

**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, October 8, 2020, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Jim Steffen  
                              Member Scott Cords  
                              Member Ryan Heineman  
                              Member Mark Kuzma  
                              Member Chris Riley

Members Absent:     Member Brian Burandt

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

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Kuzma, Heineman, and Riley. Voting No: None. Absent: Member Burandt.

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated September 10, 2020**

Motion by Member Riley, seconded by Member Cords, to approve the September 10, 2020, minutes as presented.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Cords, Heineman, and Kuzma. Voting No: None. Absent: Member Burandt.

**4.     EDA BUSINESS**

**4.01:   Consider Lease Agreement of 6701 Highway 10 NW to Mille Lacs Motor Sports II (Power Lodge) (Portions of the meeting may be closed to the public)**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked if that space has been leased to anyone else prior to this spring.

Economic Development Manager Sullivan stated that perhaps PACT used that space when they were in the area but could not recall any official lease of that space aside from the temporary one by Mille Lacs Motor Sports in the Spring. He confirmed that the total amount for the three different periods would be paid up front.

Chairperson Steffen asked if it is unusual for a lease of three time periods to be done without leasing the space for the entire year.

Economic Development Manager Sullivan replied that this space is not being used for another purpose and therefore did not see a reason this space should not be allowed to be used for this purpose.

Chairperson Steffen asked if the Highway 10 project would impact this property.

Economic Development Manager Sullivan stated that the alignment for Highway 10 has changed from previous plan iterations and it will remain in its current alignment. The building will remain but some of the parcel might be needed for a future frontage road. He said some of these properties were acquired through the RALF program, and with the uncertainty of the Hwy 10 plan, the City is holding all properties acquired with those funds until the Highway 10 project moves forward.

Deputy City Administrator Gladhill stated that this is the third rendition of the Highway 10 project and therefore it does not seem prudent to sell the property at this time.

Motion by Member Cords, seconded by Member Riley, to recommend to City Council to approve the Lease of 6701 Highway 10 NW to Mille Lacs Motor Sports II: subject to final lease area calculation and review by the City Attorney.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Riley, Heineman, and Kuzma. Voting No: None. Absent: Member Burandt.

**4.02: Consider Purchase Agreement for Outlot B, Alpha Development 2<sup>nd</sup> Addition; Case of U.S. Home Corporation (Portions of the meeting may be closed to the public)**

Economic Development Manager Sullivan presented the staff report. Sullivan noted that this Purchase Agreement did not include a Right of Re-Entry Agreement provision.

Motion by Chairperson Steffen, seconded by Member Cords, to recommend to City Council to approve the Purchase Agreement for Outlot B, Alpha Development 2<sup>nd</sup> Addition, subject to City Attorney approval.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Heineman, Kuzma, and Riley. Voting No: None. Absent: Member Burandt.

**4.03: Consider Lease Agreement for 6701 Highway 10 NW: Case of Connections Church  
(Portions of the meeting may be closed to the public)**

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked if there has been any interest in the space within the past year that it has been vacant.

Economic Development Manager Sullivan replied that there was interest from a thrift store, but they declined to even submit a proposal of lease. He stated that there was some lukewarm interest from a fitness use, but the building air filtration and parking would not support that use.

Member Kuzma asked if parking would be an issue for the church.

Economic Development Manager Sullivan replied that parking could potentially be problematic but there is no competition from adjacent uses on Sundays, so there is potential for shared parking. He stated that if parking issues arise, the City can handle that through the normal processes. He commented that the potential tenant believes this space will work and is aware of the available parking.

Member Riley stated that he would like to see the space rented out but would be concerned with the perception of fairness because the previous church tenant paid a higher rate.

Chairperson Steffen asked if there is a policy that states that the City cannot lease space for under market rate.

Economic Development Manager Sullivan replied that there is not such a policy. He stated that the current market for office space of this type is depressed and therefore it not unreasonable to accept a lower rate. He acknowledged that this would be below market rate and the group should acknowledge that, noting that his staff report included a list of reasons this could be considered.

