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**CITY COUNCIL
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Ramsey City Council conducted a regular meeting on Tuesday, January 24, 2023, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Mark Kuzma
Councilmember Chelsee Howell
Councilmember Debra Musgrove
Councilmember Michael Olson
Councilmember Chris Riley – attended remotely
Councilmember Dan Specht
Councilmember Matt Woestehoff

Members Absent: None

Also Present: City Administrator Brian Hagen
City Engineer/Public Works Director Bruce Westby
Police Chief Jeff Katers
Economic Development Manager Sean Sullivan
City Attorney Fritz Knaak
Community Development Director Stephanie Hanson

1. CALL TO ORDER

Mayor Kuzma called the regular meeting of the Ramsey City Council to order at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Kuzma.

2. PRESENTATION

Mayor Kuzma welcomed State Representative Harry Niska of 31A.

State Representative Niska came forward, introduced himself, and thanked Mayor Kuzma, City Administrator Hagen, and Councilmembers Specht and Woestehoff for meeting with him and spending time on the Legislative Agenda. He stated that he is going to be working very hard to represent all of the people of Ramsey.

3. CITIZEN INPUT

None.

4. APPROVE AGENDA

Motion by Councilmember Howell, seconded by Councilmember Woestehoff, to approve the agenda as presented.

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |
| Councilmember Specht | aye |
| Councilmember Musgrove | aye |
| Councilmember Howell | aye |
| Councilmember Riley | aye |
| Mayor Kuzma | aye |

Motion carried.

5. CONSENT AGENDA

Motion by Councilmember Howell, seconded by Councilmember Musgrove, to approve the following items on the Consent Agenda removing Item 5.03 and placing it as Item 7.01A:

- 5.01: Receive November 2022 Financial Reports - General Fund and Enterprise Funds
- 5.02: Receive Cash & Investments for Period Ending December 31, 2022
- 5.03: ~~Approve Business License for Norman Tobacco~~ **Please Note: this case was pulled from the Consent Agenda 5.03 to be considered as Case 7.01A on the Regular Agenda**
- 5.04: Approve Business Licenses
- 5.05: Approve Rental Licenses
- 5.06: Authorization to Remove the Interim Status from the Titles of the City Engineer/Interim Public Works Director and the Parks and Interim Assistant Public Works Director
- 5.07: Authorization to Hire a Full-time Police Records Technician
- 5.08: Authorization to Hire a Part-time Community Service Officer
- 5.09: Authorization to Promote Two Public Works Maintenance Workers to Lead Maintenance Workers
- 5.10: Authorization to Hire Paid-on-call Firefighters
- 5.11: Adopt Resolution #23-038 Approving Plans and Authorizing Solicitation of Quotes for Improvement Project #19-07, Wetland 114P Outlet Improvements
- 5.12: Adopt Resolution #23-011 Approving Final Plat for Gile Addition and an Assessment Agreement
- 5.13: Adopt Resolution #23-023 Declaring the Flintwood Terrace Boardwalk Surplus Property and Authorizing Disposal
- 5.14: Adopt Resolution #23-029 Prohibiting Parking on 161st Avenue between Armstrong Boulevard and Variolite Street for Improvement Project #23-01, State Aid Project No. 199-123-001.
- 5.15: Adopt Resolution #23-031 Authorizing Purchase of Two Single Axle Plow Trucks

- 5:16: Adopt Resolution #23-033 Approving Extension of CBRE Real Estate Listing Agreement for City Owned Land in COR
- 5:17: Adopt Resolution #23-036 Adopting 2023 Enterprise Fund Budgets
- 5:18: Adopt Resolution #23-037 Approving Cash Disbursements Made and Authorizing Payment of Accounts Payable Invoicing Received During the Period of January 5, 2023 through January 18, 2023.
- 5:19: Adopt 2023 Legislative Priorities

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |
| Councilmember Specht | aye |
| Councilmember Musgrove | aye |
| Councilmember Howell | aye |
| Councilmember Riley | aye |
| Mayor Kuzma | aye |

Motion carried.

