

**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, May 11, 2023, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Scott Winyinger
 Member Chelsee Howell
 Member Brittany Lindahl
 Member Chris Riley
 Member William MacLennan (arrived at 7:31 a.m.)
 Member Shanna Stewart

Members Absent: Member Rachal Johnson

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

2. APPROVE AGENDA

Motion by Member Stewart, seconded by Member Lindahl, to approve the agenda.

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

Member MacLennan arrived.

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated April 13, 2023

Motion by Member Riley, seconded by Member Stewart, to approve the April 13, 2023, minutes as presented.

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

4. EDA BUSINESS

4.01: Consider Recommendation for Approval of TIF Agreement and Use Restriction with Ramsey Properties, LLC (A portion of this meeting may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Member Riley asked for more details on the repayment of the note and terms.

Economic Development Manager Sullivan explained that the deal would provide up-front financing for the land cost with pay as you go financing for the site improvements and provided more details on those financing mechanisms. He explained that once the property begins to generate taxes, that revenue is used to pay off the financing. He commented that the City would be providing this financing through the two mechanisms and would actually receive more funds in return because of the five percent interest cost.

Member Howell asked the size of the City owned portion of the Aldi parcel that was used restricted and whether any other incentives were offered to Aldi.

Economic Development Manager Sullivan replied that the remnant parcel for Aldi is about one to 1.25 acres, and no incentives were provided to Aldi.

Member Riley commented that he sees the purpose of a use restriction for a hotel but asked how the six-month term for an apartment would be justified.

Emily Allegra, applicant, commented that there is currently not a time requirement for a hotel. She stated that they will offer longer stays such as those traveling for longer periods for business, or someone displaced during a homeowners insurance claim that could require a six month stay. She stated that most residential apartments will not offer a six month stay unless they are less desirable apartments. She stated that the market study does not show support for two hotels at this time and therefore they would like time to get established before further opening the market. She stated that once they are stable, she would see benefit in having another hotel in Ramsey.

Member MacLennan asked staff to display the requested restriction area.

Economic Development Manager Sullivan displayed the area requested for restriction. He noted that although the site size would be 28 acres, there would only be about 17 acres that would be buildable within that area.

Member MacLennan asked why ten years is requested as that seems like a long time.

Ms. Allegra replied that the proforma looks at a five-year period and they feel that at that time they would be able to make a good determination on whether they would be successful but an additional five years would ensure stability. She stated that after the first five-year period they would make the decision on whether to expand, as specified in the site plan.

Member Stewart asked if there had been previous discussions for townhomes near this area.

Economic Development Manager Sullivan confirmed that is one concept that has been reviewed for the north side, as well as some interest from a large format retailer and high end-market rate apartment building, but no site plan applications have been submitted.

Member Stewart asked if this would restrict the apartment building.

Member MacLennan replied that the restriction for apartments would only restrict leases under six months.

Member Lindahl asked if the restriction would apply to Airbnb rentals.

Economic Development Manager Sullivan replied that an apartment Airbnb would be restricted but a townhome or single-family home would not be restricted in that manner.

Member Howell commented that she understands the concerns but in comparing this to Aldi, Aldi did not request other incentives whereas this project is requesting almost \$1,000,000 in assistance. She noted that this land use restriction area is almost 20 times the size of the restriction requested by Aldi. She commented that she does want the business to succeed but does not think this would serve the residents well as there could be another hotel that may want to come in and serve the community as well. She commented that this is a huge ask that she cannot support.

Motion by Member MacLennan, seconded by Member Stewart, to recommend to City Council to approve the TIF Agreement and Business Subsidy in the form of \$434,511 in TIF Land Cost Write Down and \$550,000 Pay-Go TIF for site development and improvements as presented, subject to TIF Attorney review.

Motion carried. Voting Yes: Chairperson Wyingner, Members MacLennan, Stewart, Lindahl, and Riley. Voting No: Member Howell. Absent: Member Johnson.

Member MacLennan commented that he is unsure that he could approve the restriction area as proposed because of the size.

Chairperson Wyingner asked if the EDA would support a shorter-term restriction, such as five years.

Member MacLennan stated that the Aldi project was more restrictive to just the adjacent parcel. He stated that if there were to be huge growth quickly in Ramsey that would restrict a large area of land.

Member Stewart stated that this project already asked for a lot of assistance that the City is willing to provide, but the restriction seems to be a large ask. She commented that she does not support the restriction.

Economic Development Manager Sullivan stated that consensus or a motion would be helpful for the use restriction. He noted that input has been provided by two members and therefore the additional input is desired before this goes to the City Council.

Ms. Allegra acknowledged the comments of the EDA. She explained that they are a large parcel, and a hotel cannot be developed within a strip mall, such as Aldi which would have competition from strip mall users. She stated that because of the wetlands in the requested restriction area, there could be maybe two competitors within that area. She commented that Aldi does not have concern with coming into a new market because they are a grocer and also do not require TIF, noting that lodging is a much different thing.

She stated that they want to be a success, which will make Ramsey a success. She stated that once they are established, they will help to attract more lodging, which will also help Ramsey.

Motion by Member MacLennan, seconded by Member Wiyninger, to recommend to City Council to look for a lesser term (five years) and a smaller land area for the proposed use restriction.

Motion carried. Voting Yes: Chairperson Wiyninger, Members MacLennan, Lindahl, and Riley.
Voting No: Members Howell and Stewart. Absent: Member Johnson.

4.02: Consider Purchase Agreement and Right of Re-Entry Agreement for B & A Cylinder Site (37a); Case of CBN Enterprises LLC (Jam Hops) (Portions may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Member Stewart asked if it has been verified that the Hwy 10 / Ramsey Interchange road improvements will not utilize any portion of this site.

Economic Development Manager Sullivan confirmed that this site will not be used for the Highway 10 / Ramsey Interchange project.

Chairperson Wiyninger invited the applicant to provide input.

Brenda Nolby, applicant, stated that they have been in business since 1997 starting as a gymnastics business, expanding by adding a dance program, preschool, theater, ninja, birthday parties and day camps. She stated that they attempt to help the children and families in the community. She stated that this will be their third building location. She recognized that this is a large parcel, but they have outgrown every single parcel they have been in. She anticipated that this location would expand as well. She stated that they have a location on the border of Anoka/Ramsey and are out of space with a waiting list. She stated that they are renting that space and it is being sold with a deadline to move by next May, which led to this moving forward.

Member MacLennan asked the size of the current rental in Anoka/Ramsey.

Ms. Nolby replied that building is 16,000 square feet and currently has gymnastics and theater programming. She stated that they will be adding a ninja program and potentially a swim school in the future.

Member Riley commented that this facility would be a much better location noting that he has spent a lot of time in previous years at the existing Anoka/Ramsey location.

Motion by Member Stewart, seconded by Member Lindahl, to recommend to City Council to approve the Purchase Agreement and Right of Re-Entry Agreement for B & A Cylinder site (37a), subject to City Attorney review.

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

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan commented on the successful business expo, noting about 650 attendees. He noted an upcoming City Council worksession to consider an apartment complex on City owned land and also provided an update on progress on development and improvement projects.

Chairperson Winyinger thanked staff for the work they did to create a successful business expo.

Economic Development Manager Sullivan recognized the work of Wendy Schlueter in coordinating and administrating these great events.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:16 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.