

**WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
MARCH 21, 2016**

1. CALL TO ORDER

Mayor Pro Tem Weaver called the worksession meeting to order at 5:10 p.m.

2. ROLL CALL

Present at roll call: Mayor Rice (arrived at 5:22 p.m.) Councilmembers Anderson, Freeburg, Schmidt, Weaver.

Absent: Mayor Rice.

Staff present: City Manager Greg Lee; Associate Planner Chuck Darnell; Finance Director Lori Yager; Housing Manager Darin Berger; Planning Director Carolyn Braun, Recording Secretary Cathy Sorensen.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; Development Opportunities.

City Manager Greg Lee shared the staff report stating that approximately two years ago the staff developed an information packet titled "Development Opportunities" developed to list and help market the numerous parcels that City had available for development. With markets changing, earlier this year, staff determined that it would be advantageous to update this document and embark on a more aggressive marketing campaign to aid in the development of these parcels. Mr. Lee said as part of the process to update this document, staff determined that there were numerous aspects involved in marketing and developing these parcels whereby Council direction and input would be beneficial. Mr. Lee noted only two properties are currently being marketed; site north of parking ramp and park building site, adding both of which expire June or July.

Site 1 - Bunker Lake Boulevard/7th Avenue

Councilmember Freeburg said we should get this parcel back on the market as soon as possible. Mr. Lee asked if we want to market as two sites, one as commercial and one as residential. He noted past agents would still bring forward any interested parties.

Councilmember Freeburg suggested marketing both as one- and two-parcels deals.

Mayor Pro Tem Weaver said it is important to keep the bar high enough as the market is going to change and we do not want to just allow something to have something.

Councilmember Freeburg agreed but noted we cannot control the market destiny.

Site 2 - Ferry/Pleasant Street

Mr. Darnell asked if the long-term vision for this site is still R-1. Councilmember Weaver said he is not sure we want another apartment complex on the river.

Councilmember Freeburg agreed and said we should continue to acquire other properties in the area.

Finance Director Lori Yager asked if we should consider commercial on just the corner the City owns. Councilmember Freeburg said commercial may actually disrupt the entire area.

Ms. Yager said staff thought this would be a good location for the liquor store as it is right on Highway 47. Councilmember Freeburg said he likes the Highway 10 location better.

Councilmember Weaver agreed, stating Highway 47 could be shifted to the east as well.

Planning Director Carolyn Braun said County Road 22 could become a State highway too and should be a consideration.

Mr. Lee suggested leaving the site as is because we will know a lot more in the next couple months. He noted given the other parcels involved there is nothing imminent except for the commercial property for possible liquor store relocation.

Site 3 - Rum River and 4th Avenue

Mr. Darnell said this site is guided lower density residential and has lots of restrictions on the west of the existing trail. He said the slopes are difficult to develop and suggested marketing for higher density residential.

Councilmember Freeburg inquired about the 100-year flood line. Councilmember Weaver said we can go to the 300-foot line if they want to move the trail. Mr. Darnell agreed stating we will be unable to add a lot and maybe not even another acre.

Ms. Braun said we would have to adjust on either end of the site.

Councilmember Freeburg suggested holding an agent meeting to showcase all properties the City has to offer.

Councilmember Anderson suggested an auction as another means to show what is available but to include bid minimums.

Mr. Lee said the City holds Celebrate Anoka in September, which includes a bus tour of City properties, and staff's intent is to distribute this booklet with current site information.

Councilmember Anderson said he likes that idea but does not want to wait until September.

Councilmember Freeburg said we need parameters. Mr. Lee agreed and said this is why staff would like to update this booklet as we want to see higher density but still need to fit any project into the site with the trees and slope challenges.

Councilmember Schmidt asked if we are dictating orientation. Councilmember Weaver said we are not dictating orientation but are dictating quality.

Councilmember Weaver suggested walking Site 3's north end as Public Works did a great job cleaning up the area, adding the stone wall is beautiful.

