

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Tuesday, April 7, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota. Meeting by telephone or other electronic means in accordance with Minnesota Statute 13D.021.

Members Present:     Chairperson Jim Steffen  
                          Member Brian Burandt  
                          Member Scott Cords  
                          Member Glen Hardin  
                          Member Mark Kuzma  
                          Member Chris Riley

Members Absent:     None

Also Present:         Sean Sullivan, Economic Development Manager  
                          Tim Gladhill, Deputy City Administrator

**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 Kuzma, seconded by Member Cords, to approve the agenda.

A roll call vote was performed by the Deputy City Administrator:

|                     |     |
|---------------------|-----|
| Member Kuzma        | aye |
| Member Cords        | aye |
| Member Riley        | aye |
| Member Hardin       | aye |
| Member Burandt      | aye |
| Chairperson Steffen | aye |

Motion carried.

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated March 12, 2020**

Motion by Member Hardin, seconded by Member Kuzma, to approve the March 12, 2020, minutes as presented.

Member Kuzma        aye  
Member Cords        aye  
Member Riley        aye  
Member Hardin       aye  
Member Burandt     aye  
Chairperson Steffen aye

Motion carried.

#### **4.        EDA BUSINESS**

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

Economic Development Manager Sullivan stated that the purpose of this case is to appoint a Chair and Vice Chair for the upcoming year that will run April 1, 2020 through March 31, 2021. He opened the floor for nominations for the position of Chair.

Motion by Member Riley, seconded by Member Hardin, to appoint Jim Steffen as Chairperson and Brian Burandt as the Vice Chairperson of the Economic Development Authority through March 31, 2021.

There were no further nominations.

Member Cords        aye  
Member Riley        aye  
Member Hardin       aye  
Member Kuzma       aye  
Member Burandt     aye  
Chairperson Steffen aye

Motion carried.

##### **4.02:    Receive Update on COVID-19 Impacts and Response Plans**

Deputy City Administrator Gladhill presented the staff report and provided an update on the City's current response plans to the COVID-19 Pandemic as it relates to City operations, specifically Board and Commission meetings.

##### **4.03:    Consider Approval of Tax Increment Financing (TIF) Agreement for Ramsey Hotel Group, LLC**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked for more details on the Ehlers recommendation for a lookback provision.

Economic Development Manager Sullivan stated that the lookback provision would be moot as the City is providing the land through up-front financing. The city would be reimbursed through tax increment generated by the project. He explained that the City will review the sworn construction statement and costs to ensure they are in line with previous estimates in lieu of that lookback provision. He stated that staff does not recommend a formal lookback provision.

Member Cords asked what the cost to the City is for this deal.

Economic Development Director Sullivan replied that the cost to the City would be staff time, as with any deal. He explained any other costs associated, including the cost for consultant work, would be TIF eligible expenses that would be reimbursed through the TIF district and revenue generated by the project. He explained that the City has received \$5,000 from the developer to assist with the upfront cost.

Member Cords asked the percentage of the property tax that the City would receive annually.

Economic Development Director Sullivan replied that generally the City would receive 25 to 33 percent of the taxes. He explained that the City receives a higher portion of that during the TIF payback period, estimating about half of the property taxes coming back to the City during that time.

Member Cords stated that he was simply curious on the details of the seven to nine-year payback time.

Member Hardin asked if TIF District 14 is within Development District No. 1.

Economic Development Director Sullivan provided additional details on development district 1 and TIF district 14, which covers the majority of The COR and affirmed that TIF 14 was inside Development District No. 1.

Member Hardin asked if the City would have adequate financial guarantees to ensure the project is completed.

Economic Development Director Sullivan stated that the City's transaction is the land deal and the City would receive the assistance back through the financing. He stated that a Right-of-Re-entry agreement would ensure that the City would receive the land back if the project does not move forward.

Deputy City Administrator Gladhill provided details on the development agreement that would be done as part of the Site Plan process and that a letter of credit that would be required for some of the improvements.

Member Hardin asked if there are any letters of intent related to the restaurant at this time.

Economic Development Director Sullivan stated that the restaurant would be a Wisconsin Steak Chophouse, as with all corporate Cobblestone hotels. He stated that there is an example in Stevens Point, Wisconsin.

Member Hardin referenced the development agreement, Section 3.3, the third paragraph, related to the creation of jobs, which is set at zero. He stated that the next three paragraphs seem moot if job creation is not required.

