1. CALL TO ORDER

Mayor Rice called the meeting to order at 7:00 p.m., followed by the Pledge of Allegiance.

2. ROLL CALL

Present at roll call: (Remotely present) Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp.

Staff present: (Physically present) City Manager Greg Lee; Police Chief Eric Peterson; Public Services Director Mark Anderson; Community Development Director Doug Borglund; City Planner Clark Palmer; and City Attorney Scott Baumgartner.

Additional staff present: Police Captain Andy Youngquist; Assistant Fire Chief Todd Schewe; Electric Utility Director Greg Geiger; Public Services Administrator Lisa LaCasse.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 Minutes of the May 4, 2020, Local Board of Appeals and Equalization.

Minutes of the May 4, 2020, Regular Meeting.

Motion by Councilmember Skogquist, seconded by Councilmember Wesp, to waive the reading and approve the May 4, 2020, Local Board of Appeal and Equalization and the May 4, 2020, Regular Meeting minutes as presented.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

CONSENT AGENDA WAS ACTED UPON AT THIS POINT IN THE AGENDA.

4. OPEN FORUM

4.1 Police Activity Update.

Police Chief Eric Peterson provided an update to the response plan to the COVID-19 pandemic and ways to ensure continuity of service in Anoka. He shared that to
date calls for service were down six percent from this time last year but were beginning to pick up slightly in May due in part to increased domestic violence calls and more calls for medical assists. He provided updated statistics on increased testing, positive tests and fatalities in Minnesota, Anoka County, and the City and shared Anoka-Champlin Fire Department delivered 800 donated cloth masks to long-term care facilities. He said the Governor’s peacetime emergency was still in effect and the Stay at Home expired today with a new plan to reopen some businesses with restrictions. Chief Peterson noted City Hall reopened as well with social distancing and that closures of restaurants and salons was extended until June 1, although some locations in Minnesota were opening in violation of the Governor’s order. He said the Department of Alcohol and Gambling sent letters to all license holders advising them to remain closed and that enforcement would investigate and take action for non-compliance if needed. Chief Peterson said while sympathetic to bars and restaurants police staff was committed to ensuring all locations were operating within the law.

Councilmember Wesp asked if any complaints had been received about locations in Anoka not going to comply. Chief Peterson said staff had not received any complaints to date but understood one location had spoken about not complying but has not opened as of yet.

Councilmember Freeburg commented about the differences in opening a small clothing store versus larger big box stores. Councilmember Barnett noted Jensen’s was open and was being creative in keeping customers safe and as we begin moving into more locations opening asked about the Anoka County Board’s resolution to the sheriff’s office to not interfere with business openings and how the City was working in light of that direction. Chief Peterson said he was not familiar with the resolution but has been working with other agencies and has worked in conjunction with the State and Anoka County Public Health to provide guidance and education to businesses, adding he was compelled to uphold the law up through prosecution.

City Attorney Scott Baumgartner commented on the County’s proposed resolution and noted different drafts had circulated through social media but nothing was actually adopted.

Councilmember Skogquist said a final version of the resolution will be before the Board at their next meeting for consideration but was directed more regarding the Stay at Home order. He thanked Chief Peterson and his team for their work in balancing educating businesses about the new order which affects all businesses equally at 50% capacity.

Chief Peterson noted no official enforcement action had occurred in the City to date regarding the order and he did not anticipate that to change and hoped this rebound would be profitable for everyone.
4.2 Proclamation; National Public Works Week; May 17-23, 2020.

Public Services Director Mark Anderson stated National Public Works Week (NPWW) is a celebration of the tens of thousands of men and women in North America who provide and maintain the infrastructure and services collectively known as Public Works. Instituted as a public education campaign by the American Public Works Association (APWA) in 1960, NPWW calls attention to the importance of public works in community life and highlights the professionals who serve the public every day. He shared photos of staff working in the City in streets, parks, utilities, and special events and said they remained busy during this time by working in crews of three or less and had no illnesses reported to date. Mr. Anderson said he was very proud of the level of service public works staff provides to the citizens each day.

