

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
MARCH 7, 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, Schmidt, and Weaver.

Staff present: City Manager Greg Lee; Planning Director Carolyn Braun; Associate Planner Chuck Darnell; Finance Director Lori Yager; City Attorney Scott Baumgartner; and Recording Secretary Cathy Sorensen.

Absent at roll call: Councilmember Freeburg.

3. COUNCIL MINUTES

3.1 Minutes of February 16, 2016, Worksession
Minutes of February 16, 2016, Regular Meeting.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to waive the reading and approve the February 16, 2016, Worksession and February 16, 2016, Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Representative Abigail Whelan.

Representative Abigail Whelan addressed the City Council to introduce herself to the community. She shared that the legislative session will begin tomorrow and reviewed Anoka's 2016 legislative goals, including Trunk Highway 10 plan, Truck Highway 47 – railroad grade separation, cottages at the State Hospital and extending the Tax Increment Financing (TIF) deadline for the Greens of Anoka TIF District. Representative Whelan said she serves on the Transportation Committee and is cautiously optimistic about getting additional funding for TH10/169 Corridor, which she noted is greater Minnesota's gateway. She reviewed the outcomes of the last session including education funding, Department of Public Safety's efforts in combating terrorism, and an unsuccessful

tax bill. She said this year show a \$900 million surplus and explained tax reform, bonding bills, taxes and transportation priorities.

Councilmember Weaver said Anoka's top legislative goals are TH10 and the cottages at the State Hospital/veterans housing as well as the one-day Greens of Anoka TIF district deadline extension. Representative Whelan said the veteran's housing with the cottages are one of the bills she is supporting and that she hopes to see the TIF district extension something they can remedy.

Councilmember Anderson thanked Representative Whelan for attending and noted that TH47 is a very important corridor too. Representative Whelan said the rail grade separations have been prioritized and that three have been identified in this area; two in Ramsey and one in Anoka. She said MnDOT has allocated funds for a feasibility study for these upgrades.

Councilmember Schmidt said he is excited about having Anokans serving at both the House and Senate level. Representative Whelan said she is excited to work with Anoka and Senator Abeler on their legislative goals.

4.2 Senator Jim Abeler thanked the Council and residents for this opportunity and said he agrees that TH10 is a priority because while Armstrong reconstruction is good there is a need to infill in between. He said transportation issues defy resolution sometimes because of the costs but they are working to get emphasis to TH10 and TH47, including oil car transport. Senator Abeler said he is ecstatic that the cottages could be made available for veterans housing and agreed a remedy is needed for the TIF extension. He noted the government belongs to the people and thanked everyone for the opportunity to serve and encouraged residents to contact and share any input as the legislators' best work comes from the people.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Motion by Councilmember Schmidt, seconded by Councilmember Anderson, to approve Consent Agenda 6.1 through 6.8.

Councilmember Schmidt highlighted the North Suburban Home Show event being held this weekend at the Andover YMCA and encouraged the public to attend.

6.1 Approved Verified Bills.

6.2 Revising and Setting Council Calendars.

- 6.3 Issuance of a Massage Therapist License; Brenna McGarry at Anoka Massage and Pain Therapy.
- 6.4 Issuance of a Temporary On-Sale Liquor License; Church of St. Stephen's (Summerfest).
- 6.5 Recommended Approval of an LG220 Gambling Permit; Church of St. Stephen's (Summerfest).
- 6.6 Recommended Approval of an LG220 Gambling Permit; Conference of Women in Real Estate.
- 6.7 Approving a Senior/Disabled Deferment for Sherman Johnson, 822 Brisbin Street.
- 6.8 Approving a Senior/Disabled Deferment for Ethel Lockman, 837 Adams Street.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

7.1 Planning Commission:

- 7.1.A. RES/Conditional Use Permit; 1030 McKinley Street, Complimentary Business

RESOLUTION

Associate Planner Chuck Darnell shared a staff report with background information to the Council stating the applicant, Peak Physique, a business owned by Tim Moes, is requesting a conditional use permit to operate a personal training studio at 1030 McKinley Street. The personal training studio would be operated in Suite 1036, which is located within an existing building on the property at 1030 McKinley Street. A conditional use permit is required because the proposed use is not specifically listed as a permitted use in the M-1 Light Industrial zoning district. However, retail and service establishments providing goods and services that are complimentary to the principal uses in the district are allowed as a conditional use in the M-1 district and staff believes that the proposed use would be considered complimentary to the principal uses in the district.

