

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

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, May 14, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent:     None

Also Present:         Sean Sullivan, Economic Development Manager  
                          Tim Gladhill, Deputy City Administrator  
                          Debra Musgrove, Alternate EDA Commissioner  
                          Rob Hardy, RGH Ramsey, LLC

**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 Cords, to approve the agenda.

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

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

Motion carried.

Member Burandt joined the meeting.

Deputy City Administrator Gladhill read a statement related to the COVID-19 pandemic and local state of emergency. In declaring this Local State of Emergency, the City of Ramsey has determined that in person meetings and meetings conducted under Minnesota Statutes Section 13D.02 are not practical or prudent because of the declared health pandemic emergency.

### **3. APPROVE MINUTES**

#### **3.01: Approve Meeting Minutes Dated April 23, 2020**

Motion by Member Cords, seconded by Member Hardin, to approve the April 23, 2020, minutes as presented.

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

Member Hardin	aye
Member Heineman	aye
Member Cords	aye
Member Kuzma	abstain
Member Burandt	aye
Chairperson Steffen	aye

Motion carried.

Chairperson Steffen welcomed the newest member of the EDA, Ryan Heineman.

Member Heineman provided background information on himself and related personal and business experience.

### **4. EDA BUSINESS**

#### **4.01: Consider Approval of Second Amendment to 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 recused himself from the discussion.

Economic Development Manager Sullivan presented the staff report.

Member Cords asked when ground would have been broken if it were not for COVID-19 and its related closures.

Economic Development Manager Sullivan stated that originally the closing would have occurred in June, which would have started the clock ticking. He stated that a spring start was anticipated with construction ending by November 15, 2020. He stated that the intention would have been to lock in the tenants earlier this year with construction to begin in the spring, but development activity was paused due to the impacts of the Pandemic.

Rob Hardy stated that Aldi and Holiday just broke ground on a project he is working on in Fargo, North Dakota and anticipates opening in October 2020. He stated that there is a five- or six-month construction period for this type of project.

Member Riley asked for additional details on the general interest that there was for the project prior to COVID-19 and how this situation may impact the interest in development.

Mr. Hardy stated that initially he met with Kwik Trip last May and that business indicated a sincere intent to move forward on the project. He stated that Kwik Trip indicated that it would most likely take until this spring to gain corporate approval and move forward. He noted that administrative staff has been working from home, which placed a delay on Kwik Trip moving forward. He stated that he has asked for the minimum amount of time he would need and hopes to bring something forward later this year. He stated that he spoke with other retailers that have shutdown development activity at this time because of the COVID-19 uncertainty. He noted that he continues his efforts with retailers and provides a weekly update to Ramsey staff.

Motion by Member Hardin, seconded by Member Cords, to recommend to City Council to approve of Second Amendment to Purchase Agreement for Lots 1, 2, and 3 Block 1, COR TWO; subject to City Attorney approval as to legal form.

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

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

Motion carried.

Chairperson Steffen rejoined the group.

#### **4.02: Consider First Amendment to Purchase Agreement with Gigi's Salon and Spa, Inc.**

Economic Development Manager Sullivan presented the staff report.

Member Hardin asked if the other diligence items have been completed.

Economic Development Manager Sullivan replied that the title work was completed, and the site is pad ready and does not require additional environmental work. He stated that the delay is simply to allow the business additional time to make the decision, due to the impacts from the required closure.

Member Cords stated that he would wonder if 60 days is enough, as the business cannot yet be open. He stated that perhaps the 90 days be granted even though only 60 was requested.

Economic Development Manager Sullivan stated that staff is always negotiating with the developer. He stated that the applicant requested 60 to 90 days and staff suggested proceeding with a request for 60 days. He believed the applicant would appreciate the additional time 90 days would provide.

Chairperson Steffen commented that he would also be comfortable with 90 days.

Motion by Member Cords, seconded by Member Kuzma, to recommend approval of the First Amendment to Purchase Agreement, subject to City Attorney review, amending the term from 60 days to 90 days.

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

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

Motion carried.

#### **4.03: Finalize Implementation of COVID-19 Assistance Plan Phase 1**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked if the businesses listed in the case are all of the liquor license holders in Ramsey and whether some businesses have already paid the fee or whether all the licenses would be up for renewal.

Economic Development Manager Sullivan confirmed that list includes all of the on-sale license holders in Ramsey. He replied that the renewals are sent out in May and due in June, so the businesses will not have to pay the fee this year.

Member Cords asked the percentage of the license that would be considered the City portion.

