

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
APRIL 18, 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, Schmidt, and Weaver.

Staff present: City Manager Greg Lee; Associate Planner Chuck Darnell; Finance Director Lori Yager; City Attorney Scott Baumgartner; and Recording Secretary Amanda Staple.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 Minutes of April 4, 2016, Regular Meeting.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to waive the reading and approve the April 4, 2016, Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Proclamation; Arbor Day. Tree City USA Award.

Superintendent of Public Services Mark Anderson shared a staff report with background information to the Council stating the City of Anoka has been issued the Tree City USA Award for 2015 by the Minnesota Department of Natural Resources and the National Arbor Day Foundation. This Award is for the City's continued commitment to trees and forestation in our community and the City has met the award criteria for 34 years. In recognition of the event, the City will be planting a tree at St. Stephens School at 9:45am on April 29, 2016.

Councilmember Schmidt suggested that perhaps for this year it could be called Tom Hammer Arbor Day. There was consensus of the Council.

Councilmember Weaver commented on the great knowledge about trees and skills with children that Tom Hammer has contributed to the City and also acknowledged other events that he has assisted in.

Mayor Rice read aloud the proclamation.

4.2 Other

Brad Holmbo announced that the car show would begin in Anoka on May 21st through September 17th. He noted that this year the Anoka-Champlin Fire Department Relief Fund will be the sponsor of the event.

Brad Holmbo stated that a new radio station that broadcast on the north side of the metro, 95.9, has approached the group to advertise for the event and will feature a program titled "Cruising" on Wednesday nights.

Councilmember Weaver acknowledged the effort from this group for the people that this event brings into downtown Anoka and the trickledown factor that has on local businesses.

5. PUBLIC HEARING(S)

5.1 Modification to TIF District.

RES/Approving Modification to TIF District/Greens of Anoka and Commuter Rail Transit Village.

RESOLUTION

Finance Director Lori Yager shared a staff report with background information to the Council stating the City of Anoka is proposing modifications 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 to allow for increment to be used for the purchase of property in another TIF district. 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.

Councilmember Schmidt noted that a large amount of detail can be found on the City website for those looking for additional information.

Mayor Rice opened the public hearing at 7:15 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 Schmidt, 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 Schmidt, to adopt a resolution adopting 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, Freeburg, Schmidt, and Weaver voted in favor. Motion carried.

6. CONSENT AGENDA

Councilmember Schmidt noted that upcoming recycling event in April.

Motion by Councilmember Schmidt, seconded by Councilmember Anderson, to approve Consent Agenda 6.1 through 6.2.

6.1 Approved Verified Bills.

6.2 Revising and Setting Council Calendars.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

7.1 Waste Reduction and Recycling Board – Annual Report.

WRRB Chairperson Vicki Violet presented the WRRB's annual report, outlining the 2015 major accomplishments and 2016 projects/activities. She shared reminder that residents can contract for yard waste through their private garbage hauler or can utilize the Anoka County Compost Site off Hanson & Bunker Lake Blvd in Coon Rapids.

Councilmember Freeburg asked for additional information on the materials residents place in their recycling container that is picked up at their homes.

Ms. Violet replied that the material is brought to a sorting facility and then processed and palletized, depending upon the product type, and then possibly shipped. She noted that there is a sticker on the top of the container, which specifies the materials that can be placed inside.

Mayor Rice asked the types of items that are anticipated at the spring clean-up day.

Ms. Violet replied that they receive a lot of household items and paper to be shredded along with mattresses and bicycles. She advised that eyeglasses are collected for donation to the Lions Club and then shipped overseas for those that need assistance with their eyesight.

Councilmember Anderson asked for additional information on the challenges with multi-family residential development and their participation in recycling.

Ms. Violet replied that in senior buildings there is sometimes a lack of space to store the materials or an inconvenient location for the recycling collection at that facility. She noted that the list of materials collected is on the City website.

7.2 Planning Items.

7.2.A RES/Site Plan Amendment; 424 West Main Street **RESOLUTION**

Associate Planner Chuck Darnell shared a staff report with background information to the Council stating the applicant, Ben Kotrba, is proposing to remodel the existing building at 424 West Main Street. As part of the remodel, the applicant will be enclosing the existing covered patio on the east side of the building, adding a small addition near the existing building entrance, and replacing the exterior façade. The applicant previously submitted plans for site plan review, and those plans were approved by the City Council on September 21, 2015. The applicant has proposed to change the primary exterior opaque materials from what was originally reviewed and approved during the site plan review process in 2015. The other portions of the original site plan review have not changed. Therefore, the purpose of this review and approval of a site plan amendment is to approve the changes to the exterior opaque building materials.

Councilmember Schmidt noted that the trash enclosure will be changed from a wood container to masonry and asked if that will be expanded.

Ben Kotrba applicant, replied that he has asked the contractor for an alternate bid to determine if he can make the area larger.

Councilmember Schmidt noted that there has not been much investment in property on that side of Main Street and was pleased to see the updating.

