

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, March 10, 2026, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Ryan Heineman
Councilmember Kirsten Buscher
Councilmember Michael Olson
Councilmember Eric Peters
Councilmember Chris Riley
Councilmember Dan Specht
Councilmember Shanna Stewart

Also Present: City Administrator Brian Hagen
Police Chief Brad Bluml
Administrative Services Director Colleen Lasher
Economic Development Manager Sean Sullivan

1. CALL TO ORDER

Mayor Heineman called the City Council Work Session to order at 5:30 p.m.

2. TOPICS FOR DISCUSSION

2.01: Review Proposed Senior Project by Trident Development and Provide Feedback to Developer

Economic Development Manager Sullivan introduced a proposed senior housing development by Trident. He explained that the Council had previously reviewed a smaller Trident proposal for assisted living and memory care units on a nearby site, which included a Tax Increment Financing (TIF) request and rezoning. Still, the Council did not support it at that time.

Economic Development Manager Sullivan explained that the developer has now returned with a new proposal on a different site with existing infrastructure. The updated project is larger and includes 78 assisted living units, 24 memory care units, and 84 independent living units. Trident is requesting approximately \$5.54 million in TIF assistance through a 25-year housing district with a 90/10 split. As part of the proposal, 20% of the assisted living and memory care units would be affordable at 50% of the area median income.

Economic Development Manager Sullivan introduced representatives from Trident, Roger Fink, and Andy Brummer to present additional details about the project.

Mr. Roger Fink, Senior Vice President and Principal with Trident Development, introduced the company and its experience developing and operating senior housing. He explained that the company has been operating for about 20 years and currently develops and manages nearly 2,500 senior living units across Minnesota, primarily focusing on assisted living, memory care, and market-rate senior apartments. Trident has worked with many communities across the state and has completed several projects using tax increment financing (TIF).

Mr. Fink presented the proposed site plan for the Ramsey project. The development would include three components: an 84-unit independent living building facing Sunwood Drive, a 24-unit single-story memory care building, and a two-story assisted living building connected to the memory care facility. Access to the site would be provided by both Sunwood Drive and Veterans Drive. The property would likely be subdivided into three lots, with the assisted living and memory care portion forming the tax increment district.

Mr. Fink also highlighted Trident's partnership with Lifespark Senior Living, a Minnesota-based management company that operates their facilities. Lifespark provides comprehensive senior care services, including on-site physicians and a program focused on complete senior health, allowing many residents to receive medical care within the facility rather than traveling to outside clinics or hospitals. He noted that existing senior living facilities in the area are largely full, suggesting an unmet need for additional senior housing in Ramsey. A market study conducted by Viewpoint Consulting also indicated strong future demand, driven by projected growth in the senior population over the next decade. He added that the development would designate 20 percent of assisted living and memory care units as affordable housing for residents with lower incomes.

Finally, Mr. Fink stated that the development team understands the importance of Ramsey's core district design standards and is prepared to meet or exceed those requirements. The project is being considered in Ramsey due to both the identified market demand and the company's existing relationships with local development partners.

Mr. Andy Brummer explained the current senior housing options in Ramsey and how the proposed project would compare with them. He noted that there are three existing senior housing facilities in the area. Stoney River and Suite Living both provide assisted living and memory care services, while Affinity is a 55-plus independent living apartment building that does not offer supportive services.

Mr. Brummer said the proposed development would differ by offering a continuum-of-care campus. The project would include independent living, assisted living, and memory care on the same site. This model allows residents to move through different levels of care as their needs change. For example, seniors may initially move into independent living to reduce responsibilities such as home maintenance and yard work, then transition to assisted living if they need help with daily activities like meals or medication management, and eventually move to memory care if cognitive support becomes necessary.

Mr. Fink explained that the proposed development follows a "campus concept" that Trident has implemented in several other communities, including North St. Paul and Winona. In this model, the independent living building often serves as a feeder for the assisted living facility.

Mr. Fink noted that residents who first move into independent living areas become familiar with the location, staff, and management company, which helps make the transition to assisted living easier if their needs change. In some cases, residents from the independent living building may also receive priority placement in the assisted living units if availability becomes limited.

Andy Brummer reviewed findings from the market study supporting the proposed senior housing development. He explained that the study focused primarily on assisted living and memory care facilities because Ramsey currently does not have a continuum-of-care campus that includes independent living, assisted living, and memory care together. The study identified Stoney River and Suite Living as the primary competitors, with a combined total of 207 assisted living and memory care units. Brummer noted that the market analysis also examined a broader regional area beyond Ramsey, including surrounding communities such as Nowthen and other nearby locations. The study showed limited competition within the primary market area.

Mr. Brummer explained that according to the market study's projections, demand by 2030 is expected to support approximately 130 independent living units, 62 assisted living units, and 47 memory care units in the market area. These estimates were calculated using demographic data, particularly projected growth in the population aged 75 to 85, along with projected capture rates for senior housing demand.

Mr. Fink explained the financial considerations involved in developing the proposed senior housing project and why the developer is requesting tax increment financing (TIF). He stated that projects of this scale require outside investment capital, and investors expect competitive rates of return due to the risks associated with senior housing developments. These risks can include economic conditions, regulatory changes, and unforeseen events such as public health crises. He noted that without TIF assistance, the projected returns may not be sufficient to attract the necessary investment.

