

**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 Rachel Johnson

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.

Chairperson Steffen recognized the newest members of the EDA, Members MacLennan and Olson and invited them to introduce themselves.

Members MacLennan and Olson introduced themselves to the group.

2. APPROVE AGENDA

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

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated March 11, 2021

Motion by Member Cords, seconded by Member Howell, to approve the March 11, 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: Appoint Chairperson and Vice Chairperson

Economic Development Manager Sullivan stated that this is the annual time of appointment for Chair and Vice-Chair.

Chairperson Steffen opened the floor for nominations for the position of Chair and Vice-Chair.

Member Riley nominated Jim Steffen for the position of Chair and Scott Cords for the position of Vice-Chair.

There were no other nominations.

Motion by Member Cords, seconded by Member MacLennan, to elect Jim Steffen as Chairperson and Scott Cords as Vice-Chair of the Economic Development Authority.

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

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.

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

Economic Development Manager Sullivan presented the staff report.

Member Riley commented that five parcels were identified and asked how many of those were willing sellers.

Economic Development Manager Sullivan stated that as it sits, he is aware of willing sellers for parcels four, two and one. He stated that there is a sign north of parcel four, but he has not spoken to that property owner. He stated that from a development standpoint and attempting to make commercial and retail development viable it would make sense to cleanup that area.

Deputy City Administrator Gladhill stated that in conversations with property owners, the majority of property owners have purchased the properties in that area with development opportunity and would appreciate that the area be cleaned up. He stated that the code enforcement issues and complaints are detracting from multi-millions dollar investment. He stated that the Planning Commission is reviewing a proposal tonight next to the brand-new building for a tree clearing company that would like to shred the trees onsite and have a mound of woodchips. He stated that is the type of interest that is coming forward and therefore the question is how aggressive the City would like to be to clamp down on those non-desirable uses.

Chairperson Steffen asked why the piece adjacent to Bunker Lake Boulevard and the two parcels south of that are not included.

Economic Development Manager Sullivan commented that when a City gets involved in a redevelopment project, the associated costs are to clear the sites and prepare them for development and therefore that was the focus. He commented that the other sites are also good but believed that if sewer and water were run into that area that many parcels would more likely develop under open market. He stated that the sites mentioned in the case are more challenging and therefore it would be recommended that the City be involved in order to help achieve the vision. He commented that the end goal is not for the City to own land but to bring forward development and job creation. He stated that sometimes the City needs to be involved in order to bring about that development, but if the sites could be developed without the City being involved, he would not recommend the City purchase property just because there is a willing seller.

Chairperson Steffen commented that it seems there are two parts to the case, cleaning up blight and identifying future industrial land.

Economic Development Manager Sullivan confirmed that they are separate issues, but they are interrelated. He stated that there will not be an appetite for people to acquire parcels that could not be developed. He stated that if the City purchased all of the sites, razed all the buildings, and

marketed them for development he is unsure how successful it would be without sewer and water. He commented that it is inevitable that sewer and water will be needed.

Member MacLennan asked where the sewer and water stops.

Economic Development Manager Sullivan confirmed that the new building has sewer and water and did not believe sewer and water extends past the newly developed PSD LLC retail building.

Member MacLennan asked if it would be difficult to run sewer and water through the site once the building is removed.

Economic Development Manager Sullivan described the path sewer and water services would most likely follow. He commented that sewer and water would run within the road right-of-way and simply provide access for the properties to connect to.

Deputy City Administrator Gladhill commented that the roads need to be reconstructed and therefore it would make sense that utilities could be extended at the same time. He did not anticipate that development/redevelopment would happen in the area without those services available.

Member Riley commented that the City was about to rebuild the road because of the poor condition, but with the potential redevelopment the landowners asked that it hold off as things may change. He stated that from an EDA standpoint, this makes sense as this is a development area and industrial and commercial land is needed. He commented that this is the blight that they would like to get cleaned up. He commented that the City may have to step in and do the work on some parcels but on some parcels the City could provide assistance in getting that work done. He stated that he does not like the City owning land but would be willing to support it from an EDA standpoint.

Member Cords asked what would be needed in order to clean up the sites and who would be responsible for removing the materials on site.

