



RIVERDALE DRIVE EXTENSION RIVERSTONE SOUTH SUBDIVISION

Public Works Committee
January 19, 2021

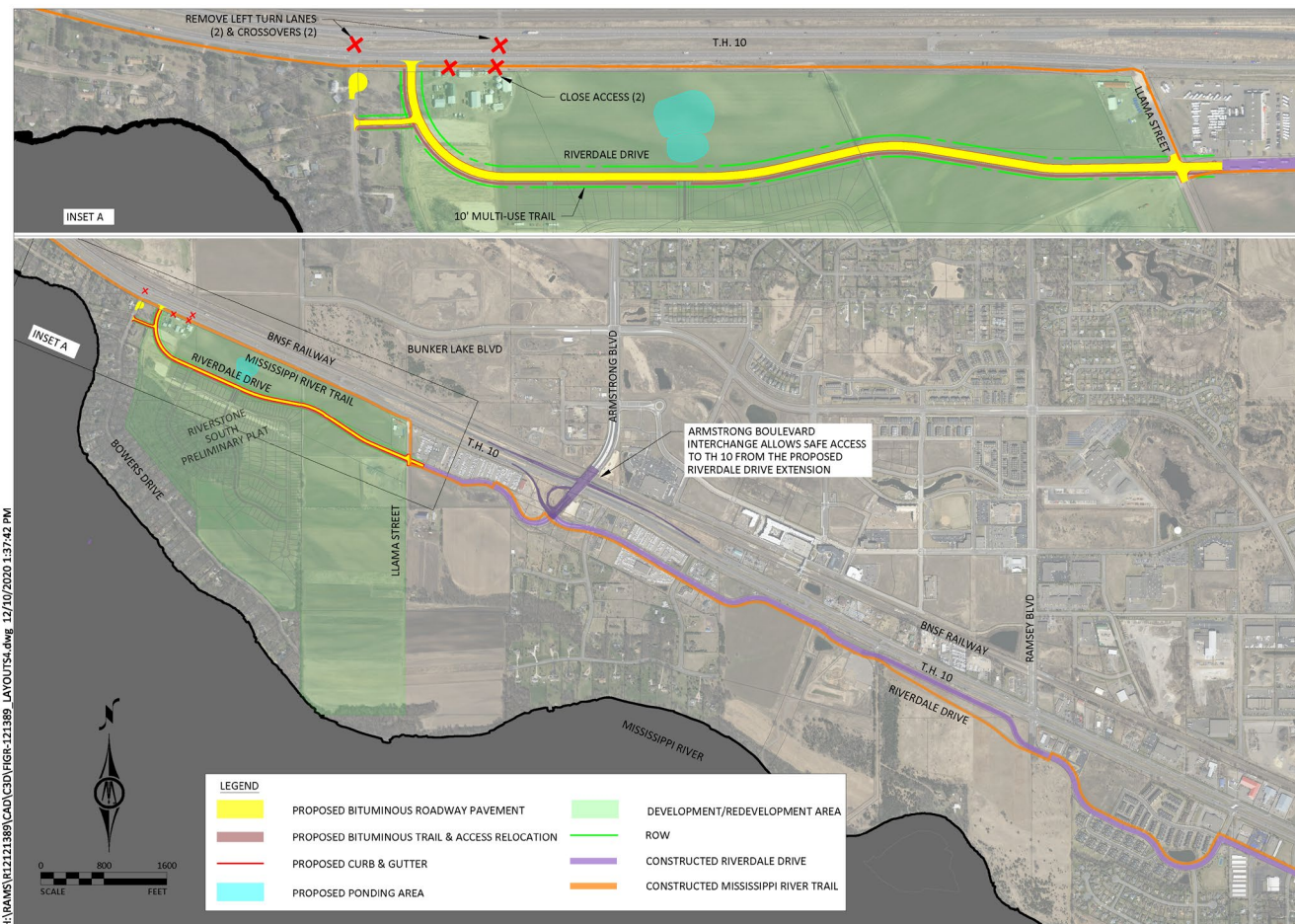
RIVERDALE DRIVE EXTENSION

LOCAL PARTNERSHIP PROGRAM

CITY OF RAMSEY

RIVERDALE DRIVE EXTENSION

DECEMBER 2020



FRAMING THE CONVERSATION

- But for this Development, the City would wait for this extension
 - Opportunity/Development Driven
- An accelerated schedule has financial value
- The legal framework would allow these costs to be required of the Developer
- It is reasonable and fair for the City to contribute due to the broader public benefit

PREVIOUS COUNCIL DIRECTION

- Pearson Frontage
 - City, Developer and Property Owner each pay 1/3
- County Parcel
 - City, Developer and Property Owner each share 1/3 of cost in excess of potential grant [Developer and Property Owner Object]