Councilmember Schmidt said he feels M-1 does not conform with the intent of the industrial park and asked if notices were sent. Mr. Darnell said notices were sent to property owners in the industrial park but noted not the entire park but surrounding property.

Councilmember Schmidt said this appears to be a wonderful business but referred to a past school proposal on McKinley that included concerns about school buses and children walking and concerns about precedent. He said this use would serve retail business inside an industrial park with the potential of other vendors coming in as nature of this expansion.

Councilmember Weaver said he likes the applicant's idea but once we issue a Conditional Use Permit (CUP) we will have opened the door for uses with classrooms and an educational facility and the integrity of the industrial park could be compromised.

Councilmember Anderson said he is concerned as well because of the industrial park as the City relies on them for taxes. He said for this reason he will not support the use.

Mayor Rice said he is surprised because he thinks this is a building with space and the City is pro-business and this use would serve the community well for the employees of the industrial park. He said he does not see the park emptying out for a school use because it is a strong industrial park and this use would add to that strength. Mayor Rice said he understands the non-industrial use but believes it could be complimentary to the businesses already there.

Councilmember Weaver asked if there have been any other inquiries for schools. Mr. Darnell said there has been one but noted schools are a prohibited use as a zoning district, either public or private, because children would be present with those uses so if the Council wanted to allow that type of school an ordinance amendment would be needed.

Councilmember Weaver inquired about our defense if we granted a CUP for classes in this park. City Attorney Scott Baumgartner said it is a tough question but said he believed the distinction would be of one-to-one instruction plan versus in front of a group of students. He said the mechanism of delivery is different and believed this would be a good faith argument.

Councilmember Anderson said he understands the distinction and would like to now offer his support.

Motion by Councilmember Anderson, seconded by Mayor Rice, to adopt a resolution approving the conditional use permit for the proposed use at 1030 McKinley Street.

Mayor Rice said while a fitness facility and education component would occur it is not the primary use and not the same as a typical educational facility. He said he feels this is a complimentary use.

Mr. Baumgartner suggested an additional condition to prohibit a certain class size to address some of those concerns.

Tim Moes, applicant, said his proposal would be similar to the gym he has in St. Cloud and said this is a good discussion. He confirmed that they will educate by nature and do some one-on-one and group training but the focus is to get people to move and get stronger and have a balanced lifestyle. Mr. Moes noted they are located in an industrial park in St. Cloud as well.

Councilmember Schmidt said he has broader concerns too such as a bar/restaurant. Mr. Darnell said the intent and primary use of the park is industrial/office/warehouse but the Code does provide the opportunity for retail business and it is up to the Council on whether that use is complimentary.

Councilmember Weaver asked if there is an empty building and someone wants to turn them into apartments like the banks on the Rum River. He said that would be a complimentary use to provide housing to the workforce. Mr. Darnell agreed but said the Code does not allow residential so that type of use would not be allowed.

Mr. Baumgartner reviewed other M-1 uses that would be allowed in the park, including a brewery, trade schools, dry cleaning, etc.

Mayor Rice said a restaurant would be a good fit for lunch for the employees and could be considered complimentary.

Councilmember Schmidt said the public would be allowed to visit the restaurant and felt that this activity would be moving away from the industrial use intent.

Upon a roll call vote: Mayor Rice and Councilmember Anderson voted in favor. Councilmembers Schmidt and Weaver voted against. Motion failed.

Planning Director Carolyn Braun said the Council would need to state findings for denial which should include the proposed use is not complimentary enough to the existing uses.

Mayor Rice said staff will contact the applicant about possible next steps.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 RES/Purchase of Connexus Tower Site.

RESOLUTION

City Manager Greg Lee shared a staff report with background information to the Council stating the City has been studying a road connection from Thurston Avenue to Fairoak Avenue since 2012 when the Greens of Anoka study was completed. Recently design efforts have been intensified with the Highway 10 study and Anoka Solution being completed and funding also has been received through MnDOT's Municipal Agreement Program. He said an alignment from Thurston Avenue to Garfield Street has been determined which requires purchase of the Connexus tower site at 881 Garfield Street. Mr. Lee shared the purchase price is \$463,000 and Connexus will pay for all demolition costs related to removal of the tower and other structures on the property. Mr. Lee noted the City Attorney had suggested one amendment in Section 4A changing the contingency date from February 29 contingency to April 1, 2016.

Councilmember Schmidt referred to the double lot directly south of the site as owned by the City and asked if this is included for future plans. Mr. Lee reviewed possible development opportunities including townhomes and commercial to the west and said this is also a parcel that should be marketed but not needed for the parkway.

