



MINNESOTA SHOPPING  
CENTER ASSOCIATION



Re-Envisioning the Future of  
Development  
'It's more than just a name change'



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RAMSEY, MINNESOTA

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City of Ramsey, MN



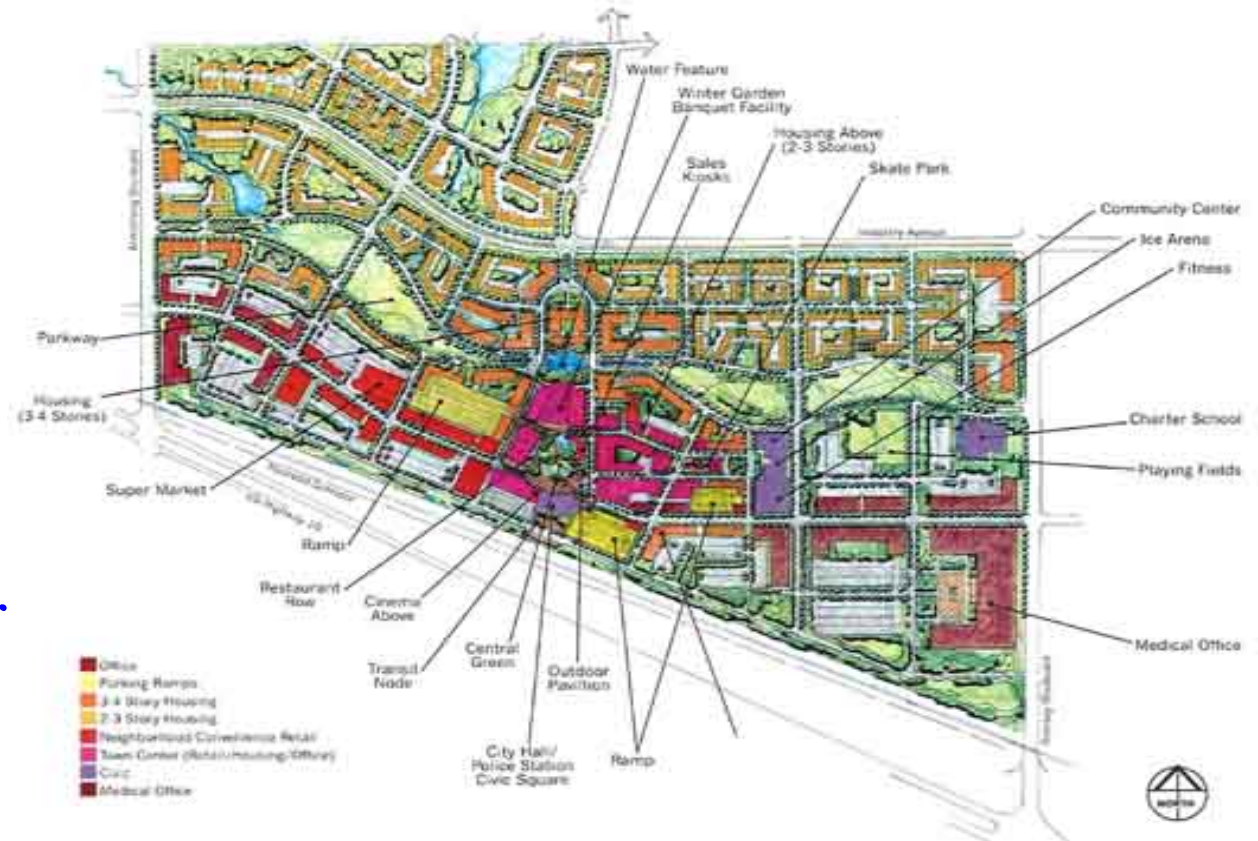