Mr. Fink explained that TIF improves the project's financial feasibility by enhancing the potential rate of return, making it more attractive to investors, and enabling the development to move forward. He also presented examples of similar projects developed by Trident to demonstrate the type and quality of buildings proposed for Ramsey. One example was a recently completed assisted living project in Willmar, Minnesota, which closely reflects the design proposed for this project.

Mr. Fink explained that the assisted living and memory care buildings would likely be constructed as two-story wood-frame structures, a cost-effective method that meets building code requirements. He noted that constructing taller buildings would require noncombustible materials such as steel and concrete, significantly increasing construction costs. As a result, the assisted living portion is proposed as a two-story building. In contrast, the independent living building along Sunwood Drive would be a four-story structure with underground parking.

Mr. Fink also noted that the development team plans to work with the same architect and contractor who have completed other projects in Ramsey, including Skyline and Sapphire Apartments. He referenced additional developments built by the team, such as Urbana Place in Brooklyn Park.

Finally, Mr. Fink highlighted that the independent living building would include several amenities for residents, such as community gathering spaces, a golf simulator, lounge areas, and a rooftop patio with seating, grilling areas, and a fireplace. These amenities are intended to enhance the living experience and provide a high-quality senior living environment.

Mr. Fink described additional amenity features that could be included in the proposed independent living building. He referenced examples from other Trident developments to illustrate the types of shared spaces planned for residents.

Mr. Fink explained that one example is a rooftop patio like those built at Somerville Flats and at another project in Chaska. The rooftop space connects directly to an indoor recreation area, allowing residents and guests to move easily between indoor and outdoor gathering spaces. This design supports social events and community activities for residents.

Mr. Fink also highlighted a unique amenity used in another development called a “speakeasy lounge,” located at the Avalon property in Inver Grove Heights. He described it as a themed resident gathering space resembling a speakeasy-style lounge where residents can socialize and relax. Although alcohol is not sold in the space, it functions as a comfortable community room for resident activities and gatherings.

Mr. Fink further noted that many of their properties include a golf simulator room, which has become a popular amenity among residents. The simulator can be used for multiple activities, including golf, bowling, baseball, and other virtual sports. He indicated that a similar amenity would likely be included in the independent living building proposed for Ramsey.

Economic Development Manager Sullivan paused the presentation and invited the City Council to ask questions related to the proposed development. He noted that this would be a good point for Councilmembers to ask questions specifically about the project and the facility.

Economic Development Manager Sullivan also explained that he would later provide additional information on the proposal's financial aspects, including details on the tax increment financing (TIF) request. He asked the council whether they preferred to ask questions at that moment or to wait until the full presentation was complete before discussing both the project and the financial components.

Mayor Heineman preferred to finish the presentation first, then allow time for questions.

Economic Development Manager Sullivan summarized key points of the proposal and highlighted how the project would differ from the earlier proposal reviewed by the City Council. He explained that the project is a hybrid development that includes independent living, assisted living, and memory care components.

Economic Development Manager Sullivan clarified that while the site is located within the boundaries of TIF District 14, the project itself would not use that district. Instead, a new TIF district would need to be created to provide the requested tax increment financing.

Economic Development Manager Sullivan noted that the market study supports demand for the project and that the current zoning is appropriate for the development. He shared financial estimates indicating that the assisted living and memory care portion would have an assessed tax value of approximately \$22 million. Based on the developer's project pro formas, the total investment for that portion of the development could exceed \$30 million.

Economic Development Manager Sullivan stated that the developer is requesting up to \$5.54 million in TIF over approximately 27 years, with a 90/10 split. He explained that the existing property taxes on the site, currently about \$18,000 annually, would continue to be paid and would not be captured by TIF. Only the additional tax revenue generated by the new development would be captured within the district.

Economic Development Manager Sullivan explained that the City has used different TIF splits in past projects when the City had costs to recover. For example, the City used a 70/30 split for the hotel project to recoup land costs and a 60/40 split for the Opus project due to anticipated improvements to Bunker Lake Boulevard. In this case, because the City does not anticipate significant infrastructure investments, the proposed 90/10 split was considered appropriate.

Economic Development Manager Sullivan noted that the developer's projections show the project's cash-on-cash rate of return increasing from approximately 7.3 percent without TIF to about 9.9 percent with TIF by year five. He explained that this increase helps make the project financially viable for investors. He also noted that the developer provided these numbers and would be independently reviewed by the City's financial consultant, Ehlers, to verify their accuracy and ensure the developer is not receiving excessive benefits.

Economic Development Manager Sullivan then discussed the independent living portion of the project. He explained that the independent living building represents an estimated \$19.3 million investment and would not be part of the TIF district. Over approximately 27 years, it is projected to generate about \$6.6 million in total taxes, including approximately \$2.65 million that would go directly to the City.

Economic Development Manager Sullivan emphasized that the independent living component adds value to the City's core area because residents are expected to be active and to regularly visit nearby businesses, such as restaurants, salons, and other services, in the Cor district.

Economic Development Manager Sullivan also noted that while job creation is not required for housing TIF districts, the development is expected to create approximately 40 jobs across the three facilities, including about 30 full-time positions with salaries ranging from approximately \$40,000 to \$80,000 annually.