Councilmember Wesp commented on the number of snow events last year and complimented staff on the wonderful job crews do having streets plowed early to ensure businesses could open and customers be able to park and thanked the team for their work.

Councilmember Freeburg agreed, noting the added task of snow removal in the downtown area was important to ensuring access to businesses. Mr. Anderson said the downtown area was a lot of work and said staff made a commitment early on to change the snow removal process to make removal quicker.

Mayor Rice read the Proclamation into the record and commented how the community’s lives are truly affected by staff in Public Works.

Councilmember Skogquist agreed, stating street reconstruction work was occurring in his neighborhood during the meeting and he how pleased he was with their work.

OTHER INFORMATION UNDER OPEN FORUM

None.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Councilmember Skogquist inquired about the temporary construction easements by MnDOT and the resurfacing project on Ferry Street and noted by the crosswalk and walk bridge and if the signal would be replaced completely could the switchbox be placed on the south side of the walk bridge to retain property by the amphitheater Mr. Anderson
said he was unsure about the specific plans but would share these comments as there was still time to make those adjustments.

Motion by Councilmember Skogquist, seconded by Councilmember Barnett, to approve Consent Agenda 6.1 through 6.3.

6.1 Approve Verified Bills.

6.2 Revising and Setting Council Calendars.

6.3 MnDOT TH-47 Resurfacing Project; Approve Permits for Temporary Construction on City Parcels.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMISSIONS

7.1. Planning Items

7.1.A. ORD/David Weekley Homes 4th and Rum River Planned Unit Development.

(1st Reading)

Community Development Director Doug Borglund shared a background report stating David Weekley Homes has submitted an application for a site plan review, preliminary plat, and rezoning to Planned Unit Development or “PRD” to construct a 56 unit detached townhome development on 4th Avenue and the Rum River. He said it was the applicant’s intent to provide a unique single-family residential development that will be enhanced by proximity to local amenities such as the Rum River, the Rum River Regional Trail, proximity to downtown Anoka, and the Northstar commuter rail and transit station. The development has been designed with significant pedestrian connectivity both internally and connection to the external regional trail. The internal trails will be private sidewalks, but the development plans also propose a new public sidewalk along 4th Avenue and new public trail to the south which will help provide greater public access to the Rum River Regional Trail for the area as a whole. All proposed units have direct connections to either the new public sidewalk or to the private walkway system, which is connected to the public walkway or trail. The proposed Riverside Preliminary Plat encompasses 12.1 acres of vacant land. The Preliminary Plat creates a net 5.6-acre parcel hosting 56 lots within a parcel fronting on an existing public right-of-way known as 4th Avenue. The lots are accessed from a private street within the development. The applicant is proposing to rezone a 5.6-acre area to a Planned Residential Development
(PRD) to accommodate a 56-unit detached townhome development. For PUD’s, the various zoning regulations and requirements which may apply to the original zoning district may be considered as guidelines only and may be departed from in the approval of a planned unit development. He said the Planning Commission recommended approval of the Planned Unit Development with several conditions and that since the Planning Commission meeting, staff has worked with the applicant to address conditions set forth by the Planning Commission. He noted updated elevations would be developed between the first and second reading.

Councilmember Freeburg asked if the City retained ownership of the stone wall by the river and said he would like to see the fire department conduct a controlled burn along the wall at some point to better exposure the wall. Mr. Borglund said the City is retaining a portion of the 5.7 acres west of the trail which includes the wall.

Councilmember Barnett asked if the housing examples have been finalized and asked how many will be three-story versus two-story. Mr. Borglund said the majority of the units’ market would respond to two-story but some would be three-story and that a variety of styles would be provided to help achieve that differentiation.

Councilmember Freeburg commented on the need to loop the watermain to ensure adequate water pressure.

Councilmember Barnett asked about community gathering space then referred to the significant parkland dedication fee and suggested we do something with our City space and work with the DNR on Rum River and 4th Avenue for future park space. Mr. Borglund said the plan was to use the funds to construct a new park to the south. City Manager Greg Lee said staff was working on a public landing in the area and was working with the DNR on impervious area issues but plans to move forward with this near the stormwater regional pond.