Member Cords agreed that the concept of market rate is arbitrary, and property is only worth what someone is willing to pay. He stated that he would rather see a tenant paying something rather than continuing to look for someone that may pay slightly more. He asked how the year period of the lease aligns with the construction plans of the church.

Economic Development Manager Sullivan replied that there is nothing within the lease that ties to the construction of the church.

Craig Norenberg, Connections Church, stated that they should be closing on their land in October 2020 and will then begin a building campaign to raise funds for the construction of the building, which he estimated could happen in two or three years. He was uncertain the plans of the church after the year lease expires. He stated that they plan to begin construction within three to five years.

Chairperson Steffen stated that it is certain that the new building will not be completed in one year. He asked if there is language included for the rate for a potential lease extension.

Economic Development Manager Sullivan stated that there is not language related to an extension and he would not recommend including those options. He noted that this lease is necessary because the applicant is not able to lease the space in Ramsey Elementary due to COVID-19, and therefore that opportunity may present itself in the future.

Member Heineman asked if there is information showing the savings the City would receive by not having to complete the upkeep, noting that perhaps that would make up the difference in the below market rate rent rate.

Economic Development Manager Sullivan stated that when a RALF property is rented that revenue is then put back into the RALF account for upkeep of the properties purchased with RALF funds. He stated that having an available revenue/balance in that account ensures that the City can fund those upkeep expenses.

Chairperson Steffen stated that if this were not a church or nonprofit, he would perhaps look at it differently. He stated that he would support this request.

Motion by Member Kuzma, seconded by Member Cords, to recommend to City Council to approve the Lease as presented, subject to City Attorney review.

Motion carried. Voting Yes: Chairperson Steffen, Members Kuzma, Cords, Heineman, and Riley. Voting No: None. Absent: Member Burandt.

**4.04: Consider Purchase Agreement for Outlot B, COR Stone Brook Academy; Case of Stories Foundation (Portions of the meeting may be closed to the public)**

Manager Heineman stated that he will be abstaining from this discussion because he has a personal connection to the organization.

Economic Development Manager Sullivan presented the staff report. Sullivan highlighted the fact that this was a mixed-use project, the offer was within the City deal range and that it would involve the sale of a challenging remnant parcel.

Mark Thurston, representing the applicant, provided background information on the creation of Stories Foundation which aims to raise awareness on human trafficking and sex trafficking. He stated that their desire has been to have a brick and mortar building with a café with a small store component and apartments.

Chairperson Steffen asked if the project is being funded through donations and fundraising.

Mr. Thurston stated that it would be a combination of financing and donations/fundraising. He stated that the land would be paid for in cash. He provided details on the potential leasing of the apartment components.

Chairperson Steffen stated that loves the concept of mixed use with retail on the bottom and apartments on the top. He recognized that this remnant parcel is challenging and commented that this seems to be great use of that space.

Motion by Chairperson Steffen, seconded by Member Riley, to recommend to City Council to approve the Purchase Agreement for Outlot B, COR Stone Brook Academy, subject to City Attorney approval.

Motion carried. Voting Yes: Chairperson Steffen, Members Riley, Cords, and Kuzma. Voting No: None. Absent: Member Burandt. Abstain: Member Heineman.

#### **4.05: Consider Recommendation of Support for Telecommuter Forward! Certification**

Economic Development Manager Sullivan presented the staff report.

Matt Woestehoff, 16078 Uraninite St NW, stated that he is a Director of Technology and has worked from home for the past few months. He stated that it can increase the digital divide, with people working from home and children distancing learning. He noted that Ramsey is in a good position in terms of internet access. He stated that the certification is fairly simple and that more people will continue to work from home even after COVID. He stated that the historic focus of the EDA has been to draw businesses to the community, but this would also help to bring additional residents and provide access for those residents.

Member Riley asked the amount of staff time that would be necessary.