Economic Development Manager Sullivan replied that there are different types of on-sale licenses which range from \$5,200 to \$5,500 for each business. He stated that the City did not want to interfere with licensing that may be required through the State and therefore specified that the assistance would only apply to the City required fees.

Deputy City Administrator Gladhill stated that the clarifier was inserted in the event that the State charges a fee. He stated that he is not aware of any additional fees but felt that disclaimer should be included.

Member Cords referenced budget proposed to be used which would have been used for the TIF analysis work done on the section of buildings east of Do All Printing. He asked if the City has stopped doing that work because of the shutdown.

Economic Development Manager Sullivan replied that analysis was being done on a case by case basis when access is available. He stated that if there is a situation in which the analysis could be completed, staff would still move forward with that. He explained that it is not an active pursuit but occurs when the opportunity presents itself.

Deputy City Administrator Gladhill stated that as the City looks to prioritize and identify essential services, there are other funds available within the City budget to complete that analysis.

Chairperson Steffen reiterated that if the EDA needs additional professional services throughout the year there would be additional funds that could be used.

Member Hardin stated that at the last meeting he brought up the perception that this would be picking and choosing businesses. He stated that these businesses have already been told that this would happen and felt that this backs the EDA into a corner. He stated that the EDA is then in essence voting on this after the fact. He stated that he is disappointed that the City is picking and choosing businesses as “winners”, noting that some of these businesses have been open and selling liquor. He stated that perhaps a different method would have been fairer and more equitable.

Economic Development Manager Sullivan commented that this action began in EDA with a recommendation to move forward to the City Council with this program. He stated that the purpose of this case is to quantify the policy in writing and to formalize. He stated that if the EDA does not feel that EDA funds would be a good source of funding, that recommendation could be made for the City Council to find another potential funding source. He stated that while all businesses could use a cash injection, there is not always a City controlled fee for all the types of businesses. He noted that the intent of this program was to provide assistance through this City controlled fee.

Deputy City Administrator Gladhill explained the quick reactions that have occurred during this COVID-19 pandemic and local state of emergency. He stated that staff is attempting to be more flexible during the pandemic. He stated that the case is titled phase one and the next phase could be to look on a broader scale as more information develops.

Councilmember Musgrove asked for additional details on the dates and terms of the license and whether there has been discussion of prorating the license fee rather than using a one-year term.

Economic Development Manager Sullivan replied that the license has an annual renewal with a fee based on the terms of the license. He stated that when this was originally brought to the EDA

and Council, it was not contemplated to prorate the fee and the direction was to proceed with the waiver of the one year on-sale liquor license renewal fee.

Councilmember Musgrove asked when the license term begins.

Economic Development Manager Sullivan replied that he was unsure of the begin date but noted that renewals are due in June. He noted that all of the businesses on the list were open prior to the pandemic and will hopefully continue to remain in operation. He provided details on the topic of waiving the advertisement fees for Ramsey businesses with the *Ramsey Resident*. He noted that both the EDA and City Council approved this program moving forward and advised of the potential cost of \$2,000 to add 4 pages to the publication. This cost is proposed to be funded through the EDA. He stated that the offer would only apply to the late summer edition and provided details on the different size ads that could be provided. He stated that the most impacted businesses have been bars, restaurants, and salons and therefore the policy direction thus far has been to place priority on those businesses that have been forced close the longest. He stated that the Business Expo has been canceled for 2020 and this would provide another opportunity for those businesses to advertise to residents.

Chairperson Steffen asked when the deadline is for the late summer edition and asked how this program would be advertised.

Economic Development Manager Sullivan replied that the staff would reach out to Prime Advertising, who completes the ad portion of the *Ramsey Resident* to alert them of the offer. He stated that staff could also reach out to the businesses that were scheduled to participate in the Business Expo to advise them of the program.

Member Heineman referenced the comment of the *Ramsey Resident* being ad heavy and asked if the cost to mail the publication is covered by the advertising or whether it is subsidized by the City.

Deputy City Administrator Gladhill stated that the ads cover a portion of the *Ramsey Resident*, but the City also provides an allocation to cover the remaining cost of publication and distribution. He stated that a special insert could be included to focus on the business community or a business resource guide in addition to the advertising.

Chairperson Steffen asked for input on the size of the ads and the number of ads anticipated.

Economic Development Manager Sullivan stated that the decision would need to be made on the maximum advertisement size and whether the City would limit the number of free ads that it would allow. He noted that some of the business that advertise, may or may not qualify for the funding assistance. He stated that the majority of the ads typically found in the publication are 1/8 page.