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# RTC

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## Ramsey Town Center



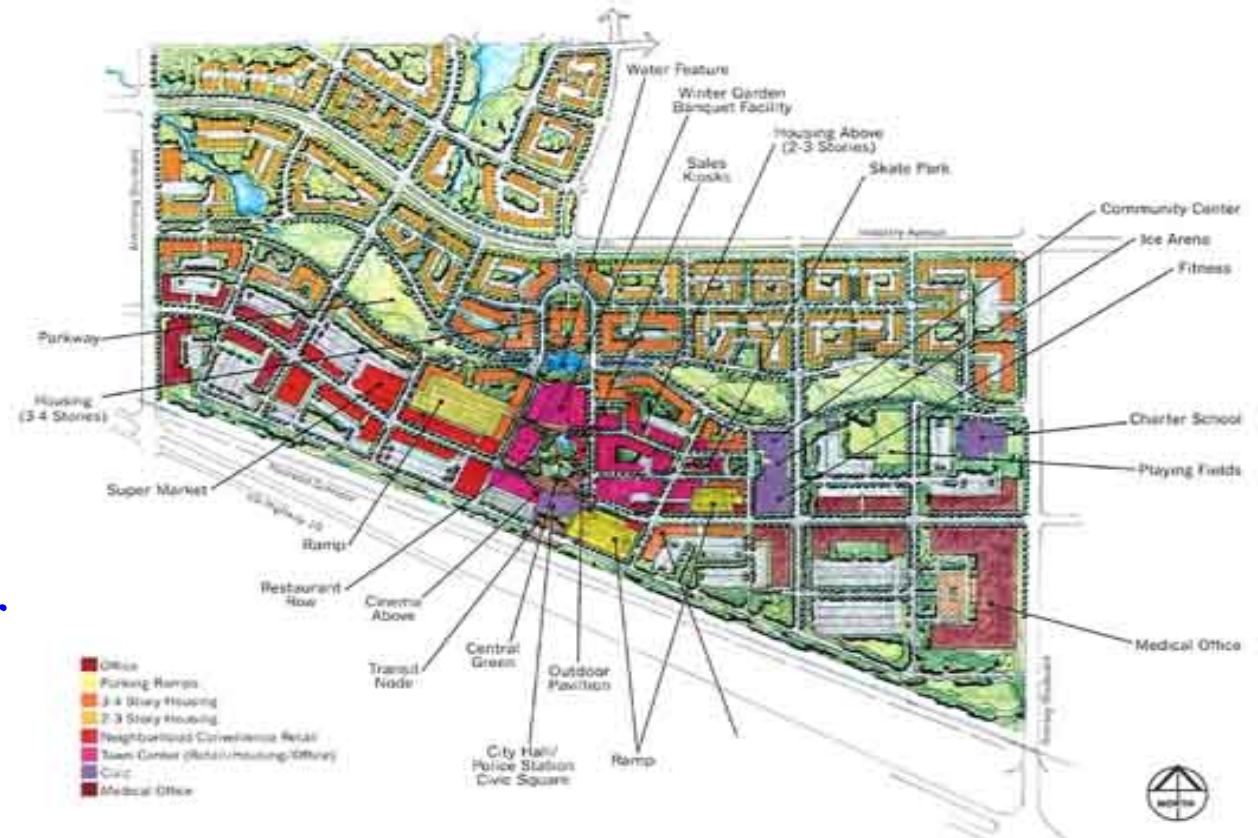
- 322 Acres
- 2,200 Housing Units
- 775,000 sq. ft. commercial, retail, office, civic uses
- 35 acres parkland



