

**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 13, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jim Steffen
 Scott Cords
 Chelsee Howell
 Rachal Johnson (arrived at 7:33 a.m.)
 William MacLennan
 Michael Olson
 Chris Riley

Members Absent: None

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

4.02: Review West Armstrong Redevelopment Plans and Discuss Opportunities for Strategic Acquisition to Preserve Redevelopment Vision (Portions of meeting may be closed to the public to consider purchase of real property)

Economic Development Manager Sullivan presented the staff report.

Deputy City Administrator Gladhill provided additional details on the land uses contemplated in the redevelopment vision for the area within the Comprehensive Plan. He stated that if they do want to see industrial growth, the next step would be to construct the roads and put in utilities.

Chairperson Steffen asked what has changed.

Economic Development Manager Sullivan explained in 2019 there was not a willingness from the property owners to support redevelopment, whereas now there are willing sellers and developers interested in the installation of sewer, water and roads. He stated that some landowners want to see utilities brought to the area, which is different than what the City heard back in 2019. He stated that PSD and Delta ModTech have been active in area and noted that the site to the east of Delta ModTech is under contract. He stated that the amount of industrial land in the community is dwindling and therefore it would help to create more industrial development opportunities.

Chairperson Steffen asked if the properties marked one through five were the willing sellers.

Economic Development Manager Sullivan noted that those are the properties with existing buildings. He noted that some of those properties are willing sellers, but not all of them.

Matt Kuker, PSD, stated that they have been working to develop the Bunker Lake Industrial Park for the past three to four years and are 100 percent full, working on their fourth building. He stated that some people want to stand alone, with 20,000 or 30,000 square feet. He explained that their concept is to have larger buildings with shared infrastructure, but some people simply prefer to have their own building. He stated that he has an interested party, but that party chose to go elsewhere because of the condition of the road that provides access from Ferret Street and with the time it would add for the trucks to be weighed at the nearby scale site. He stated that the road has come up multiple times when he is showing his site to potential users. He supported Ferret St to be extended north to Bunker.

Chairperson Steffen asked if there is additional space on the PSD site for additional buildings after building four.

Mr. Kuker replied that he would have 18 to 20 acres to the west of the fourth building in Bunker Lake Industrial Park. He noted that the number of buildings that could fit on the remainder of the site would vary depending on the shape and/or size but noted that if they stay consistent with the size they have been building, he would estimate about three more buildings. He stated that they would support Ferret Street running across their property. He stated that he believes that the western portion of that parcel would be more suited for industrial rather than retail. He believed a 20,000/15,000 square foot building or small industrial user would fit on that area that would be created by splitting the parcel with the road. He provided additional details on the other PSD property in the area, anticipating a quick service food restaurant or gas station. He commented that the City has recently been doing a good job of cleaning up the blight on properties in that area. He commented on the cost to construct an industrial building and noted that those property owners do not want to see blight adjacent to their expensive newly constructed building.

Chairperson Steffen asked whether this could be done through development or whether the City would need to step in.

Economic Development Manager Sullivan commented that the first decision would be whether the EDA supports additional industrial use and then the question can be asked as to the involvement the City should have.

Member Cords commented that it sounds like the first step would be fixing 147th and Ferret Street.

Mr. Kuker agreed that the road is the first step as that is the first thing people notice when coming to look at the property. He stated that an owner-occupied building would also generate additional tax dollars.

Member Cords asked fixing the roads would mean that sewer and water would need to be added while the road is being reconstructed.

Economic Development Manager Sullivan commented that it is his understanding that the overlay was not done in the past as there was a desire to make the best use of City funds. He stated that sewer and water will ultimately be in this area and therefore the City wants to make sure the project is done right.

Mr. Kuker agreed that industrial uses would need access to sewer and water.

Deputy City Administrator Gladhill commented that if the City puts that infrastructure in the ground, that cost can be recouped through development. He stated that if the City were going through the expense of redoing the roadway, it would make sense to put in the utilities at the same time.

Chairperson Steffen asked and received confirmation that there is sewer and water at the PSD site and then stops.

Deputy City Administrator Gladhill commented that it seemed there was consensus in the past for industrial on the west and retail on the east and staff just wanted to confirm that remains true today.

Chairperson Steffen commented that seems to make sense. He asked and received confirmation from Mr. Kuker that he would support having his parcel on the southwest corner of Bunker and Armstrong cut in half with half industrial and half retail. He confirmed the consensus of the EDA with that direction.