Economic Development Manager Sullivan commented that there have been changes in ownership for some parcels. He stated that the standard tool is through code enforcement, which can lead to the City completing the necessary action to bring the property into compliance. He stated that in terms of improving the aesthetic of the property in order to support development there are not tools to deal with that. He stated that if a property meets the minimum standards there would not be a tool the City could use in terms of code enforcement and those are cases when purchasing the property in order to bring about development would be the appropriate tool. He stated that while there is not an immediate need for industrial property today, there will be a need in the next two to four years. He stated that this seems like a reasonable and well thought out plan in order to clean up the area and provide more land for industrial development, which will also help to bring about interest from retailers and restaurants. He stated that in this area there are smaller lots as well that would support expansion of local Ramsey businesses that do not require huge buildings/spaces. He stated that he is optimistic that there are a few industrial projects that will move forward this summer in excess of 75,000 square feet.

Deputy City Administrator Gladhill commented that there is no deadline to this request and therefore the EDA could consider this an introduction to the topic and further discussion could continue at the May meeting. He stated that there are no current offers or time restriction. He stated that additional questions could be provided to staff through email, which staff could then use to build a case for May.

Economic Development Manager Sullivan commented that is a good way to look at this. He stated that there are two parts to this, the potential acquisition, and the vision for the future. He stated that he would like direction to authorize the design using HRA or TIF funds to develop a cost estimate for the utility work. He commented that this area is within a TIF District and the City has the ability to complete projects with that TIF revenue. He stated that the City has applied for an extension of the district through legislation but if that is not approved, the funds would have to be expended by November of 2021. He stated that this could move forward on a parcel-by-parcel basis as well. He was unsure what more would need to be discussed at the next meeting unless there are specific questions. He asked for general direction.

Member Cords commented that staff indicated that three of the property owners have indicated that they are willing to sell and asked if there is an urgency by any of those sellers.

Economic Development Manager Sullivan commented that the momentum of those sellers is between casual and pushing. He noted that there are for sale signs posted, which expresses intent. He felt that some of the parcels have frustration as to what can and cannot be done on the property and therefore perhaps are having difficulty finding tenants and are more open to selling. He commented that there is not an extreme urgency from any of the properties, but they would like to sell. He noted that sometimes it is beneficial to take advantage of willing sellers in a redevelopment area.

Member MacLennan agreed that the area is a blight. He agreed that access to City water and sewer would improve the chances of development. He stated that he would not want to see the City own more land. He commented that it could be a detractor for people to develop on the east side when the west side looks as it does.

Chairperson Steffen referenced parcel two, which needs cleanup. He commented that the parcel is retail and not prime retail and therefore the City could clean it up but would most likely own the property for a length of time. He recognized that cleaning up the site may increase the chances of other properties developing in the area.

Economic Development Manager Sullivan commented that parcels two and three could be combined for an office showroom type building. He stated that he would not want to discount those parcels as unable to move in the market but agreed that the City would want to be strategic in the parcels it acquires and the timing. He stated that bringing in sewer and water may help to facilitate the redevelopment and sale of properties. He believed that the design would need to be done and the cost estimate would need to be known in order for the City to be able to act.

Deputy City Administrator Gladhill encouraged the group to look at this on not only a real estate investment but issue of blight. He stated that staff has spent a lot of time on code enforcement and reviewing development applications that do not meet the zoning code. He understood that the EDA has typically invested more in industrial, but retail sites are important as well.

Chairperson Steffen commented that parcel four is visible, on a corner and listed for sale today. He asked if the property owner could sell that property without assistance from the City.

Economic Development Manager Sullivan commented that sewer and water is available at that site, but it is a small site from an individual owner which has challenges. He commented that bringing sewer and water to that area will help to revitalize that area and bring forward additional interest.

Deputy City Administrator Gladhill commented that this discussion has been helpful to frame the case moving forward. He stated that additional information can be gathered based on the questions asked to present this case again at the May meeting in more detail.

Chairperson Steffen confirmed the consensus of the EDA to continue this discussion at the May meeting.

Deputy City Administrator Gladhill asked that members email additional questions they may have in order for staff to build a more robust case for the next meeting.

Chairperson Steffen commented that it would seem that the infrastructure cost could have a higher cost than acquisition.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan advised of the park dedication taking place tonight at Central Park for the renaming of the park.

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.