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# RTC

## Ramsey Town Center



**1998** – Comp Plan Amended contemplating downtown development

**2000-2003** – Planning and Approvals

**2005** – City Constructs Municipal Center

**2006-2008** – Development struggles and falls into foreclosure

**2009** – HRA acquires remaining 150 acres out of foreclosure

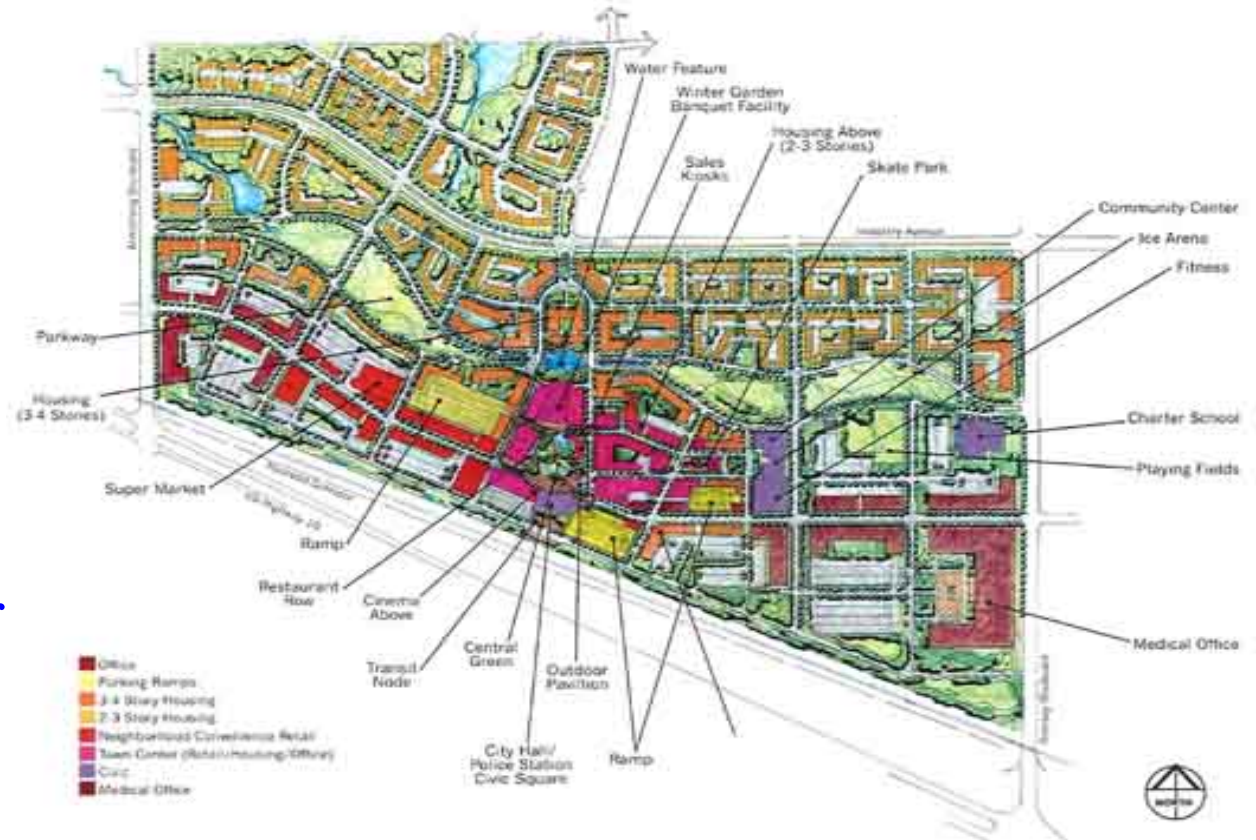




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# RTC

## Ramsey Town Center



### Public Investment

- \$ 420,000 Northstar Commuter Grant
- \$ 2,873,659 MSA Funds
- \$ 800,000 Met Council Grant (Sunwood Drive)
- \$ 2,210,000 Met Council Grant (Parking Structure)
- \$ 350,000 Met Council Grant (Amphitheatre)



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## Constructed Projects

- Northstar Marketplace
- Municipal Center
- 600 stall Parking Structure and transit center
- Ramsey Office Plaza
- Midwest Medical Examiners Office
- NAU Insurance
- PACT Charter School
- Approximately 250 residential units