Mr. Woestehoff commented that it would depend upon the staff member. He did not imagine it would take much time because of availability of high quality broadband in Ramsey. He noted that it could simply be an annual report to the EDA or Council related to broadband access.

Economic Development Manager Sullivan stated that he spoke with other participants and those staff members have experienced a very little demand on staff time. He stated that this program would help the City from a grant position to make necessary investments but did not believe that would be applicable to Ramsey because there are other areas that have a much higher demand. He stated that he views this as a marketing element and estimated that minimal staff time would be necessary. He stated that he could be the contact for the program and did not feel that it would add much to his duties.

Member Cords stated that it would seem there are some operational costs in terms of staff time but asked if there are capital costs.

Mr. Woestehoff commented that he is not aware of capital costs as it would simply involve designating a contact person to DEED and a resolution of approval. He agreed that for Ramsey it would be more of a marketing tool, whereas in Nowthen it would be a bigger endeavor because of their lacking infrastructure. He noted that the program began this year and therefore Ramsey would join those communities that have chosen to participate early in the process.

Member Heineman asked if there would be any other cost to the City outside of the staff time.

Mr. Woestehoff stated that from his understanding it is just time and the ability to be a resource to the community.

Economic Development Manager Sullivan agreed that this would simply be a marketing item for the City as he already has contacts at DEED. He stated that the State has been working hard to map the communities and show the broadband connection. He stated that it will be helpful to better understand the position of the City in terms of broadband access through that mapping tool. He did not foresee a capital cost to the program and noted that if the program changes, the City could opt out at any time.

Member Riley stated that this sounds like a new program that can be used to help market the City. He agreed that the trend for telecommuting will most likely continue to increase. He noted that if there is a capital cost, the EDA could review the program and discuss whether to continue participation.

Chairperson Steffen agreed.

Member Cords stated that while he likes the concept, he views the marketing idea as fluffy and believes there could be an increased cost in the future.

Member Heineman asked if there is a marketing tool kit, signage, or stickers that comes with participation that would assist the City in marketing.

Mr. Woestehoff commented that he has not researched the specifics but is aware of the graphic that identifies the City as a participant in the program. He believed that DEED would also help to publicize the City's participation. He stated that this decision is not time sensitive and DEED is happy to respond to the questions. He commented that this is an opportunity for Ramsey to be a forward-thinking community in this realm.

Member Heineman asked how Mr. Woestehoff became aware of this program.

Mr. Woestehoff replied that he heard about the program on Twitter from other IT specialists.

Member Heineman commented that he likes the idea but shared the concerns of Member Cords and would be willing to delay the decision.

Deputy City Administrator Gladhill recognized that there are some questions that staff could look into. He noted that this could be similar to the DEED Shovel Ready Certification, which means something in the development community. He stated that the intent today was to present this to the EDA and gain input on whether staff should spend the additional time researching this program. He explained that staff did not want to invest the time researching the program specifics without first knowing if the EDA would be interested in the program.

Chairperson Steffen commented that it is a new program and the concept is well intentioned. He commented that it seems that anyone can join the program, whether your community is well connected or not which is different than the Shovel Ready program. He confirmed the consensus

of the EDA to delay decision and direct staff to look into the details of the program and questions that arose today.

The EDA suggested that staff look into the following questions:

- The percentage of an FTE that would be necessary to manage the activities of this program.
- Whether there is sufficient staff time to handle that duty.
- Whether capital costs could arise from infrastructure demand.
- Concrete examples of a media tool kit, how the program is used and marketed, and whether there is a return of investment (ROI) from the program.
- Discussion with another city that is a member of the program to gauge their ROI.

Economic Development Manager Sullivan noted that staff will look into those questions and bring additional information back to the EDA.

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

No comments.

## **6. ADJOURNMENT**

Motion by Member Cords, seconded by Chairperson Steffen, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Heineman, Kuzma, and Riley. Voting No: None. Absent: Member Burandt.

The regular meeting of the Economic Development Authority adjourned at 8:23 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.*