

**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, January 14, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Brian Burandt
 Member Scott Cords
 Member Ryan Heineman
 Member Chelsea Howell
 Member Chris Riley

Members Absent: None

Also Present: Sean Sullivan, Economic Development Manager
 Tim Gladhill, Deputy City Administrator
 Bruce Westby, City Engineer
 Mark Riverblood, Parks and Assistant Public Works Superintendent
 Grant Riemer, Public Works Superintendent

4. EDA BUSINESS

4.02: Consider Loan Application for Restaurant Subsidy Program: Water Availability Charge Program for Pleasant Valley Sunrise Group LLC dba Aurelio's Pizza

Economic Development Manager Sullivan presented the staff report.

Member Cords stated that he likes this idea, especially with the current economic conditions and impacts to the hospitality industry. He stated that the business started this expansion last fall, and it was delayed because of shutdowns. He commented that he would support providing this assistance.

Member Riley commented that residents continue to make the comment that Ramsey needs more restaurants and that is why the subsidy program was created. He stated that this seems to be a good use of this program, to help an existing business expand.

Chairperson Steffen agreed.

Economic Development Manager Sullivan continued to present the staff report details.

Chairperson Steffen referenced the comment made by staff that the program has never been used but noted that he recalls two restaurants that used the program.

Deputy City Administrator Gladhill confirmed that Acapulco was the first project to use a similar program and one other applied, was awarded but never used the program.

Economic Development Manager Sullivan explained that his comment was related to the program since last updated in 2018.

Member Cords asked if the allocation would come from the EDA budget. He asked if the \$16,000 would come from the \$50,000 amount proposed.

Economic Development Manager Sullivan stated that he would suggest having this \$16,000 loan come from the \$50,000. He confirmed that staff would recommend that the \$50,000 come from the EDA cash balance.

Chairperson Steffen commented that the loan dollars would still fund the City WAC charges.

Economic Development Manager Sullivan confirmed that the loan dollars would still be used to pay the City WAC fee and the only dollars that would go outside of the City would be the SAC charges that are paid to the Metropolitan Council.

Member Heineman asked if this information would be made public to all Ramsey businesses, so that businesses that wish to expand could apply.

Economic Development Manager Sullivan commented that when the City Council approves something it is public information. He stated that it could make sense to publicize this information further. He noted that the intended use of the program is to attract new businesses but there is a provision that allows exception for existing businesses. He agreed that the program could be highlighted further.

Member Heineman commented that if this is going to be used for this business to expand, it would be wise to make other Ramsey businesses aware that if they wish to expand this program would be available.

Chairperson Steffen clarified that this is a restaurant program and would only apply to that type of business.

Member Riley agreed that it should be used for a new or existing business but noted that the change has to be big enough to add enough seats that it would change water use.

Member Cords stated that he was under the impression that the term exception applied because typically this is only applied to one of the charges and in this case, it is applying to both WAC and SAC.

Economic Development Manager Sullivan commented that the exception word was used for the new versus existing. He stated that perhaps that language be clarified moving forward so that it is understood that both SAC and WAC could be considered.

Member Burandt stated that if a business is expanding to the point where additional SAC and WAC is needed, he would not differentiate between new or existing as business growth is business growth.

Member Riley asked if the EDA likes the idea of allocating the \$50,000 versus taking applications as they come. He stated that he questions \$50,000 as the program has been in place for three years without use. He stated that applications could continue to be reviewed as they come.

Member Burandt agreed that the program has not been used so funds do not necessarily need to be allocated and the group could leave the program open and review applications on a case-by-case basis.

Chairperson Steffen agreed.

Economic Development Manager Sullivan noted that in this case six SAC and WAC units were requested but with a new restaurant that number could increase quickly. He stated that if three new restaurants came forward with requests that could easily be \$70,000 which the City would be inclined to support. He noted that his intention was not to provide an open checkbook.

Deputy City Administrator Gladhill stated that the policy does not obligate any amount of support. He stated that there is underwriting that occurs and review that is done to determine what is actually needed for a project.

Chairperson Steffen asked if this would only apply to full-service restaurants.

Economic Development Manager Sullivan confirmed that only full-service restaurants would be eligible.

Motion by Member Burandt, seconded by Chairperson Steffen, to recommend to City Council to amend the Restaurant Subsidy Program to allow for both SAC and WAC charges to be eligible for loans and approve of 70 percent, zero percent interest, forgivable loan for both the SAC and WAC charges in the amount of \$16,170 for Pleasant Valley Sunrise Group, LLC dba Aurelio's Pizza, subject to satisfactory underwriting.

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