the staff report. The EDA is asked to provide the applicant with high-level feedback on the use and whether or not to move forward with an official application and request for a Purchase Agreement. The Planning Commission was supportive of this development north of Sunwood Drive as presented, but was not supportive of medium density/townhomes south of Sunwood Drive.

Chairperson Steffen asked if the applicant was open to decreasing the size of the project in response to the Planning Commission comments.

City Planner McGuire Brigl confirmed that based on Planning Commission comments, the townhomes south of Sunwood Drive were removed from the revised concept plan by Lennar that was reviewed with staff this week.

Member Riley stated that he was happy to see the change on the plan. He noted that it is rare that residents want to see more residential properties in The COR; they are asking for more restaurants and retail. He agreed that the original concept would not have matched well with the resident desires and City vision for the area but believes that this concept is a better fit.

Member Kuzma stated that this parcel of land seems to be low and at one point there was mention of a fair amount of fill that would be needed.

City Planner McGuire Brigl stated that official numbers have not been discussed but the applicant is aware that fill will be needed.

Chairperson Steffen referenced the Sunwood Drive connection shown and asked if that was always a planned extension.

City Planner McGuire Brigl confirmed that an extension was always planned and noted that when the official application is submitted, they will work with Anoka County to determine proper alignment.

Chairperson Steffen asked if the remnant parcel to the northwest would still support commercial/retail development.

Economic Development Manager Sullivan confirmed that parcel was large enough to support commercial/retail development. He stated that the intent today was to obtain input and identify any potential issues before the applicant continues to move forward. He stated that he would anticipate a purchase agreement coming forward in the future.

#### **4.06: Review Strategy for Listing City-Owned Land for Sale**

Economic Development Manager Sullivan presented the staff report. He reviewed the recommendation to continue to list the industrial listings (Sites 28, 37, and 55) and consider adding 6b (water tower #3 remnant site in Elmcrest District – 167<sup>th</sup> Ave/Highway 47) and 11 (former gas station on Highway 47); to retain CBRE for all other listing types; and on parcels that CBRE is retained, language should be added into the contract that reduces or eliminates commission on prospects that originate with staff.

Member Hardin noted that this topic has been discussed on multiple occasions. He noted that after reviewing the information in the case, over \$200,000 has been paid in commissions to CBRE and those funds could better be spent in the City. He recommended that the City take over marketing of all the remaining lots for sale. He believed it to be a disservice to the taxpayers to pay out fees to CBRE, as many of the land sales are being made to businesses already in the City.

Member Berg asked and obtained background information on the marketing and services that CBRE provides. She asked how the marketing would be done if CBRE is not used, as capturing the right buyers is a large percentage of marketing.

Member Hardin noted that the properties would continue to be listed on MNCAR by utilizing the partnership with Anoka County rather than CBRE.

Member Kuzma stated that while he understands the opinion of bringing the marketing inhouse, that would limit the reach of marketing to the local businesses, whereas CBRE has a national reach. He noted that the housing numbers for Ramsey continue to increase and having CBRE onboard as an agent is a benefit to help the retail area in The COR and he would support retaining their services.

Member Riley agreed that the residents are looking for commercial and retail opportunities and CBRE has exposure in that area for The COR. He stated that there are situations in the past where CBRE has been paid commission for land sales that they were not involved in and believed that this hybrid option presented by staff would be a solution to that problem. He explained that if City staff obtains the lead, a reduced or no commission would be paid to CBRE. He agreed that the expertise of CBRE is needed.

Member Burandt stated that he agrees that the value of taxpayer dollars needs to be realized. He stated that he would support either bringing the sales inhouse or ensuring that CBRE would not be paid for commissions that they did not earn.

Chairperson Steffen stated that he has not heard from staff that they can handle all the listings inhouse. He stated that price is what you pay and value is what you get. He asked if the commission for CBRE is the right number and if the value obtained in return is equal. He explained that the City can put up a sign and list properties on MNCAR but is there value provided by CBRE beyond that. He asked the value and services that would be provided by CBRE moving forward. He also referenced a large case that was closed and asked the value that CBRE brought.