Councilmember Skogquist said he liked the style and layout and quality of the proposed project and asked if the mature stand of oak trees could be incorporated into their plan to retain. Mr. Borglund commented about the 3-6 foot retaining wall on Outlot E towards 4th Avenue and grade change.

Mark Roush, Alliant Engineering, said they would have liked to save more trees and noted the substantial pine was retained along with some trees on Outlot E but with the grades wanting to drain north there was a need to bring up the grade in this area.

Councilmember Skogquist encouraged the applicant not to impact the arched trees on the west side of the property if at all possible.
Councilmember Freeburg referred to oak wilt still occurring and requested while branch trimming that wounds be sealed to prevent transmission then confirmed the homeowners’ association would mow areas through a contractor.

Councilmember Barnett said she was excited about the project and partnership and based on the Planning Commission’s input was supportive of their recommendation.

Motion by Councilmember Barnett, seconded by Councilmember Wesp, to hold first reading of an ordinance rezoning to Planned Residential Development – 4th Avenue and Rum River detached townhomes.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Mayor Rice thanked everyone for their hard work on this project and thanked David Weekley for making this investment in the City.

7.1.B. RES/Conditional Use Permit and Site Plan Review for Anoka Middle School for the Arts, Fred Moore Campus, 1523 5th Avenue.

RESOLUTION

City Planner Clark Palmer shared a background report stating on behalf of the Anoka-Hennepin School District, Anderson-Johnson Associates, Inc. is proposing two building additions and parking lot improvements at the Anoka Middle School for the Arts, Fred Moore Campus located at 1523 5th Avenue. The proposed building additions includes a 24,000 SF (footprint) addition located at the main entry of the school at the south side of the building. Currently the main entrance has two entryways, one of which is ADA accessible, the other is not. The new main entry will be improved with one entrance accessible by all students. The administrative offices will be relocated within the new addition near the main entry. The addition will also include a new cafeteria that is currently located in the lower level of the existing school. The existing cafeteria will be converted into a learning center and classrooms. The addition will also include a new loading dock for deliveries located off of 4th Avenue. A second building addition of approximately 2,570 SF (footprint) will be located at the northwest of the building near the northern parking lot. This addition will include a new improved entrance and community room. Other improvements include a new amphitheater located between the new main entry addition and existing building (accessible only from inside of the facility), a new elevator for ADA accessibility to the top floor of the school where classrooms are located, an expanded northern parking lot to replace lost parking due to the south building addition covering over a
portion of the existing parking lot. A portion of the proposed expanded northern parking lot is located on City property. The City is currently working with the school district to consider selling the land they need for their proposed improvements. If their land use application is approved and staff is directed by City Council, a purchase agreement will be prepared and brought before City Council for consideration at a future meeting.

Mr. Palmer said the project was reviewed by the Planning Commission at a work session on September 17, 2019 and at a joint work session on January 27, 2020, and while overall feedback on the project was positive both the Planning Commission and City Council expressed concerns about inadequate parking if the school is expanded. The School District was therefore asked to investigate options for securing additional parking. The outcome of this was the School District and Zion Lutheran Church entering into a shared parking agreement for an additional 25 stalls for a period of one year. The Planning Commission expressed concerns with the shared parking agreement being a short-term solution and in response the School District said they are willing to extend the shared parking agreement up to five years as well as cap student enrollment until a time when additional permanent parking can be secured. The Planning Commission is recommending approval with conditions intended to mitigate concerns related to parking, such as in case the shared parking agreement is terminated or expires prior to the School District securing additional permanent parking.

Eric Anderson, ATS&R, presented the project in more detail and shared the 24,000-square foot proposed addition to the south of the property for main office, entry, cafeteria, common space, student support, and track and field support. He shared proposed materials of brick and stone to ensure seamless integration and explained how the light well to help draw light into the basement area. He spoke about plans to allow community use of the space and the flexible team learning area then shared more about the administration area and purposes of safety and security of students and staff and providing one common ADA accessible entry. Mr. Anderson noted the addition of an elevator provided ADA access to the third floor then spoke about the outdoor learning area with tiered seating for performance arts, etc.

Mr. Palmer outlined the proposed parking plan and the loss of 26 stalls on the south and how the northern area would be expanded by 29 stalls for a net gain of 3 stalls then shared how the parking would encroach over the area for the pond for the water treatment plant and said staff was working with the school district to sell that portion of the property at $2/square foot. He commented on past work sessions and outlined concerns raised about insufficient parking and shared parking agreements with Zion Lutheran Church for 25 stalls but only a short-term solution was reached.
for one year. He spoke how the school district agreed to cap enrollment if the shared agreement expired or was terminated until permanent parking was secured then outlined the proposed landscaping plan, grading, drainage, and stormwater plans and the Planning Commission’s recommendation and conditions in detail.

Councilmember Skogquist asked if there would be separate areas for music and arts or would it all be flex space. Mr. Anderson said the choir space would be relocated and the band/orchestra area would remain and that community spaces were being created similar in size for team activities as needed.

Councilmember Freeburg asked if the pools were still in use in the schools. Steve Anderson, Director of Buildings and Grounds - Fred Moore Middle School, replied all pools were still functioning with the exception of the Coon Rapids Middle School.

Councilmember Barnett asked about impacts of decreased enrollment based on the number of available parking stalls. Mr. Anderson explained this was a magnet school and that students come from eight other schools and how they can control enrollment from the outside, adding they anticipated a decrease based on the most recent demographic study conducted.

Councilmember Freeburg shared many generations of families attended this school and that it has been good to see the school expand and flourish over the years and that he looked forward to the proposed improvements.

Councilmember Skogquist agreed, stating it was good to see art expand and the auditorium used and thanked the school district for their thoughtful and smart way surrounding the additions and suggested they consider utilizing the parking lot across from 5th Avenue for staff for parking as nothing was planned for that lot and would be an easy solution.

Mr. Anderson said they have looked at that site and believed another adjacent site would work better for the long-term parking solutions.

Motion by Councilmember Freeburg, seconded by Councilmember Barnett, to adopt a resolution approving a Conditional Use Permit and Site Plan Review.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist and Wesp voted in favor. Motion carried.
7.1.C. ORD/Chapter 74, Article V, Division 3, Section 74-241(f) (1); B-6 Permitted Uses.
(1st Reading)

Mr. Palmer shared a background report stating the applicant currently operates five other currency exchange businesses in the Twin Cities metro including locations in Coon Rapids, Blaine, Fridley, Brooklyn Park, and Columbia Heights. The property at 2353 7th Avenue was located within the B-6 Neighborhood Commercial Business District and was the former US Bank. The use of currency exchange is not a listed use and is therefore considered prohibited. The applicant is requesting a zoning text amendment to the Zoning Code to allow for the proposed use within the applicable zoning district. The City has 4 separate areas zoned B-6. If approved, the proposed use would be allowed as a permitted use throughout all of the B-6 zoning districts. Also, if approved, the applicant may seek a Conditional Use Permit (CUP) for use of the existing teller window. The Minnesota Department of Commerce regulates currency exchange businesses are require licensing to prevent fraud and require that fees charged for services are “fair and reasonable.” In review of the proposed text amendment, the City Council should consider whether the application is or is not consistent with the Comprehensive Plan, purpose and intent of the zoning district, and is anticipated to have negative effects on public health, safety and welfare. The Planning Commission reviewed the application and held a public hearing on May 5, 2020, and staff contacted police departments in the cities of Coon Rapids, Blaine, Brooklyn Park, Fridley and Columbia Heights to request calls for service over the past 5 years for locations of Your Exchange businesses in those cities and were included in the packet as well as the Police Chief’s recommendation.

