

**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, April 8, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Member Scott Cords
 Member Chelsee Howell
 Member William MacLennan
 Member Michael Olson
 Member Chris Riley

Members Absent: Member Rachal Johnson

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

4.02: Review Request for Interest/Proposals for a Dynamic Display Billboard for Retail Advertising on Highway 10 Near The COR

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen asked for details on the scoring system developed by staff and why the different scores were given.

Economic Development Manager Sullivan reviewed the items included in the scoring of the proposals. He stated that the RFI provides a summary of the different categories. He provided additional explanation on the different ranking criteria including display, advertising slots, leasing, sign location, and ordinance experience and explained why the three vendors were scored differently in the categories. He commented that iDigital Media was ranked first, Clear Channel second and Lamar third. He stated that the group could select one company to move forward with or could move forward with multiple companies to determine which would be the best fit.

Chairperson Steffen asked if the lease revenue is contingent upon sales in all three proposals.

Economic Development Manager Sullivan commented that the Lamar proposal was a flat revenue annually, but the other two proposals were based upon sales.

Chairperson Steffen asked and received confirmation that something would be displayed on the board at all times, even if that is City messaging. He asked if the difference in display would be noticeable to the general public.

Economic Development Manager Sullivan commented that it would be a preference on how clear you would want the display but any of the vendors would have effective displays. He stated that as this moves along, display quality and type would most likely have regulations within ordinance.

Member MacLennan asked if the quality of the display would be important for those businesses that may advertise.

Economic Development Manager Sullivan was unsure that would be a point in the sales pitch to businesses.

Member Cords asked if the quality dimension is the size of the pixel or distance between.

Economic Development Manager Sullivan replied that it is the distance between pixels. He stated that iDigital provided a proposal with both horizontal and vertical options which provides additional versatility and flexibility, noting that vertical options would most likely have a smaller footprint.

Member Riley commented that from an EDA standpoint the most important criteria would be the business advertising and City advertising, along with location. He stated that he likes the ranking that was done. He asked if those three criteria were weighted would the same company come out on top.

Economic Development Manager Sullivan again clarified that this was his scoring system and confirmed that iDigital would still be rated as the top choice if those categories were weighted based on impact for Ramsey business advertising.

Chairperson Steffen asked for clarification on the lease term and whether a longer term would be preferred.

Economic Development Manager Sullivan replied that the City is looking to have a strong partnership over a period of time and commitment for the company to be in that location. He stated that the longer lease term, the more guarantee there would be for lease revenue.

Chairperson Steffen asked if the sign would be maintained and upgraded over time during that 30 years.

Economic Development Manager Sullivan commented that repairs are often needed around the ten-year period and he would imagine a company would want to keep their product in good working order. He noted that maintenance would be addressed in a contract and/or lease agreement. He stated that the only cost to the City would be the staff time to develop the ordinance and therefore this would be considered a revenue generator.

Member Cords commented that there would also be staff time to develop messaging for the City but noted that would not differ from the messaging the City already generates.

Economic Development Manager Sullivan commented that the City would continue to post its messages on the City reader board sign. He stated that each of the companies will work with municipalities to develop City messaging. He stated that there are also opportunities to post Ramsey messaging on other billboards owned by the companies and other locations. He used the example of advertising for the Happy Days event, which could be displayed on billboards in other communities outside of Ramsey. He confirmed that City messaging would be free in all three proposals.

Chairperson Steffen asked if there would be a discount for Ramsey businesses or whether the cost to advertise would be the same for all businesses.

Economic Development Manager Sullivan provided details on the ranking for local business advertising costs. He stated that two of the companies provided discounts for Ramsey business advertising.

Member Riley commented that his highest priority is Ramsey advertising and therefore because Lamar is not offering a discount and was also ranked third, he would suggest eliminating that company from the discussion. He stated that location is also a high priority for him. He stated that none of the companies chose the spot the City was thinking and asked if that should be taken into consideration and whether one of the locations the companies chose should be considered further.