6. PUBLIC HEARING

6.01: Public Hearing - Easement vacation in Apple Ridge in conjunction with the proposed plat of Gile Addition.

Presentation

Community Development Director Hanson reviewed the staff report and recommendation to vacate the existing drainage and utility easements contingent upon subsequently recording the plat of Gile Addition.

Public Hearing

Mayor Kuzma called the public hearing to order at 7:08 p.m.

Citizen Input

There was none.

Motion by Councilmember Woestehoff, seconded by Councilmember Musgrove, to close the public hearing.

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |

Councilmember Specht aye
Councilmember Musgrove aye
Councilmember Howell aye
Councilmember Riley aye
Mayor Kuzma aye

Motion carried.

The public hearing was closed at 7:09 p.m.

Council Business

Motion by Councilmember Woestehoff, seconded by Councilmember Olson, to adopt Resolution #23-012 vacating easement in Apple Ridge.

A roll call vote was performed:

Councilmember Olson aye
Councilmember Woestehoff aye
Councilmember Specht aye
Councilmember Musgrove aye
Councilmember Howell aye
Councilmember Riley aye
Mayor Kuzma aye

Motion carried.

7. COUNCIL BUSINESS

7.01A: Approve Business License for Norman Tobacco

City Administrator Hagen reviewed the Staff report and turned it over to Police Chief Katers to discuss his findings since the last meeting.

Police Chief Katers shared he contacted the applicant and went through his application and he did not find any information as a reason to deny the applicant.

Councilmember Specht asked City Attorney Knaak if the application could still be denied even with meeting the legal requirements.

City Attorney Knaak shared that the question was if there was misinformation provided and based on Police Chief Katers follow-up there is no factual basis to deny the applicant and there would need to be a factual basis.

Councilmember Specht asked if the Council could choose not to approve the license.

City Attorney Knaak said that the Council always has this decision to decide. He explained that, under the ordinance, there would have to be some actual falsehood that had been presented.

Councilmember Specht said that he will be in support of this since it follows how the ordinance is written. He shared that many business owners and residents have approached him with the desire to not have this business where the applicant has applied for but he wishes to follow the City ordinance and that is why he will be approving this.

Councilmember Musgrove asked if there is follow up if there is anything that is concerning.

Police Chief Katers shared that the Police Department does two compliance checks a year to each business that has a tobacco license.

Councilmember Musgrove thanked the residents for coming out and raising their questions on this matter. She thanked Police Chief Katers for doing his due diligence with this. She agreed with Councilmember Specht that she will be supporting this although she does understand the concerns.

Motion by Councilmember Howell, seconded by Councilmember Woestehoff, to approve the attached business license for Norman Tobacco.

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |
| Councilmember Specht | aye |
| Councilmember Musgrove | aye |
| Councilmember Howell | aye |
| Councilmember Riley | aye |
| Mayor Kuzma | aye |

Motion carried.

7.01: Adopt Resolution #23-034 Approving First Amendment to Purchase Agreement for Ramsey Properties, LLC (A portion of this meeting may be closed to public)

Economic Development Manager Sullivan reviewed the proposed resolution to approve the First Amendment to Purchase Agreement, Business Assistance and a TIF Agreement in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 in Pay-Go TIF for Site Development/Improvements. He reviewed the next steps on this if approved. He stated that the developer was present to answer any questions.

Mayor Kuzma shared that he thinks this is a fantastic project and will be great for Ramsey.

Councilmember Woestehoff shared that, under the construction deadline, the exception of unavailability of labor or materials seems overly broad. He asked if this is common in purchase agreements.

Economic Development Manager Sullivan explained the difficulties of construction crews to have workers right now. He said that he is leery to remove this section as the developer would need to prove cause that they cannot find workers.