Site 4 – 4th Avenue/Grant and Johnson Streets

Mr. Darnell said someone has approached City to develop an apartment complex on this site that would be income-restricted. Council consensus was they would be in favor of a market rate project but not income-restricted project.

Mr. Lee said there is funding available for transit-oriented development on this site.

Mr. Darnell said 100% of the units would be affordable because of the transportation.

Councilmember Freeburg asked about these types of developments in other cities. Mr. Darnell said there are similar developments in Ramsey, Coon Rapids, and others.

Councilmember Weaver said he has no concerns about waiting to get the right project. Mayor Rice agreed, stating he would prefer to see market rate apartments at this site.

Ms. Yager asked if the Council would consider a percentage of income-restricted units. Mayor Rice said he would consider 20% income-restricted units only.

Ms. Yager said the commercial zoning makes this a difficult area for market rate apartments.

Councilmember Weaver said we need to be flexible on how we are going to market this site.

Councilmember Schmidt said it is not out of the question to pay a commission to get the kind of development we want as it would be based on values.

Ms. Yager shared that it typically costs \$200,000/unit to build an apartment complex project.

Councilmember Freeburg said any incentive can help.

Council consensus was to allow market rate apartments only with incentives allowed.

Councilmember Schmidt said it is possible there is a specialist in the field working with an agent to help move these pieces around, similar to the enterprise park.

Councilmember Freeburg said the Medveds needed a facilitator because of the contamination but that here there is just the land.

Councilmember Weaver said the site west of 4th Avenue has highest potential to be a jewel and the others, if done quickly, will work well.

Site 5 – Johnson Street and 4th Avenue

Mr. Darnell said this site is guided for market rate apartments/condos with the potential for retail/commercial use and outlined what uses are allowed in the transit-oriented development.

Ms. Braun said the uses could be adjusted to include something like a medical office building.

Mr. Darnell said either office or light industrial would be permitted.

Councilmember Anderson asked if there has been any further interest in this site being an Amtrak stop. Ms. Braun said no but that the site would be just a kiosk or stop-on-demand stop.

Mayor Rice said we have connections to the universities and suggested loft-type apartment style housing on this site.

Site 6 – 4th Avenue and Pierce (South of the Parking Ramp)

Mr. Darnell said this site has more retail with an alternate location for the liquor store. Councilmember Freeburg said anything around the rail station will not be conducive to dry cleaning or liquor as there is no drive-by traffic. He said he thinks this would be better as office/medical/lab/apartments instead of retail.

Mr. Darnell agreed, stating that is why Pleasant/Ferry would be a better location for the liquor store as there is more visibility.

Council consensus was to market the site but do not preserve for the liquor store.

Site 7 – Pierce Street and 6th Avenue

Mr. Darnell said this is the existing Public Services building site and asked if Council would like staff to prepare plans to be ready or to wait.

Mr. Lee suggested waiting until 2020 as we will be closer then to gauge interest and put together a package for relocating so a developer can be ready to move forward, similar to what we are doing for the park building.

Council consensus was to continue marketing the site and get it ready to move.

Councilmember Freeburg said this is the least desirable site.

Mayor Rice agreed but noted it does have some size.

Site 8 – Pierce Street and 7th Avenue

Mr. Darnell said this site is in the TOD area and will continue to be marketed as it is privately owned. He said the site will be included in the packet as informational.

Site 9 – 7th Avenue and Buchanan Street

Mr. Darnell said this site is owned by Anoka County Transportation Department, has easy access and visibility on Highway 10 as the site is up high.

Mr. Lee said the signalized intersection allows for easy access onto Highway 10. He said the County would prefer to sell the parcels to the City and then assemble all and sell.

Councilmember Schmidt suggested a land swap with the County or an option on the site as it could be a Holiday Inn Express-type facility or vertical motel.