Economic Development Manager Sullivan concluded by reviewing the projected tax impacts. He explained that without redevelopment, the site would generate approximately \$440,000 in taxes over the same period. With the project, approximately \$5.54 million in tax increment would be generated for the developer under the proposed 90/10 split. In comparison, the City would receive approximately \$615,000 for administrative costs associated with managing the TIF district. He

added that the independent living portion would also generate additional tax revenue that would go directly to the City's general fund.

Economic Development Manager Sullivan then opened the discussion for questions from the City Council and asked whether the Council had consensus to proceed to the next step in the review process.

Councilmember Specht asked for clarification regarding ownership of the land involved in the proposed development. He asked whether PSD currently owns all the property or if the City owns any portion of the land.

Councilmember Buscher asked whether the developer intends to use union labor during the construction of the project.

Mr. Fink explained that the general contractor operates as a merit shop. He stated that subcontractors will be selected based on competitive pricing, meaning the project may use either union or non-union labor, depending on which subcontractors provide the most competitive bids.

Councilmember Buscher asked whether there would be a mix of union and non-union subcontractors.

Mr. Fink added that some union labor could be used on the project. He explained that certain trades, such as excavation and elevator installation, are often unionized, so construction typically includes a mix of both union and non-union labor depending on the subcontractors involved.

Councilmember Buscher asked whether the developer would be open to paying prevailing wages if the project receives Tax Increment Financing (TIF) assistance.

Mr. Fink responded that requiring prevailing wages would make the project financially unfeasible and would effectively prevent the development from moving forward.

Councilmember Stewart commented that she believes the proposal is a good project for the property. She noted that the independent living component would bring active residents who could take advantage of the City's sidewalks and nearby amenities. Councilmember Stewart added that she feels the development would fit well in that area and indicated she would likely support the project.

Mr. Fink stated that he believed the site had been designated for senior housing or a senior center during earlier planning discussions.

Economic Development Manager Sullivan explained that the site had previously been considered for a similar senior housing project. He stated that around 2008 or 2009, the City worked with a group called Crestview Senior Housing and went through the process of creating a TIF district to support assisted living and memory care development on the site.

Economic Development Manager Sullivan noted that the project did not move forward at that time due to market conditions. He added that the current proposal is similar but stronger because it

includes an independent living component that was not part of the earlier plan. Economic Development Manager Sullivan concluded that the proposal represents a return to the original vision for the site and said he believes the development would be a good fit, particularly because of its proximity to the VA clinic, which could create additional synergy for the area.

Councilmember Riley stated that he agreed with the earlier comments regarding the project. He noted that the previous proposal was not supported when it did not include an independent living component, and he believes that the addition makes a meaningful difference.

Councilmember Riley said the independent living units would bring more residents to the area who could support local businesses, restaurants, and other services. He indicated that he supports the project in concept but suggested that the City Council may want to discuss it further or negotiate the Tax Increment Financing (TIF) request.

Mayor Heineman stated that while he agrees that bringing more people to the area is important, he has concerns about the overall balance of development in the City's Cor area. He said he appreciates developments like Skyline that include ground-floor retail space and believes that approach helps create activity and destinations in the downtown area.

Mayor Heineman expressed concern that the City could end up with a downtown center that includes many housing developments but limited restaurants and commercial amenities. He noted that the City has limited property available in the Cor area and cautioned that filling it with too much housing could leave residents with too few activities.

Mayor Heineman then directed a question to the Police Chief, asking about potential calls for service and how a development like the proposed senior housing facility might affect police resources.

Police Chief Bluml responded that calls for service would likely increase with the addition of the facility, noting that this is typical when a larger number of people live in a smaller area, similar to apartment developments.

Police Chief Bluml said he was encouraged to hear that the facility plans to have an on-site physician. He explained that many calls from senior housing facilities involve situations in which residents need assistance, such as lift assistance or help with moving, rather than significant medical emergencies. He noted that these types of calls often require assistance from the police or fire department for transportation or support, rather than direct medical treatment.

Councilmember Specht stated that he appreciated the information provided by staff and the development team. He then asked for clarification about the process for creating a new TIF district.

Councilmember Specht asked whether establishing the district would require State approval or whether the City has the authority to create the district on its own and requested an explanation of the process.

Economic Development Manager Sullivan explained that under state statute, Cities have the authority to create Tax Increment Financing (TIF) districts. He stated that the City would need to hold a public hearing as part of the process.

Economic Development Manager Sullivan noted that the proposal would then be sent to the County for review, but the County does not have an approval role in the process. He explained that the County can provide comments or identify potential improvements related to the project, such as roadway or turn lane needs on County roads. He concluded that the City ultimately has the statutory authority to establish the TIF district independently following the required public hearing process.

Councilmember Buscher stated that she supports the project concept and was initially excited to hear about the proposal. She said she believes this type of senior housing is needed in the community.

Councilmember Buscher also expressed concern about the developer's response regarding prevailing wages. She stated that if the project cannot support prevailing wages, it raises questions about the development's financial capacity and whether cost savings could affect the quality of the facility or the services provided to residents.