Mayor Rice said this road has been around since Eniva and is essential for connections and part of Highway 10 future upgrades. He said while this is a good thing to get through he is disappointed with the alignment through the Federal property though.

Mr. Lee said if we move forward that Federal will still have plans to expand the facility as they need it moved to the north. He said they plan on reconstructing a portion of the building and need that road alignment as proposed.

Councilmember Schmidt asked if the neighboring property owner has some interest. Mr. Lee said the owner of Vista Outdoor has some interest in the area as well as St. Stephen's Church for a future cemetery so there is the potential for land trading.

Councilmember Weaver asked when we can expect construction. Mr. Lee said construction will begin May 2017.

Councilmember Weaver said this road gets heavy use every day and it is not even a real road so it will be critical to Highway 10 to rebuild as well as providing an opportunity for more tax base.

Mayor Rice shared that Councilmember Freeburg had expressed some concerns with golf balls affecting nearby property owners but said those concerns will be for the builders.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to adopt a resolution approving the purchase of real property at 881 Garfield Street.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Schmidt, and Weaver voted in favor as amended to include the proposed date change. Motion carried.

9.2 RES/Encroachment Agreement to Walker Methodist at 131 Monroe Street.

RESOLUTION

Ms. Braun shared a staff report with background information to the Council stating Walker Methodist has a senior care facility located at 131 Monroe Street and as part of the 2015 approval for a 3-story facility located at 100 Monroe Street a skyway was approved to connect the two buildings across Monroe Street. She stated for the skyway connect at 131 Monroe Street, there will need to be two above grade columns that extend approximately 16 inches into the public right-of-way, and six below grade micro pilings that extend approximately 54 inches into the public right-of-way which will require granting an encroachment agreement. The encroachment agreement removes all liability from the City regarding emergency removal of the columns or any damage caused to the columns as a result of snow removal, sidewalk repair, or any other maintenance activities that occur within the public right-of-way.

Councilmember Anderson said this encroachment agreement is quite necessary for making this connection and is very standard.

Motion by Councilmember Anderson, seconded by Councilmember Schmidt, to adopt a resolution approving an encroachment agreement to Walker Methodist at 131 Monroe Street.

Councilmember Weaver inquired about the encroachment left between the space and the curb. Ms. Braun said approximately three feet and noted snow piles will not allow for handicap accessibility.

Mr. Lee said the area is actually only 16 inches into the right-of-way and will not impact utilities or sidewalk area as it is already 10-12 feet. He said the width of the pilings is below grade and there will be no difficulty maneuvering the sidewalk at any time.

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

9.3 RES/2015 Budget Amendments and Rollovers to 2016.

RESOLUTION

Finance Director Lori Yager shared a staff report with background information stating the City Council has the authority to revise the 2015 budget by transferring unencumbered appropriations from one office, department or agency to another, by increasing the total appropriations to the extent of actual revenues, by appropriating for unexpected emergency expenses or by carryover for incomplete projects. She said this is the second amendment as changes have required adjustments to the original amendment and the request includes a planned new website and GIS software purchase.

Motion by Councilmember Weaver, seconded by Councilmember Schmidt, to adopt a resolution authorizing revision of 2015 budget department and carryover to 2016.

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

9.4 ORD/Amending Chapter 50, Streets, Sidewalks and Other Places, Article VII, Parades.
(1st Reading)

Ms. Braun shared a staff report with background information to the Council stating recently the City adopted an ordinance regarding no camping in the City. Part of that ordinance also states that no private property can be stored on public property. During the discussion of that ordinance, there were concerns raised about the timing for placing chairs on the sidewalk to watch parades. Ms. Braun said a survey was conducted by the Anoka Halloween Parade Chairs the results of which indicate that the majority think that chairs should be placed no sooner than 4am on the day of the parade or 4pm for a night parade. She said the Anoka Chamber also weighed in on this topic and agreed with the 4am timing, adding the potential for leasing bleachers by the City, made available at a cost, would be allowed in the ordinance.

Councilmember Schmidt inquired about three calendar days versus business days. Mr. Baumgartner said with the parade typically being held on Saturday that calendar days seemed to be better and sufficient.

Councilmember Weaver said this was an interesting process as they heard from the businesses and was vetted by many groups, adding the survey recommendation was quite interesting.

Motion by Councilmember Schmidt, seconded by Councilmember Anderson, to hold first reading of an ordinance amending Chapter 50, Streets, Sidewalks and Other Places, Article VII, Parades.