Mayor Rice said he liked that idea and suggested paying a third while we market the site.

Councilmember Freeburg agreed we should market as co-sellers with the County.

Site 10 – 7th Avenue and Highway 10 (Rudy Johnson Park)

Mr. Darnell said this site is visible from Highway 10 and would involve moving the park.

Councilmember Weaver said he has concerns about intrusion into the neighborhood and losing the park as Franklin School depends on this area.

Councilmember Freeburg suggested platting and putting houses on Polk Street and focusing on the neighborhood with a small park.

Mayor Rice said this area is not used except for the baseball park.

Park Advisory Boardmember Jen Shoemaker commented that winter sports occurs here and is one of the well-used parks in the City. She said there is no other place for the kids to go except for skating. She said she liked the idea of houses but not a medical building as there is no exit except for Polk Street and no light so people would have to come down and go through the neighborhood.

Councilmember Weaver said this was not our vision to sell but someone came in to sell.

Park Board member Dave Steinbring said this is the only green space in the area and should be retained.

Councilmember Freeburg said he has no desire to change.

Mr. Lee suggested relocating Rudy Johnson Park 3,500 feet to the northwest just across the tracks.

Councilmember Freeburg said we need mutual sellers and coordination in this area.

Councilmember Anderson asked if we can sell this parcel. Mr. Lee said the land was dedicated in 1948 as open space so we can sell the parcel.

Mayor Rice agreed but said every time we sell open space people complain.

Councilmember Weaver asked if the landing and kayak area will result in that type of use rather than a play park. Mr. Lee said we might not have the money for play equipment.

Mayor Rice said we could use the money from the sale of the park to help in another area.

Councilmember Weaver said we should market to the interested group.

Mr. Lee said staff will not market the site but continue to work with the interested medical company.

Sites 11 and 12 -11th Avenue and North Street

Mr. Darnell said this was a townhome concept at one point and is nicely wooded. He said it is currently zoned R-3 and suggested that zoning remain.

Councilmember Freeburg said this is a clean site and should be marketed for housing. Councilmember Weaver agreed, adding it is a beautiful site.

Ms. Braun noted townhomes would need to be slab-on-grade because of the water table.

Councilmember Weaver suggested creating common areas as part of this project.

Councilmember Freeburg said we should get this listed as it will sell quickly. Mr. Lee suggested obtaining an appraiser's opinion on all parcels but listing as negotiable or make an offer rather than an actual price and liquidate the easy parcels.

Site 13 – 8th Avenue and Main Street

Mr. Darnell said there is not much to this site as it is not very visible.

Site 14 – 2nd Avenue and Monroe Street

Housing Manager Darin Berger said the HRA just purchased the last site to open up the area as potential for a parking ramp of 10,000-12,000 square feet with row homes. He said they have been talking with the school district about creating a lunch counter café and ramp and are now in the next step.

Councilmember Freeburg said we do not own the entire Lehn property. Mr. Berger agreed but said the school owns that piece.

Councilmember Freeburg said we need a master plan and not just spot area plans.

Councilmember Weaver said the HRA-owned site needs to be owner occupied housing. Mr. Berger agreed and suggested something similar to the current townhomes such as brownstone.

Mayor Rice said he is not sure where we will find parking as he does not think we will get a parking ramp. He asked how much space is needed and how much is left, adding we do not mind parking between the blocks but the question is size

and number of stalls. He said we could do tuck-under parking behind and still have nice curb appeal to 2nd Avenue but he is not sure if there is enough space.

Site 15 – 2nd Avenue and Van Buren Street

Councilmember Weaver said this site should be taken off the market as soon as possible and then begin developing the site.

Site 16 – 2nd Avenue and Van Buren Street (Restaurant Pad – north of City Hall)

Mr. Darnell said this site could be developed all the way to the existing sidewalk.

Councilmember Weaver commented a 50-foot setback is now allowed in this area. Mr. Darnell said we do not have to follow the scenic regulations because we are a suburban area. He suggested development closer to the trail will preserve space for parking.