Mr. Fink responded that, based on information from the contractor, requiring prevailing wages would significantly increase construction costs. He stated that prevailing wage requirements would not change the construction methods or the quality of the building, but would add additional administrative and labor expenses.

Mr. Fink explained that these added costs could increase the overall construction expenses by approximately 20 to 25 percent. He said that this level of cost increase would make the project financially unfeasible.

Councilmember Buscher responded that she believes prevailing wage requirements are important for protecting workers and ensuring proper labor practices. She stated that prevailing wages help prevent situations in which workers may be performing jobs they are not properly trained for or in which wage theft could occur.

Councilmember Buscher also expressed concern that without prevailing wage requirements, there is a risk of undocumented or off-the-books labor being used. She said these policies help ensure that workers are properly documented and paid and protect the City from potential liability or federal penalties for labor violations.

Mayor Heineman responded that prevailing wage requirements can help prevent those issues. He acknowledged Councilmember Buscher's point that such policies can protect workers.

Mayor Heineman also noted that some non-union organizations and contractors perform quality work and operate responsibly. He indicated that while he understands the concerns raised, he did not want to assume that non-union labor automatically results in poor practices or lower standards.

Economic Development Manager Sullivan stated that the site is privately owned property and that he believes the project could be a good addition to the area. He indicated support for the concept of development.

Economic Development Manager Sullivan added that he would like to have further discussions about the Tax Increment Financing (TIF), particularly regarding the requested amount and the proposed 90/10 split. He noted that while he may not yet be fully comfortable with the 90 percent share, he believes the proposal is a good project idea overall and would have no issue continuing discussions on it.

Councilmember Stewart asked who currently owns the portion of land being referenced. She also asked what the future development concept for that parcel might be if the proposed project moves forward.

Mr. Brummer responded that the parcel is somewhat challenging to develop due to its shape. He explained that the lot is narrow, which makes it difficult to accommodate a large building with sufficient parking, as most parking would need to be at the far end of the site.

Mr. Brummer stated that the development team has explored several potential concepts for the parcel. Early discussions considered building an apartment, but that option did not align well with the overall concept proposed for the area.

Mr. Brummer noted that he has sketched several possible layouts for the site, including designs with angled parking. He said that one possible concept could be a multi-tenant commercial building or small retail uses. He mentioned that a pharmacy such as Walgreens could potentially work well in the area, particularly given the nearby VA clinic, medical services, and the potential addition of senior housing residents.

Mr. Brummer added that ideally, he would like to see another restaurant on the corner to help support activity in the area. He explained that a mix of restaurant and small retail uses could work well, depending on how the rest of the block develops.

Mr. Brummer also noted that site conditions, including a high-water table in the area, may limit development options. He explained that during previous nearby construction, excavation nearly reached the groundwater level, which makes underground parking difficult. Because of that, parking would likely need to remain at ground level for any future development on that parcel.

Mr. Brummer stated that his company has worked with the contractor on multiple projects and has had positive experiences. He noted that they previously sold a property in Zimmerman to the Lion Contracting Group for a senior center project.

Mr. Brummer explained that his company has completed 9 buildings with that contractor and emphasized that they typically continue working only with partners who perform well. He stated that the contractor is organized and professional and indicated that City building staff have worked well with them on past projects. He added that his company would not continue to work repeatedly with a contractor if they caused problems.

Mayor Heineman stated that the City Council would begin looking for consensus on the proposal. He asked Councilmembers whether they supported the project as presented and requested a show of thumbs up from those who were comfortable with the proposal in its current form.

Councilmember Stewart stated that she would like to discuss the Tax Increment Financing (TIF) portion of the proposal before indicating support.

Mayor Heineman stated that, since there was no consensus on the proposal as presented, the City Council should discuss the changes needed for the project to move forward. He explained that rather than voting it down entirely, the Council could identify specific modifications they would like to see.

Mayor Heineman then asked the Councilmembers what changes they would like to see made to the proposal to support the project.

Councilmember Stewart stated that she would like to hear Councilmember Riley's thoughts on the proposed Tax Increment Financing (TIF) structure. She said she would like to explore whether the City's share could be increased beyond the proposed 10 percent in the 90/10 split.

Councilmember Stewart noted that she is supportive of the overall project but believes the TIF terms should be negotiated further so that the City receives a slightly larger share.

Councilmember Riley stated that he agreed with Councilmember Stewart. He indicated that he supports the project concept but believes the details, particularly the Tax Increment Financing terms, should be negotiated further.

Economic Development Manager Sullivan provided input regarding the discussion about modifying the Tax Increment Financing (TIF) terms. He explained that increasing the City's share in the 90/10 split may not be the most effective approach, as the funds available through TIF are limited and must be used for specific eligible expenses.

Economic Development Manager Sullivan suggested that if the City Council wanted to improve the City's financial benefit, a better approach would be to shorten the TIF district's duration rather than change the percentage split. For example, instead of a 25-year term, the City could consider a 20-year term so that the property would return to the full tax rolls sooner.

Economic Development Manager Sullivan noted that even if the City received a larger share of the increment, there may not be sufficient eligible uses for those funds in this project area. Therefore, shortening the district's duration could provide a clearer benefit to the City by allowing the full tax revenue to return sooner.