Scott Bennett, Your Exchange, shared his background and operations of Your Exchange that includes bill pay for utilities, fax/copy/scan services which has increased since unemployment has increased, postage services, money orders, long distance calling cards and prepaid cell phone services, prepaid debit cards, and commercial accounts to cash payroll checks. He shared their first quarter statistics and said they were considered an essential business during the pandemic then spoke about differences between banks and other financial services and how they offer very similar services as a bank. He spoke how they were regulated by Department of Commerce, Financial Crimes Network and the IRS and undergo business monitoring annually. Mr. Bennett spoke about the current status of the location and the need of these services to the area then spoke about the Planning Commission’s public hearing that included a letter regarding to the number of alarm calls and how he had no chance to respond. He noted calls included attempted cashing of fraudulent checks and how those calls send the message to criminals to stay away because
this activity is not tolerated and how they help apprehend those individuals. He spoke about ways to reduce calls to police that included two security camera motions and a text first before calling the police then spoke about the differences in calls in Columbia Heights and Brooklyn Parks versus the proposed Anoka location and how they prevent future crimes through proactive actions. He spoke about Blaine’s location in a strip mall where the nearby businesses are closed due to the Governor’s order and how they rely on a security officer as well as police during this time then spoke about the importance of calling the police when needed and how they meet with each city’s police chiefs to help create the best plan.

Councilmember Barnett asked about number of calls to the existing currency exchange location in Anoka and insights into calls to typical banks in the community. Chief Peterson replied his recommendation was based on calls for service both to Your Exchange locations throughout Anoka County and noted that check cashing services are a legitimate business and at no time has Your Exchange been suspected of fraud but said these locations tend to be victimized or result in complaints more so than a standard bank. He said they have been in existence for a long time and have investigated crimes in the past and while less are still occurring more so than a typical bank. Chief Peterson said while they offer valuable services to the public this use comes with some criminal activity and if not offered criminals would likely not attempt to go to standard banks and therefore would deter crime. He said Mr. Bennet works well with the police and if approved is confident he would continue to work in partnership to help decrease crime although he believed crime would still increase as their main goal was to make a profit.  

Mayor Rice asked if the business was the victim of crimes or more often another business or community member with fraud. Chief Peterson replied businesses typically stop the check before the fee is paid and that the individual the check is forwarded to is the victim of the crime.  

Councilmember Wesp said it is important to realize the applicant’s objective is to grow their business but we have a police chief whose business it is to make the community safe and that it would be important to see the activity at the former UnBank for comparison.  

Councilmember Skogquist asked where this use was allowed now. Mr. Palmer said the actual use was not listed and would be a legal nonconforming use and the question was to amend the code to allow the use throughout the B-6 zoning district.  

Mr. Bennett noted we operate differently than the former UnBank and that he takes pride in his operation and compared it to shoplifting increases
when a new store comes in. He noted the code does not refer to any license or requirement in the City which is why he had not come to Council earlier and that with another bank in the area he assumed there would be no issue about location. He suggested the possibility of limiting currency exchanges similar to pawnshops. He said this came up because they were trying to purchase the building for the business and shared they eliminated their 90-day decision timeframe through the Department of Commerce to allow the opportunity explain the business to City Council. He said they had been very willing to share information and said he did not have a lot of notice to prepare for this meeting and said the discussion felt a bit like slander but added he would take responsibility for not clarifying his business model earlier.

Mr. Palmer clarified if the Code did not specifically list a use then it was prohibited.

Councilmember Barnett asked about sufficient adequate findings of fact. Mr. Baumgartner said this was more of a legislative view and Statute allows city councils the authority to make decisions as being in the best place to determine what’s best in their city. He said the applicant would have the right to appeal and findings would be reviewed to determine if they were reasonable and rationale and provides a basis for courts to review to confirm that thoughtful deliberation and public purpose was reviewed.

Mayor Rice shared an example such as gas station not being allowed in a specific area. Mr. Baumgartner said the application for reconsideration or rezoning would be based on reasons why and to be clear a similar type use would not come into effect here but that findings of fact would be used.

Councilmember Barnett asked if State could still override direction. Mr. Baumgartner said he was unsure but likely would not be able to override a city’s zoning authority.

Councilmember Freeburg said there was a need for the use and did not think it would increase crime that much and noted the proposed site was an empty building that would benefit from a reuse and would support the amendment.

Motion by Councilmember Freeburg, seconded by Mayor Rice, to hold first reading of an ordinance Amending Chapter 74, Article V, Division 3, Section 74-241 (f) (1) Permitted Uses of the Code of the City of Anoka Minnesota.

