

**Economic Development Authority (EDA)**

4. 3.

**Meeting Date:** 09/12/2019

**By:** Sean Sullivan, Community  
Development

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**Title:**

Discuss Potential Tungsten District Redevelopment Study located in the South East Quadrant of Sunfish Lake Boulevard and Highway 10/169 Related to the Ramsey Gateway Study

**Purpose/Background:**

**Purpose:**

The purpose of this case is to provide information to the EDA on the potential need for a redevelopment study and options for utilization of a viable Redevelopment TIF District or Renewal and Renovation TIF District and to formulate a plan of action. As the EDA is aware, the City is leading the Ramsey Gateway Study, a plan for future improvements along Highway 10/169.

**Background:**

The City of Ramsey has been working with Anoka County, MnDOT and other organizations regarding potential future interchanges and frontage road systems along US Highway 10/169. The Tungsten District area could be impacted by the future interchange and required frontage road systems, and has a very tight built environment. Staff has been approached by some landowners and businesses in this area regarding the potential of the City acquiring their parcels now and into the future. In addition, Staff sees an opportunity for reinvestment in the area that would improve the image of Ramsey's primary gateway to the community.

The intent of this case is to gauge the willingness of the EDA to proceed with initial data collection to be used in future studies and plans in order to best position the City to move forward with Highway 10/169 Improvements. Funding for improvements is key and has not yet been secured, but the City is pushing for a project as early as 2025 (or 2023 if the City were successful in a significant investment by the Minnesota Legislature in the 2020 Legislative Session). Land Acquisition typically begins two years prior to a project commencing.

**Notification:**

Notification is not required.

**Observations/Alternatives:**

Interim Phase 1 - Complete

City Staff contracted with LHB to get an objective, professional opinion on the probability of this area qualifying as a Redevelopment TIF District (25 years) or Renewal and Renovation TIF District (15 years). As a brief summary of TIF Districts, all existing taxes are paid and distributed to the appropriate taxing entities (City of Ramsey, Anoka County, Anoka Hennepin School District). New taxes generated by new investment (increment) that would not have occurred without the assistance (the 'but for' test) are still collected, but captured within the geographic boundaries of the District and used for eligible costs such as public infrastructure, site improvements, and land acquisition.

LHB Staff visited the site and put together the attached map identifying the probability of a building being substandard. The analysis is preliminary in nature and each building would need an inspection of the inside of the building, but the current analysis does give a good idea of what buildings might qualify for a TIF District. Based on the preliminary information it appears likely that a Redevelopment District (25 Years) could be created in this area.

Rough cost to conduct inspections of all buildings in this area would be \$31,600 or \$1,575 per building, However,

all buildings will likely not need to be inspected as you only need to have over 50% of the buildings to be identified as substandard in order to qualify for a redevelopment district. An estimate for this would run between \$20,000-\$25,000.

Typically a TIF District is not created unless you have a developer or specific project being proposed. Defining the project, project costs, eligible TIF expenses are needed before a district can actually be created. However, in the interim, more work can be done to better define the probability of a building being substandard and to better define the geographical area of a potential TIF District. Items that could be done now include:

**Interim Phase 2 - Proposed**

1. Documenting interest in landowners and business that are looking to sell.
2. Potentially acquiring parcels from willing sellers.
3. When possible, entering building and conducting an inspection and documenting the conditions with LHB , or other TIF professional present

Staff is looking for a recommendation from the EDA on how to proceed. Alternatives include, but are not limited to the following.

- Recommend that the City proceed with this next interim phase at a not to exceed amount of \$25,000.
- Recommend that Staff bring this case back for formal recommendation at a future date with additional information.
- Recommend that the City not proceed with the study at this time.

**Funding Source:**

The funding source would be the EDA Professional Services line item, potentially reimbursed in the future through the establishment of a future TIF District. There are adequate funds in the 2019 EDA Budget to accomplish this task.

**Recommendation:**

Staff recommends that the City proceed with Interim Phase 2 to work with owners businesses as opportunities for redevelopment and acquisition present themselves including conducting and documenting internal building inspections when possible, all leading to the a potential for the establishment of a future TIF District.

**Action:**

Motion to direct Staff to proceed (or not proceed) with the next Interim Phase 2 of the Tungsten District Redevelopment Study

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**Attachments**

Riverdale / Tungsten Analysis

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Sean Sullivan (Originator)	Sean Sullivan	08/29/2019 03:09 PM
Brian Hagen	Tim Gladhill	09/05/2019 09:53 AM
Sean Sullivan (Originator)	Sean Sullivan	09/05/2019 09:56 AM
Brian Hagen	Tim Gladhill	09/05/2019 11:57 AM
Form Started By: Sean Sullivan		Started On: 08/26/2019 10:59 AM
Final Approval Date: 09/05/2019		

# Ramsey Sunfish Boulevard TIF Feasibility Analysis

