

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

Members Present: Chairperson Scott Cords
 Member Chelsee Howell
 Member Chris Riley
 Member Jim Steffen (virtual attendant)

Members Absent: Member Rachal Johnson
 Member William MacLennan
 Member Michael Olson

Also Present: Sean Sullivan, Economic Development Manager
 Kurt Ulrich, City Administrator

1. CALL TO ORDER

Chairperson Cords called the Economic Development Authority meeting to order at 7:30 a.m.

2. APPROVE AGENDA

Motion by Member Riley, seconded by Member Howell, to approve the agenda.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Cords	aye
Member Steffen	aye

Motion carried.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated September 9, 2021

Motion by Member Riley, seconded by Member Howell, to approve the September 9, 2021, minutes as presented.

A roll call vote was performed:

Member Howell aye
Member Riley aye
Chairperson Cords aye
Member Steffen aye

Motion carried.

4. EDA BUSINESS

4.01: Review Development Proposal from Java Properties on Parcel 50

Economic Development Manager Sullivan presented the staff report.

Mark Krogh, Java Companies, stated that they currently own the O'Reilly's property, which will soon begin construction. He stated that they have been looking at the remainder of the property since their discussions began on the O'Reilly site. He stated that for good retail development, you need good access and traffic counts. He noted that charter schools are more flexible in location, and it would be a shame to develop anything but retail on this corner. He stated that for the tenants they have discussed on the site plan, the car wash and grocer want to remain anonymous at this time, but Caribou Coffee would be looking at its coffee cabin drive-thru model for this site. He stated that they have experience with all of the tenants they are in discussion with at this time in other locations. He stated that there is a financial institution and restaurant that are also interested in the space. He stated that the grocer moves slow but would most likely move faster when other tenants announce their presence. He stated that they vision this corner as the new retail hub for Ramsey.

Member Riley referenced the prospective tenants and asked if those are ideas or solid.

Mr. Krogh replied that they have relationships with these tenants but are at the letter of intent phase of development. He stated that the tenants are ready to go, but they still need to work through the City process. He would aim to move forward with phase one in 2022 and perhaps even begin in 2022 with phase two, depending on the timing of City approvals and plan development. He stated that if they could get the land under control and develop plans over the winter, they could begin construction in the spring.

Member Riley referenced the restaurant site in the northwest site and asked if that is a hot prospect as that has been a goal of the City and EDA.

Mr. Krogh stated that there are a few users interested in that pad, a dollar store and quick service/fast casual restaurant. He stated that currently the dollar store would like that location, but the locations are interchangeable for certain pads within the site.

Chairperson Cords stated that it sounds like there is a reasonable level of confidence in the prospects at this time. He asked if the developer is involved in the business case for the prospects

or whether that is something the tenant does itself. He asked in example how Caribou would look at traffic flow for a cabin model at this location.

Mr. Krogh stated that they have worked with Caribou and are aware of what that tenant looks for. He stated that the business will tell them which city they want to be in, and Java helps them to find the right location to meet their business needs. He stated that it also goes through corporate approval process. He stated that accessibility, visibility, and parking are important, and this site has all three. He confirmed that Java has done the research to ensure these uses would be supported. He stated that utilities would be a large portion of the cost and perhaps there would be opportunity to cost share the utilities portion of the project.

Chairperson Cords asked if the road utilities would have to be installed with phase one.

Economic Development Manager Sullivan replied that would depend on the phasing of the project and how access is granted. He stated that if they get to the position where they will work with the developer on a purchase agreement, they would work out those additional details. He noted that in the past the City has participated in the cost-sharing as a part of the negotiation process. He stated that they would also work with engineering in order to plan for sewer and water connections appropriately within the layout of the site. He stated that PACT is also interested in this site and would perhaps have a different idea of how sewer and water would be brought into the site.

Mr. Krogh stated that once they are under contract, they would spend additional money on civil planning. He stated that the utilities and those details can be worked out through negotiation. He stated that this a high scale layout and they would work on more detailed plans once they are sure they can secure the parcel.

Member Riley stated that in the original mockup from PACT, the school did not realize the O'Reilly site was already taken and therefore there was a football field in part of that location.

Economic Development Manager Sullivan stated that he requested a phased approach to determine if they could get both uses to work on the site. He stated that based on the last meeting with PACT he anticipates feedback on whether their needs could fit onto this site. He stated that staff is trying to work with PACT to find a solution as it would be very tight to get a school and football field onto the site. He believed that PACT saw that the site was limited once they realized O'Reilly's was already on a portion of the site. He stated that they are still awaiting the next iteration from PACT. He noted that while this was the preferred site because of the proximity to the existing campus, PACT also wants the school and football field on the same site and therefore are continuing to look at other sites as well. He stated that all of these uses will bring people to Ramsey, which is a good thing.

Mr. Krogh stated that a site like this is ideal for retail development and therefore it is disheartening to hear that a charter school would be considered for this property. He stated that he would be willing to help the charter school find a different location as that is a destination use in itself. He recognized that it is only his opinion.

City Administrator Ulrich commented that the PACT school proposal with the football field would not fit onto the city site. He stated that this site would have never fit the entire school and football field and would involve the privately owned property to the west as well.

Chairperson Cords commented that he likes the idea of retail development and has nothing against the school expanding but would prefer this site to be focused on retail and something that would be taxable.

Member Riley asked if Member Steffen has input.

Member Steffen stated that he echoes the comments of the Chairperson. He stated that the northwest corner of The COR already has a grocery store, Caribou and Mexican restaurant and would be cautious against adding the same things that already exist in The COR.

