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**Sponsor:** Community & Economic Development, Finance

**Meeting Date:** 6/25/2024

**Title:** Rice Creek Commons Annual Financial Report and Combined Project Budget

**File Number:** 2024-171

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**Background and Rationale:**

On November 27, 2012, by Resolution 2012-342, the Ramsey County Board approved the Joint Powers Agreement (JPA) with the city of Arden Hills for redevelopment of the Twin Cities Army Ammunition Plant (TCAAP) site and authorized the establishment of the Joint Development Agency (JDA). Under the JPA, the JDA is required to present to the county an annual financial report and budget.

This request for board action (RBA) is to submit the 2023 Annual Financial Report (Attachment 1) for revenues and expenditures related to the redevelopment of the Rice Creek Commons (RCC) site (formerly known as TCAAP) and to submit the 2024 RCC Combined Project Budget (Attachment 2).

Throughout the years, the RCC overall project budget has been amended through board approved RBAs. The current RCC total project budget is \$43,728,226 (Attachment 2). The combined budget is accounted for in three projects budgets: RCC Development account, RCC Land Acquisition and Remediation account and RCC Predevelopment account.

This request also authorizes a loan from the general fund of \$500,000 to support project costs. Recently, the project team identified \$500,000 in additional project needs. Ultimately, this will be funded with proceeds of the sale of Outlot A. However, the sale will not be fully executed until quarter 1 or quarter 2 of 2025. As a result, a loan from the general fund is requested to fund the work until the sale is completed.

Progress on RCC continues in earnest, as county staff work with the city of Arden Hills and other external partners on the development project. County costs associated with this work includes the support of consultants such as environmental attorneys, engineers, and communications professionals. Under the JPA, the county funds the work of the JDA until the JDA begins to receive revenue from development fees and other related sources. These JDA costs include administration, insurance, legal support, communications support, green energy consultants, and other miscellaneous items.

**County Goals** (Check those advanced by Action)

Well-being

Prosperity

Opportunity

Accountability

**Racial Equity Impact**

The redevelopment of RCC will contribute toward tax base development, job creation, affordable housing development, and environmental remediation of brownfields.

Ramsey County has large racial disparities between residents of color and white residents particularly in the housing sector. These disparities include a disproportionate number of African American and American Indian residents experiencing homelessness compared to white residents.

Generally, residents of color are more likely to rent than own their own home and be cost-burdened by housing costs compared to white residents. Investment in the development of new housing is critical to unlock new opportunities Ramsey County residents, and particularly residents of color, to rent and buy high-quality, affordable homes and make progress toward undoing these historical and lasting inequities.

**Community Participation Level and Impact**

Financial reports are a critical component of transparency with and accountability to county residents on the financial accounting of the RCC project.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

There will be a temporary fiscal impact to the general fund as a result of this loan. However, over the long term this is not expected to impact the county general fund or tax levy. The general fund is able to afford the \$500,000 loan and remain within the county fund balance policy.

The \$500,000 loan will increase the Rice Creek Commons combined project budget total from \$43,728,226 to \$44,228,226, which will be reflected in the 2025 Rice Creek Commons Combined Project Budget.

**Last Previous Action**

On January 16, 2024, the Ramsey County Board approved the Purchase and Sale Agreement with Ryan Companies for Rice Creek Commons Outlot A (Resolution B2024-016).

On May 16, 2023, the Ramsey County Board accepted the 2022 Rice Creek Commons annual report and approved the 2023 Rice Creek Commons combined project budget (Resolution B2023-073).

**Attachments**

- 1. Rice Creek Commons 2023 Annual Financial Report
- 2. Rice Creek Commons 2024 Combined Project Budget

**Recommendation:**

The Ramsey County Board of Commissioners resolved to:

- 1. Accept the 2023 Rice Creek Commons Annual Financial Report.
- 2. Accept the 2024 Rice Creek Commons Combined Project Budget.
- 3. Approve a \$500,000 loan from the general fund to the 2024 Rice Creek Commons Combined Project Budget to be paid back upon the execution of the sale of Outlot A.

A motion to approve was made by Commissioner Moran, seconded by Commissioner Reinhardt. Motion passed.

Aye: - 6: Frethem, Martinson, McGuire, Moran, Reinhardt, and Xiong

Absent: - 1: Ortega