Economic Development Director Sullivan confirmed that while jobs would be created, they would not be a requirement of the development agreement. He reviewed the other public benefits that would be provided through the project such as creation of tax base, satisfying market demand for lodging for commerce and diversity of business type.

Member Cords asked if there is an escrow or mechanism to recoup the upfront costs if the right-of-Re-entry is used.

Economic Development Director Sullivan provided additional details on the language included in the TIF Agreement for that purpose.

Chairperson Steffen asked for details on the timeline that would follow after today.

Economic Development Director Sullivan reviewed the timeline that would move forward if approved by the EDA, noting that if recommended for approval the item would move forward to an upcoming City Council meeting for consideration.

Chairperson Steffen stated that the EDA is excited about this project as it meets multiple goals of the City. He noted that it is clear from the Ehlers memorandum that this deal would not be possible but for the TIF assistance proposed to be provided by the City.

Motion by Member Cords, seconded by Member Kuzma, to recommend to City Council to approve the TIF Agreement, subject to City Attorney approval as to legal form.

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| Member Hardin       | aye |
| Member Cords        | aye |
| Member Riley        | aye |
| Member Kuzma        | aye |
| Member Burandt      | aye |
| Chairperson Steffen | aye |

Motion carried.

#### **4.04: Consider Programs to Assist Restaurants and Retailers Impacted by COVID-19**

Economic Development Manager Sullivan presented the staff report.

Member Cords asked if staff has been in contact with any of the restaurants, or hardest hit businesses.

Economic Development Manager Sullivan confirmed that staff contacted all of the restaurants in the community to develop the restaurant guide. He stated that it seems that the full-service restaurants have been hit the hardest, as some of those businesses remain closed. He noted that some of the quick service restaurants remain open for take-out orders. He stated that some of the full-service restaurants tried takeout but stopped because it was not economically working. Staff has also fielded many phone calls from businesses looking for help accessing assistance programs.

Chairperson Steffen noted that there is a nice list developed by staff and asked if staff is recommending that anything on the list not be included as an option.

Economic Development Manager Sullivan stated that the revolving loan fund typically is used for non-retail, non-restaurant businesses. He noted that the State has allowed cities to use the fund for that purpose through June 30 but was unsure what that program would look like. He noted that using that fund would also take the City's ability to use that for manufacturing purposes which generated this fund balance in the future away.

Chairperson Steffen asked for details on SBA programs.

Economic Development Manager Sullivan stated that City staff can only provide the information to the business. He stated that the business would then need to discuss that option with their banker. He noted that the Paycheck Protection Program (PPP) is available on a first come, first serve basis. He noted that he is unsure whether businesses have filled out the applications for the programs, but he believes that businesses are discussing the options with their bankers.

Economic Development Manager Sullivan reviewed the potential list of programs and the possible funding for the programs. He noted that staff can cost out the options the EDA selects, and the City Council can review those recommendations. He also reviewed the current actions the City is taking to provide flexibility to businesses.

Member Burandt stated that given that these are extraordinary times and restaurants are important businesses to the community, he would support using the EDA fund to offer some of these options to local restaurants.

Member Kuzma stated that he would like the City to wait a few more weeks to see how things shake out, as \$100 or \$500 really does not make that much of a difference.

Deputy City Administrator Gladhill stated that these programs would not necessarily be approved but noted that direction from the EDA would be helpful as to whether staff could focus effort. He noted that some actions have minimal impacts, such as waiving certain licensing or permitting fees.

Member Cords stated that he would support the options that have the least impact, as just mentioned by staff, as they could provide quick benefit to those businesses.

Chairperson Steffen asked for input from staff on the desire to waive, reduce or defer those fees.

Economic Development Manager Sullivan stated that he would look to waive/reduce the entire liquor license renewal fee, as those businesses will have been closed for at least one to two months. He stated that he is unsure how long this will run and therefore he would support a lease deferral, or late fee waiver for the Highway 10 RALF properties.

Member Hardin stated that he is leery of waivers and grants but would be open to deferrals or no/low interest loans if that would be beneficial to businesses. He stated that he would like to see specific details on how programs would operate before anything moved forward.

Economic Development Manager Sullivan asked if the loan programs would be targeted to business impacted by the order to close (restaurants, salons, etc.).

Member Hardin stated that he would be worried about picking and choosing industries. He stated that if there was a low/no interest loan program, he would want that open to the entire business community in Ramsey rather than picking and choosing industries.

