

**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 11, 2022, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Michael Olson
 Member Chelsee Howell (remote)
 Member Rachal Johnson
 Member William MacLennan
 Member Chris Riley
 Member Shanna Stewart

Members Absent: Member Scott Wiyninger

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

2. APPROVE AGENDA

Motion by Member Johnson, seconded by Member MacLennan, to approve the agenda.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Olson	aye
Member Johnson	aye
Member MacLennan	aye
Member Stewart	aye

Motion carried.

3. CONSENT AGENDA

3.01 : Approve Meeting Minutes Dated July 14, 2022

Motion by Member MacLennan, seconded by Member Johnson, to approve the July 14, 2022, minutes as presented.

A roll call vote was performed:

Member Stewart aye
Member MacLennan aye
Member Johnson aye
Chairperson Olson aye
Member Riley aye
Member Howell aye

Motion carried.

4. EDA BUSINESS

4.01 : Consider Purchase Agreement for Outlot A, Gigi Addition; Case of Schiebout Family Limited Partnership (Portions may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Emily Allegra, applicant, provided an update on the work that they have done in the last three months including the market demand study, market research and economic demand research. She stated that they are waiting on a final report, but the data has been encouraging and therefore they want to continue to pursue the project. She noted that the project costs are not yet known but they believe an 80-unit hotel model could fit on the site.

Chairperson Olson commented that sounds encouraging. He asked if the hotel would have conference facilities.

Ms. Allegra commented that based on the size of the lot it would be challenging to have larger conference rooms. She stated that the models are just prototypes from one of the flags they have been working with. She noted that they are still considering an extended stay hotel.

Economic Development Manager Sullivan identified the next steps, should a business assistance application be submitted. He anticipated that financial analysis would demonstrate a need for assistance based on the soft market and high building costs at this time. He stated that if the business assistance application is submitted and that need for assistance is demonstrated, it would be packaged into a TIF agreement.

Member Riley thanked Ms. Allegra for her family's continued investment into Ramsey. He commented that this is exciting. He stated that while Ramsey would love to see a restaurant, this would also be a great opportunity.

Ms. Allegra commented that it was a clear finding in their study that they do not recommend to have a restaurant in the hotel, but they will offer a full hot breakfast. She stated that the hotel will create a draw for more restaurants and an economic pull. She stated that once they are situated, they will actively market to bring restaurants to Ramsey as well.

Member Johnson recalled that a previous meeting called this a boutique hotel.

Ms. Allegra commented that the previous hotel concept by Cobblestone was considered a boutique, but that project did not move forward. She stated that based on their demand study they will be using a major flag and are working with Hilton and Marriot.

Motion by Member Johnson, seconded by Member MacLennan, to recommend to City Council to enter into the Purchase Agreement with The Schiebout Family Limited Partnership, LLLP as presented, subject to City Attorney review.

A roll call vote was performed:

Member Stewart aye
Member MacLennan aye
Member Johnson aye
Chairperson Olson aye
Member Riley aye
Member Howell aye

Motion carried.

4.02 : Consider Purchase Agreement for Part of Outlot C, Affinity at COR; Case of COR Trust Bank (Portions may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Kou Vang, applicant, stated that COR Trust Bank has been around since the 1920s and is located out of Sioux Falls, South Dakota. He stated that this location would replace a location a bit south of Ramsey. He stated that they are looking for a building and that the size is not yet fully set. He stated that the demographics and market studies push towards a larger building, estimating 3,000 to 5,000 square feet. He noted that they would be replicating the design and building materials of a recently completed bank in South Dakota, only with a larger footprint.

Member Stewart recalled that there had been talk of a need for fill in that location and asked whose expense that would be.

Economic Development Manager Sullivan replied that this area is south of parcel 46 and if there is dirt needed for the site, it would be minimal and at the expense of the developer. He stated that staff is currently working with Bolton and Menk to review the COR as a whole to develop a plan to prepare sites for development.

Member MacLennan asked the reason the bank would be moving from its current location.

Mr. Vang replied that the current location is leased, and that lease is going to expire. He stated that the bank would like to be in an owned location like all other branches.

Member Stewart stated that the bank is called COR as is the downtown Ramsey area. She asked how people would differentiate that the bank does not have a relationship to the City.