Councilmember Buscher stated that she knows Matt and believes he is a good person who would not bring a harmful project to the City. She reiterated that she stands by the concerns she previously expressed.

Councilmember Buscher said she would like the opportunity to continue discussing those concerns and the reasoning behind them, while also hearing the perspectives of others involved in the project. She indicated that she would like to see the proposal move forward so those conversations can continue.

Councilmember Buscher concluded that she would support moving forward with the process as suggested, noting her trust in Matt and her willingness to continue discussions as the project progresses.

Councilmember Riley stated that he agrees with the explanation regarding the Tax Increment Financing structure. He said the reasoning about the percentage split makes sense, particularly if the City would not have eligible uses for additional increment funds.

Councilmember Riley added that adjusting the duration of the TIF district would be a more reasonable approach. He indicated that negotiating a shorter timeframe would allow the property to return to the full tax rolls sooner, benefiting the City.

City Administrator Hagen added clarification regarding the Tax Increment Financing structure. He explained that changing the percentage split would reduce the annual TIF payment provided to the developer. While the district's duration could remain the same, a smaller annual TIF payment would reduce the developer's rate of return.

City Administrator Hagen noted that adjusting the percentage split would therefore have a greater financial impact on the project than negotiating a shorter duration for the TIF district. He suggested that negotiating a shorter term would likely be an easier and more practical approach while still allowing the City to receive full tax revenues sooner.

Mayor Heineman asked the City Council if there was consensus to move forward with staff continuing discussions with the developer. He stated that Economic Development Manager Sullivan would follow up with the developer to negotiate the details, particularly regarding the Tax Increment Financing terms.

Mayor Heineman explained that staff would then report back to the City Council with the results of those negotiations for final consideration, including the required public hearing later in the process.

Mr. Fink thanked the City Council for their time, attention, comments, and questions regarding the proposal. He stated that the development team would continue working with Economic Development Manager Sullivan and expressed hope that they would return in the future with an updated proposal.

2.02: Consider Approval of Process for Gap Assistance (Loan) for Anoka Ramsey Athletic Association Facility Project

Economic Development Manager Sullivan provided background on the project's financing structure and explained the current status of funding discussions. He noted that on January 13,

2026, the group established a potential \$2.5 million funding package that included up to \$300,000 in fee waivers, if needed. After reviewing the financing in more detail, he said the current funding gap under the proposed structure is approximately \$1.34 million.

Economic Development Manager Sullivan explained that ARAA is leading the financing process with the bank and has already received approval from the bank's loan committee. However, final approval from the bank's board has not yet occurred. He noted that the bank is scheduled to meet the following morning to determine whether the financing can be finalized.

Economic Development Manager Sullivan stated that the City's contribution would likely be structured as a Housing and Redevelopment Authority (HRA) loan. To use these funds, the City would need to establish a development and redevelopment project area. Creating this project area would require adopting a redevelopment plan and incurring administrative costs estimated at \$20,000 to \$30,000. He explained that these costs could be paid from the HRA fund, allowing the City to reuse the funds in the future once loan payments are repaid.

Economic Development Manager Sullivan explained that Ramsey HRA funds would be used for the loan. The City would need to file a resolution with the County specifying how the funds will be used. Once approved, the County would transfer the funds to the City, which would then issue the loan.

Economic Development Manager Sullivan presented a map of the proposed redevelopment project area. He noted that the area includes both the Highway 10 and Highway 47 corridors, as well as the 160th Avenue area, where the City currently has a water tower but no sewer service. He stated that future loan repayments could be reinvested in projects in this area, including extending the sewer infrastructure, which was previously estimated at \$1.5 million.

Economic Development Manager Sullivan reviewed the proposed timeline, explaining that if the process begins immediately, it would first go to the Economic Development Authority (EDA) at the next meeting and could move through the approval process by approximately May 14.

Economic Development Manager Sullivan then described the proposed loan structure. The City loan would address the approximate \$1.34 million financing gap. He noted that interest rates have recently decreased due to changes in Treasury bill rates. The current proposal being discussed with the bank includes either a seven- or ten-year term with a 25-year amortization schedule. Under this structure, the project would likely be refinanced after the initial term and repay the City loan at that time.

Economic Development Manager Sullivan explained that the bank also requires a stabilization period before the City begins receiving loan repayments. Because the project developers do not yet have an operational track record, the bank wants to see a debt coverage ratio of at least 1.2 before the City begins collecting payments. He stated that this typically results in about a one-year delay before repayments begin, though the City would likely limit any deferral period to no more than two years.

Economic Development Manager Sullivan concluded by outlining the next steps. These include receiving final bank approval for financing, determining whether the City should begin the redevelopment plan process immediately or wait until the bank financing is confirmed, finalizing the HRA loan structure, preparing the redevelopment plan and subsidy agreement, completing site plan approval, and ultimately closing on the project financing. He then asked the City Council if they had any questions.

Councilmember Riley asked whether the proposed area would qualify as a redevelopment district. He requested confirmation that the project meets the statutory requirements for establishing a redevelopment district.

Economic Development Manager Sullivan clarified that the proposal involves creating a redevelopment area, not a redevelopment TIF district. He explained that redevelopment districts are typically associated with Tax Increment Financing, whereas this proposal establishes a redevelopment project area.

Economic Development Manager Sullivan stated that the area would be designated as Redevelopment Area Number One. The purpose of defining the area is to identify where the City anticipates future development or redevelopment activity may occur.

Economic Development Manager Sullivan explained that establishing this redevelopment area would provide the City with greater flexibility in using Housing and Redevelopment Authority (HRA) funds. By defining the area in advance, the City would be able to reinvest future loan repayments and other HRA funds within that designated area for eligible activities such as housing, infrastructure improvements, or economic development support.

Councilmember Specht asked whether the County would need to approve the creation of the redevelopment area.

Economic Development Manager Sullivan explained that the County would approve the City's request to use the HRA funds and then transfer them to the City. He stated that once the funds are provided to the City, they would be under the City's control for administration in accordance with the proposed plan.

Councilmember Stewart stated that she is concerned about the risks involved, as the developers do not yet have an operational history. She noted that under the proposed structure, the City would need to wait about a year to receive loan repayments, increasing the City's exposure during that period.

City Administrator Hagen responded that the lack of operating history is not unusual in this situation because the organization does not sell a traditional product or service that would generate a profit history. He explained that multiple parties have reviewed the organization's financial information and show revenue streams such as gambling proceeds and registration fees, indicating that it handles a significant amount of money.

City Administrator Hagen noted that the organization is currently spending a substantial amount on leased space, and the proposed project would allow them to reduce or eliminate those lease payments. Instead of paying rent to another party, those funds could be applied toward a mortgage payment on their own facility.

City Administrator Hagen added that the bank's involvement provides an additional level of assurance, since the bank would not approve financing unless it believed the project was financially viable. He also explained that the funding source the City is considering is very flexible. Technically, the City could provide the funds as a grant, but instead, the proposal is to structure the assistance as a low-interest loan. He stated that this approach allows the City to help the project move forward, eventually receive repayment, and reinvest those funds into future community projects.

Mayor Heineman stated that the organization has a long history, noting it has operated successfully since 1979. He explained that while the group does not have a history of owning and operating a building of this type, it has previously leased its space and has financial records showing its profit and loss performance.

Councilmember Riley referred to the staff's suggestion that the City make its action contingent on the organization's approval of bank financing. He asked whether that approval was expected to occur the following day.

Economic Development Manager Sullivan responded that the bank is scheduled to meet the following day and that the City should have more information after that meeting. He confirmed that the outcome of that meeting will determine whether the financing moves forward.

Councilmember Riley stated that he believes the City should make the process contingent on the organization receiving approval for bank financing. He said the City should avoid spending approximately \$30,000 on the redevelopment planning process if the project ultimately does not move forward.

Councilmember Riley added that he still believes the proposal is a smart approach and expects the financing approval will likely proceed without issue.

City Administrator Hagen explained that when staff first began preparing the proposal, they did not expect the planning costs to be as high as the estimates recently received. He also noted that the timing of the bank's decision was uncertain, as it was unclear whether the bank would take a week, a month, or longer to finalize its approval.

City Administrator Hagen stated that the goal of bringing the item forward was to obtain City Council consensus so staff could begin the process quickly once the bank financing decision is known. He explained that this would allow the City to move forward and incur the planning costs at the appropriate time, depending on when it makes sense after the bank's decision.

Mayor Heineman stated that he is excited about the project and believes there is general support for it. He asked the City Council for consensus to proceed with the process, as Economic Development Manager Sullivan presented.

Mayor Heineman noted that the next steps would proceed under the previously discussed contingency regarding the bank's approval of the financing. He concluded that with the City Council's consensus, staff could proceed accordingly.

2.03: Discussion on Police Department Embedded Social Worker Pilot Program

Police Chief Bluml presented information to the City Council about a grant opportunity to fund a mental health professional embedded within the Police Department. He explained that the purpose of the position would be to help officers respond to the increasing number of mental health-related calls for service.

Police Chief Bluml referenced data prepared by the City's crime data analyst showing mental health-related calls for service. He explained that in 2025, approximately 17 percent of total reports involved mental health-related issues. He noted that this number is difficult to measure precisely because many police calls include some mental health component. He also highlighted that officers spent at least 160 hours on suicide-related calls alone in 2025.

Police Chief Bluml stated that he initially had concerns about creating this type of position within the Police Department. He said he was worried that adding specialized services within the department could require multiple additional professionals across different disciplines. However, when the grant opportunity became available, he began researching similar programs in other communities.

Police Chief Bluml said he contacted several law enforcement leaders for feedback, including the Anoka County Sheriff, police chiefs from Coon Rapids, Blaine, Champlin, St. Cloud, and Woodbury, as well as representatives from Brooklyn Park and Roseville Police Departments. He reported that the feedback he received from these agencies was overwhelmingly positive.

Police Chief Bluml shared several comments from those agencies. One department reported that the funding helped them launch a behavioral health unit they had been working toward for years. Another department stated that the program significantly reduced mental health-related calls while connecting residents to county resources. Another department said their City has committed to continuing the position even if future grant funding is not awarded. Another agency reported that their social workers have become extremely busy and have been a tremendous asset to their operations.

