

**City of Ramsey**  
**Agenda**  
**City Council Special Work Session**  
**Tuesday, July 20, 2021**  
**Immediately Following Public Works Committee**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Provide Direction on Oak Terrace Estates Encroachment Issues
- 3. Adjournment**

## CC Special Work Session

Meeting Date: 07/20/2021

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### **Title:**

Provide Direction on Oak Terrace Estates Encroachment Issues

### **Purpose/Background:**

#### **Purpose:**

The purpose of this case is to obtain direction from the City Council on whether City Staff should work to execute an encroachment agreement to allow encroachments of various manufactured homes and/or other structures onto City-owned property with certain conditions as dictated by the City, or whether the City should require the owner to move the units that are encroaching onto City property.

#### **Background:**

Oak Terrace Estates is a manufactured housing park located on the north side of highway 10, west of Sunfish Lake Blvd. There are approximately 100 units in the park consisting of single-wide and double-wide manufactured housing units, many pre-dating the incorporation of the City of Ramsey in 1974. Tenants either rent their unit, or own their unit and rent the housing pad from the park owners. All the units except one are served by city sewer and water. Some units are not in compliance with current city or building codes. Some units have attached porches and additions that are not code compliant.

The owners of Oak Terrace Estates manufactured housing park desire to refinance their property. A registered land survey was required and revealed that several housing units are physically encroaching on City-owned property, and some are located within public drainage and utility easements. See attached ALTA survey. In order to refinance the property, the owners need to resolve the issues and come into compliance or receive approval of the encroachments by the City.

The City has the ability to create and execute an encroachment agreement that would allow encroachment onto City-owned property, with conditions that the city could dictate. The City could also require the owner to move the units that are encroaching onto City property.

#### **Timeframe:**

Staff estimates this case will take up to one-hour to present and discuss.

#### **Funding Source:**

This case does not require funding. Any costs associated with this case will be the responsibility of Oak Terrace Estates to cover.

#### **Responsible Party(ies):**

The City Engineer / Interim Community Development Director will present opening remarks. The Senior Planner, Chief Building Official and Zoning Code Enforcement Officer will then provide comments and insights related to their responsibilities and areas of expertise. The City Attorney will also be available to respond to questions.

#### **Outcome:**

To obtain direction from the City Council on whether City Staff should work to execute an encroachment agreement to allow encroachments of various manufactured homes and/or other structures onto City-owned property with certain conditions as dictated by the City, or whether the City should require the owner to move the units that are encroaching onto City property.

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## Attachments

ALTA survey Oak Terrace Estates

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### Form Review

**Inbox**

Kurt Ulrich

Form Started By: Bruce Westby

Final Approval Date: 07/15/2021

**Reviewed By**

Colleen Lasher

**Date**

07/15/2021 04:17 PM

Started On: 07/15/2021 01:23 PM





**CITY COUNCIL SPECIAL WORK SESSION  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The Ramsey City Council conducted a City Council Special Work Session on Tuesday, July 20, 2021, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Mark Kuzma  
Councilmember Ryan Heineman – attended remotely  
Councilmember Chelsea Howell  
Councilmember Debra Musgrove  
Councilmember Chris Riley  
Councilmember Dan Specht  
Councilmember Matt Woestehoff

Also Present: City Administrator Kurtis Ulrich  
Public Works Superintendent Grant Riemer  
City Engineer Bruce Westby  
City Attorney Joe Langel  
Economic Development Manager Sean Sullivan  
Senior Planner Chloe McGuire Brigl  
Building Official Jesse Szykulski

**1. CALL TO ORDER**

Mayor Kuzma called the City Council Work Session to order at 6:19 p.m.

**2. TOPICS FOR DISCUSSION**

**2.01: Provide Direction on Oak Terrace Estates Encroachment Issues**

City Engineer Westby reviewed the staff report.