UPDATES

- City must purchase County Parcel and repay a grant
 - \$750K to \$1.3M
 - Future Return on Investment – Land Sales
- Continued Negotiations with Developer/Property Owner
 - Developer Counter
 - Staff Counter to Developer Counter

CONTINUED NEGOTIATIONS

- Developer Counter Proposal
 - City pay for all costs on County Parcel
 - City pay for any improvements to Bowers Drive, Bowers Drive Connection to Riverdale Drive Extension and any improvements to Highway 10
- Staff Counter Proposal to Above
 - **[Partial Agreement]** City pay for all costs on County Parcel
 - **[Counter]** Allocate any grant award to County Property Only – no allocation to Pearson Frontage
 - **[Partial Agreement]** City pay for any improvements to Bowers Drive and Bowers Drive Connection to Riverdale Drive Extension
 - **[Reject]** City, Developer and Property Owner each contribute to Highway 10 Improvements [direct benefit to Development]
 - **[Counter]** Reduce amount of City Contribution to Pearson Frontage to offset significant contribution to overall project

FINANCIAL ANALYSIS/UNDERWRITING

- Is the contribution warranted?
- Is the Developer's Return on Investment within industry standard?
- Are we inflating the value of the land by contributing to the project?

Public Works Recommends
Financial Underwriting Not Needed

OPTIONS TO WAIVE UNDERWRITING

- Developer pays for the Open Space Preservation (\$350K); or
- Developer pays for the Pearson Frontage Contribution (\$272K)

Public Works Recommends
Financial Underwriting Not Needed

LEGAL FRAMEWORK

- Per MN Statute 429, can assess for off-site improvements if benefits the project

PROPOSED FUNDING SOURCE FOR CITY CONTRIBUTION

- Anoka County Housing and Redevelopment Authority (ACHRA)



Riverdale Drive Development Initiated Expansion and Safety Improvement Project
 Scenario 4d: Time Sensitive (2020 Approval) Scenario w/Public Works Committee Recommendation

Total Project Costs	
Anoka County Parcel	\$ 639,750
Pearson Properties Parcel	\$ 1,066,250
Total Project Costs	\$ 1,706,000

Pearson Properties Parcel	
Pro-Rata Frontage Costs	\$1,066,250.00
<i>Potential Funding Sources</i>	
MnDOT LPP Grant Allocation	\$188,000.00
Municipal Contribution to Collector Road	\$200,000.00
Assessment Amount	\$678,250.00

Preliminary Assessment Roll			
Property/Party		Percentage	Assessment Amount
Capstone/Riverstone South		50.00%	\$339,125.00
Pearson/Commercial/Industrial		50.00%	\$339,125.00
Total		100.00%	\$678,250.00

Anoka County Parcel	
Roadway Costs	\$639,750.00
MnDOT LPP Allocation	\$522,000.00
Unallocated Public Contribution	-\$117,750.00

To be split evenly between City, Pearson, Capstone per PWC

Total Contribution by Party: Cost Share with Pearson and Capstone						
Property/Party	Pearson Frontage		Anoka County Frontage		Total	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
City/Public Dollars	\$388,000	36.39%	\$39,250	33.3%	\$427,250	36.1%
Capstone/Riverstone South	\$339,125	31.81%	\$39,250	33.3%	\$378,375	32.0%
Dobbs/Commercial/Industrial	\$339,125	31.81%	\$39,250	33.3%	\$378,375	32.0%
Total	\$1,066,250	100.00%	\$117,750	100.0%	\$1,184,000	100.0%

Total Project: Public versus Private Dollars			
	Amount	Percentage	
MnDOT Grant	\$710,000	42%	
City Dollars (including unallocated from County Parcel)	\$239,250	14%	~56% Public Dollars
Private Dollars	\$756,750	44%	
Total	\$1,706,000	100%	

Note: Developer recommends that they should not be responsible for solving for frontage on Anoka County Property. Feels City's contribution should be higher.

Capstone Counter Proposal 12/16/2020

Riverdale Drive Development Initiated Expansion and Safety Improvement Project Scenario 4d: Time Sensitive (2020 Approval) Scenario w/Public Works Committee Recommendation

Total Project Costs	Original	
Anoka County Parcel	639,750.00	37.5%
Pearson Properties Parcel	1,066,250.00	62.5%
Total Project Costs	1,706,000.00	100.0%

Pearson Properties Parcel	
Pro-Rata Frontage Costs	1,066,250.00
<i>Potential Funding Sources</i>	
Mn DOT LPP Grant Allocation	188,000.00
Municipal Contribution to Collector Road	200,000.00
Assessment Amount	678,250.00

Preliminary Assessment Roll		
Pearson Property Frontage	Assessment Amount	Percentage
Capstone/Riverstone South	339,125.00	50.00%
Pearson Commercial/Industrial	339,125.00	50.00%
Total	678,250.00	100.00%