Economic Development Manager Sullivan asked if the EDA feels that moving forward with a project to put in sewer and water and complete the road is a good idea. He noted that the first step would be to put together plans and specifications and the second step would be to determine how that process would be funded. He noted that once the plans and specifications are completed, the estimated project cost would be known. He asked if the EDA would support the use of TIF, HRA funds, or EDA dollars to prepare the plans and specifications for the roads and utilities in this area.

Member Cords commented that seems reasonable.

Chairperson Steffen agreed that it would seem that the City would lead the project.

Economic Development Manager Sullivan provided additional details on the timeline related to the use of TIF district funds. He confirmed that TIF dollars would be the preferred choice of funding as it would provide the greatest flexibility. He acknowledged the tough timeline but believed it could be met.

Chairperson Steffen confirmed the consensus of the EDA with the recommendation of staff to prepare plans and specifications, with a preference for using TIF funds for that cost.

Economic Development Manager Sullivan asked if there would be support from the EDA for the City to be a partner in the extension of utilities.

Member MacLennan asked if those properties would be more attractive to developers if there was sewer and water already available. He asked the possibility of a developer going in on that investment with the City.

Mr. Kuker replied that if lot five had sewer and water it would be much more attractive and open to many more uses. He stated that typically roads are funding through assessment or franchise fees.

Member Johnson commented that it seems that investing these funds today would provide benefit in the future as additional tax dollars would be generated through development.

Mr. Kuker commented that PSD is on the third year of the blue building. He stated that the taxes for just the lot were \$6,000 per year, whereas with the blue building his taxes are now \$141,000 a year.

Member Johnson stated that it seems economically beneficial to have these properties developed and that the City could recoup the road and utility costs through those development benefits.

Deputy City Administrator Gladhill commented that the EDA is not here to solve the whole project proforma. He asked if TIF, HRA and/or EDA dollars could be a part of this process and the negotiations.

Member MacLennan commented that he does agree that this would be the job of the City to lead the project and the funds should be used.

Chairperson Steffen confirmed the consensus of the EDA in support of that.

Economic Development Manager Sullivan moved to the next question within the staff report as to whether the EDA would like to be proactive in acquiring some of the parcels that have caused a lot of time from code enforcement issues or whether the EDA would prefer to let the market drive the change of ownership.

Deputy City Administrator Gladhill commented that he did not have an exact dollar amount, but staff has spent more staff time on code enforcement and abatement on those two properties than any other commercial/industrial properties in the community. He stated that at some point the amount of staff time invested in code enforcement for these properties will exceed the value of the properties.

Member Cords commented that he does not like the idea of buying more property but if the sites are that problematic and given the discussion to clean up that area to make it more attractive to developers, it could make sense to look into it.

Member MacLennan agreed that it might make sense to look into that option, but once the road is reconstructed and utilities are available, a developer might be interested in one of those properties.

Mr. Kuker commented that on parcel three the owners were parting out vehicles on the road and causing disruption to vehicles attempting to reach his site. He noted that with the condition of that building and site, other desired uses are not going to be attracted to the adjacent parcels for development.

Economic Development Manager Sullivan asked how active the City should be and where the efforts should be focused. He stated that acquisition of parcels two and three could be pursued if/when there is a willing seller in order to help promote redevelopment in that area. He stated that the decision today is whether the City should approach the property owners to determine if they are willing sellers. He asked if there is support from the EDA to proactively acquire properties in instances of blight and/or strategic planning.

Chairperson Steffen stated that he would be hesitant to add more retail property to the City's land inventory.

Member MacLennan stated that he would prefer to move forward with the roads and infrastructure and then review the situation again.

Chairperson Steffen agreed that there is no rush to engage those properties owners, and this could come back after the roads and infrastructure is in place as developers may be interested in the properties after that time. He confirmed the consensus of the EDA that there is not support to acquire additional properties.

Economic Development Manager Sullivan asked if there were interest from a private party to purchase one of the properties, would the EDA support a City partnership related to demolition and site prep.

Chairperson Steffen commented that he could be open to that if a private buyer were interested.

Economic Development Manager Sullivan commented that the question related to strategic acquisition could wait but asked if there is appetite to acquire strategic parcels.

Chairperson Steffen stated that he would be more interested in acquisitions needed to facilitate related to industrial development.

Deputy City Administrator Gladhill confirmed the statement that the EDA does support strategic acquisition of industrial property.

6. ADJOURNMENT

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

A roll call vote was performed:

Member MacLennan aye

Member Olson aye
Member Cords aye
Member Johnson aye
Member Riley aye
Member Howell aye
Chairperson Steffen aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:56 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.