Police Chief Bluml explained that several agencies initially relied on social workers through county partnerships but later transitioned to having the professionals directly employed by their Police Departments. He said those agencies reported that the program works better when the mental health professionals are embedded within the department and have direct access to police records and information.

Police Chief Bluml also discussed potential funding sources with Anoka County. He noted that some communities are using opioid settlement funds to support these positions. However, Ramsey did not qualify for that funding because the City's population is below 30,000 residents. He said the County did receive funding and discussions have begun about possible partnerships, though nothing has been finalized.

Police Chief Bluml explained that the program would not necessarily involve a co-responder riding with officers on calls. Instead, many agencies have found success with what they call "wraparound services," in which the mental health professional follows up with individuals after a crisis call to ensure they receive appropriate services and support.

Police Chief Bluml emphasized that officers currently do an excellent job responding to mental health calls, even though they are not specifically trained for that type of work. He said having a trained professional available to follow up with individuals, coordinate with healthcare providers, and connect people to resources could significantly benefit both residents and police officers.

Police Chief Bluml clarified that creating this position would not replace the need for police officers. He noted that law enforcement still faces other challenges, including violent crime and gang activity, which require traditional policing resources. He stated that the position should not be viewed as a substitute for hiring officers in the future.

Police Chief Bluml concluded by explaining that the grant would fund the position for two years. However, he emphasized that if the program proves successful, the City Council would eventually need to consider whether to continue funding the position after the grant expires. He said the grant application requires authorization from the City Administrator to sign on behalf of the City, and he is seeking the City Council's direction and support for that request.

Councilmember Buscher stated that she believes the grant opportunity is a very positive opportunity for the City. She said she was excited when she first saw the proposal and had previously discussed similar ideas before joining the City Council.

Councilmember Buscher explained that she believes mental health plays a significant role in many situations handled by law enforcement. She noted that other police departments have implemented similar programs and have seen successful outcomes.

Councilmember Buscher added that although the City does not yet know how the position might be funded after the two-year grant period, the grant would effectively provide a two-year trial period to evaluate the program. She said this would allow the City to determine whether the position positively impacts the community before making any long-term funding decisions.

Councilmember Buscher concluded by stating that she strongly supports the proposal and thanked Police Chief Bluml for bringing the opportunity forward to the City Council.

Councilmember Stewart asked for clarification about the role of the proposed mental health professional. She questioned what specific responsibilities the position would have if the individual did not respond directly to emergency calls.

Councilmember Stewart asked whether the program would involve sending a social worker to calls instead of officers or if the position would primarily provide follow-up and support services after incidents occur.

Police Chief Bluml responded that the social worker would not replace officers as first responders. He explained that officers would still respond first to ensure the scene is safe and to handle the initial situation.

Police Chief Bluml stated that the social worker would typically work from an office within the Police Department and would be available to respond to certain calls upon an officer's request. In those situations, the social worker would travel to the scene in a regular vehicle and provide support once officers determine the situation is stable.

Police Chief Bluml explained that other departments report that when both an officer and a social worker are present, individuals involved in the situation may choose to speak with either one. In some cases, individuals prefer speaking with the officer, while in other cases, they are more comfortable speaking with the social worker. He noted that the social worker can also assist officers by providing guidance and insight during interactions.

Police Chief Bluml added that one of the most significant benefits reported by other departments is a reduction in the number of mental health transports officers must make. He said agencies are also seeing fewer repeat calls from the same individuals because social workers can connect people with appropriate long-term care and support services.

Police Chief Bluml explained that the position would also involve follow-up work after incidents. For example, if officers have responded to multiple calls involving the same individual, the social worker may visit that person the following day to help arrange evaluations or connect them with appropriate services. He noted that social workers typically have stronger connections with healthcare providers and community resources, allowing them to help individuals access long-term care options that officers alone may not be able to coordinate.

Councilmember Stewart asked whether the program would require the City to add a vehicle to the budget if the social worker position is created.

Police Chief Bluml explained that if the City Council directed the grant application, it would include funding for a vehicle associated with the position. He noted that the Police Department currently has a vehicle scheduled for retirement later in the year, which could be used for this purpose.

Police Chief Bluml stated that the department would still include vehicle-related costs in the grant request. He explained that staff have been working with the City's fleet manager to estimate expenses such as fuel, electricity, and vehicle operating costs. He also noted that City staff assisted in calculating additional costs such as depreciation and other operational expenses to ensure the grant request accurately reflects the full cost of supporting the position.

Councilmember Stewart asked whether the Police Department currently has space available in the building to accommodate the new position and whether there would be room for the person to have an office within the facility.

Police Chief Bluml responded that the question of space within the Police Department building is one he has been considering and that he does not yet have a definitive answer. He stated that if the City Council provides direction to move forward with the grant application, the department would then work to determine where the position could be accommodated within the facility.

Councilmember Stewart asked for clarification about the scope of the grant funding. She questioned whether the approximately \$300,000 grant would support only one position or fund multiple staff members.

Police Chief Bluml confirmed that the grant would fund one position for two years. He explained that the position would be for a licensed mental health professional and, based on current salary levels for that role, would likely be six-figure.

Police Chief Bluml stated that when salary and benefits are included, the estimated cost for the position is currently around \$247,000 over the two years. However, updated estimates prepared with assistance from City staff suggest the total cost may be somewhat higher. He noted that the maximum grant amount available is \$300,000.