Anoka County Parcel	
Roadway Costs	639,750.00
Mn DOT LPP Allocation	522,000.00
Unallocated Public Contribution	117,750.00

County Road Portion Center Line: 1532 LF

To be split evenly between City, Pearson, Capstone per PWC

Total Contribution by Party: Cost Share with Pearson and Capstone						
Property/Party	Pearson Frontage		Anoka County Frontage		Total	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
City/Public Dollars	\$388,000	36.39%	\$39,250	33.3%	\$427,250	36.1%
Capstone/Riverstone South	\$339,125	31.81%	\$39,250	33.3%	\$378,375	32.0%
Pearson Commercial/Industrial	\$339,125	31.81%	\$39,250	33.3%	\$378,375	32.0%
Total	\$1,066,250	100.00%	\$117,750	100.0%	\$1,184,000	100.0%

Total Project: Public versus Private Dollars		
	Amount	Percentage
MnDOTGrant	\$710,000	42%
City Dollars (including unallocated from County Parcel)	\$239,250	14%
Private Dollars	\$756,750	44%
Total	\$1,706,000	100%

~56% Public Dollars

Note: Developer recommends that they should not be responsible for solving for frontage on Anoka County Property. Feels City's contribution should be higher.

Corrected Cost Split	
639,750.00	37.5%
1,066,250.00	62.5%
1,706,000.00	100.0%

1,066,250.00
188,000.00
200,000.00
678,250.00

**City of Ramsey Responsible for:
Bowers Connection and Improvements
Bowers Cul-de-sac
HWY 10 Connection**

Assessment Amount	Front Footage (LF)	Percentage of Total Front Footage
\$ 228,204.02	1650	34%
\$ 450,045.98	3254	66%
678,250.00	4904	100.00%

**Pearson Land Parcel (4904 North/South front footage)
Capstone South Frontage: 1650 LF
Pearson's North Frontage: 2452 LF
Pearson's South Frontage: 802 LF**

639,750.00
522,000.00
117,750.00

To be funded fully by Public City Dollars

Property/Party	Pearson Frontage		Anoka County Frontage		Total	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
City/Public Dollars	\$388,000	36.39%	\$117,750	100.0%	\$505,750	42.7%
Capstone/Riverstone South	\$228,204	21.40%	\$0	0.0%	\$228,204	19.3%
Pearson Commercial/Industrial	\$450,046	42.21%	\$0	0.0%	\$450,046	38.0%
Total	\$1,066,250	100.00%	\$117,750	100.0%	\$1,184,000	100.0%

Any Additional Grant Funds to be spread evenly across Pearson Parcel based on "Pearson Frontage Percentage."



Alternative 6a
Capstone Proposal w/City Modifications - Capstone Pearson Even Split

Project Costs (including ROW)	
County Parcel	\$1,578,125
Pearson Parcel	\$971,500
Bowers Drive Modifications	\$75,375
Total	\$2,625,000 **Note: utilities not included - paid for by Trunk Fees**

Sources of Funds

	County Parcel	Pearson Parcel	%	Bowers Drive	Total
Sources					
MnDOT Grant	\$1,250,000				\$1,250,000
City Contribution	\$328,125	\$272,020	28.0%	\$75,375	\$675,520
Pearson Contribution		\$349,740	36.0%		\$349,740
Capstone Contribution		\$349,740	36.0%		\$349,740
			100.0%		\$2,625,000

Uses (Project Costs)

	County Parcel	Pearson Parcel	%	Bowers Drive	Total
Portion of Overall Project	37.5%	58.0%		4.5%	100.0%
Road, Trail, Storm	\$628,125	\$971,500		\$75,375	\$1,675,000
ROW	\$950,000				
	\$1,578,125	\$971,500		\$75,375	\$2,625,000

Public vs. Private Dollars					
Private (Capstone + Pearson)	\$0	\$699,480	72%	\$0	\$699,480
Public (City + MnDOT)	\$1,578,125	\$272,020	28%	\$75,375	\$1,925,520
					\$2,625,000

Talking Points

- But for this development, the City would wait until other funding sources closed the gap.
- If the Developer desires to accelerate the schedule, the Developer should bring additional dollars to the table.
- This project derives a direct benefit to the connection to Highway 10 and associated improvements.
- While not technically the Developer's responsibility, the Development relies on a connection through the County Property.
- It is not feasible to phase the project.
- If the Developer desires to not contribute to off site improvements, the City has less dollars to allocate to the Pearson Frontage.
- Minnesota Statute allows the City to assess costs for off-site improvements that are necessary due to development impacts.
- Considering contribution to Riverdale Drive + acquisition for open space preservation, City should review financials