Economic Development Manager Sullivan commented that it is quite unique to have a bank called COR Trust in Ramsey. He noted that the decision would be of the bank as to whether they are comfortable with that.

Member MacLennan asked if the City is looking to change the name of the COR.

Economic Development Manager Sullivan replied that there have been some conversations about rebranding, but there is no action in that process, and it would be an expensive endeavor.

Motion by Member Stewart, seconded by Member Johnson, to recommend to City Council to approve the Purchase Agreement and Right of Re-Entry Agreement for Purchase Agreement for Part of Outlot C, Affinity at COR, subject to City Attorney review.

Further discussion: Member Riley commented that if the EDA had input on the price and terms that could be discussed in closed session but did not presume that should be discussed as the price is within the deal range and will also be discussed by the City Council. Chairperson Olson confirmed that the EDA was not interested in pursuing that discussion and felt comfortable with the price as presented. Economic Development Manager Sullivan stated that annually the EDA works with CBRE and City Council to develop the deal range for staff to work within and this price fits within that range, towards the top.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Olson	aye
Member Johnson	aye
Member MacLennan	aye
Member Stewart	aye

Motion carried.

4.03 : Consider Amendment to Form of Right of Reentry Agreement for Lots 1 and 3, Block 1, Riverside West Rearrangement; Case of Reliable Holdings LLC (Portions may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson asked if the developer is on board.

Economic Development Manager Sullivan confirmed that this request came forward from the developer.

Member Riley commented that he is glad to see a business being retained in Ramsey. He also wanted to ensure the City is being protected while being flexible and was comfortable because of the review by the City Attorney.

Member Stewart commented that she is glad to see this project on the other side of Highway 10 as she would not be open to this on the COR side.

Chairperson Olson commented that he believes this will be great.

Member MacLennan asked for details on the purchase price.

Economic Development Manager Sullivan explained that the City works with CBRE to evaluate the value of properties. He noted that the Highway 10 access is gone and that does impact the price of land. He stated that the City has had a hard time getting this site developed and this will be a massive improvement from the adult bookstore that previously existed on the site years ago.

Member MacLennan commented that he believes it will be good to retain this business in Ramsey.

Motion by Member Johnson, seconded by Member MacLennan to recommend to City Council to approve the Amended form of Right of Reentry Agreement for Lots 1 and 3, Block 1, Riverside West Rearrangement, subject to City Attorney review.

A roll call vote was performed:

Member Howell	aye
Member Riley	aye
Chairperson Olson	aye
Member Johnson	aye
Member MacLennan	aye
Member Stewart	aye

Motion carried.

4.04 : Recommend 2023 EDA Budget and Levy

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson stated that in looking at the history there was a large expense in 2020 and asked for additional details.

Economic Development Manager Sullivan replied that was related to a financing package for site improvements for a PSD project (Adrenaline). He stated that the EDA used its fund balance to provide assistance and that the payment was a reimbursement for site improvement costs.

Member MacLennan referenced the professional fees noted and asked for more details.

Economic Development Manager Sullivan replied that when working on Highway 10 projects, there may be scenarios where the City may own properties as a result of that project. He noted that some of that may require demolition or other things that need to be worked through. He stated that the City has been contracting with Bolton and Menk to prepare studies for site work, noting that the EDA did authorize up to \$40,000 to work on plans for site south of Affinity next to Municipal Plaza which would come from that professional services budget. He stated that if there is TIF analysis, professional services can assist with that process as well. He noted that some of those costs could be reimbursed through TIF after the project is completed.

Motion by Member Johnson, seconded by Member MacLennan, to adopt the proposed 2023 EDA Budget and Levy as presented.

A roll call vote was performed:

Member Stewart aye
Member MacLennan aye
Member Johnson aye
Chairperson Olson aye
Member Riley aye
Member Howell aye

Motion carried.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided updates on recent development activity and interest.

Member Riley commented that there are some upcoming grand openings. He noted that Total Defense is having a grand reopening August 13th and Allison's Petite Pastries will also be having a grand opening on August 20th.

6. ADJOURNMENT

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

A roll call vote was performed:

Member Stewart aye
Member MacLennan aye
Member Johnson aye
Chairperson Olson aye
Member Riley aye
Member Howell aye

Motion carried.

The regular meeting of the Economic Development Authority adjourned at 8:25 a.m. Respectfully submitted,

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

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.