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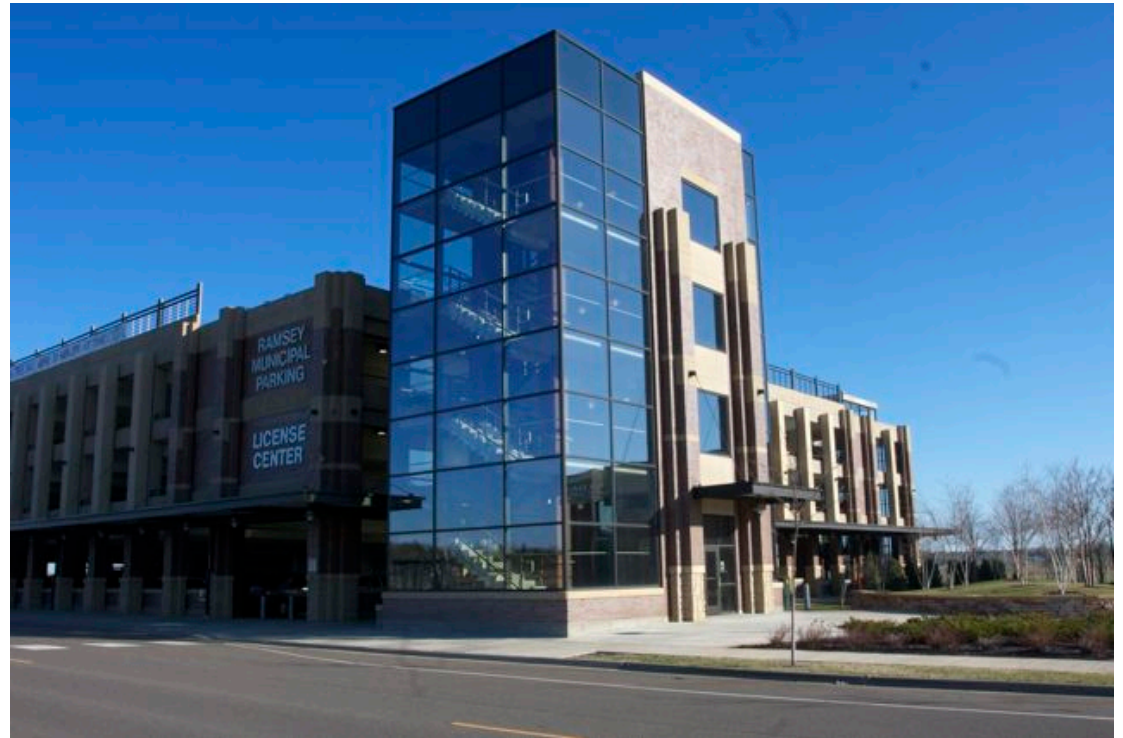




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## Transit

- Ramsey Star Express
- Anoka County Traveler
- Northstar Commuter Rail







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## Acquisition

- Ramsey Acquires approximately 150 acres
- 19 participating banks
- \$12m in municipal investments protected
- Strength of the development agreement
- **\$6.75 Million**
- **Bank paid outstanding taxes**







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**Legend**

2010 COR Ownership

**OWNER**

- ANCHORS AWAY INC
- DR HORTON INC
- K HOVNIANIAN T & C HOMES AT MINNESOTA
- MN STATE OF IN TRUST
- PSD LLC
- RAMSEY CITY OF
- RAMSEY CITY OF HRA
- RAMSEY NON BUILDABLE
- RAMSEY PARK
- RAMSEY, CITY OF



**Overview of the project**

- 400 acre Project
- HRA acquired 150 acres
- 118 acres net developable



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## OWNERS!

- Now What?
- HRA Decides to shepherd project to better economic times.







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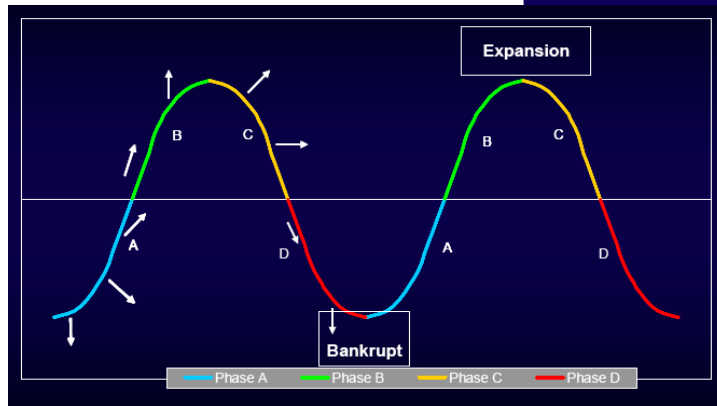
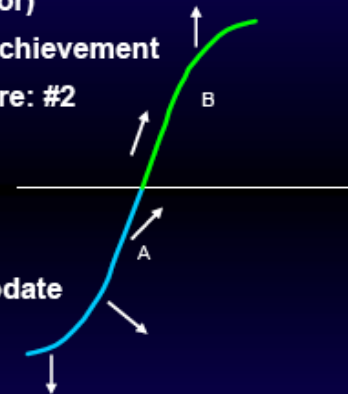
### DEVELOPMENT GOALS

1. Positive Leadership
2. Establish Goals
3. Develop Systems
5. Standardize Process
6. Expand Credit
6. Growth Readiness
8. Competitive Advantages
9. Invest in Market Studies

### Phase Management Objectives™ :

#### Phase Late A - Recovery:

1. Positive leadership modeling (culture turns into behavior)
2. Establish goals: tactical goals which lead to strategic achievement
3. Develop a system for measurement and accountability re: #2
4. Align compensation plans with #2 and #3
5. Process standardization
6. Judiciously expand credit
7. Check distributions systems for readiness to accommodate increased activity
8. Review and uncover competitive advantages
9. Invest in customer market research (know what they value)
10. Improve efficiencies with investment in technology and software



itreconomics.com

**MARKET CYCLES**  
**Currently in Early Phase A**



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## Re-Visioning effort

- Community Input
- Scope, scale, and uses
- Community Components

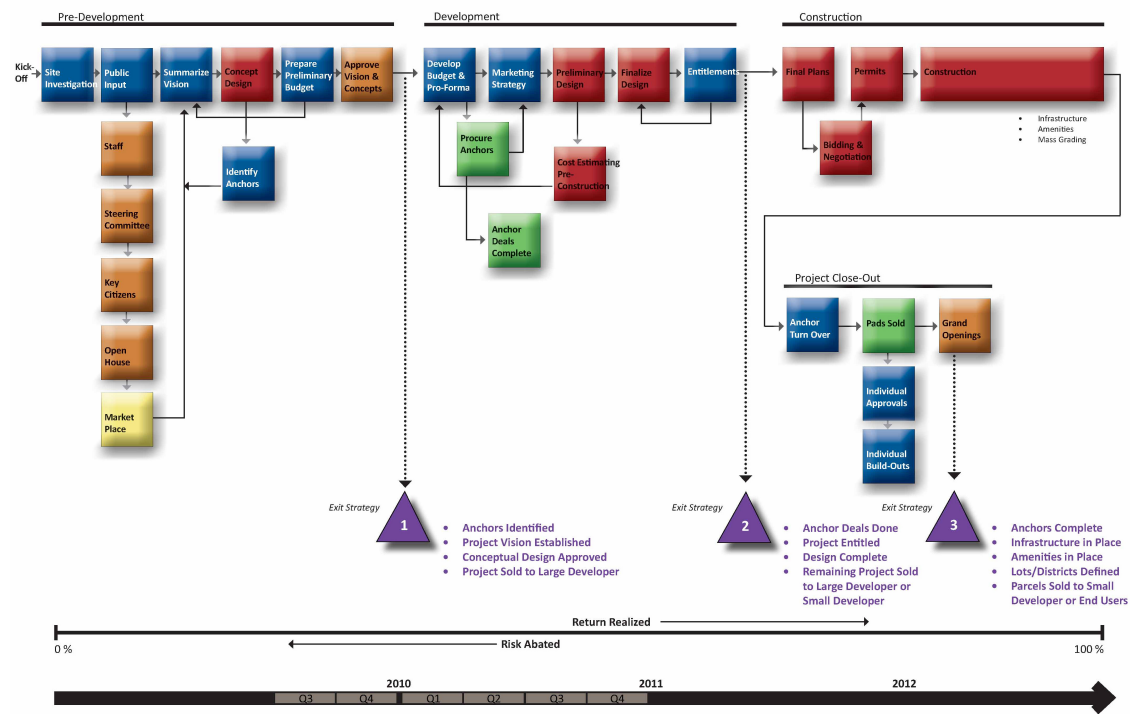




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## Re-Visioning effort

- Timeframe expectations for build out
- Concept of *'Patient capital'* Clarified





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- Challenges in this particular development and this environment necessitate the public realm take on a new role to shepherd the project to the other side
- Need to ‘clear the slate’ on former Master Developer issues
  - Master Development Agreement, Master declaration, title, zoning, design guidelines, existing owner concerns, etc.



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# The History of P3 Partnerships

## Traditional **public** role:

- Site assembly, acquisition, infrastructure/ transportation improvements, pursuit of grants, incentives, streamline entitlement process

## Traditional **private** role:

- Role of developer, site planning, entitlement, build improvements, secure tenants, market/ brand





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## Reconsidering the Public-Private Partnership (P3)

- Forget the past roles
- Reconsider vision and goals
- Assess impediments to successful development
- Try to identify a successful process
- Continually reassess



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## Private Realization of Public Realm

- Public data, meetings – challenge to development relationships
- Transparency of the deal
- City creates “Chinese wall” for HRA business

## Public Realization of Private Realm

- Need to operate as “developer” – Understand Development – Entitlement phase continuing efforts.
- Move at “speed of business” vs. the “speed of democracy”
- Become more familiar with market force realities



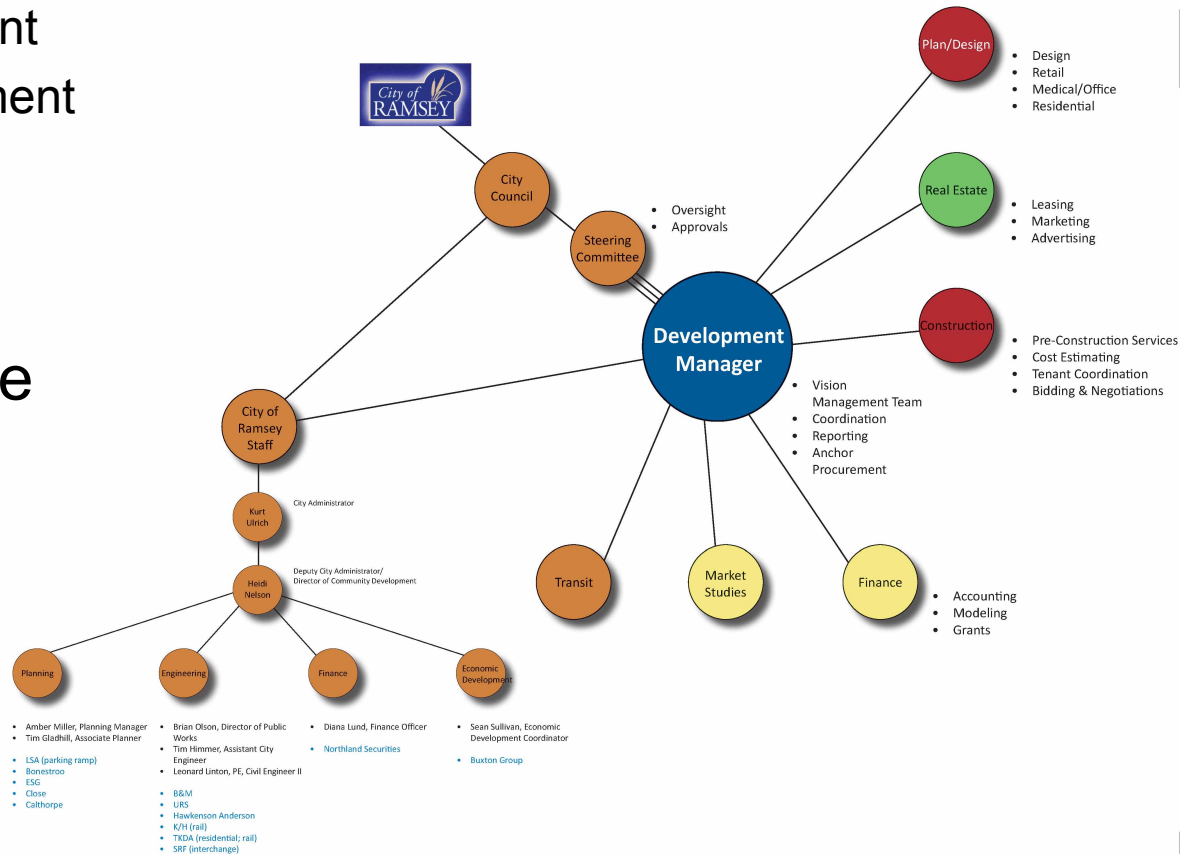
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## Build Team

- Design and Development
- Development Management Structure
- Operate like a business

## Organizational Structure

- Reporting
- Communications
- Management





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# Establishing a basis for the project

- Land acquisition
- Infrastructure (public and developer improvements)
- Capture return for public investments previously made in infrastructure
- HRA establishes dashboard and balance sheet for the project
- Broader measure of return – Fees, tax base, amenities, etc.
- ROI?