Economic Development Manager Sullivan commented that he believed that Clear Channel stated that they could work with the City site, whereas iDigital preferred Sunfish or Ramsey Boulevard but noted that those would be temporary locations because of the upcoming construction projects. He stated that his attempt was to provide a clear comparison between the companies for the same sign at the same location but agreed that alternate locations could be considered.

Member Cords asked if there were justifications for the alternate locations, noting that the companies have the expertise.

Economic Development Manager Sullivan stated that justification was not included in the proposals. He stated that his perception was that the sign locations were chosen in locations that would be most effective and generate the most income. He agreed that if there were not interchanges Ramsey or Sunfish Lake Boulevards would be ideal, but there will be interchanges at those intersections. He stated that once iDigital was made aware of the interchange locations, they agreed the 7443 would be a better location.

Chairperson Steffen asked for details on the RALF acquisition with M&G.

Economic Development Manager Sullivan replied that the acquisition happened years ago. He stated that the lease payments from M&G for that site are paid back to RALF. He confirmed that future lease funds generated on that site would go back to RALF until RALF is paid back. He explained that additional review would be needed related to RALF and the related payback. He noted that additional information will be likely be known once the design of the Highway 10 project is complete.

Deputy City Administrator Gladhill stated that there are some official steps that will be taken in the coming months to finalize the Highway 10 design vision. He provided an update on the funding secured for the Highway 10 project, noting that included in that plan is payoff of the RALF funds. He noted that the City would make decisions on which properties will be needed and which could be sold.

Chairperson Steffen asked if the existing ordinance would allow for this signage or whether there would be work to be done.

Deputy City Administrator Gladhill commented that this type of sign is currently prohibited and therefore work would need to be done. He commented that it was known from the start that updates would be needed, and this would be the driver to update the language within the code. He confirmed that currently there are no billboards allowed and the existing billboards were established prior to the prohibition and exist as lawful nonconforming uses.

Economic Development Manager Sullivan commented that although this was done as an RFI, all the information on quality and pricing was included and therefore did not believe additional information would be gained by an RFP.

Chairperson Steffen stated that he would support dropping Lamar, as Member Riley suggested, and confirmed the consensus of the group.

Economic Development Manager Sullivan commented that he is looking for a recommendation from the EDA on how this should move forward. He stated that the EDA could select one vendor or could recommend that staff work with two vendors to move forward.

Deputy City Administrator Gladhill stated that the due diligence has been done and would recommend negotiation occur with one vendor. He stated that the recommendation could be based off the information that was supplied and scoring that staff completed, or the EDA could request that both companies provide a presentation to the EDA in order for the group to make a decision.

Chairperson Steffen asked the contact that staff has had and whether an in-person presentation would be needed.

Economic Development Manager Sullivan commented that he has not met in person but has talked with all three companies on the telephone and is comfortable with them. He stated that the decision would be of the EDA as to whether they would feel that there would be benefit to in person presentations. He stated that even if one vendor is chosen, he did not believe construction would occur this fall as additional work will be needed to select the location and move forward.

Chairperson Steffen asked if this could happen this year based on the work that would be needed.

Deputy City Administrator Gladhill commented that he would feel more comfortable with early 2022, based on the timing of the Highway 10 project and right-of-way acquisition discussions.

Economic Development Manager Sullivan commented that the City currently has the ability to lease RALF property, therefore a lease and sign could be constructed with the knowledge that it may need to be moved in the future. He stated that iDigital stated that they would be willing to relocate a sign, if needed, at no cost to the City.

Member Riley stated that the City previously received a presentation from another company that stated they would not participate in an RFI. He asked if there was a sense as to how the proposal of that company would have compared.

Economic Development Manager Sullivan commented that he is unsure. He stated that it was a smaller company and perhaps they felt that they could not compete, but they did not submit a proposal and therefore it would be unfair to those that did to include that in the discussion.

Chairperson Steffen asked the next steps if this were narrowed down to one company today.