City Attorney Langel commented that he had a few different conversations with the legal counsel representing the landowner. He noted that the owner of the park is attempting to refinance and therefore needs to make changes to the park which includes addressing the encroachment issues in order to clean up the title for the property. He stated that they hope to clear up the border of the park and easements within six months and provided an update on the closing process for the property owner. He stated that the benefit of that is that it removes the pressure of time and provides additional time to identify the problems and potential solutions. He provided additional input on the property purchased with RALF funds. He noted that the existing homes have been in place for decades and therefore would have a case for adverse possession. He stated that the question would be whether the City cares if the homes are in that location as the homes have been in those locations for decades. He stated that as he understands it, the location of the homes would not impact the City use for adjacent property and therefore the question would be how much the

City wants to spend in terms of resources on this issue. He reviewed the options the City would have in this instance. He also explained the additional steps that would be needed because the property was purchased with RALF funds. He asked for input from the Council.

Councilmember Riley asked if RALF permission would be needed for an encroachment agreement.

City Attorney Langel commented that RALF could be notified but did not believe permission would be needed as the encroachment has existed since the 1970s.

Councilmember Riley stated that he would prefer to offer sale of the land at the costs the City would incur for the RALF process, or let the property owner take it to court and put the burden on them.

Councilmember Musgrove asked if the section the trailers are on could be obtained by the property owner without going to court.

City Attorney Langel commented that the property owner would have to go to court to establish adverse possession. He commented that only those two slivers could be obtained in that manner.

Councilmember Musgrove commented that she is not happy to hear about this issue.

City Attorney Langel identified a blue strip on the drawing, noting there is a fence on the north edge and the property owner could argue that they adversely own that fence line. He noted that only runs to lot 113.

Mayor Kuzma stated that he likes the suggestion from Councilmember Riley that the property owner could purchase the land at the cost of the expenses the City would incur, or could choose to go to court.

Councilmember Musgrove commented that the City purchased the land with RALF dollars and asked if the purchase of that property would reimburse RALF funds.

Economic Development Manager Sullivan confirmed that any exchanged funds in that manner would reimburse RALF funds. He stated that he did not know if full process would need to be followed for the small strip because of the adverse possession issue. He stated that if the solution is that they want to solve for the encroachment and retain the remainder of the land, it would be a remnant parcel that would not have use to anyone other than the park. He stated that if there is public property behind the park in that location it could create a nuisance. He stated that perhaps it would make sense to make a large piece for sale to the park rather than creating City property behind the park.

Councilmember Woestehoff stated that he likes that idea. He stated that he would prefer to get rid of the wedge of property.

Economic Development Manager Sullivan provided background on the parcel the City purchased and noted that anything the City does, it will need to draft a legal description survey. He stated that he would prefer to give more land to a new business that could potentially come in rather than leaving room for expansion.

Councilmember Woestehoff agreed that the City would not have a use for the land behind the park and would prefer to get rid of that property if there is not a City use.

Councilmember Musgrove stated that while she likes that concept, she was unsure if the property owner would have the funds to purchase the larger area or just the area marked in blue. She stated she is not sure if we need to give just one option, or if there's potentially two options.

Building Official Szykulski commented that more than the strip would be needed in order to solve for the setback issue.

Councilmember Woestehoff referenced the suggestion that City Attorney Langel provided for the property owner to pay for the legal fee to transfer the land or whether a cost for the land would be included as well.

City Attorney Langel commented that because this property was purchased with RALF there may be an issue where compensation for the land is needed. He stated to Ms. Musgrove's point in terms of options, that it would depend upon what RALF will allow and the process it will force the City to go through as that is unknown at this time.

Mayor Kuzma commented that the issue with setbacks may encourage the park to pursue that land rather than move the homes to meet the setback.

City Attorney Langel commented that the land is unimproved and therefore a setback may not be required.

Councilmember Musgrove referenced a newer longer home and asked if that has been recently updated as it does not appear to have existed since the 1970s.