Police Chief Bluml explained that there are two possible approaches when applying for the grant. One option would be to request a lower amount to increase the likelihood of receiving the grant, but that could make it more difficult to recruit or retain a qualified professional at a lower salary. The other option would be to request the full amount to ensure the City can offer competitive compensation, though that could potentially reduce the chances of being selected.

Police Chief Bluml also noted that, in some cases, grant awards may be less than the requested amount. If that were to happen, the City might not have sufficient funding to move forward with the position.

Councilmember Buscher shared that she has personal experience working with individuals who have interacted with similar programs in other police departments. She explained that having a mental health professional involved can be very helpful for individuals following a crisis, particularly when they are trying to understand what happened and what steps they need to take afterward.

Councilmember Buscher noted that the follow-up component can also be valuable for other professionals involved in those individuals' lives. She said that in her work in child welfare, being able to communicate with someone from the police department who understands the situation can help provide better support and ensure the well-being of families and children involved.

Councilmember Buscher added that she believes the program's benefits could extend beyond the individual receiving assistance, potentially helping families, neighbors, and the broader community by reducing repeat calls and improving outcomes.

Councilmember Buscher then asked Police Chief Bluml whether he has access to anyone who has previously applied for and successfully received the grant. She suggested that speaking with those departments might help determine the best application strategy, such as whether it is better to request the full amount of funding or apply for a more modest amount to increase the likelihood of receiving the grant.

Police Chief Bluml responded that he did reach out to a colleague from Alexandra House who has significant experience writing state-related grants. He explained that she provided helpful insight, although the funding structure of their organization differs somewhat from that of the grant discussion.

Police Chief Bluml stated that she explained that there are generally two approaches when applying for grants. In some cases, applicants request the maximum amount. They may receive only a portion of it, while in other cases, requesting a more moderate amount can result in them receiving the full award.

Police Chief Bluml added that the grant applications are reviewed by a committee rather than solely by state staff. He also noted that several of the police departments he contacted had successfully received the grant in the previous year and were willing to share their budget proposals and application information. He said that reviewing those examples was helpful while preparing the City's potential application.

Councilmember Riley stated that he supports the proposal and likes the idea of having a two-year opportunity to evaluate the program through the grant. He noted that the City would be able to see how effective the program is before deciding whether to fund the position long term.

Councilmember Riley added that while he understands the program would not replace police officers, he believes it could reduce the amount of time officers spend on mental health calls. He suggested this could slow the growth rate of future requests for additional officers.

Police Chief Bluml responded that he understood the reasoning and initially considered a similar possibility. However, he emphasized that the program should not be viewed as a replacement for law enforcement staffing. He explained that the City continues to experience growth and emerging public safety challenges that still require trained police officers.

Police Chief Bluml noted that recent trends, including East African gang-related activity that has been reported in other parts of the county and has begun appearing in Ramsey, highlight the continued need for traditional policing resources. He stated that while a mental health professional could reduce the number and duration of certain calls, the Police Department will likely still need to hire additional officers.

Police Chief Bluml added that in communities where similar programs have been operating for several years, such as St. Cloud, departments have continued to expand their behavioral health programs. He said that, based on feedback from those agencies, Ramsey could eventually develop a dedicated unit for this type of work if mental health-related calls continue to increase.

Councilmember Riley stated that if the City Council approves moving forward with the grant application, he would support requesting funding that accurately reflects the City's actual needs rather than simply requesting the maximum possible amount. He noted that he would defer to those with more experience applying for grants to determine the best strategy for submitting the application.

Councilmember Riley then asked where the position would be located within the Police Department and how the program would be integrated into the department's operations.

Councilmember Specht asked whether the position funded by the grant would be a full-time City employee position with benefits and union affiliation.

Police Chief Bluml clarified that the position would be a full-time City employee but would not be part of a union.

Administrative Services Director Colleen Lascher stated that the position would likely be classified as a non-union City employee. She then confirmed whether that the position would not make it one of the highest-paid positions within the City.

Mayor Heineman noted that the estimated cost discussed for the position includes more than just salary. He explained that the amount also covers related expenses such as cell phones, computer equipment, and office setup.

Mayor Heineman added that the average cost for the position would be approximately \$120,000 per year, totaling around \$240,000 over the two-year grant period.

Councilmember Olson suggested that when preparing the grant application, it may be helpful to include some financial cushion beyond the basic estimated cost. He noted that if the current numbers leave little flexibility, it could be wise to account for potential unexpected expenses. He recommended requesting the amount needed for the position, with a modest buffer to cover contingencies or unforeseen costs.

Mayor Heineman asked if the City Council had any additional questions or comments regarding the item. After confirming that there were none, he moved the meeting forward.

3. TOPICS FOR FUTURE DISCUSSION

3.01: Review Future Topics/ Calendar

Noted.

4. MAYOR / COUNCIL / STAFF INPUT

None.

5. ADJOURNMENT

The Work Session of the City Council was adjourned at 6:53 p.m.

Respectfully submitted,

Brian S. Hagen
City Administrator

ATTEST:

Katie M. Schmidt
City Clerk

Drafted by Sue Osbeck
TimeSaver Off-Site Secretarial, Inc.