Member Riley stated that he has talked to bankers and accountants and they are busy trying to submit loan applications for the PPP and SBA programs. He stated that he would be concerned that they do not fully know what is available right now and while there is a need, he was unsure that the City could assess the need. He stated that he does like the list of the items the City has direct control over, such as the fees. He stated that if something moves forward, he would want to ensure that needs are being addressed through targeted efforts.

Chairperson Steffen stated that if no/low interest loans are offered, he believes that City staff would be inundated by requests similar to banks. He asked the timeline suggested by staff.

Economic Development Manager Sullivan explained that the development of a low/no interest loan program would take time, as the City would not want to duplicate what is available and would instead want to create something unique to fill gaps. He stated that he likes the idea of offering things that could be done immediately, using the example of purchasing gift cards from businesses. He stated that option would place cash in hands immediately and the City could use those gift cards for event prizes in the future. He stated that the list of businesses developed by staff are the ones that have been shutdown the longest.

Chairperson Steffen asked if that would be normal course of business to purchase gift cards for the golf event.

Economic Development Manager Sullivan confirmed that the City does that in normal course of business but noted that the intent would be to purchase additional cards.

Deputy City Administrator Gladhill summarized some of the immediate action options, along with the direction to further explore other options, based on the discussion from today's meeting.

Member Riley asked if the liquor license renewal fee would apply only to restaurants or whether that would include liquor stores.

Economic Development Manager Sullivan stated that he would recommend only waiving the fee for restaurants as liquor stores have been deemed essential and have remained open.

Motion by Member Burandt, seconded by Member Steffen, to recommend to City Council to approve the following:

- Approve the following now
  - Waiver of On-Sale Liquor License Renewal Fee (City Fee Only)
  - Waive Advertising Fees for Ramsey Resident for Ramsey Businesses
  - Waive Late Fees for Lease Payments on City Owned Property (added, see below)
- Continue to explore the following and bring back to future meeting
  - Short Term
    - Marketing Assistance Program
    - Deferral of Lease Payments on City Owned Property for 60-120 day
    - Gift Card Purchase Program
  - Long Term
    - Low to No Interest Loan Program

Further discussion: Economic Development Manager Sullivan asked if a recommendation could be included to temporarily waive late fees for City owned properties for the time being with potential for deferral in the future. Deputy City Administrator confirmed the consensus to add that action to the motion.

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| Member Cords        | aye |
| Member Hardin       | aye |
| Member Kuzma        | aye |
| Member Riley        | aye |
| Member Burandt      | aye |
| Chairperson Steffen | aye |

Motion carried.

#### **4.05: Consider Waiver of Registration Fees for Ramsey Businesses for 2020 Ramsey Business Expo and Discuss Future Planning and Dates**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked how long staff could wait to select a date.

Economic Development Manager Sullivan confirmed that the decision could be postponed to May. He noted that he continues to receive interest from businesses for the event. He stated that the event is currently sold out for businesses, with a waiting list. He noted that the postponement could result in losing some businesses but could bring additional Ramsey businesses. He asked the EDA to consider waiving the registration fee for Ramsey businesses. He stated that if the decision is made to waive the fees, he would want to wait until the event is over to refund the fee to ensure those businesses signed up still participate.

Chairperson Steffen confirmed the consensus of the EDA to waive the registration fees for Ramsey businesses for the event, reimbursing the fee after the event takes place.

Motion by Member Riley, seconded by Member Kuzma, to waive registration fees for 2020 Business Expo for Ramsey Businesses and continue to plan for a late July date, pending the status of the current COVID-19 Pandemic.

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| Member Cords        | aye |
| Member Hardin       | aye |
| Member Riley        | aye |
| Member Kuzma        | aye |
| Member Burandt      | aye |
| Chairperson Steffen | aye |

Motion carried.

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

Economic Development Manager Sullivan provided a brief development update, highlighting Gigi's Salon and Cobblestone Hotel and their intent to continue to move forward with their projects.

## **6. ADJOURNMENT**

Motion by Member Kuzma, seconded by Member Cords, to adjourn the meeting.

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|---------------------|-----|
| Member Riley        | aye |
| Member Kuzma        | aye |
| Member Hardin       | aye |
| Member Cords        | aye |
| Member Burandt      | aye |
| Chairperson Steffen | aye |

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:49 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.*