Mr. Pankratz stated that the properties are listed on MNCAR and additional listing opportunities such as Costar-Loopnet and others. He noted that cross selling is also an element. He explained that someone may call on a property in Lakeville and CBRE may provide opportunities that fit those parameters in Ramsey for that client as well. He used the example of Lennar, which the EDA considered on today's agenda, and explained how CBRE was able to bring that client into Ramsey and market that site.

Chairperson Steffen asked, and received confirmation that the commission earned is the same across all parcels. He stated that perhaps there would be an option to have a different commission dependent on valuation of the property.

Mr. Pankratz stated that there are options to have different commission rates.

Member Hardin stated that if the City took over marketing, there is nothing that would preclude CBRE from bringing in a client for property and therefore that option would not be lost. He explained that any broker could bring a client into Ramsey and receive commission.

Economic Development Manager Sullivan stated that staff could complete the listing/marketing efforts, but that would take time to implement and would be an increased load on staff capacity. He noted that signs, maintenance, online listings and brochures would all be required. He was unsure how much time and staff capacity would be needed to implement 100% of the listing/marketing in house. He stated that his recommendation would bring some properties in house for listing/marketing, while still leaving other properties to CBRE. He believed that CBRE has done a great job and noted the City met with a retail developer with interest in a retail site the previous week. He stated that this developer was not a developer that staff had previously identified.

Member Kuzma stated that he feels that if staff were to take on this type of marketing efforts that would place a huge burden on staff, as that would basically add a real estate division. He stated that the City does not want to be developers and wants to sell the property.

Chairperson Steffen asked the reasoning that some industrial properties are City listed.

Economic Development Manager Sullivan provided background information. He stated that there is a difference between industrial properties as compared to commercial/retail in The COR in terms of how it's marketed. He explained that there is much more assistance and marketing required for commercial and retail buyers. He noted that Mr. Pankratz has been telling the City's story for many years and is good at it.

Mr. Pankratz provided additional background on the three industrial parcels.

Member Riley stated that staff has indicated their comfort level in representing the industrial sites.

Chairperson Steffen stated that five years ago the City went through an RFP process and CBRE was chosen. He asked at what point the City would want to revisit that to ensure that it is obtaining the right services, pricing and value. He stated that he would hope that if that route is chosen, CBRE would end up as the top option again.

Member Kuzma stated that he was a member of the City Council when the RFP process was originally done for the City real estate listings. He stated that the City is on the cusp of being able to recognize the great work that has been done by CBRE. He would like to keep that relationship going and let CBRE continue to capitalize on the heavy lifting that has been done to get the City to this point.

Economic Development Manager Sullivan stated that he does not feel there is enough time to complete an RFP process between now and the time the contract expires on July 31, 2019 and does not recommend going out for one now. He noted that if that route is chosen, perhaps it could be done in one year. He stated that the five percent commission is a reasonable rate and comparable to market rate.

Member Berg confirmed that five percent is actually pretty low.

Chairperson Steffen asked for the terms of expiration.

Mr. Pankratz stated that the current contract expires on July 31, 2019 and could be renewed for six months or a shorter term if desired. He explained that a 30 day out clause could be added.

Chairperson Steffen suggested that a group meet with staff to develop criteria to determine what could be marketed by staff and what could be marketed by CBRE.

Member Riley stated that it appears Staff has included this approach in its recommendation of, as staff has thought about what they could represent and what CBRE should represent.

Mr. Pankratz used the example of the water tower site and provided background information on the thought process and discussion that occurred to determine the appropriate listing. He noted that he has discussed those listings with staff.

Chairperson Steffen stated that only two additional properties are proposed to be listed with the City rather than CBRE.

Economic Development Manager Sullivan stated that some parcels within The COR have multiple PID's and therefore count as multiple listings but in essence are only one site. He noted that additional properties in The COR could be pulled out for specific areas, such as housing, retail or office uses if desired.