Mr. Krogh stated that in the long-term COVID has changed things in terms of retail development. He believed that more people would continue to work remotely. He referenced the recent events in Minneapolis and Saint Paul over the past year as well and believed that would cause people to move outward and Ramsey would only continue to grow. He stated that many communities have multiple retail corridors with duplication of tenants. He stated that Caribou would keep both locations, Coborn's would provide different grocery offerings from the other tenant and the Mexican fast casual business would be different than the full-service restaurant. He stated that nothing attracts a crowd like a crowd and more retail usually brings in more business for existing retail.

Member Howell stated that it would be nice to see another grocery store as many people go to Elk River for groceries as not everyone shops at Coborn's. She stated that this would bring more options for the community members.

Mr. Krogh commented that his family uses a combination of different grocery retailers.

Member Riley commented that before the problem Coborn's had been that the other grocer was going to be located in their parking lot, whereas this concept puts distance between the two.

Chairperson Cords stated that he would like to see staff continue to negotiate a two phased program, keeping in mind PACT and whatever they may have in mind. He stated that he would like to more aggressively pursue this opportunity and the phased approach seems reasonable.

Mr. Krogh stated that they are excited to work with staff and had a great experience working with Economic Development Manager Sullivan and his team on the O'Reilly's project. He stated that if PACT does need help finding a site, he would be happy to help them as he also has experience working with charter schools.

Member Riley stated that he wears different hats within the City and his job today is to act as a member of the EDA with those goals in mind. He stated that from an EDA standpoint, this proposal makes perfect sense as it is retail and creates jobs. He stated that at the same time he does not want to create a bigger decision or cause turmoil later if this conflicts with other plans on

a different tract. He asked if the projects could run on different tracts for a length of time. He asked if this could move forward to a point of waiting for an answer from PACT and the direction that will take.

Economic Development Manager Sullivan stated that PACT has made it clear that they are on a fast track, and they are aware there are other concepts on this site. He believed that more information will be known over the next month and anticipates that PACT should have an idea on whether the site would work for them or not by the next EDA meeting. He stated that if PACT states that the site will not work for them, staff could perhaps work on a purchase agreement with Java prior to the next EDA meeting. He stated that PACT had not accounted for Veterans Drive or the stormwater pond and therefore the site is very tight for the use PACT desired.

Member Steffen stated that the EDA could wait a month if the developer is in agreement. He stated that it appears the EDA favors the retail project, even if PACT does have interest in the site.

Member Howell stated that they are both good ideas. She recognized the convenience it would bring to have the high school location near the existing PACT school. She stated that if this site does not work for PACT, she would still like to see PACT remain in Ramsey.

City Administrator Ulrich stated that alternate layout options were reviewed and discussed with PACT. He stated that based on the fast track that PACT is on, the City directed them to other land currently owned by the City as that could be fast moving. He stated that there are other sites south of highway 10 that would fit a high school campus as well, along with land near Central Park. He recognized that it is important to try to help PACT find land within the City of Ramsey.

Member Riley stated that from an EDA standpoint and economic development, phase one would make sense to move forward. He stated that they could also continue to work with PACT with the understanding that PACT is on a fast track and there may be somewhat of a delay over the next month until there is clarity.

Economic Development Manager Sullivan confirmed that is the direction he was looking for. He stated that he would like to play it by ear to see what happens and transpires between now and the November meeting. He stated that if PACT moves on from this site, he would like the ability to begin working on a purchase agreement with Java. He stated that he agrees that the perspective of the EDA and Council can sometimes be different. He asked if the developer is comfortable with that direction.

Mr. Krogh stated that he would love to move forward with a purchase agreement for phase one and an option for phase two. He recognized that it would still need to go forward to the City Council.

Chairperson Cords summarized that the EDA likes the idea of some level of progress towards phase one while the City gives a few weeks for PACT to identify their path.

Motion by Chairperson Cords, seconded by Member Steffen, to direct staff to prepare a purchase agreement for phase one on the property and delay any action on phase two until the plans for PACT charter school are known.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Cords	aye
Member Steffen	aye

Motion carried.

Member Steffen noted that it appears Member Johnson is also present as a virtual attendant today.

Economic Development Manager Sullivan commented that due to noticing requirements, Member Johnson is present as a member of the audience but is not a formal participant.

Member Johnson commented that she is in agreement with the statements and decisions made by the EDA today.

5. MEMBER / STAFF UPDATE

The EDA reviewed the Staff Update. Economic Development Manager Sullivan asked of the Business Expo which will take place at Adrenaline Sports Saturday from 10 a.m. to 2 p.m. He stated that the Public Works Facility open house is also scheduled for Saturday at 1 p.m. He provided an update on ongoing development project and the construction process that has been made.

Chairperson Cords asked if there is an update from the hotel user.

Economic Development Manager Sullivan commented that it does not appear that the original hotel project anticipates moving forward but noted that there is interest from another hotel user on that site.

6. ADJOURNMENT

Motion by Member Riley, seconded by Member Howell, to adjourn the meeting.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Cords	aye
Member Steffen	aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:23 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sean M. Sullivan". The signature is written in a cursive style with a blue highlight behind it.

Sean Sullivan
Economic Development Manager

ATTEST:

A handwritten signature in black ink that reads "Wendy Schlueter". The signature is written in a cursive style.

Wendy Schlueter
Economic Development Administrative Assistant

Draft by Amanda Staple
TimeSaver Off Site Secretarial, Inc.