

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
OCTOBER 17, 2016**

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: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver.

Staff present: City Manager Greg Lee; Deputy Community Development Director Doug Borglund; Engineering Technician Ben Nelson; Finance Director Lori Yager; Police Chief Phil Johanson; City Attorney Scott Baumgartner; and Recording Secretary Cathy Sorensen.

Absent at roll call: Councilmember Schmidt.

3. COUNCIL MINUTES

3.1 Minutes of October 3, 2016, Executive and Regular Meetings.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to waive the reading and approve the October 3, 2016, Executive and Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Presentation; Sponsorship Check for Gary Stout Memorial Scholarship Fund.

Tracy Kelly, Chair of the Economic Development Commission, stated the 33rd Annual Celebrate Anoka Day was held on Monday, September 12, 2016 at Green Haven Golf Course & Event Center. He said approximately 90 golfers participated in the event which raised \$1,400 through sponsorships to benefit the Gary Stout Memorial Scholarship Fund. Chair Kelly acknowledged all sponsors and said the funds raised will be awarded to a graduating senior at Anoka High School. The City thanked all the businesses and organizations for their event sponsorship.

4.2 Downtown Security/City-Wide Activity.

Police Chief Phil Johanson updated the Council on items related to downtown security and other City-wide activity. He shared that last weekend the Zombie Pub Crawl was held and that they had many officers on foot patrol during this event as well as the Pumpkin Bowl at Goodrich Field. Chief Johanson said he was pleased to share that no problems were reported at either event.

Councilmember Freeburg thanked the Council, Chief Johanson, and the police officers for their efforts in having more presence and for keeping things under control.

Councilmember Weaver commented that there will be many more activities over the next couple weeks as part of Anoka Halloween, including Light Up the Night Parade and tent parties.

4.3 Alan Williams, Coon Rapids, 1042 Monroe Street, thanked the City for sending the letter regarding the FEMA flood plain update. He shared how he felt the need for obtaining flood insurance in this area was a scam and not necessary and said most cities do not take the time to explain the FEMA updates to property owners so they can make an informed decision.

Mr. Williams shared he recently had an issue with Hakanson-Anderson during a reconstruction where the contractor's equipment caused some damage to his property but he complimented everyone involved as they addressed the issue and solved the problem right away and wanted to share how well the problem was addressed.

5. PUBLIC HEARING(S)

5.1 Homestead at Anoka Refunding.
RES/Homestead at Anoka Refunding.
RESOLUTION

Finance Director Lori Yager shared a staff report with background information to the Council stating the City received a request for authorizing issuance of Housing Revenue Refunding Bonds for the Homestead at Anoka. The Homestead at Anoka previously issued Health Care and Housing Facility Revenue Bonds to finance the acquisition and construction of an affordable senior housing and health care facility project and The Homestead at Anoka is requesting that that the City issue its Housing Revenue Refunding Bonds in advance of their maturity.

Stefanie Galey, bond counsel from Faegre Baker Daniels LLP, explained that the City issued 2011 issued conduit bonds for the first phase with an additional phase in 2014 and the request is to issue bonds to reduce the debt service for the 2011

bonds. She noted there are no additional improvements and that the action will result in less debt.

Brian Keller, Volunteers of America (VOA) and The Homestead at Anoka, said the project has been open for over four years and is going well. He said Phase II is almost full and thanked the Council for their continued support.

Mayor Rice opened the public hearing at 7:14 p.m.

Being no comments Mayor Rice closed the public hearing at 7:15 p.m.

NOTE: By motion from Councilmember Freeburg, which was seconded by Councilmember Anderson, and by a unanimous vote of the Council, agenda item 9.1 was moved up on the agenda and acted upon at this point.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to adopt a resolution authorizing issuance of housing revenue refunding bonds (The Homestead at Anoka, Inc. Project), Series 2016.

Mayor Rice reiterated that this action is resulting in no cost to the City but is providing assistance to The Homestead at Anoka.

Councilmember Freeburg said The Homestead project has been very successful and the City is proud of the project and all involved as it continues to grow and serve Anoka.

Councilmember Weaver shared that his mother was a resident at The Homestead of Anoka and said he has great admiration for their staff as they assisted his mother and entire family during a very difficult time.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

6. CONSENT AGENDA

Councilmember Weaver noted that staff has requested Item 6.4 be removed from the Consent Agenda.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to approve Consent Agenda 6.1 through 6.3.

6.1 Approved Verified Bills.

6.2 Revising and Setting Council Calendars.

6.3 Recommended Approval of an LG240 Gambling Permit (Bingo), Church of St. Stephens, November 11, 2016.

6.4 ~~Issuance of a Used Motor Vehicle Sales License; 822 E. River Road, East River Auto Sales.~~

Vote taken. All ayes. Motion carried.

6.4 Issuance of a Used Motor Vehicle Sales License; 822 E. River Road, East River Auto Sales.

Mr. Lee asked that Council include a condition of approval that issuance of this vehicle sales license is contingent upon proof that the former owners have no interest in the East River Auto Sales as required by ordinance.

Motion by Mayor Rice, seconded by Councilmember Weaver, to approve Consent Agenda 6.4. to approve license conditioned upon operator providing proof that there is no ownership involvement from the previous operator.

Vote taken. All ayes. Motion carried.

Mayor Rice welcomed East River Auto Sales to Anoka.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

7.1 Planning Items:

7.1.A 2520 North Ferry Street; Request for Rezoning and Variance.

RESOLUTION

Deputy Community Development Director Doug Borglund stated the applicant, Krelando Ristani, has requested a rezoning of the subject property from B-6 Neighborhood Commercial Business to B-1 Highway Business to allow a used automobile sales business. He said the property is a former gas station that is currently not in operation on North Ferry Street. Mr. Borglund shared that in 2014-2015 the City conducted a land use study and amended its Comprehensive Plan, Zoning Ordinance and official map from Highway Commercial to Neighborhood Commercial. The applicant is also requesting a variance to the required lot size for a used automobile sales lot from the 1.5 acre required minimum lot size to 0.51 acres or 22,215 square feet in the B-1 if the rezoning request is approved.

Councilmember Weaver asked if a gas station is a permitted use in the B-6 zoning. Mr. Borglund said no and that other softer uses are allowed instead.

Councilmember Weaver asked if rezoning this parcel would constitute spot zoning. Mr. Borglund said it would which typically is not done with land uses.

Arnetta Lennartson, Attorney, said she is representing the applicant and apologized for misunderstanding that they were supposed to attend the last meeting. She offered plans and said her client has a tentative offer to purchase the current business, which has been abandoned and boarded up. Ms. Lennartson referred to the study in 2014 for B-6 zoning and shared her client's vision and the need for the rezoning request. She stated changing from B-6 to B-1 Highway District would be the most consistent with Comprehensive Plan and said changing the gas station to a modern used car lot would be contemporary and protect the City's welfare and property values. Ms. Lennartson noted there is another used car lot 197 feet away from the proposed property in B-6 zoning which currently prohibits vehicle sales so they are seeking clarification. She said the staff report refers to B-6 to encourage neighbors to have less volume and traffic but said this property is next to the highway and across from a current dealership and car repair. Ms. Lennartson said they believe the City should consider the zoning change as the business has been abandoned for four years and currently has no other offers. She stated the use will improve the neighborhood and will be better than the current business across the street. Ms. Lennartson said the use would be consistent with the Comprehensive Plan and outlined enhancements and reasons for approving the request. She noted the property has been vandalized and this use would help deter that activity and offer stability and choices as the use would be compatible with the physical character of neighborhood, enhance the City, attract new customers, and include beautiful landscaping that would be visible from the highway. Ms. Lennartson said customers would likely take advantage of other shops in the City and offers concentrated automotive sales in one area to allow for comparison shopping. She said this use would be something the City would be proud of and noted the variance would be consistent in order to create a used car lot. She said the use would be in harmony and not alter the essential character of the neighborhood as outlined in City Code. Ms. Lennartson stated there are equal protection clauses in place not related to the health and safety of a community and disparate treatment of property owners arbitrarily are not allowed, especially with the current use already in place across the street.

Mayor Rice stated the zoning change was made long before the City knew what type of proposed use would be presented today.

City Attorney Scott Baumgartner said the other used car lot is zoned B-6 but stated that lot was there before the zoning ordinance change which makes it a legal non-conforming use and allowed.

Mayor Rice said the B-1 zoning describes what the gas station was and said the zoning change was the City's attempt to control businesses along that corridor. He said while a gas station use is not offensive in itself he does not believe a gas station would be successful there and is therefore reluctant to grant the rezoning request.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to deny the resolution for rezoning from B-6 to B-1 and deny the resolution for a variance request to the required lot size for a used automobile sales lot from the 1.5 acre required minimum lot size to 0.51 acres or 22,215 square feet at 2520 North Ferry Street.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

7.1.B RES/Variance; 3401 Quarry Avenue.
RESOLUTION

Mr. Borglund shared a staff report with background information to the Council stating the applicants, Mike and Heidi Wolff, are requesting a variance to allow construction of a six-foot tall wooden privacy fence in the front yard at 3401 Quarry Street. The property is zoned R-1 Single-Family Residential. A variance is being requested because the current Zoning regulations limit the height of any fence in the required front yard to four feet. The applicant plans to construct a 6-foot solid wood fence enclosing the rear yard area including the southern lot line fronting on McKinley Street and along the western property line bordering the existing City Park in order to screen the view of traffic, provide privacy for the rear yard, and cut down on pedestrians trespassing from the City park into their yard to retrieve basketballs. The Planning Commission recommended approval of the variance to allow an increase in fence height to 6 feet in the required front yard along the western property line of the subject property so the entire fence could be at the height of 6 feet creating additional privacy between the public park and the applicant's rear yard.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution approving a variance, 3401 Quarry Avenue.

Councilmember Weaver asked if the applicants are comfortable with the six-foot fence on the western property line and a four-foot fence on the southern property in the front yard.

Heidi and Mike Wold, said they are comfortable with this option, stating while they would prefer the full six-foot fence all around they understand this is being grandfathered in.

Mayor Rice noted the applicants could have the full six-foot fence around but would result in loss of use of 20 feet of their front yard which they do not want to do.

Councilmember Weaver said this is a good compromise.

Ms. Wold noted property owners adjacent to a City park should not have to request this type of variance as a result of City park planning and suggested the Park and Recreation Board consider these situations as part of their park planning process. Councilmember Weaver agreed.

Mayor Rice clarified the motion was to allow the variance on the western property line but deny the variance on the southern property line.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

7.1.C ORD/Amending Chapter 74, Article V, Division 1, Section 54-265; Main Street Mixed Use District. (1st Reading)

Mr. Borglund shared a staff report with background information to the Council stating the City is proposing a Zoning Text Amendment to Chapter 74, Article V, Division 1 Section 74-265 Main Street Mixed Use District (MS) EM-1 East Main Historic Downtown Core sub-district addressing uses in the historic downtown core. The City of Anoka has taken a number of steps to protect the Historic Downtown Core area over the years. The most recent discussion is centered around prohibiting uses in the downtown area that can take away from the areas character and charm creating adverse impacts on the business climate and the perception of those who visit Anoka. ABLA at their September meeting discussed this issue and supports an amendment to the MS EM-1 Sub-District to prohibit uses that can be viewed as creating a less attractive business and tourism environment. The City Council recently touched on this issue during a discussion at its regular City Council meeting on September 6, 2016 after hearing concerns from downtown business owners and recent downtown activity.

Mr. Borglund shared that the Planning Commission suggested removing beverage distributing businesses from the code as this use has gone away. He said they are also recommending adding the use of attorneys' office.

Councilmember Weaver inquired about the current tap room use which bottles growlers and if this recommendation would affect them. Mr. Baumgartner said State law provides this exception under liquor laws.

Mr. Borglund said there are also further standards for microbreweries and noted while the City prohibits manufacturing this use is different.

Councilmember Weaver asked if the use would still be allowed if the tap room bottled root beer instead of alcohol. Mr. Borglund said bottling root beer would still be associated with the brewery so that would be allowed. He noted the suggestion came not as strong experience but as the Planning Commission recalling the use many years ago.

Councilmember Weaver said he is not comfortable removing the bottling use from the City code.

Mayor Rice said this is similar to body art not being allowed on Main Street but is allowed in other areas within the City.

Councilmember Weaver inquired about the use that sells e-cigarettes. Mr. Borglund suggested identifying them as e-cigarette shops to allow that use. He referred to a secondary license for tobacco that would not regulate that use.

Mr. Baumgartner said staff will bring forward a definition of a tobacco shop with second reading and an e-cigarette shop focusing on the primary purpose.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to hold first reading of an ordinance Amending Chapter 74; Article V, Division 1, Section 74-265 Main Street Mixed Use District Subdistrict (EM-1) East Main Street- Historic Downtown Core of the Code of the City of Anoka, Minnesota.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

- 9.1 RES/Homestead at Anoka Refunding.
ACTED UPON AFTER PUBLIC HEARING
- 9.2 RES/Green Haven Parkway Phase I; Order Project, Waive Public Improvement Hearing and Authorize Preparation of Plans and Specifications.
RESOLUTION

Engineering Technician Ben Nelson shared a staff report with background information to the Council stating on May 18, 2015 the City Council adopted a resolution supporting the pursuit of MnDOT's Municipal Agreement Program funding for the construction of this project. On September 21, 2015 the City was notified by MnDOT that the Municipal Agreement Program will contribute \$710,000 toward this project and October 16, 2015 the City accepted the conditions associated with the program funding. To receive these funds, this project must be let by June 30, 2017, after that date the money becomes unavailable. The proposed improvements include constructing a public connection between Thurston Avenue and Garfield Street that will provide the community with a continuous local street connection between Thurston Avenue and West Main Street. As part of Green Haven Parkway Project Phase I, the existing St. Stephens' Cavalry Cemetery entrance off TH-10 will be closed and redirected to the north side of the parcel.

Councilmember Weaver said the Council focused on traffic flow down Verndale Avenue at a recent worksession and concerns with traffic going by these buildings and suggested an alignment change at the intersection of Garfield, Green Haven and Verndale to address this flow.

Mayor Rice said it would not be difficult to soften the last 50 feet. Councilmember Weaver agreed but said we would need some property to accomplish that, adding we currently do not know what the route will be.

Mr. Nelson said staff will work with the consulting company to review the design and bring something to the January worksession for different route options throughout the neighborhood.

Mr. Borglund said the concept plan will be discussed with the developer, adding while they could lose a unit they can adjust accordingly.

Mayor Rice said moving Fair oak to the west a little could accomplish a smoother transition. He referred to the accepted bid versus 2016/2017 clarification for federal money.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution Green Haven Parkway Phase I; order project, waive public improvement hearing, and authorize preparation of plans and specifications

including the potential of minor realignment to address traffic flow by Verndale Avenue.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

9.3 RES/Adopting a Revised Assessment Roll; 2016 SRP.
RESOLUTION

Mr. Nelson shared a staff report with background information to the Council stating at the assessment hearing on January 19, 2016 the City Council approved the assessment roll for the 2016 SRP project. Since this time there are some proposed revisions to the assessment roll. The subject property at 1812 First Avenue (PID 12-31-25-11-0063) is located within the construction limits of the project and was included in the adopted assessment roll in anticipation of replacing the water and sanitary services to the property. During the project, the ownership of the parcel transferred to Walker Methodist and based on the request from the property owner no services were installed to the parcel. Based on past practices and fairness to property owners, services that are 0-5 years old will not be assessed when they are replaced from the main to the right-of-way. The property at 100 Monroe Street will have the water service unit assessment (\$2,180.00) and sanitary sewer unit assessment (\$980) removed, given the newness of the services.

Mayor Rice asked if the City removed water mains as part of the Walker Methodist Gardens project and installed our own. Mr. Nelson said the City worked around that project and had to readjust, noting they were field verified when the property owner brings these to our attention.