Mayor Rice said it was appropriate to hold first reading in order to get a rationale judgement about the use in this area. He commented on the
applicant’s reference to Chief’s letter which was actually two weeks ago when Council packets were prepared. He noted the Council was concerned with both success of businesses and the community and the need to maintain the feeling of safety in the community.

Councilmember Barnett requested more data on calls in Anoka from banks, noting while a different business model would still provide a good baseline as well as getting further information from Coon Rapids.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, and Wesp voted in favor. Councilmember Skogquist voted nay. Motion carried.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 ORD/Purchase Agreement; City’s Sale of 4th Avenue and Grant Street Development Site.

(1st Reading)

Mr. Borglund shared a background report stating the City has been in discussions with Duffy Development Company regarding property known as 4th and Johnson development site. The subject property is made up of one parcel equaling 2.55 acres in size. The buyer Duffy Development Company is proposing multi-story residential building. The plan is to build a new residential structure meeting the City’s design requirements. The City has received an offer of $279,747.00 per acre, or a total of $713,100.00 for the 2.55-acre parcel contingent upon the City Council’s approval to enter into a purchase agreement. The site is currently leased to the Metropolitan Council for overflow surface parking for the transit center. This is a 2021 construction project and the City Attorney was satisfied with the proposed purchase agreement.

Jeff Von Feldt, Duffy Development, shared their proposal of a multi-story apartment complex on the site and asked about feedback on the proposed building as their goal was the building fits within the neighborhood. He reviewed materials that included a brownstone look, parking on the back of the site, greenspace, playground area, and seating areas. He said the project backs up to the station and is near the railroad tracks and would be great for access to transit then provided proposed renderings for review. Mr. Von Feldt spoke about the timeline for submittal to the MHFA in July for review and once approved would be back for site plan review for a 2021 project start, adding they have applied to Anoka County for funding for land purchase and have been awarded.
Councilmember Skogquist said he appreciated the applicant’s work towards the exterior look to fit best in the neighborhood and liked the style and layout of more of a townhome/rowhome feel which was creative and an appropriate use for this TOD site by the tracks. He said the density was appropriate at 19 units per acre and was supportive of the project as proposed and the work to make the project unique.

Councilmember Freeburg shared his support for a flat roof as it would work better based on building height.

Councilmember Barnett suggested flower boxes or entertainment options be included on the rooftop. Mr. Von Feldt said that was possible but would have to provide elevator access to the floor and commented some would not want a lot of activity on the roof.

Councilmember Wesp asked about market rate percentages for the proposed project compared to their Big Lake and Elk River projects. Mr. Von Feldt responded those projects were 100% affordable housing developments and noted Minnetonka’s was 80% while Coon Rapids was more market rate. He said a lot of mixed units depends on the programs and explained how Anoka loses economic points in the formula because community workforce housing is being placed in a higher end area and therefore the proposed mix was created to make the figures work.

Councilmember Barnett asked if the project was is not funded for construction in 2021 what would happen to the purchase agreement. Mr. Von Feldt replied if funding was not obtained from the State of Minnesota either party could terminate the agreement but noted they would be open to continuing the partnership and apply again.

Mayor Rice spoke about the roof height when pitched. Mr. Von Feldt responded the roof would add 20 feet at the peak and include living space on the fourth floor with deck space on the back side then spoke about grade challenges.

Mayor Rice confirmed the proposed plan had parking in front on Johnson Street so tenants would not walk up from the parking area.

Councilmember Skogquist asked about the timeline for roadway reconstruction. Mr. Lee said the road was in good condition from the mill and overlay in 2010 but with urban development there is the need for curb and gutter because for water flow.

Councilmember Freeburg said he has watched the TOD are come to fruition and sit for a long time without activity and felt the timing was right and this project would be successful.
Motion by Councilmember Freeburg, seconded by Councilmember Wesp, to hold first reading of an ordinance to convey real estate property to Duffy Development Company.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Mayor Rice clarified feedback on roof style could be addressed at second reading.