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

9.5 RES/Adopting 2016-2017 Goals.

RESOLUTION

Mr. Lee shared a staff report with background information to the Council stating at your goals session on February 8, 2016, the City Council reviewed the 2015 accomplishments and the overall goals for 2016-2017. Mr. Lee reviewed the City Council goals for 2016-2017 surrounding development and redevelopment, finance/organization, parks/trails/rivers, transportation and others.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to adopt a resolution adopting the 2016-2017 City goals.

Councilmember Weaver said all five Councilmembers came up with distinct and different goals but all were very good, adding there were many commonalities as well.

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

9.6 RES/Calling for Public Hearing; Modification of TIF Plans/Greens of Anoka and Commuter Rail Transit Village.

RESOLUTION

Ms. Yager shared a staff report with background information to the Council stating the City of Anoka is holding a public hearing on the proposed modification to the Tax Increment Financing Plans for the Greens of Anoka Tax Increment Financing District and the Commuter Rail Transit Village Tax Increment Financing District. The public hearing will be held on April 18, 2016 and will include the proposed modifications to both districts. TIF law requires that if increment is to be used for the purchase of property, that it must be specifically authorized in the TIF Plan. The purpose of this modification is to authorize the purchase of property located in another TIF district with increment from the Greens of Anoka and Commuter Rail Transit Village Tax Increment Financing Districts.

Motion by Councilmember Schmidt, seconded by Councilmember Weaver, to adopt a resolution calling for a public hearing by the City Council on the proposed

adoption of a modification to the tax increment financing plans for the Greens of Anoka tax increment financing district and the Commuter Rail Transit Village tax increment financing district.

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

9.7 ORD/Public Facility Crossover Refunding Bonds.
(1st Reading)

Ms. Yager shared a staff report with background information to the Council stating Finance, with the assistance of Ehlers and Associates, has determined that it is advantageous for the City to refund its current 2008A G.O. Public Facility Bond obligations. The current G. O. Public Facility Bonds are callable on February 1, 2017. The average coupon interest rate for the remaining debt is over 3.9%. Ehlers has projected that the city may be able to reduce the average coupon interest rate to about 1.7%. After including the costs of issuing the bonds, the savings to the city is projected to be approximately \$128,000 in net present value.

Stacie Kvilvang, Ehlers and Associates, reviewed the bond issue pre-sale report refunding \$1.570 million bonds issued in 2008 for golf course improvements. She said the crossover or advanced funding with the call being 90 days out is the premise for significant interest savings, and not extending the term of debt. Ms. Kvilvang reviewed the rates and future value of \$131,600 or \$12,000/year savings, which is \$118,000 over the term or 7.9%. She said the bonds are bank qualified which does not count against the 3% debt limit although the City is nowhere near that ceiling. She noted the sale will be held on April 4 at their offices.

Motion by Councilmember Schmidt, seconded by Councilmember Anderson, to hold first reading of an ordinance authorizing the issuance of general obligation public facilities refunding bonds in an amount not to exceed \$1,600,000 to finance the refunding of the City's general obligation public facilities bonds, Series 2008A.

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

9.8 RES/Acceptance of Letter of Intent; Riverplace Counseling Centers/Dennis and Beverly Medved.

RESOLUTION

Ms. Braun shared a staff report with background information to the Council stating based on discussion at the Feb. 16th Council work session, the resolution to enter into a letter of intent with Dennis and Beverly Medved for a purchase of

their property with the costs being comprised of the transfer of city owned land (6058 Highway 10) and money (\$3,150,000). In return, the city will acquire the properties at 1810 S. Ferry Street, 1814 S. Ferry Street – Building A, 1814 S. Ferry Street – Building B, 1850 S. Ferry Street and 205/207 Fremont Street. The letter of credit lays out the general criteria in working toward the potential transactions.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to adopt a resolution entering into a letter of intent with Dennis and Beverly Medved.

Councilmember Weaver said this has been a long process and a vision of Councils before us but said there has never been a better time for a willing buyer and seller as the end product will be magnificent.

Mayor Rice said this has been the goal of many citizens in Anoka and that it is difficult to assess what value this brings, adding there have been many comments and opinions.

Councilmember Schmidt the real purchase is going to be cash of \$3 million which will be recouped when sold and with an approximate \$200,000 assessors' value the total is nearly \$4 million.

Mr. Lee said we will also be extending utilities to that site for approximately \$200,000.

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

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

None.

12. UPDATES AND REPORTS

12.1 Tentative Agenda(s).

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

12.2 Staff and Council Input.

Mr. Lee stated the Anoka Enterprise Park annual meeting will be held on March 16 at Green Haven at noon.

13. ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

Time of adjournment: 8:35 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk