



RIVERDALE DRIVE EXTENSION RIVERSTONE SOUTH SUBDIVISION

Public Works Committee
January 19, 2021

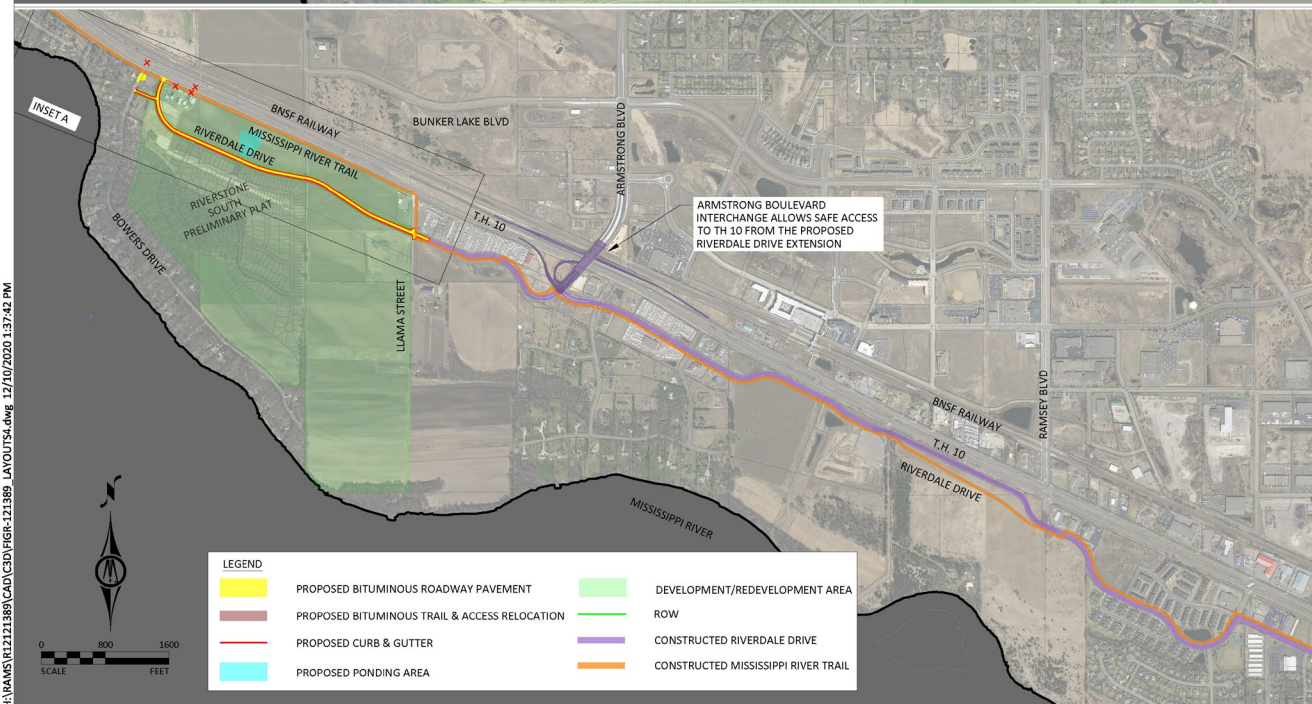
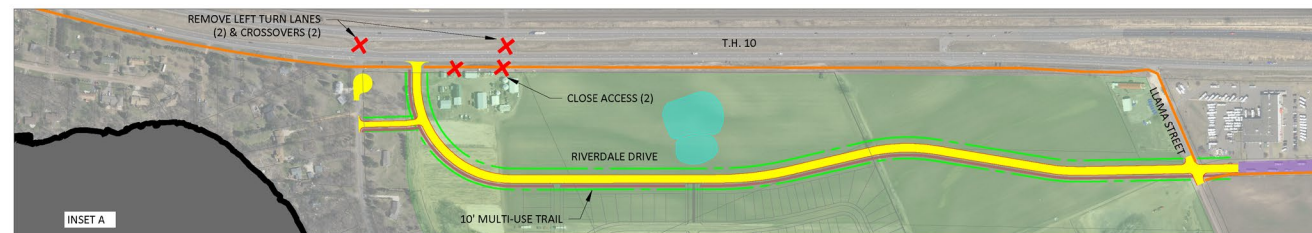
RIVERDALE DRIVE EXTENSION

LOCAL PARTNERSHIP PROGRAM

CITY OF RAMSEY

RIVERDALE DRIVE EXTENSION

DECEMBER 2020



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FRAMING THE CONVERSATION

- But for this Development, the City would wait for this extension
 - Opportunity/Development Driven
- An accelerated schedule has financial value
- The legal framework would allow these costs to be required of the Developer
- It is reasonable and fair for the City to contribute due to the broader public benefit

PREVIOUS COUNCIL DIRECTION

- Pearson Frontage
 - City, Developer and Property Owner each pay 1/3
- County Parcel
 - City, Developer and Property Owner each share 1/3 of cost in excess of potential grant [Developer and Property Owner Object]

UPDATES

- City must purchase County Parcel and repay a grant
 - \$750K to \$1.3M
 - Future Return on Investment – Land Sales
- Continued Negotiations with Developer/Property Owner
 - Developer Counter
 - Staff Counter to Developer Counter

CONTINUED NEGOTIATIONS

- Developer Counter Proposal
 - City pay for all costs on County Parcel
 - City pay for any improvements to Bowers Drive, Bowers Drive Connection to Riverdale Drive Extension and any improvements to Highway 10
- Staff Counter Proposal to Above
 - **[Partial Agreement]** City pay for all costs on County Parcel
 - **[Counter]** Allocate any grant award to County Property Only – no allocation to Pearson Frontage
 - **[Partial Agreement]** City pay for any improvements to Bowers Drive and Bowers Drive Connection to Riverdale Drive Extension
 - **[Reject]** City, Developer and Property Owner each contribute to Highway 10 Improvements [direct benefit to Development]
 - **[Counter]** Reduce amount of City Contribution to Pearson Frontage to offset significant contribution to overall project

FINANCIAL ANALYSIS/UNDERWRITING

- Is the contribution warranted?
- Is the Developer's Return on Investment within industry standard?
- Are we inflating the value of the land by contributing to the project?

OPTIONS TO WAIVE UNDERWRITING

- Developer pays for the Open Space Preservation (\$350K); or
- Developer pays for the Pearson Frontage Contribution (\$272K)

LEGAL FRAMEWORK

- Per MN Statute 429, can assess for off-site improvements if benefits the project

PROPOSED FUNDING SOURCE FOR CITY CONTRIBUTION

- Anoka County Housing and Redevelopment Authority (ACHRA)