9.2. ORD/Homestead at Anoka, Inc., First Amendment to the Option Amendment. (2nd Reading)

ORDINANCE

Mr. Borglund shared a background report stating the City Council reviewed and discussed this item at its regular meeting on April 20, 2020. The City Council gave direction to review the price of the property as well as the length of the option extension needed. Staff and Homestead/VOA has come to the following recommendations that included sale price adjustment increase from $463,582.00 (2014) to $506,000.00 (May of 2020). This is an increase of 10% based on using the Consumer Price Index or CPI to determine inflation and length of extension to December 30, 2021 based on the schedule provide by Homestead/VOA below.

On August 16, 2010 the City of Anoka and Homestead at Anoka entered into an option agreement for approximately 8.3 acres of land east of their current facility. The Homestead of Anoka acted on the option agreement for construction of Phase II which encompassed the north 3.93 acres of the site. The Homestead at Anoka in December 15, 2014 entered into another option agreement for the remaining 2.51-acre parcel the City of Anoka owns just north of Grant Street. The current option agreement will expire on July 31, 2020. Homestead of Anoka is now requesting an extension of the option July 31, 2023. The developer agreed to pay these costs if the land price for Phase III would remain the same for the length of the option agreement. The developer argues the 115kV line should reduce the value of the land but has chosen not to negotiate a price reduction if the price is static at $4.24/sf. The land sale price for the option land and option extension would be approximately $463,582.00. If the developer chooses not to act on the option the city would retain a $10,000.00 original option payment and the additional $10,000.00 option payment for the extension.

Councilmember Skogquist thanked staff and the VOA for their work and said he was comfortable moving forward because the price increased as well as the term decreased.

Councilmember Freeburg confirmed construction would begin in 2021.

Motion by Councilmember Freeburg, seconded by Councilmember Barnett, to hold second reading and adopt an ordinance approving the first amendment to the option agreement to convey real property to The Homestead at Anoka, Inc.
Mayor Rice said the City had full faith in the VOA with this project and was hopeful that this would begin further development in this area. Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

9.3 RES/ Assignment of Purchase Agreement; Eastview Meadows 2nd Addition.

Mr. Borglund shared a background report stating in 2016 the City entered into a purchase agreement purchase of property owned by the City of Anoka. In 2017, Eastview Meadows PUD and Site Plan was approved in 2017. The City also closed on Eastview Meadows 1st Addition with Mark Strandlund/Shadetree Construction. In 2018, Eastview Meadows 2nd Addition Final Plat received approval. The 2nd Addition Development Agreement has also been approved. Since 2018, the City has been patient working with Mark Strandlund/Shadetree Construction trying to close and move Eastview Meadows 2nd Addition forward. Due to other projects and financing challenges Mark Strandlund/Shadetree Construction is requesting to assign the purchase agreement to RFI, Inc. which is an affiliate company run by Richard Hobbs. Mr. Hobbs is the owner of Simonson Lumber. Simonson Lumber is headquartered in St, Cloud, MN. Simonson is a family-owned company that has been operated for more than 100 years. They specialize in providing lumber and building materials for residential and commercial construction. Simonson is located in Alexandria, Baxter, Cross Lake, Hutchinson, and St. Cloud. Shadetree Construction will remain the home builder for the project. RFI, Inc will assume the role as developer and would close on the property. RFI, Inc. will also be responsible for the following as noted in the executed assignment.

Mark Strandlund, Shadetree Construction, shared the projected timeline is based on this approval to begin this June as they have list of interested buyers. He said the existing neighborhood wants us to begin second phase with the same product as the first six units and felt this would be a stronger-funded homeowners association with a total of 28 units. Mr. Strandlund said he has worked with Mr. Hobbs on other projects and feels this will be a good fit.

Councilmember Freeburg said this is not the first time a partner has been needed to complete a project and would support the assignment to help complete the project for the neighborhood.

Motion by Councilmember Freeburg, seconded by Councilmember Skogquist, to adopt a resolution approving assignment of purchase agreement; Eastview Meadows 2nd Addition.

Councilmember Barnett confirmed staff had completed due diligence on RFI and felt the partnership would be appropriate.
Richard Hobbs, RFI Inc., said they were a small company who works with land partners to complete projects and had provided the lumber while waiting for the sale. He noted the first six units were not the best lots but still occurred and was interested in helping complete the remainder of the project.