Motion by Councilmember Anderson, seconded by Councilmember Freeburg, to adopt a resolution adopting a revised assessment roll; 2016 SRP.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1 ORD/Sale of City-Owned Property; 11th Avenue. (1st Reading)

Mr. Borglund shared a staff report with background information to the Council stating the City has been in discussions with Mark Strandlund of Shadetree Construction regarding property known in concept as “Eastview”, development

site #10, or the 11th Avenue residential development site. The property is zoned R-3 Medium Density Residential. The subject property was listed with Premier Commercial Realty the City's broker. The land price was offered at \$20,000 a detached townhome unit. The City has received an offer of \$17,000 per detached townhome unit contingent upon City Council's approval to enter into a purchase agreement. The current concept plan reflects 29 detached townhome units, which yield an estimated total sale price of \$493,000. Mr. Borglund said the City Attorney has reviewed the purchase agreement and is satisfied. He added the wetland delineation has been completed.

Councilmember Weaver complimented Mr. Borglund on this project, stating this will be a great project with an amazing amenity in the island that will add new tax base and new owner-occupied housing.

Councilmember Freeburg asked if the pond and island will be exclusive to the development and if a trail will be included. Mr. Borglund said this amenity will be exclusive to the development and will include a trail and gazebo.

Councilmember Freeburg said this is a great plan that will create other parcels for more development and is pleased the City is moving forward.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to introduce and hold the first reading of an ordinance for the sale of property located on 11th Avenue to Shadetree Construction, Inc. (11th Avenue Residential Development Site).

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver voted in favor. Motion carried.

11.2 Recommended Appointments to Charter Commission.

Mr. Lee shared a staff report with background information to the Council stating eight seats on the Anoka Home Rule Charter Commission are set to expire on November 1, 2016. Staff has advertised for applicants according to City Policy #2005-03 and the recommended members are up for reappointment to the Charter Commission. Mr. Lee stated all are residents of Anoka, which is required by State Law, in order to serve on a Home Rule Charter Commission and noted while the District Court Chief Judge actually appoints Charter Commission members the City's practice is to provide recommendations. Mr. Lee stated after these appointments there are still two open seats on the Charter Commission and encouraged residents to apply.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to recommend appointment of Diane Bemel, Donald Collins, Mary Lou Evans, Tom Hammer, Colin Olson, Craig Sorenson, Duane Redepening, Zilla Way.

Vote taken. All ayes. Motion carried.

12. UPDATES AND REPORTS

12.2 Third Quarter Financial Report.

Ms. Yager provided the City Council and City Manager with the third quarter reports according to the Anoka City Charter. She reviewed revenues and total expenditures which are down \$5.3 million with a 30% increase in expenditures of \$2.3 million. She reviewed the General Fund balance which has incurred 73% of budgeted appropriations and stated most revenues are at or well above budget. She said construction activity has generated permit fees which are exceeding projected revenues and taxes are projected to be up \$1 million over last year. Ms. Yager stated total cash and investments are down approximately \$1.4 million over September 30, 2015 and infrastructure improvements throughout the City will require use of cash in the future. She shared general fund graphs which illustrated where revenues and expenditures are derived and spent and said the City continues to be in good financial condition.

12.2 Tentative Agenda(s).

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

12.3 Staff and Council Input.

Mr. Lee said the City received notice that we ranked highest in the 10 categories of 145 requests for federal funding for the proposed improvement project at Highway 10 and Fair oak and will receive the full \$7 million for the 2021 project. He said this award will start things going but we have to identify other funding sources because the entire project will be \$33 million.

Mr. Lee shared a thank you note from the seniors for the new senior bus and thanked Council for budgeting for the bus and staff Lisa Lacasse for coordinating the purchase.

Mr. Nelson stated staff intends to remove the dam boards the week of October 30 by lowering Rum River pool. He also shared that the 2016 SRP project is almost complete with the final wear course being completed next week weather dependent.

Council wished Councilmember Schmidt the best as he focuses on cancer treatment.

Councilmember Weaver outlined the planned Halloween activities in River Plaza and encouraged people to attend.

13. ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

Time of adjournment: 8:46 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

Approval Attestation:

Amy T. Oehlers, City Clerk