Member Riley stated that he supports the idea of this concept. He stated that a 1/8 ad would make the most sense. He stated that he does not have an issue with the priority order listed. He stated that typically a commission rate is paid to the advertiser for a portion of the ads sold and stated

that it would seem that someone should make sure that the City does not have to pay commission on the free ads.

Economic Development Manager Sullivan stated that staff did discuss that topic with those involved in publication. He stated that staff anticipates that the City would still pay the normal commission rate as some businesses have already committed to a year's worth of advertising with the agent at Prime.

Member Riley stated that if an exception is being made for the next edition, he would suggest that whatever revenue that has been generated would continue to be shared. He noted that if there is no revenue generated from the advertisement, a commission would not be paid, as this is a new one-time program due to COVID-19.

Deputy City Administrator Gladhill stated that staff would work with the *Ramsey Resident* staff to negotiate the details, which is why a not to exceed amount was suggested in the case, to provide the flexibility.

Member Heineman referenced the criteria for those that would receive the advertisement space. He asked if there would be criteria developed for how businesses would be prioritized.

Economic Development Manager Sullivan replied that the types of businesses eligible were outlined in the policy and would be accepted on a first come, first serve basis. He noted that a business that already advertises in the *Ramsey Resident* would receive priority over a business creating a new ad through this program.

Member Cords stated that with the liquor license program there is a deal provided to a specific set of businesses. He stated that perhaps other businesses be given priority over the on-sale liquor license businesses because they already received benefit through the other program.

Economic Development Manager Sullivan confirmed that language could be included that states that businesses that have received the on-sale liquor license fee waiver could be placed on a waiting list and eligible if there is still space available, giving other businesses priority.

Member Hardin asked to see the outline of the businesses that would be eligible.

Economic Development Manager Sullivan displayed the list.

Chairperson Steffen stated that it appears this project could apply broadly but again appears to have a prioritized list.

Economic Development Manager Sullivan stated that the intent of these programs was to first address the businesses that have been forced close the longest. He noted that the list does not include manufacturers. He noted that those businesses may not even find it helpful to advertise in the *Ramsey Resident*.

Deputy City Administrator Gladhill stated that staff also worked in attempt to find gaps between state and federal funding opportunities and direct the first phase of the program on the businesses that perhaps did not qualify for alternative funding. He stated that there could be a phase two program that could apply to a broader scope.

Member Burandt stated that those that hold an on-sale liquor license only received 10 months out of 12 because of the closures. He stated that restaurants remain a desired element for the community, as stated through resident comments and feedback on the City survey, therefore the City should work to maintain the existing restaurants.

Chairperson Steffen asked if 25 ads is the suggested maximum number of ads.

Economic Development Manager Sullivan confirmed that 25 ads was the top end recommendation within the case. He stated that a maximum number is desired in order to provide accurate budgeting projections.

Member Cords asked if there would be consideration for offering this more than once, dependent upon the economy.

Deputy City Administrator Gladhill stated that he would suggest moving forward on a one-time program, noting that a future request could come back if desired.

Economic Development Manager Sullivan provided details on the late payment waiver program. He stated that the businesses have remained current or one month behind. He stated that one business has reached out and expressed appreciation for the City allowing them to be late on the payment if needed.

Member Hardin asked if staff would still plan to negotiate with the publisher related to commissions.

Deputy City Administrator Gladhill noted that staff would attempt to negotiate with the publisher as discussed.

Motion by Member Burandt, seconded by Member Cords, to recommend approving the Liquor License Fee Waiver Program.

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

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

Motion carried.

Motion by Member Steffen seconded by Member Hardin, to recommend approving the *Ramsey Resident Advertising Reimbursement Program* at a not to exceed expense of \$10,000 based on 1/8 sized standard ad and a cap of 25 ads.

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

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

Motion carried.

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

Economic Development Manager Sullivan provided a development update related to COVID-19 and the impacts to local businesses.

Member Cords asked if a decision has been made on Happy Days.

Deputy City Administrator Gladhill stated that the Happy Days group is meeting tonight to discuss that topic. He noted that if the event does occur, it would not be the same format because of social distancing.

Economic Development Manager Sullivan stated that a decision or recommendation should be made at the June EDA meeting for a possible Business Appreciation Day event. He stated that future plans will be dependent upon the next steps from the Governor and the need for social distancing.

Deputy City Administrator Gladhill provided an update on the transition plan to reopen City Hall, divided into two categories: public meetings and daily operations.

## **6. ADJOURNMENT**

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

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

Member Hardin	aye
Member Cords	aye
Member Kuzma	aye

Member Riley            aye  
Member Heineman    aye  
Member Burandt      aye  
Chairperson Steffen   aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:54 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.*