Councilmember Woestehoff shared that the broad exceptions make him nervous in a legal document.

City Attorney Knaak explained that this is the result of experience in which contracts provided for tight and rigid timelines and due to COVID and the supply issue there was an introduction of these Act of God provisions in contracts. He added that the language of the contract requires proof of these matters.

Economic Development Manager Sullivan gave a real life example of this that happened in Ramsey where materials that were supposed to arrive in February did not arrive until October.

Councilmember Riley pointed out that this is a local family who is wanting to better Ramsey and increase the family's investment in the City. He added that this is also a national brand that is willing to invest in Ramsey. He thinks this will be a great addition to Ramsey and shared his support for the purchase agreement.

Councilmember Specht agreed with Councilmember Riley and thinks this is great for the future.

Councilmember Musgrove agreed with Councilmembers Riley and Specht. She asked why Council did not hear about this prior.

Economic Development Director Sullivan explained that the EDA looked at this in December of 2022 and felt comfortable making a recommendation moving forward. He shared that it was mentioned at the EDA meeting that there was a strong likelihood that the site would have to change, so rather than bringing it to Council prior to this change, it would be brought after revisions to the site.

Councilmember Musgrove asked if there was any consideration to downsize the units to keep it at the first site.

Economic Development Director Sullivan explained that this is due to operating efficiency.

Councilmember Musgrove asked for an example of these efficiencies.

The applicant, Emily Alegra, 12806 Nokasippi Road, Brainerd, came forward and explained that there are building requirements within extended-stay hotels that would not have allowed for them to apply for a 72 unit building and that Hilton's typical number of units is 100. She stated that Hilton was willing to work with them to make a smaller number of units work because of Hilton's interest in Ramsey. She explained how this plays into the efficiency of the hotel as a whole. She added that this comes at a higher risk and cost for her; however, it is a much better opportunity for Ramsey.

Councilmember Musgrove asked Economic Development Director Sullivan to explain the 60/40 ratio and how this will benefit Ramsey as far as resident tax dollars that will go into the TIF versus the general fund.

Economic Development Director Sullivan gave an example of another business that received a TIF pay-as-you-go note and stated that the developer gets all over their costs paid for and once the number is paid for, the additional revenue that is generated will then go into the TIF district to be used for items that the City has already paid for. He stated that with the 60/40 ratio, 40% will be coming back to the City and will help with the City's costs sooner.

Councilmember Musgrove asked Economic Development Director Sullivan to elaborate on the dollars that will go back to the developer and asked if this was paying the developer to build their own building out of TIF dollars.

Economic Development Director Sullivan reviewed the costs of this project and explained that TIF financing finances a portion of the costs. He added that without doing this project there would be a piece of land that is not on tax rolls. He explained that the City will be getting paid for this land when it is sold. He stated they will not get paid for the land and it will be paid over a 12 year period. He added that the tax dollars the applicant will pay will be financing their improvements. He stated that the City is not losing anything and it is only a delayed return to the City.

Councilmember Musgrove asked about the right of reentry and for further explanation on the delays and changes to the schedule.

Economic Development Director Sullivan said that the applicant could request this and proof would need to be shown. He explained that the project will be finished and that is the goal.

Councilmember Musgrove shared her appreciation for the 60/40 ratio. She stated she would like to see the right of reentry tightened up. She added she would like to have seen this earlier.

Councilmember Howell thanked Economic Development Director Sullivan for all the answers and explanations he has provided concerning TIF. She shared that she has had the opportunity to hear about this from the EDA meetings. She shared her excitement for the hotel; however, she is not excited about the amount of assistance that is required. She shared she will not be supporting this at this time due to the assistance requested.

Councilmember Riley explained that the pay-as-you-go is an important factor for the City. He stated that Ehler's has already looked at this and made sure that this does not unjustly enrich the developer. He shared that these are the reasons he will be supporting this.