Council consensus was that this is a very attractive site and could be developed up to the sidewalk.

Site 17 – Benton Street and Ferry Street

Mr. Berger said they have held off on this site based on Council direction last year and are now moving towards a smaller, multi-family development.

Councilmember Weaver said he would prefer an owner-occupied project. Mr. Berger said they could try.

Councilmember Weaver suggested creating a tunnel. Park Board member Shoemaker said she agrees as the parks are disconnected with one other and said a tunnel could get people from Anoka to Elm Creek without having to cross the bridge.

Councilmember Freeburg said we need to clean up the riverbank and get rid of the buildings, which will add value to the parcel.

Councilmember Weaver said he does not want to see apartment buildings. Mayor Rice said any development will be at least medium density though.

Site 18 – 1900 South Ferry Street

Mr. Berger said this is the Giddons' property and they have one buyer with Walker Plaza only.

Mayor Rice said if someone else wants to buy the parcel they should and while he is not sure if anyone would the parcel should be kept in the booklet.

Site 19 – 500 West Main Street

Mr. Darnell said this site is privately owned.

Site 20 – East Side of Green Haven

Mr. Darnell said they intend to highlight this parcel as it is ready to market for townhomes.

Councilmember Weaver said the project should be marketed as owner-occupied though.

Site 21 – Highway 10 and Green Haven (Park Building)

Mr. Darnell said they are ready to move forward on this site as there is preliminary interest in a cooperative development with Gladstone. He said they will wait until that project starts development and then move forward.

Mr. Lee said the Gladstone agreement expired in March and they are requesting an extension to May, adding if not they will likely have to pull the project.

Site 22 – West Side of Green Haven

Mr. Darnell shared concepts for this site, which includes Highland Park and Hole 16 along with concepts that show infill along Garfield/Fairoak in the park. He said the plan would require realigning Hole 16 to the east a little.

Mr. Lee said Golf Course Manager Larry Norlund thinks both plans would work well.

Councilmember Schmidt noted the plan preserves Highland Park.

Councilmember Weaver said he would like to see all projects owner-occupied.

Site 23 – West Side of Green Haven

Mr. Darnell said this parcel connects to Verndale and creates opportunities for twinhomes and townhomes. He noted the tower has now been removed.

Mayor Rice referred to owner-occupied and suggested standards high enough in value so rental is not a concern.

Site 24 – XXXX McKinley Street

Mr. Lee said Decopak acquired another tenant and is not expanding and that the other tenant is gone and they are keeping for future expansion. He said the parcel will not be listed in the book.

Site 25 – Thurston Avenue and Highway 10

Mr. Darnell said this area was conceptualized for a potential liquor store. Council consensus is the site is no longer needed.

Councilmember Schmidt asked if we still owe money to RALF for this site. Ms. Yager said the City still owes \$2.5 million in RALF funds.

Councilmember Weaver said the site has good ingress/egress.

Mr. Lee said there was discussion about relocating the McDonald's but they want to be eastbound so it is not an option.

Mayor Rice asked about the parcel size of the liquor store site. Mr. Darnell said the site is at least one acre.

Mayor Rice said this is a very oddly-shaped lot but does work although not quite as well.

Site 26 – Cutters Grove Avenue and Highway 10

Mr. Darnell said this was the old hotel site and suggested housing options including condos, twin homes, etc.

Councilmember Anderson said this parcel has a wonderful view of the Oxbow.

Mr. Darnell inquired about scattered site input. Council consensus was all could be infill.

Councilmember Weaver said he would like to see housing stock that meets or exceeds what is already in place.

4. OTHER BUSINESS

4.1 Staff Update.

None.

5. COUNCILMEMBERS COMMENTS

None.

6. ADJOURNMENT

Mayor Rice adjourned the Regular Worksession meeting at 6:58 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk