

**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
 Member Scott Cords
 Member Chelsee Howell
 Member Rachal Johnson (arrived at 7:33 a.m.)
 Member William MacLennan
 Member Michael Olson
 Member Chris Riley

Members Absent: None

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 Olson, to approve the agenda.

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated April 8, 2021

Motion by Member Cords, seconded by Member Steffen, to approve the April 8, 2021, minutes as presented.

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

4. EDA BUSINESS

**4.01: Consider First Amendment to Purchase Agreement with Java Properties, LLC
(Portions of meeting may be in closed session)**

Member Johnson joined the meeting.

Economic Development Manager Sullivan presented the staff report.

Member Cords asked if the buyer has any feelings on the suggested approach from the City.

Economic Development Manager Sullivan commented that the developer approached the City with concern related to these additional costs and this is the solution reached between the parties.

Chairperson Steffen asked if it were out of the ordinary that these additional expenses would come along so late in the process.

Economic Development Manager Sullivan stated that intuitively the connection would come directly from the street for sewer and water rather than running along a future roadway. He stated that this process would avoid disruption to Sunwood Drive, which has become a busy roadway.

Chairperson Steffen asked how the anticipated infrastructure/utility costs are being covered through the process.

Economic Development Manager Sullivan replied that typically those costs come into play when a street is constructed. He stated that this method will provide easier connection for the adjacent development lot, which is why the City is asking to cover some of that cost, as this would not be the typical route for utility connection.

Deputy City Administrator Gladhill stated that some of these details had been discussed during the development process. He stated that typically the cost would be born of the developer, but the City agreed to cost share in order to provide utility connection to the adjacent City owned parcel and avoid disruption to Sunwood Drive. He stated that some of these details had been discussed early in the development process, but what had not been known was the exact path they would take to avoid disruption to Sunwood.

Chairperson Steffen asked why the choice was made to reduce the property cost in order to provide the cost-share.

Economic Development Manager Sullivan replied that the developer agreed to this method and it will allow the project to stay on schedule.

Deputy City Administrator Gladhill noted that another benefit would be that the developer would install the utilities, which avoids the City having to go through its own plan prep, bidding, and construction process.

Member Cords stated that he understands the shared access safety concerns. He asked if an additional access would be added or whether people would be blocked from accessing from Casey's.

Economic Development Manager Sullivan replied that the second access is more of a reliever and access still can be gained through Casey's entrance.

Motion by Member Cords, seconded by Member Johnson, to recommend to City Council to approve the First Amendment to Purchase Agreement as presented, subject to City Attorney review.

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.

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 funded 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.

4.03: 2021 Business Appreciation Day Event

Economic Development Manager Sullivan presented the staff report.

Member Johnson stated that she would prefer to use a Ramsey business rather than an outside business.

Member MacLennan commented that he would love to keep it local.

Chairperson Steffen agreed. He asked if proposals could be requested from both Lisa's and Kitchen Table.

Economic Development Manager Sullivan confirmed that could be done. He asked that staff be provided the ability to make the decision based on a per meal budget of \$40 per meal. He stated that he could meet that with Wells Catering but is unsure that could be done with the other two vendors as of yet. He stated that in looking at the website for Lisa's Catering he did see a steak meal under \$40. He asked that flexibility be provided to ensure that staff can verify that the vendor could meet the demands of the event.

Chairperson Steffen commented that the consensus is to provide the opportunity to those Ramsey businesses, but provide staff with the flexibility to make the decision.

Motion by Member Steffen, seconded by Member Cords, to authorize EDA budget allocation of \$5,000, direct staff to select a preferred caterer (preferably from Ramsey) and select Tuesday, August 17th at The Links at Northfork for the 2021 Business Appreciation Day Event.

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.

4.04: Consider Implementation of Metropolitan Council Sewer Availability Charge (SAC) Deferral and Financing Program

Economic Development Manager Sullivan presented the staff report.

Member Cords asked if any opportunities have been lost recently.

Economic Development Manager Sullivan commented that no projects have been lost. He stated that there is a project that has asked for assistance in reaching the finish line for their project and this tool could potentially be utilized.

Member MacLennan commented that this could be a good tool for businesses to use and exploring this option would not hurt.

Chairperson Steffen asked and received confirmation that the restaurant policy remains in place.

Member Cords noted that the mentioned project is a non-profit and therefore not eligible for the program.

Economic Development Manager Sullivan provided additional details on how the program would work.

Deputy City Administrator Gladhill provided additional details on the SAC program with the Metropolitan Council. He noted that the City has been close to losing prospects because of those charges. He noted that there are businesses that have struggled with SAC and this program would provide another option.

Member Riley asked if this would apply to every building that would be built in the City with sewer and water and asked if other cities have this same type of program.

Economic Development Manager Sullivan replied that there are a number of communities that have programs of this nature which are more attractive to businesses. He did not believe this program would be used all of the time, as most businesses do not want to pay interest when they do not have to.

Chairperson Steffen commented that he does not see a reason not to further explore this option.

Motion by Member Steffen, seconded by Member MacLennan, to direct/nor direct staff to conduct further research and to bring back a draft SAC Deferral Policy for future EDA review.

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.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan indicated that there is one vacancy for the Chamber Gala event and welcomed interested members of the EDA. He advised of an upcoming Ramsey Employee Appreciation Day at Sunwood Nutrition. He stated that the Council directed staff to move forward on the billboard process with iDigital. He provided an update on the Storyteller Café project. He asked if the EDA would be willing to consider utilizing the revolving loan fund or SAC/WAC fund for a non-profit business.

Member Johnson commented that it sounds like a good organization and would be interested in pursuing that option.

Member Riley commented that he would also support allowing the current policy to be used for this non-profit restaurant business.

Member MacLennan agreed that the program should be allowed to be used.

Chairperson Steffen asked if that program would be enough to help the business reach the finish line.

Economic Development Manager Sullivan commented that he is unsure of the exact details. He noted that the question was simply whether there would be support from the EDA and it appears there is consensus as such.

Member Johnson introduced herself to the other members of the EDA.

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

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.