Mayor Rice agreed the first six homes were a challenge and the remaining lots would result in a better project going forward.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1 Consideration of Appointment to Economic Development Commission; Quinn Garrick.

Mr. Lee shared a background report stating there were currently three vacancies on the Economic Development Commission (EDC). He said staff received one application from Quinn Garrick of Anoka and recommended Council appoint him to a term to expire December 31, 2022.

Councilmember Wesp said it is good to have citizens want to be involved.

Councilmember Wesp made a motion to appoint Quinn Garrick to the Economic Development Commission for a term to expire December 31, 2022. Councilmember Freeburg seconded the motion.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

12. UPDATES AND REPORTS

12.1 Tentative Agenda(s).

The Council reviewed the tentative agendas of the upcoming Council meetings.

12.2 COVID-19; City Operations, Changes, and Impacts - Consideration of Refunding a Prorated Amount for On-Sale Intoxicating Liquor License Fees.

Mr. Lee shared a list of items for discussion relating to COVID-19 operations, including consideration of refunding a pro-rated amount for On-Sale Intoxicating liquor license fees. The Governor’s Executive Order that limited bars and
restaurants to take-out only became effective at 5pm on March 17, 2020 and is set to expire on June 1, 2020, for a total of 75 days. He shared the number of on-sale licenses in the City then shared a break-down of potential refunds prorating the annual cost to a daily cost and multiplying it by the 75 days for a total of $10,918.50.

Councilmember Skogquist agreed with the proposal and noted should any locations open earlier than allowed he would not be in favor of providing the prorate and suggested waiting until after June 1.

Councilmember Wesp agreed, stating the order may be extended and suggested waiting to offer the prorated refunds once Governor allows restaurants to fully open.

Councilmember Barnett noted the prorate does impact those currently selling off-sale beer and wine but assumed they did not sell much. Mr. Lee agreed the on-sales license holders were allowed to sell beer and wine but not near the level they normally do.

Councilmember Skogquist suggested Lyric Arts be included and if they are not allowed to open based on the Governor’s order be offered a different amount.

Councilmember Barnett asked if the amount would be adjusted for the likely 25% of occupancy that would be allowed. Mayor Rice noted the beer and wine license is much less than a full on-sale liquor license and could be adjusted.

Mr. Lee said we will notify license holders this prorate will be coming but would be contingent upon compliance with all federal and state laws otherwise would be void.

Councilmember Freeburg made a motion to approve refund a prorated amount for On-Sale Intoxicating Liquor License fees as proposed contingent on compliance. Councilmember Wesp seconded the motion.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

12.3 Staff and Council Input.

Councilmember Skogquist inquired about extended outdoor seating for restaurants on June 1 and suggested preparing for requests for seating in parking lots or adjacent parking lots especially in the downtown area. Mr. Lee said the City had established parklet applications last year and staff sent reminders about this option already.
Mr. Borglund shared that one location was reviewing parklet options already. Councilmember Skogquist said that was good but noted with the costs and time involved to apply for a parklet suggested flexibility instead by allowing space with barricades and proper insurance for a period of 30-60 days. Mr. Lee suggested using a sidewalk permit process instead but noted no liquor sales could occur in those new areas.

Councilmember Freeburg asked if liquor was allowed in the sidewalk areas. Mr. Lee said sales were included in that area upon review for fencing and secured area.

Councilmember Skogquist agreed fencing should occur but stressed the need to be flexible during this time as most have very little seating based on six feet social distancing such as Ambi Wine Bar. Mr. Lee said staff will be as flexible as possible to allow for expanded outdoor seating.

Mr. Lee updated the Council that candidate filing begins May 19 and closes June 2 for three offices; Mayor and two Council seats with a $20 filing fee.

13. ADJOURNMENT

Councilmember Freeburg made a motion to adjourn the Regular Council meeting. Councilmember Wesp seconded the motion.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Time of adjournment: 10:18 p.m.


Approval Attestation:

Amy T. Oehlers, City Clerk