City Attorney Langel commented that the City could compare aerial photos to determine when that home was placed or improved. He provided details from an aerial from 1965 that was provided by the property owner. He stated that it would not be difficult for the property owner to make an argument that the homes have been in those locations for decades.

Councilmember Howell asked the estimated expense of a lawsuit if the property owner were to take that path.

City Attorney Langel estimated a cost of about \$15,000 as it is a time-consuming process.

Councilmember Howell stated that she would prefer to solve this amicably and avoid unnecessary expense.

Councilmember Heineman agreed that he would prefer to give staff the most options available to remedy this situation.

Economic Development Manager Sullivan asked if the preference would be to first attempt to sell the largest piece and work down to smaller options if the property owner does not choose to purchase the large piece.

City Attorney Langel commented that throughout the park there are drainage and utility easements all over.

Building Official Szykalski stated that the easements impact homes in different locations within the park.

City Attorney Langel noted that one easement has a home entirely across it while there are nine other homes that sit atop an easement to some extent. He stated that the easements have been in place for many years and there has not been an issue to this point. He stated that staff would suggest entering into an agreement with the park related to the encroachments, in that the park acknowledges that the encroachments exist and if there is an issue that needs to be resolved, the home would need to be moved at no expense to the City. He stated that there would be an additional stipulation that if two homes are moved, they could not go back in those locations because of the easements. He stated that part of the process would be to determine if there are utilities within those easements and whether the easements are therefore necessary or unneeded. He stated that staff would also suggest that when ownership of one home changes, that home should be repositioned out of the right-of-way, and it should be disconnected from the septic and well and connected to sewer and water.

Councilmember Riley asked why MnDOT was not concerned with this issue.

City Attorney Langel was unsure.

Councilmember Woestehoff asked if there was any concern with Highway 10 and whether homes would be in the way of construction.

City Attorney Langel stated that the City could either work with the property owner to develop an encroachment agreement or could try to force the park owner to move the homes out of the easements. He commented that he did not believe the park owner would voluntarily move the homes and noted that the City may not be supported in court because there may not be utilities in some of the easements and maintenance is not needed at this time. He stated that if the encroachment agreement is in place, everyone is aware of the standard and intent moving forward.

Senior Planner McGuire Brigl asked if there is third option, which would be to ignore it.

City Attorney stated the City could simply ignore it, his only concern is that if you have an encroachment agreement in place, then the owners know they are not setting additional homes on those encroachments and they need to stay away from those.

Councilmember Woestehoff commented that he would support the encroachment agreement as it sets the stage that if the City needs to get in for maintenance, it would not be at the cost of the City.

Mayor Kuzma commented that he also likes the stipulation that certain homes should be moved in the future.

Councilmember Riley commented that he would agree. He asked if these things could be lumped together with code enforcement.

City Attorney Langel commented that in his discussions with the legal counsel for the property owner, it was stated that part of the intent of refinancing was to obtain funds to remedy some of the issues at the park. He stated that the new owner is going to spend some of his money to improve the park. He stated that the property owner would like to sit down with staff to develop a single agreement that would include a list of what is to be accomplished that would satisfy all parties.

Councilmember Riley agreed that it would be helpful to have one agreement in place to address the code enforcement issues prior to allowing purchase or acquiring the additional land.

Senior Planner McGuire Brigl commented that there are currently ten pages of violations for the park, which equates to hundreds.

Mayor Kuzma confirmed the consensus of the Council to direct staff to continue negotiations as discussed.

### **3. ADJOURNMENT**

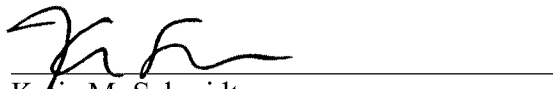
The Special Work Session of the City Council was adjourned at 6:59 p.m.

Respectfully submitted,



Kurtis G. Ulrich  
City Administrator

ATTEST:



Katie M. Schmidt  
Deputy City Clerk

Drafted by Amanda Staple  
*TimeSaver Off Site Secretarial, Inc.*