

**Economic Development Authority (EDA)****4.2.****Meeting Date:** 05/13/2021**By:** Sean Sullivan, Community Development**Title:**

Review West Armstrong Redevelopment Plans and Discuss Opportunities for Strategic Acquisition to Preserve Redevelopment Vision (portions of meeting may be closed to the public under Minnesota Statutes Section 13.D.05 Subdivision 3(c)(3) to consider purchase of real property)

**Purpose/Background:**

*Further direction on this case was originally tabled at the April EDA Meeting. Staff is compiling any final questions submitted by EDA Commissioners and will be making further recommendations on or about Monday, May 10. This agenda will be updated at that time.*

**Purpose:**

To discuss support for a potential infrastructure project west of Armstrong Blvd and to consider City role in the potential purchase of property in the area from willing sellers. The parcels below currently have active businesses or structures on site:

1. 8100 146th Avenue NW. Anoka County PID is 29-32-25-14-0012. Legal Description is Lot 1, Block 1, Hauser Addition
2. 8049 146th Avenue NW. Anoka County PID is 29-32-25-14-0011. Legal Description is Lot 4, Block 2, Hy-10 Ramsey
3. 8050 147th Avenue NW. Anoka County PID is 29-32-25-14-0008. Legal Description is Lot 1, Block 2, Hy-10 Ramsey
4. 14700 Armstrong Blvd NW. Anoka County PID is 29-32-25-11-0008. Legal Description is Lot 3, Block 1, Hy-10 Ramsey 3rd Add.
5. XXXX Ferret St NW, Anoka County PID is 29-32-25-11-0009. Legal Description is Lot 1, Block 1, Hy-10 Ramsey

(Number Identified on attached Map)

\*Portions of meeting may be closed to the public under Minnesota Statutes Section 13.D.05 Subdivision 3(c)(3) to consider purchase of real property.

**Background:**

The Industrial market remains strong in the City of Ramsey. Industrial land over 1 acre, that is ready for development is becoming harder to find in Ramsey. Staff has received inquiries from existing Ramsey business looking to expand or build new buildings (15-50,000 SF Range) in the near future. Currently, the 43 acres east of Delta Mod Tech and the 14 acres south of Connexus are under contract or are in negotiations. That leaves approximately 20 acres west of Armstrong Blvd off Bunker Lake Boulevard as the only larger piece of land shovel ready for industrial development.

**Purpose**

The purpose of this case is to seek high-level policy direction as a recommendation to the City Council to discuss how aggressive the City should be to preserve the vision for cleanup and redevelopment of the industrial park generally west of Armstrong Boulevard and north of Highway 10.

There are 3 major components of planning in this area.

1. Future Land Use Planning/Zoning/Non-Conforming Uses
2. Economic Development Tools to Facilitate Cleanup/Blight Removal and Redevelopment

### 3. Infrastructure and Roads/Pavement Management Program

#### Background

##### *Future Land Use Planning/Zoning/Non-Conforming Uses*

From approximately 2015 through 2018, the City convened a series of public engagement meetings that led to the visioning and small area plan for this area. The planning area also included areas now known as the Bunker Lake Industrial Park and Riverstone Neighborhood. This redevelopment area is the final piece of this small area plan.

This area pre-dates current zoning regulations and zoning district, providing protections under lawful, non-conforming statutes. This area is generally characterized by aging, underutilized buildings and significant outside storage. As the surrounding areas of The COR, Bunker Lake Industrial Park and Riverstone Neighborhoods continue to develop, this aging industrial park appears to be in conflict with these surrounding areas. Public Nuisance Complaints continue to increase. A former gas station and former liquor store were previously purchased and removed to make way for the Armstrong Interchange.

The future land use vision contemplates this entire area redeveloping. Most of the Property Owners share this redevelopment vision, but timing, financing and market conditions appear to be a barrier. The areas east of Ferret Street are visioned as redeveloping as a primary retail corridor for the community. This area includes the new West Armstrong Retail Center. The areas west of Ferret Street are visioned as redeveloping as another business park similar to the Bunker Lake Industrial Park.