Mayor Kuzma asked if there was an appetite to move this to closed session. There was none.

Councilmember Olson shared that after sitting on the EDA and watching this project develop, he is enthusiastic about this. He added that all safety nets have been used to make sure that this does not unjustly enrich the developer. He shared his support.

Motion by Councilmember Specht, seconded by Councilmember Musgrove, to Adopt Resolution #23-034 approving First Amendment to Purchase Agreement for Ramsey Properties, LLC as presented by Staff.

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |
| Councilmember Specht | aye |
| Councilmember Musgrove | aye |
| Councilmember Howell | nay |
| Councilmember Riley | aye |
| Mayor Kuzma | aye |

Motion carried.

7.02: Adopt Resolution #23-032 Approving Plans and Specifications and Authorizing Bids for Improvement Project #21-09, Centralized Water Treatment Plant

City Engineer/Public Works Director Westby reviewed the staff report and recommendation to approve plans and specifications and authorizing advertisements for bids for the Centralized Water Treatment Plant.

Motion by Councilmember Musgrove, seconded by Councilmember Woestehoff, to adopt Resolution #23-032 approving the plans and specifications and authorizing advertisements for bids for Improvement Project #21-09, Centralized Water Treatment Plant.

Further discussion:

Councilmember Olson asked about the capacity of this and if it is excess capacity beyond what is currently being used.

City Engineer/Public Works Director Westby explained that there is excess capacity of over 4,000,000 gallons a day to allow for growth.

Councilmember Musgrove thanked Mr. Nelson and the Public Works Staff for the short-term plan as they move towards the long-term plan.

A roll call vote was performed:

| | |
|--------------------------|-----|
| Councilmember Olson | aye |
| Councilmember Woestehoff | aye |
| Councilmember Specht | aye |
| Councilmember Musgrove | aye |
| Councilmember Howell | aye |

Councilmember Riley aye
Mayor Kuzma aye

Motion carried.

7.03: Review recommendation from the Charter Commission to amend the charter by Ordinance #22-29 under M.S 410.12, subdivision 7

City Administrator Hagen reviewed the Staff report and recommendation to amend the City Charter to say that no member of the Council may serve on the Charter Commission or other Board or Commission.

Councilmember Howell stated that she is glad to see this item finally wrap up.

Motion by Councilmember Howell, seconded by Councilmember Musgrove, to waive the City Charter requirement that the Ordinance be read aloud and vote on the adoption of Ordinance #22-29 amending the charter by Ordinance under M.S 410.12, subdivision 7.

A roll call vote was performed:

Councilmember Olson aye
Councilmember Woestehoff aye
Councilmember Specht aye
Councilmember Musgrove aye
Councilmember Howell aye
Councilmember Riley aye
Mayor Kuzma aye

Motion carried.

8. MAYOR, COUNCIL AND STAFF INPUT

City Administrator Hagen announced upcoming meetings and events. He shared that the Public Works Staff has been hard at work pushing back snow to create space for more snow that is expected to come the rest of the winter.

Councilmember Specht encouraged residents to attend the Storytime and Skating with a Cop on Thursday.

9. ADJOURNMENT

Motion by Councilmember Musgrove, seconded by Councilmember Woestehoff, to adjourn the meeting.

A roll call vote was performed:

Councilmember Olson aye
Councilmember Woestehoff aye
Councilmember Specht aye
Councilmember Musgrove aye
Councilmember Howell aye
Councilmember Riley aye
Mayor Kuzma aye

Motion carried.

The regular meeting of the City Council adjourned at 8:12 p.m.

Respectfully submitted,

Brian S. Hagen
City Administrator

ATTEST:

Katie M. Schmidt
City Clerk

Drafted by Ava Rokosz
TimeSaver Off Site Secretarial, Inc.

A recording of this meeting is available for viewing online at www.qctv.org
<<http://www.qctv.org>>. Recordings are available for 36 months after the date of the meeting.