**RTC DEVELOPMENT DASHBOARD**

**Project Info:**  
 Project Name: [redacted]  
 Site Plan Reference: [redacted]  
 Tract No: [redacted]  
 Development Manager: [redacted]

**Project Status:** Active    SF: [redacted]    SF %: [redacted]    ADG & PDP: [redacted]    Units/SF: [redacted]    Residual Value: [redacted]

**Land Acquisition**

Acres: 14.488,218

**Costs:**  
 Land Acq: \$14,488,218  
 Other Costs: \$27,312,000  
**Total Costs: \$41,800,218**

**REVENUES**

Subtotal: \$14,822,000

**EXPENSES**

Subtotal: \$27,312,000

**NET REVENUE: \$12,482,000**

**VALUATIONS**

Category	Value
Land	\$14,488,218
Buildings	\$18,750,000
Other	\$10,000,000
<b>Total</b>	<b>\$43,238,218</b>

**NET ASSETS: \$12,482,000**

**LIABILITIES: \$0**

**NET EQUITY: \$12,482,000**

**ROI: 100.00%**

**Summary:** Development Cost Area: 227,689.21; Development Cost: 8.68; Site: Single Store





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## Bringing the project to the Market & Community

- Re-branding and developing a marketing/communication plan
- Marketing on a city budget, push and pull of desire to maintain the brand/image
- Taking the brand and project to public events
- Ring the bell with successes, press release for milestones, deals – build community support and market recognition
- Talk to the marketplace – and the Public





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**LAND DESIGNATION**

- PARK/PUBLIC SPACES
- PARCELS FOR SALE
- PARCELS OWNED BY OTHERS

**DEVELOPMENT STATUS**

- EXISTING DEVELOPMENT
- PROPOSED DEVELOPMENT
- ACTIVE DEALS
- UNDER CONTRACT





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## Build momentum

## Bring relationships to the project

- Housing, larger retail partners
- Moving them to perform with creative partnerships
- Involving local home builders to create buy-in and support

## Focus on Catalyst Project



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## Public Projects

- Signage
- The Draw – Park and Amphitheatre
- Streetscape Improvements
- Northstar Commuter Rail
- Armstrong Overpass
- Utility Coordination







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# Facilitating Deals

## Incentives and Financing

- City receives authority for new tax increment financing district for construction of interchange, rail station, road and parking improvements, incentive for private development
- City contemplates Special Service District to replace Association
- Consideration of land write-downs, city participation in infrastructure,
- Creative terms on disposition of land

## Catalyst Projects

- What is the best first step?





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## Project Examples and Structures

1. Senior Living Project
2. Residential Projects
3. Community Center
4. Market Rate Apartment





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## Market Rate Apartment Project

- 230 units
- Transit oriented
- High amenities
- Wraps existing parking structure



THE residence



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## Other Projects Underway

- Allina Medical Clinic
- VA Outpatient Clinic
- 87 Assisted Living Units
- +/- 30 Single Family Lots
- Legacy Christian Academy

## Projects in Discussions

- Large Retail Partner
- Retail Anchor
- Retail/Pharmacy
- Private Colleges
- Daycare







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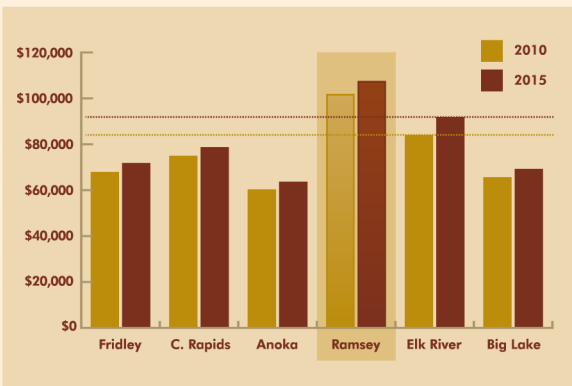
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### Northstar Train Station Demographic Comparison

	Fridley	Coon Rapids	Anoka	Ramsey	Elk River	Big Lake
2010 Population	26,744	63,929	17,397	22,879	23,957	4,555
2015 Projected Population	24,548	63,579	16,025	28,501	28,999	5,420
2010 Average Household Incomes	\$67,931	\$75,003	\$60,353	\$101,905	\$84,054	\$65,663
2015 Projected Average Household Incomes	\$71,838	\$78,760	\$63,691	\$107,592	\$91,855	\$69,245
2010 Median Household Incomes	\$57,112	\$67,063	\$48,511	\$85,043	\$75,110	\$58,167
2015 Projected Median Household Incomes	\$61,218	\$71,611	\$50,996	\$90,743	\$83,467	\$60,798

Demographic Source: Applied Geographic Solutions / TIGER Geography

### 2010/2015 Average Income



### Transit Corridor Demographics





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Given the foundation outlined...

What impediments to successful development would exist?

What other partnership roles can the public play in overcoming those impediments?



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