

**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, August 12, 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

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 MacLennan, to approve the agenda.

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated July 8, 2021

Motion by Member Riley, seconded by Member Cords, to approve the July 8, 2021, minutes as presented.

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

4. EDA BUSINESS

4.01: Appoint Chairperson and Vice Chairperson

Economic Development Manager Sullivan presented the staff report.

Chairperson Steffen commented that he will remain on the EDA throughout the remainder of his term, but he will be traveling and working remotely, therefore he will be stepping down as Chair. He stated that it is difficult to chair meetings from a remote location. He noted that Member Cords has stated that he would be interested in the Chair position.

Motion by Member Riley, seconded by Member Steffen, to appoint Scott Cords as Chairperson of the Economic Development Authority through March 31, 2022.

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

Economic Development Manager Sullivan noted that the newly appointed Chair should preside over the meeting.

Chairperson Cords opened nominations for Vice Chair.

Motion by Member MacLennan, seconded by Member Riley, to appoint Michael Olson as Vice Chairperson of the Economic Development Authority through March 31, 2022.

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

4.02: Consider Recommendation to Approve Establishment of TIF District 18, TIF Plan, and TIF Agreement; Case of Oppidan

Economic Development Manager Sullivan presented the staff report.

Chairperson Cords stated that there were a few minor things that staff was going to do additional research on. He asked if there are fundamental changes since the previous discussion.

Economic Development Manager Sullivan stated that those questions were related to the TIF agreement, which is the second portion of the case. He provided clarification on the job creation requirement which included a job creation number of 100 with minimum wages of \$17.50 / hr. He noted that in order to qualify to be within a TIF District, the use would need to be in line with the district in terms of manufacturing/distribution/warehousing type uses. He noted that if the use changed, one of those buildings could potentially be removed from the district. He clarified that the EDA actions could be taken in one motion all at once if supported by the EDA. He noted that this would go forward to the City Council for a public hearing on August 24th.

Member Howell referenced the 40 and 60 percentages and asked how that was negotiated and accepted.

Economic Development Manager Sullivan stated that 60/40 split is unique in that typically it is a 90/10 split with the developer receiving 90 percent. He stated that staff negotiated the 60

(developer) / 40 (City) split percent for the City in order to support a portion of City costs associated with needed infrastructure improvements in that area such as Bunker Lake Boulevard.

Motion by Member Cords, seconded by Member MacLennan, to recommend to City Council:

- Approve the Modification to the Development Program for Development District No. 1
- Establish Tax Increment Financing District No. 18: (Oppidan Industrial) within Development District No. 1
- Approve the Tax Increment Financing Plan. The TIF plan outlines the boundary of the district, TIF eligible expenses/costs and tax impacts (tax base and taxing jurisdictions). The TIF Plan outlines how the project follow statutory requirements for creation of the TIF District.
- Approval of TIF Agreement (business subsidy) with Ramsey Industrial Owner LLC and Oppidan Incorporated; subject to attorney review.

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

4.03: Recommend 2022 EDA Budget and Levy

Economic Development Manager Sullivan presented the staff report.

Chairperson Cords asked if the EDA fund remains relatively flat. He noted that some of the fund was used for COVID relief in the past year.

Economic Development Manager Sullivan estimated the EDA fund balance at \$1,200,000 to \$1,300,000. He noted that some funds have been allocated for a previously approved project and therefore the balance will be reduced. He believed that the balance is healthy enough to assist in Highway 10 acquisitions or other EDA development activities that may be necessary. He stated that there will be a \$250,000 expense from the business subsidy agreement with PSD which was approved in 2017. He confirmed that those costs were expected, and the fund balance should be around \$1,000,000 after those two expenses.

Member MacLennan stated that it appears the budget is less than the revenue each year.

Economic Development Manager Sullivan stated that the intent is not to build the EDA fund balance but to account for potential expenditures. He stated that last year was unique in that costs that could have been paid through EDA dollars were instead paid through CARES Act funds. He explained the purpose of the EDA fund and how those dollars can be used to promote and support economic development and related marketing and events.

Member MacLennan referenced the actuals from the past three years and asked if they should remain flat with the figures from the previous year.

Economic Development Manager Sullivan commented that he would anticipate that the actual expenditures in 2021 would be closer to the projected amount as last year was unique. He noted that if there is additional revenue that could be used to build the fund balance for future projects.

Chairperson Cords stated that one of the continued budgetary items is a \$5,000 contribution for the manufacturing cohort through the Chamber of Commerce. He asked if that is paid through the EDA or general fund.

Economic Development Manager Sullivan commented that it is an EDA expense but is also approved by the City Council.

Motion by Member MacLennan, seconded by Member Steffen, to adopt the proposed 2022 EDA Budget and Levy as presented.

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

4.04: Review Quotes for Renovation of Old Town Hall

Economic Development Manager Sullivan presented the staff report.

Chairperson Cords stated that although he would be sorry to say the tenant could not take advantage of the space, it sounds more expensive than anticipated. He suggested waiting.

Member MacLennan agreed. He stated that if the tenant was willing to sign a long-term agreement of 7 or so years perhaps it would make more sense, but a one-year agreement would be a gamble. He agreed it would be best to hold off.

Member Olson stated that he always looked at the building with intrigue and believed it should be restored but believed that this does not seem like the best time because of pricing.

Member Riley stated that this would be a business decision and clearly the numbers indicate that this would not move forward. He stated that this proposal would have been a good idea and perhaps another opportunity will come forward when pricing is more favorable.

Member Steffen agreed. He noted that perhaps when staff discusses projects with carpenters and remodelers that could be a good opportunity for a contractor office, which would also alleviate the issue of parking that would be created by retail.

Economic Development Manager Sullivan stated that when he gets into the building, the front door is in bad shape, locked by a deadbolt. He noted that all of the doors have already been purchased and perhaps it would make sense to replace the door to better secure the building. He stated that staff could ask for pricing to hang the new door.

Member MacLennan asked if that would also help to gain attention for potential users in the future.

Economic Development Manager Sullivan agreed that it would be helpful to be able to easily open the door when providing a tour of the building. He stated that the building also needs a good cleaning.

Chairperson Cords stated that as a historic site the City has a duty to ensure it is secure to weather and potential trespassing. He asked if there would be funding needed for the labor to install the doors or whether City staff could complete that action.

Economic Development Manager Sullivan confirmed that labor would need to be hired to hang the doors. He believed the cost would drop significantly because the materials have already been purchased and the timing would not be an issue, therefore the contractor could fit it into their schedule.

Chairperson Cords confirmed the consensus of the EDA to table this project as proposed until there is a future opportunity.

Member Steffen asked if the building could be sold.

Economic Development Manager Sullivan believed that it could be. He asked the members of the Council on the EDA if it would be necessary to bring the recommendation to place the project on hold would need to go forward to the Council for formal action or could simply be done in a weekly update.

Member Riley did not believe a formal action of the Council would be needed as nothing is changed.

Economic Development Manager Sullivan stated that if the doors are going to be hung, that would come back for approval of the expenditure.

Member Riley commented that the roof was repaired in recent years and agreed it would make sense to spend the funds to protect the asset in terms of hanging the door.

Motion by Member MacLennan, seconded by Member Olson, to recommend to City Council to put the Old Town Hall Restoration Project on hold until the rate environment improves and direct staff to obtain bids/quotes for door installation.

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

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan thanks Chairperson Cords for his participation in the interview panel on behalf of the EDA. Interviews will continue with the six individuals selected to move on. The final touches are being put on Business Appreciation Day. He provided recent project updates.

Chairperson Cords asked for details on the StoryTeller Café project and who would need to approve the plans.

Economic Development Manager Sullivan stated that the Site Plan approval was contingent upon a complete set of plans (landscaping, sewer, etc.). He noted that those additional plans are incomplete at this time and the applicant is working with staff to update the plans.

Member MacLennan asked if the Gigi's Salon building would include a café.

Economic Development Manager Sullivan acknowledged the original Facebook post that identified a juice bar or café but noted that is meant for the staff and clientele and not general public.

Member MacLennan referenced the JAC Auto site and asked if that would use all or most of the building.

Economic Development Manager Sullivan commented that they have the preferred layout by November 2021, but the design work will come after this is approved and then it would be known how much of the site would be needed for right-of-way. He stated that whatever would be remaining of the parcel would likely not be enough for development on its own.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:17 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.