The City continues to respond to numerous zoning inquiries for uses that are not allowed by code and not protected by lawful, non-conforming statutes. The City has shown some flexibility through the issuance of Interim Use Permits that allow a temporary use until such time redevelopment occurs. Staff seeks policy direction as to whether this continued allowance for interim uses is appropriate, or a more aggressive approach is desired.

##### *Economic Development Tools*

Redevelopment projects are naturally more complicated and more expensive than 'greenfield' development of raw land. It is unlikely that the City will achieve the broader blight removal and redevelopment vision without financial assistance of some degree, including but not limited to potential acquisition of key parcels to preserve said vision. The site is located within TIF District #14 that also includes The COR.

##### *Infrastructure and Roads/Pavement Management Program*

In 2017-2018, the City began planning for the reconstruction of 146th Avenue, 147th Avenue and Ferret Street. In January of 2019, the City cancelled/delayed the project until future land use planning and visioning were complete. With the completion of the 2040 Comprehensive Plan Update, that visioning and land use planning is now complete and the City should be able to move forward with this needed pavement management plan without interfering with the redevelopment vision. In fact, investment in basic infrastructure in this area may leverage interest in private redevelopment. Based on current economic conditions and demand for industrial land, Staff thought this would be a good time to revisit this position. This project expands sewer and water in the area and also connect Ferret Street to Bunker Lake Boulevard (new infrastructure in addition to reconstruction of existing infrastructure).

#### **Notification:**

Notification is not required.

#### **Observations/Alternatives:**

Observations:

The current uses (outside storage/industrial) by many of the businesses in the area (generally east of Ferret Street) are not consistent with current zoning (COR Retail). The industrial uses are considered lawful, non-conforming and can continue to operate as long as the use does not change and they are in compliance with city code. A few of these properties have required code enforcement actions to bring them into compliance due to excess outside storage and site use issues and the frequency of this has increased. Staff has been contacted by some landowners in the area west of Armstrong Blvd asking if the City would be interested in acquiring their properties. If the City is committed to a redevelopment City infrastructure project in the area, a strategy should be developed around the prioritization of land acquisition.

#### Alternatives:

At this time, this is simply a discussion item to determine the EDA level of interest in the proposed redevelopment project and to potentially identify parcels for acquisition. Nothing in this case should be interpreted as the City is actually considering additional land acquisition. Staff has not formulated a formal recommendation, and is seeking broad EDA recommendation. Here are some questions to contemplate:

- Does the EDA support making more industrial zoned property with sewer and water infrastructure available?
- Would the EDA support using TIF/EDA/HRA dollars to prepare plans and specs for roads and utilities?
  - TIF would be an eligible funding source if funds are expended prior to November 28, 2021
- Would the EDA support using TIF/EDA/HRA dollars to extend utilities, rebuild roads and extend Ferret Street north to Bunker Lake Boulevard?
  - TIF would be an eligible funding source if funds are expended prior to November 28, 2021
- Is the EDA interested in purchasing properties with blight and zoning issues (tied to recent zoning requests)?
- Is the EDA interested in purchasing strategically located properties to help facilitate this redevelopment project (i.e, locations for regional storm water)?

#### Funding Source:

If as a matter of policy and priority, the City felt this was an appropriate acquisition(s), there likely would be adequate economic development funds. Possible funding sources include:

1. EDA Fund
2. Anoka County HRA (Housing and Redevelopment Authority) Fund
3. TIF (Tax Increment Financing) (Expenses incurred prior to November 28, 2021)

#### Recommendation:

Based on discussion.

#### Action:

Based on discussion.

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### Attachments

Site and Parcel Location Map  
January 2019 Project Termination Letter

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### Form Review

**Inbox**

Sean Sullivan (Originator)  
Tim Gladhill  
Form Started By: Sean Sullivan  
Final Approval Date: 05/07/2021

**Reviewed By**

Sean Sullivan  
Tim Gladhill

**Date**

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