Member Berg stated that selling real estate involves relationships and she was unsure that Anoka County staff or City staff would have that knowledge or time. She stated that commercial development is very complex as you have to bring the buyer in and explain the process.

Economic Development Manager Sullivan added that currently Anoka County has one staff person for the all the economic development activities for the county. He stated that Jacquell Hajder, ACRED, does a great job for the county and he works well with her. He stated that currently the City has Mr. Pankratz and his network, along with Anoka County which casts a broader marketing net.

Chairperson Steffen asked if there has been feedback on the additional contract language regarding commission.

Economic Development Manager Sullivan asked for feedback on the language.

Mr. Pankratz stated that he has had discussions with staff on this language. He stated that there is a way to create the language that would eliminate the grey area and to reduce commission when warranted. He noted that often he is working with a client that he refers to talk to staff about specific site needs. He agreed that there is an option to develop the language.

Economic Development Manager Sullivan summarized the comments he heard from the EDA today to possibly eliminate additional parcels from the CBRE listing and to work with Mr. Pankratz on developing language that regarding the reduction of commission for non-CBRE leads on CBRE listed property. He stated that he would want the proposed contract recommendation to be made by the EDA, however the ultimate decision would be made by the City Council. He stated that he will work on draft contract language and bring forward a proposal to the EDA that could address the issues discussed today. He noted that if additional amendments are needed, that could happen between now and July.

#### **4.07: Receive Update and Feedback on City Marketing Materials**

Economic Development Manager Sullivan presented the staff report. He welcomed input related to the updated marketing materials.

Chairperson Steffen asked how and when the materials would be used.

Economic Development Manager Sullivan stated that the material would be shared through different methods, depending on the audience and situation. He noted that the presentation materials could be tailored to a specific prospect. The information could be in print, electronic, online or on a laptop. He emphasized the flexibility and the ability to update as needed.

Member Kuzma stated that it seems that some of the information in the marketing materials was developed for a previous proposal to Amazon. He indicated that the City Amazon proposal was well done.

Economic Development Manager Sullivan stated that he was not a part of that Amazon proposal submittal.

Member Kanaventi stated that this material is very clear and possesses the necessary information for an audience reading it.

Member Hardin suggested updating some of the photos used specifically referencing the cover photo in the background.

Economic Development Manager Sullivan noted that is exactly the type of input he is looking for. He welcomed all members of the EDA sending additional input via email. He stated that the audience for the marketing material would be to bring in retail, industrial, and housing developers. He continued to review the revisions for the map, noting that the wall map would replace the dated map in The COR room at City Hall.

Member Riley stated that perhaps certain areas should be highlighted and identified as proposed industrial or proposed residential, identifying users or development sizes.

Chairperson Steffen referenced areas on the south side of Highway 10 and suggested that those areas be identified and highlighted as well.

Economic Development Manager Sullivan zoomed into the map and noted that the traffic counts would be updated as information becomes available.

Member Burandt asked if showing the potential bridge crossing to Dayton would be beneficial for marketing.

Economic Development Manager Sullivan stated that it was a good idea and that he would look into that. He wanted to be sure that City Council is comfortable showing that alignment as there is still discussion with the property owners.

Member Kanaventi suggested highlighting and labeling the Connexus solar array as well.

## **5. MEMBER / STAFF UPDATE**

Economic Development Manager Sullivan reported that the Business Expo was held the previous weekend noting that at least 600 people were in attendance with over 60 exhibitors. He noted that 400 City of Ramsey bags were distributed and there has been very positive feedback on the event and the new venue. He confirmed that staff intends to book the same venue for the next year. He reported that in May he will be attending the ICSC conference in Las Vegas. This conference is the largest retail conference in the nation. He noted that CBRE staff and Mr. Rob Hardy will also be at the event and together with the City they could show a united front to potential retailers. He stated that he has been working with Mr. Hardy to book specific meetings with retailers at the event.

## **6. ADJOURNMENT**

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

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

The regular meeting of the Economic Development Authority adjourned at 9:55 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.*