Economic Development Manager Sullivan stated that the first step would be to obtain City Council authorization to move forward. He stated that the City would then begin negotiations and review potential ordinance language.

Member Howell stated that she appreciated that iDigital offered a third spot or half spot option for business advertising as that would make advertising available to more businesses. She stated that she also liked the inclusion of a vertical option.

Member MacLennan stated that the choice seems to be clear as iDigital had a lower price, better quality, more options, and they are willing to relocate at no cost to the City.

Chairperson Steffen commented that he agrees. He stated that his only hesitancy is that Clear Channel has been in the market for a long time and is established. He asked what would happen if there was an issue that owns the sign.

Economic Development Manager Sullivan stated that he did review that element. He stated that Clear Channel is well known because they have a lot of signs and media in this market and metro area. He stated that iDigital has more saturation north and west and the number of signs between the companies are very similar overall. He stated that maintenance and operations would be included in the lease and if a company is not performing the City would have the ability to terminate the lease and/or require a company to remove a sign that is not functional.

Member Cords stated that when reading the proposals, he randomly scored Clear Channel and iDigital about the same but following the discussion he tends to prefer iDigital. He stated that he would not be fundamentally against continuing with more detailed negotiations with both companies.

Member MacLennan asked the cost of advertising for businesses, specifically if the better deal for the City has an impact through higher advertising costs.

Economic Development Manager Sullivan stated that the advertising costs were identified with specific rates in the staff report. He reviewed the discount offered by Clear Channel along with the different advertising choices offered by iDigital.

Chairperson Steffen asked and received confirmation that a digital sign makes sense on Highway 10. He commented that this is a unanimous decision by the EDA that this digital billboard should move forward. He asked if there is a preference for one company or the flexibility of two companies.

Member Riley commented that he would prefer to have the input of the EDA as he will be able to provide his input as a Councilmember during the Council discussion.

Member Howell commented that she preferred the multiple options that were made available through iDigital because of the options it would provide to local businesses.

Chairperson Steffen asked if the EDA were to select iDigital, would the Clear Channel proposal not move forward to the Council.

Economic Development Manager Sullivan replied that he will move this forward as the EDA prefers. He stated that if the groups wants to move forward with two, he would prefer to have it further vetted at EDA and the group then make a single recommendation to the Council. He commented that there is a lot of value to the iDigital proposal, but he would also feel comfortable that Clear Channel could also provide a good sign. He stated that iDigital would be entering a new market and therefore that proposal is aggressive, and they are motivated. He stated that Clear Channel is in the market and therefore would perhaps want to defend that turf. He stated that he would prefer not to develop competing proposals but rather focus on what is best for Ramsey businesses. He stated that the cheapest advertising for Ramsey businesses would be provided through iDigital.

Deputy City Administrator Gladhill commented that the recommendation would be provided to the Council, but they would still receive the information within the case. He stated that the decision of the EDA would be whether it feels confident making a recommendation today or whether it would like to interview the two groups in May and make a recommendation at that time.

Member Olson commented that Lamar should clearly be out and believed that both iDigital and Clear Channel would be viable options. He stated that iDigital appears to be the better choice and the higher quality sign will stand out moving forward as lower quality would begin to look outdated sooner. He stated that he also likes that the company would be willing to move the sign.

Chairperson Steffen agreed that iDigital seems to be the preferred choice and recognized that the next step would be to determine whether the Council would support a digital billboard.

Motion by Member Cords, seconded by Member MacLennan, to recommend to City Council to further investigate and approve the concept of a digital billboard on Highway 10 with the EDA preference for vendor as iDigital.

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, MacLennan, Howell, Olson, and Riley. Voting No: None. Absent: Member Johnson.

6. ADJOURNMENT

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

Motion carried. Voting Yes: Chairperson Steffen, Members Cords, Howell, MacLennan, Olson, and Riley. Voting No: None. Absent: Member Johnson.

The regular meeting of the Economic Development Authority adjourned at 9:13 a.m.

Respectfully submitted,

Sean Sullivan
Economic Development Manager

ATTEST:

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.