

**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, December 8, 2022, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Michael Olson
 Member Chelsee Howell
 Member Rachal Johnson
 Member Chris Riley
 Member Shanna Stewart
 Member Scott Wiyninger

Members Absent: Member William MacLennan

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 Wiyninger, to approve the agenda.

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated November 10, 2022

Motion by Member Stewart, seconded by Member Johnson, to approve the November 10, 2022, minutes as presented.

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

4. EDA BUSINESS

4.01: Consider Business Assistance Application for Ramsey Properties, LLC

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson asked why the name was changed.

Emily Allegra, applicant, stated that from a legal standpoint they wanted to separate some of their entities and the name is much more simple.

Member Stewart commented that she does not understand all the details and asked if this project would be changing and moving to another location.

Economic Development Manager Sullivan explained that as of Tuesday everything was as presented, but they then received some information which may change the project. He noted that that a potential change would be to move the project to a larger City lot, add additional rooms but the economics and proposed deal structure would remain the same. He noted that if the project does change, it would come back to the EDA for consideration.

Ms. Allegra commented that it would be the same product and amenities, they would simply add more rooms. She stated that the concern was related to the tight space, and they will work through that in the next couple weeks.

Member Johnson asked if there is another site that might be more suited for this project.

Economic Development Manager Sullivan confirmed that there are other sites nearby in the COR that would work. He stated that the Hilton representative looked at the community and wanted the site to be located in The COR, noting that if a different location is needed it would likely be in the area across the street from this site. He noted that the project could also remain on the current site. He stated that at this time the EDA is considering the land cost write down and site improvements on Outlot A Gigi Addition, noting that without that assistance the project would not move forward.

Member Stewart asked for details on the pay-go note.

Jason Aarsvold, Ehlers, provided details on the process that Ehlers completes to determine the amount of assistance that could be appropriate. He noted that without any assistance, the returns on investments would be below the thresholds for a developer to move forward with this type of project and therefore the proposed assistance would be warranted and necessary for the project to move forward and be built. He explained how the pay-go note is reimbursed.

Member Stewart asked if there would still be funds available of this nature for a future project as well.

Economic Development Manager Sullivan provided details on how TIF is generated, can be used, and how it is paid back and acknowledged that there would be more TIF generated on this site than obligations incurred by the project assistance request.

Member Riley explained that Mr. Aarsvold works for Ehlers and the City contracts with Ehlers to complete these types of analysis for the City. He noted that it is also common for a developer to

create a new entity for a project. He appreciated that the applicant was present today and noted that he fully supports the project and looks forward to it moving forward.

Member Wyingner asked if the project is still on track to be open in 2024.

Economic Development Manager Sullivan replied that if the project moves forward as is, he would anticipate that applications would come through for review around April and if the project is shifted to another site that could be a one-month delay. He stated that either way, construction would plan to begin this year with an opening in 2024.

Member Howell stated that she is a little concerned adding the pay-go TIF and asked if this would be enough value to the community to justify the assistance requested. She commented that she is very excited about the project but is not as excited about adding another layer of assistance.

Economic Development Manager Sullivan replied that this TIF district runs through 2040 and therefore the obligations will be done before the districts ends and the project will generate additional TIF during that time. He stated that the City has expended funds on roads and infrastructure in the COR and TIF District No. 14 and this will help to increase cash flow within the district to pay off those obligations. He noted that staff also believes that this project will be a catalyst in bringing forward other desired retail and restaurant development.

Motion by Member Johnson, seconded by Member Wyingner, to recommend to City Council to approve Business Assistance and a TIF Agreement in the form of \$311,454 in TIF Land Cost Write Down and \$306,000 in Pay-Go TIF for Site Development/Improvements; subject to City Attorney Review.

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

Chairperson Olson commented that he continues to be excited about this project and looks forward to it moving forward.

4.02: Consider Lease Agreement for 6701 Highway 10 NW: Case of God's Kingdom Ministry (Portions of the meeting may be closed to the public)

Economic Development Manager Sullivan presented the staff report.

Chairperson Olson asked what RALF stands for.

Economic Development Manager Sullivan replied that RALF is Right-of-way Acquisition Loan Fund and explained that in 2005 the City began acquiring parcels through this fund on the north side of Highway 10 to prepare for the future Hwy 10 project. He stated that the project has changed and most of the properties between the tracks and Highway 10 will not be needed for the project. He stated that the City has seven to ten properties that have been acquired with RALF Funding and some can be leased. He noted that when the properties are sold, some buildings could remain

while others will be torn down for redevelopment. He believed that building at 6701 Hwy 10 could remain.

Chairperson Olson commented that it appears the proposed tenant has been good at paying its rent and asked if there is any information on the impact to neighboring properties.

Economic Development Manager Sullivan replied that the last tenant in this space had issues with paying rent and therefore due diligence was completed on this potential tenant.

Member Riley asked how the common maintenance and plowing would be handled.

Economic Development Manager Sullivan replied that the maintenance and snow removal is outlined in the lease and the tenant responsibilities have been made clear.

Member Riley commented that this would be temporary in nature and asked if the tenant understands that this use is temporary.

Economic Development Manager Sullivan confirmed that there is a clause in the lease that provides the City the option to terminate the lease with 120 days of notice and the temporary nature has been communicated to the tenant.

Member Wyingner asked the purpose of the space, whether it is office or meeting space.

Economic Development Manager Sullivan replied that this would be a meeting space and noted that churches have occupied the space in the past and there has not been an issue with parking as Youth First is not open on weekends.

Member Johnson asked if this property would be taken out or would be listed for sale in the future.

Economic Development Manager Sullivan replied that this property would be listed for sale in the future. He anticipated that in the future the City Council would develop a policy related to the sale of these properties and the process that would be followed.

Member Stewart asked if the lease is renewed annually or whether there would be an option to extend past 2025.

Economic Development Manager Sullivan replied that this is a two-year lease with the end date in 2025. He noted that if there was a desire to extend the lease, that could be explored at that time. He stated that he set the expectations that the lease would end at that time so they could plan to move if needed at that time.

Motion by Member Stewart, seconded by Member Johnson, to recommend to City Council to approve the Lease as presented, subject to City Attorney review.

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

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided an update on upcoming meetings, progress on development projects and other topics of interest to the EDA.

Chairperson Olson noted that this will be his last EDA meeting and commented that he has been honored to serve as the Chair.

6. ADJOURNMENT

Motion by Member Wyingner, seconded by Member Riley, to adjourn the meeting.

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

The regular meeting of the Economic Development Authority adjourned at 8:06 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.