

**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, October 13, 2022, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

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

Members Absent: Member Scott Wyinginger

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 Riley, seconded by Member Johnson, to approve the agenda.

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated September 8, 2022

Motion by Member MacLennan, seconded by Member Stewart, to approve the September 8, 2022, minutes as presented.

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

4. EDA BUSINESS

4.01: Request Recommendation to Complete COR Site Improvements, Infrastructure and Wetland Analysis

Economic Development Manager Sullivan presented the staff report.

Member Howell asked if task one has already been completed or whether there would be more work needed to complete that in addition to the delineation that was completed.

Economic Development Manager Sullivan replied that the delineation work in task one has been completed but more wetland analysis was yet to be done. He explained that in order to complete a delineation, the vegetation has to be growing and therefore that was completed during the appropriate season to ensure there would not be additional delay to complete the report.

Member Howell asked how these project costs would be recouped through development.

Economic Development Manager Sullivan replied that some of these costs have been identified in the CIP, such as Zeolite Street improvements. He stated that the other costs are able to be funded through TIF or could be scheduled through the CIP or street improvement program. He stated that most of the costs, aside from building the waterfront park, are TIF eligible expenses. He explained that those costs could be spent now and reimbursed later if TIF is used. He stated that once the costs are better known, staff would present more specific options for funding. He noted that the study itself could be funded through TIF.

Member Stewart asked for clarification on purchasing wetland somewhere else.

Economic Development Manager Sullivan replied that in the past if you filled a wetland there were a few options in that you could create additional wetlands onsite, you could purchase wetland credits, or purchase wetlands offsite.

Member Stewart asked where the new wetlands would be purchased and whether that would be somewhere the City does not want to develop in the future.

Kevin Kielb, Bolton & Menk, stated that people establish wetlands in certain watersheds and areas in the state. These wetlands are “certified and banked” and are available for purchase to offset other wetlands that are filled in. He noted that other parties can then purchase the credits from that bank to offset their wetland impacts. He provided additional details on the process for the creation of wetland credits. He provided some general estimates of the cost for wetland credits, noting that price fluctuates depending on availability and geographic location. He stated that thus far they have delineated the wetlands in the COR and they are researching where wetlands have been moved or created. He explained that if one acre of wetlands is disturbed, two acres would need to be replaced. He reviewed some of the additional details that would be within the report that will help to eliminate hidden costs.

Chairperson Olson asked if the wetland credits would be local.

Mr. Kielb replied that the credits would need to be within a reasonable watershed, noting that he was unsure of the exact boundaries but advising that it would be within the regional area.

Member Johnson recognized that there would be a water feature in The COR and asked if there is a plan to have more wetlands or water features within that area.

Economic Development Manager Sullivan replied that the areas marked in red are anticipated to be filled to create more buildable area within The COR. He stated that once they have the costs known, they would determine if that is a cost the City would want to bear. He stated that the City could then choose whether that cost is rolled into the land price or split between the City and future development. He stated that staff believes that there will be an economy of scale in using the dirt from the excavation of the waterfront area to fill the desired areas.

Member Riley commented that this would seem to be follow up to the decision the EDA made in February. He stated that the work has not been able to be done in-house and therefore this action would contract that work out.

Economic Development Manager Sullivan confirmed that to be true and noted that the intention was to keep the EDA informed in the process. He recognized that there may be more cost than originally anticipated due to wetland replacement and that will be flushed out through this study.

Member Riley stated that his other question was whether this would be the right time to complete this work but acknowledged that the TIF funds are available now and the work would need to be done prior to November of 2023 if that funding is going to be used.

Motion by Member Stewart, seconded by Member MacLennan, to recommend to City Council to authorize the Wetland and COR Infrastructure proposals utilizing TIF District (2, 14) funds.

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

4.02: Consider Cancellation of Purchase Agreement for Parcel 50; Case of Java Companies, LLC

Economic Development Manager Sullivan presented the staff report.

Member Howell asked if the City would need to have to setup a purchase agreement in the same way if this developer were to come back, or whether the notice to proceed language could be removed so that if the developer did not move forward again the City would not lose out on the earnest money after holding land for a significant amount of time.

Economic Development Manager Sullivan replied that every purchase agreement can be negotiated with terms the EDA and Council agree to. He stated that those agreements are setup in that way to allow the due diligence, tenant and site plan approval work. He commented that in this case the developer is aware of who the tenants would be and therefore could be an ask if they were to come back for a future purchase agreement. He noted that the one thing that would be problematic is that typically the development review process occurs during that six months as well. He noted that the money is therefore allowed to be refundable during that time in the case that perhaps the City does not approve the development plans. He noted that time period could be

shortened. He believed that this developer would come back at a later time as they are interested in the site but noted that the site will go back on the market and someone else may be interested before that time.

Member Stewart stated that land prices will increase and therefore she would recommend that the developer lose out on this price if they were to come back.

Economic Development Manager Sullivan commented that he would love to see a developer come forward and be willing to endure the shutdown of Ramsey Boulevard, but there will be a turn lane constructed that would make the site more marketable therefore after those improvements have been made the site would likely increase in price. He agreed that the market could be different in two years and the pricing could change for the developer.

Member Riley commented that this site would then be available for sale and would be marketed.

Chairperson Olson asked if it is known as to whether all the tenants were backing out, or just a few.

Economic Development Manager Sullivan replied that two tenants did not want to move forward under the scenario and therefore with only one tenant potentially committed the developer did not want to move forward.

Chairperson Olson commented that he surprised that the developer had proposed this project with that timing to begin with, with the knowledge of the upcoming shutdowns for the Highway 10 project.

Economic Development Manager Sullivan commented that the west side of The COR, along Armstrong will become more marketable because that will not be closed and will have more traffic during Highway 10 construction.

Member MacLennan agreed with Member Stewart that if the developer were to come back, the land price would not remain at this level. He understood the need for the developer to not move forward at this time.

Member Howell stated her concerns with the refund of the additional earnest money related to the extension of the due diligence period. She suggested that in future purchase agreements the additional earnest money for the extensions of the due diligence period not be refundable.

Motion by Member Stewart, seconded by Member MacLennan, to recommend to City Council to approve Cancellation Agreement for Parcel 50 with Java Companies, LLC as presented, subject to City Attorney review.

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

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided a brief update on potential development activities, projects that staff has been reviewing, and items that will come forward to the EDA in the near future.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:05 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.