

**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 10, 2023, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Scott Wiyninger
 Member Chelsee Howell
 Member Rachal Johnson
 Member Brittany Lindahl
 Member Chris Riley
 Member Shanna Stewart

Members Absent: Member William MacLennan

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

4.02: Consider Provision of Business Assistance for Soderholm and Associates

Economic Development Manager Sullivan presented the staff report.

Brian Soderholm, COO of Soderholm and Associates, commented that their company started in 1959 and they are a local Ramsey business. He noted that in the past few years they have created the SA Group as the umbrella for their different businesses in Ramsey and provided details on those three brands. He stated that they are very excited to have the new hotel coming to Ramsey as their visitors have been using hotels in Maple Grove. He stated that they have outgrown the current building space in Ramsey and are renting multiple spaces throughout Ramsey. He provided details on their employees, noting that they are high paid, skilled jobs. He stated that the proposed addition would allow them to bring their staff in-house under one roof. He stated that they anticipate breaking ground at the end of the month and recognize that this request is coming

later in the game than typical. He stated that this project will go ahead regardless, but noted the increased costs that they did not anticipate related to construction costs and water and sewer connection. He stated that they currently pay about \$30,000 annually in property taxes and would anticipate that to quadruple along with the building size. He anticipated about 33 new staff additions and noted that they do hire within the area and employ many Ramsey residents. He stated that they hope to explore any financial assistance options the City could offer. He stated that the company is 100 percent employee owned, noting that each employee owns shares in the company which grow in value and benefit the employee in retirement.

Chairperson Wyingner asked for input from Ehlers.

Jason Aarsvold, Ehlers, commented that they did review this project recognizing that this is a bit different than the typical review that is done for projects with a return on investment. He stated that in this review they attempted to provide assurance that this assistance would not unduly enrich the project and provided details on how that review was done. He stated that if the City chose to provide the proposed assistance it would not unduly enrich the project.

Member Riley asked for more explanation on the different calculations that were done.

Mr. Aarsvold provided more explanation on the tax abatement process.

Member Stewart asked if one method of financing would be better compared to the other.

Mr. Aarsvold replied that the RLF fund exists for this purpose and would result in less tax abatement but noted that would be a matter of policy.

Economic Development Manager Sullivan confirmed that this is exactly what the RLF fund is for and believed that it should be used for this project. He stated that in 2009 they outlined a policy which included the tools available for project financing and included tax abatement. He stated that although they have not used tax abatement in the past, he thought this would be a good opportunity to bring it forward for discussion.

Member Riley commented that the RLF fund is a great story, provided some historical context. He noted that the fund has not been used for a number of years, but this is the exact purpose of this business assistance tool. He stated that he likes the idea of using that fund as this would allow the business to expand in Ramsey and would create jobs.

Economic Development Manager Sullivan commented that the project scored well on the business assistance application. He summarized the project highlights and reviewed the assistance options. He also reviewed the considerations before the EDA. He commented that this is a great project for the community. He recognized that financial assistance is often used to chase new businesses and incentivize them to come to Ramsey, but this is an existing Ramsey business that is continuing to grow.

Member Riley recapped that the estimated abatement would be between five and seven years and this would not take anything away from the City as it would go against the new value. He stated

that these funds would be going towards a building on which taxes would continue to be collected into the future.

Member Howell stated that she appreciates the frankness of the representative that the project will move forward with or without the assistance. She commented that if the tax abatement is used, that would go against taxes that would be collected to diffuse costs for others in the city and therefore does not see a reason to use that in this instance. She commented that she would support use of the RLF fund to offer some assistance.

Chairman Winyinger stated that he also supports the use of the RLF fund and would be hesitant to use tax abatement as that could set a precedent for the future.

Member Johnson commented that this company has existed in Ramsey for many decades, is family owned and employee owned. She commented that the land was purchased in 1980 and supports the staff recommendation to use both forms of financing for the project.

Motion by Member Stewart, seconded by Member Lindahl, to recommend to the City Council financial assistance in the form of a \$150,000 loan from the City RLF for a term of six years with an interest rate of 3.5 percent.

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

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 8:29 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.