

**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 8, 2024, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Acting Chairperson Shanna Stewart
 Member Chelsee Howell
 Member Rachal Johnson
 Member Brittany Lindahl
 Member William MacLennan
 Member Chris Riley

Members Absent: Chairperson Scott Wyinginger

Also Present: Sean Sullivan, Economic Development Manager

1. CALL TO ORDER

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

2. APPROVE AGENDA

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

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

3. CONSENT AGENDA

3.01: Approve Meeting Minutes Dated June 13, 2024

Motion by Member Johnson, seconded by Member Lindahl, to approve the June 13, 2024, minutes as presented.

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

4. EDA BUSINESS

4.01: Consider Execution of Right of Re-Entry Agreement and Refund of Purchase Price (Stories Foundation)

Economic Development Manager Sullivan presented the staff report.

Motion by Member Riley, seconded by Member Johnson, to go into closed session.

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

Acting Chairperson Stewart stated that the EDA will be going into closed session to discuss offers/counteroffers for the purchase of real estate under MN Statute 13D.05, Subdivision 3c(3), the legal description Outlot C, COR Stonebrook Academy.

Recess and Reconvene

The EDA recessed to closed session at 7:39 a.m.

The EDA reconvened to open session at 7:50 a.m.

Acting Chairperson Stewart stated that during the closed session the EDA discussed the value of lands, offers, counteroffers and decided on a recommendation for a partial refund.

Motion by Member Johnson, seconded by Member MacLennan, to recommend to City Council to exercise Right of Re-Entry Agreement and request deed of conveyance from Stories Foundation to the City of Ramsey and to refund \$49,295.75 to Stories Foundation.

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

4.02: Consider Recommendation to Implement Lodging Tax and Membership with Twin Cities Gateway Visitors Bureau

Economic Development Manager Sullivan presented the staff report.

Al Stauffacher, President of Twin Cities Gateway, stated that the owner of Hilton Home2Suites approached the TCG Board Chair with interest in this program and that is how these discussions began. He provided information on the Twin Cities Gateway, its purpose and intent, strategic goals and objectives, two staff members, organization history, and member cities and lodging properties within each city. He provided details on the TCG Board, which is composed of representatives from each community and meets quarterly. He provided additional details on the lodging tax, how that is used as well as details on the TCG budget. He stated that 75 percent of their budget is put back into marketing for the member cities. He provided additional details on the TCG city grants and regional grants as well as the 2024 marketing work plan.

Member Howell asked if any of the member cities have negotiated a higher percentage.

Mr. Stauffacher replied that they have not.

Member Howell asked the initiatives, practices and leadership opportunities that fall in line with diversity, equity, and inclusion.

Mr. Stauffacher replied that when they developed their strategic plan they worked with a consultant and provide opportunities for everyone to advertise, as well as with employees. He noted that the other TCG employee works more in that area and could provide more details as a follow-up.

Member MacLennan asked if both of the Ramsey hotels support this.

Economic Development Manager Sullivan replied that both hotels support this and see this as a benefit.

Member MacLennan asked if there is a way to track the results.

Mr. Stauffacher confirmed that they do have tracked data of that manner to show that success. He stated that data is also used to assist with targeted marketing.

Member Riley commented that the fact that this is being driven by the hotels is important, as the EDA did consider this in 2010 but chose not to move forward. He stated that it seems to make sense at this point and noted that Game Fair could also be a beneficiary as well as the sports dome if that continues to move forward.

Economic Development Manager Sullivan reviewed some pros and cons.

Mr. Stauffacher estimated that 85 to 90 percent of cities have a lodging tax. He provided additional details on how the city grant could be used for a city event.

Economic Development Manager Sullivan stated that if they move forward, he would work with Mr. Stauffacher to develop a draft resolution to go before the Council.

Mr. Stauffacher stated that the Board member from the City of Ramsey would need to be identified prior to January 1, 2025 when the membership would begin. He explained that their financial representative would provide a brief training to Ramsey staff and staff from the hotels. He noted that once Ramsey adopts the resolution, the membership would still need to be approved by the TCG Board but noted that they have already discussed this and are considering adding Vadnais Heights as well.

Member Howell commented that she would be more supportive if the City portion of the lodging tax was more than five percent. She stated that she would also be interested in more of the qualifications for the city grants. She noted that she will abstain from this vote until she has more information.

Mr. Stauffacher confirmed that he could get that information to staff to provide to Member Howell.

Motion by Member Johnson, seconded by Member Lindahl, to recommend to City Council to implement a 3% Lodging Tax and to join the Twin Cities Gateway Visitors Bureau.

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

4.03: Consider Recommendation for Approval of 2025 EDA Budget

Economic Development Manager Sullivan presented the staff report.

Member Riley commented that he is fine with the number. He referenced the RALF properties and asked if there would be expenses in excess of the rent collected.

Economic Development Manager Sullivan commented that the properties would need to be marketed for sale and there would be associated costs. He noted that may or may not come to fruition in 2025, but wanted to plan appropriately. He stated that the rent collected on RALF properties can be used for administration and anything above that needs to be returned to the RALF fund. He did not believe that marketing would be a cost that could be an eligible expense for the RALF funds. He confirmed that he can look into that to determine eligibility.

Acting Chairperson Stewart commented that she is a little bummed that the decrease is only 1.1 percent, which was a result of reduced training dollars, and would like to see that decrease more in the future.

Economic Development Manager Sullivan confirmed that after the initial training is completed, recertification is a much lesser cost. He noted that marketing seems to be at an appropriate level currently. He did not anticipate that there would be a larger decrease to the budget in the future, providing more details on expenses that arise such as the SAC/WAC loan program for restaurants.

Motion by Member Johnson, seconded by Member MacLennan, to adopt the proposed 2025 Budget and Levy as presented.

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

4.04: Old Town Hall Discussion – 50th Anniversary – Renovation Quotes – Next Steps

Economic Development Manager Sullivan presented the staff report.

Member Howell commented that there is one historical building, and it would be nice to have that fixed up rather than have it sit and continue to deteriorate. She stated that her initial thought was to hold park and recreation programming in there, but there did not seem to be an appetite for that, so the direction from the Council was to bring it to the EDA.

Economic Development Manager Sullivan commented that if the EDA were to do this, and the space were rented, the building would then become an EDA managed property and that rent could be returned to the EDA.

Member Johnson asked the maintenance cost if the renovation occurs, and the space still remains empty. She was unsure whether renting the area would be the right use. She asked if there are any ideas on potential use of the space.

Economic Development Manager Sullivan replied that this site would lend itself to being an incubator space or space that could be leased by a business for a certain period of time, such as a boutique, CPA office during tax season, or music lessons. He stated that there is a furnace that has been purchased but has not yet been hooked up and there is connection to city sewer and water available but no air conditioning. He stated that once the space is fixed up, the maintenance would be minimal. He commented that there was interest in using the space previously and did not think it would be difficult to market the space for use by a business. He commented that while this was not a staff initiative, he does see the benefit in not letting this building go to waste.

Acting Chairperson Stewart commented that without air conditioning, she did not believe there would be a tenant for the summer months.

Economic Development Manager Sullivan commented that air conditioning is a preference but not a requirement.

Member MacLennan stated that the City is already in the position of being a property owner and asked if the City wants to be in the business of leasing space. He stated that most likely a business would want their name on the building.

Economic Development Manager Sullivan commented that the building cannot have a business name on the building, but they could have a sign out front.

Member MacLennan stated that there are historical elements inside and he was unsure that a business would want those items. He asked if the land would be move valuable without the building.

Economic Development Manager Sullivan replied that it is a challenging, small site with a lot of mature trees that is not easy to access and therefore the likely user would be a destination use. He stated that if the building is removed, that would be removing a historical landmark and was unsure how that would be perceived. He acknowledged that there is not an easy answer. He stated that if they are going to renovate it, this is the year being that it is the 50th anniversary. He stated that at minimum the soffits and door need to be replaced and the dead trees removed.

Member Riley commented that the issue is whether they want to make this an EDA project, which is where the leasing and revenue would come in. He commented that this is a City issue, but perhaps not an EDA issue. He stated that specifically he does not think this is a good EDA project.

Member MacLennan agreed with Member Riley that this is not a project that would advance the economic vitality of the community. He did not think that the EDA should be in charge of renting space. He agreed that this should go back to the City Council.

Acting Chairperson Stewart agreed that this would not add up as an EDA project and therefore should be returned to the City Council as their issue and decision.

Economic Development Manager Sullivan recognized the consensus of the EDA that this is not a building the EDA wants to own and operate. He stated that the EDA could still make the decision to fix the door and soffits, as that is something the EDA has done in the past.

Member Johnson asked if the EDA has to make a decision on any of this today.

Economic Development Manager Sullivan replied that the contractors have a window in which they can complete the work, and he does not want this to go into winter because there is a hole near the door which would allow pests to enter.

Member Lindahl agreed that the soffits and door should be replaced at this time and if there is a user in the future, they could review how the renovation costs could be funded.

Member MacLennan agreed, as they do not want critters occupying the space, but the renovation should not fall upon the EDA.

Member Howell stated that the EDA comments reaffirm her original direction that the park fund could be used rather than the EDA, as that would seem to be a more suitable use for the small space.

Motion by Member Johnson, seconded by Member Lindahl, to authorize staff to work with DKN Construction and MN Wild Animal Management to Complete Pest Removal and Building Maintenance in an amount not to exceed \$15,000 from the EDA Unencumbered Fund Balance.

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

Economic Development Manager Sullivan asked if this should go forward on the Consent Agenda for the City Council to communicate this information.

Member Howell stated that she would like to have a follow up presentation at the city council work session (rather than on consent). She and Member Riley agreed that staff could move forward with the maintenance work approved by the EDA.

4.05: Review Proposed Change to Auto Body Project by Blanery LLC

Economic Development Manager Sullivan presented the staff report.

With the revised plan to reduce office space but overall square footage would remain the same, Member MacLennan stated that he would defer to the members of Council if that would be an issue at the Council level.

Member Riley commented that this project did not receive City funding and nothing was contingent upon having offices, and if anything, there was question as to how offices would work this project. He did not feel that this would need to go to the City Council with an explanation.

5. MEMBER / STAFF UPDATE

Economic Development Manager Sullivan provided a brief update on development progress and items of interest to the EDA.

6. ADJOURNMENT

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

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

The regular meeting of the Economic Development Authority adjourned at 9:02 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.