Councilmember Freeburg commented on the longevity of the business and appreciated the improvements to the building.

Councilmember Weaver noted that this is a national franchise and asked if this update was directed by the franchise and whether they approve the plans.

Mr. Kotrba replied that Dairy Queen did approve the plans and advised that when he purchased the location there was a modernization clause in the contract, noting that these plans surpass the required updating. He

believed that the addition of a restroom would be welcome by the customers, along with more than doubling the seating capacity. He confirmed that the drive-thru pattern would continue as-is and that the business would remain open to customers as much as possible. He noted that the drive-thru would remain open while improvements are made to the interior floor and other elements.

Mayor Rice asked the percentage of the building that would be stone.

Mr. Darnell stated that he did not have the ratio of stone to tile but provided the total percentage of each size that would be either stone or tile. He noted that the applicant was previously approved for alternate materials and therefore some additional materials would be allowed.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold adopt a resolution approving a site plan amendment, 424 West Main Street.

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

Mr. Kotrba noted that he is awaiting the approval of the building permit and plans to begin construction within one to two weeks.

7.2.B ORD/Rezoning; 6058 Highway 10. (*1st Reading*)

Mr. Darnell shared a staff report with background information to the Council stating the City is proposing to change the zoning classification of a City-owned property located at 6058 Highway 10. The property is currently zoned R-6 Manufactured Home, but that zoning district does not accommodate many types of redevelopment. Staff has proposed that the zoning classification be changed to R-3 Medium and High Density Residential.

Councilmember Freeburg noted that this rezoning is for the site to which Riverplace Counseling Center will relocate from their current location on Ferry Street.

Motion by Councilmember Weaver, seconded by Councilmember Schmidt, to hold first reading of an ordinance amending Chapter 74, Article III, Section 74-62 of the Anoka City Code regarding the City of Anoka Zoning Map.

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

7.2.C RES/Preliminary Plat; 6058 Highway 10.
RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant requesting a preliminary plat, to be titled Fellowship Place, of the property located at 6058 Highway 10. This is the site of a former manufactured home park, which is now vacant, and the City of Anoka is the current owner. The subject property is proposed to be zoned R-3 Medium and High Density Residential. Lot area and size requirements in the R-3 zoning district are based on the type of dwelling that will be erected upon the lot, and the lots that are proposed are of a sufficient size to meet the requirements.

Councilmember Schmidt stated that he did not realize the amount of space designated for future development.

Mr. Darnell replied that there are almost three acres marked for future development and confirmed that is a part of the purchase agreement.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution approving a preliminary plat for Fellowship Place.

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

7.2.D RES/Variance and Site Plan; 6058 Highway 10; Planned Unit Development Size.
RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant, Dennis Medved, has submitted an application for a variance and site plan review as part of a planned unit development (PUD) to develop townhomes and an office building on the property at 6058 Highway 10. The property will be used as the new facilities for Riverplace Counseling Center. The applicant is requesting a variance to create a PUD that is smaller than the minimum total district area of 5 acres that is required by Anoka City Code. The area that would be included in the proposed PUD is 3.8 acres.

Councilmember Freeburg asked if there were any plans available for the projected sitting areas and river area along Ferry Street.

City Manager Greg Lee noted that information can be found on the City website.

Mayor Rice referenced the future room for expansion, and noted that if this property were used for anything other than the intended use it would be practical to have additional lots for housing. He asked if this received any special privilege for expanding the business further than it currently exists.

Councilmember Freeburg noted that the expansion could perhaps be limited by licensing.

City Attorney Scott Baumgartner replied that typically the number of clients allowed is a ratio of clients to staff. He believed that the future expansion plans are limited to economics rather than staffing, noting that they are placing an investment into the initial construction and this would be more of a phasing for development.

Mr. Lee stated that this new facility will be a reduction to the number of clients they currently service and therefore this room for expansion would allow the facility to grow back to the current occupancy with perhaps a few additional clients.

Mayor Rice asked the number of clients that are allowed under the CUP and asked for additional information.

Mr. Darnell provided additional details on the site noting that the proposed impervious surface for the site, at full build out, would be slightly over the 30 percent maximum at 31 percent. He noted that the storm water would all be managed onsite. He referenced a similar situation, the Anoka Ramsey Technical College, which has a small PUD but did not go through a variance.

Councilmember Freeburg noted that this business has continued to grow in its current location on Ferry Street and therefore this new location will better suit the business.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to adopt a resolution approving a variance and site plan for 6058 Highway 10.

Further discussion: Councilmember Schmidt noted that this would be taking a City owned parcel and developing it into a tax paying parcel.

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

7.2.E ORD/Planned Unit Development; 6058 Highway 10. (1st Reading)

Mr. Darnell shared a staff report with background information to the Council stating the applicant is seeking a rezoning of the property to Planned Residential Development.

Councilmember Schmidt asked if in the future the Council should examine whether the size specified for PUDs is appropriate in the code or whether it should be made smaller.

Councilmember Freeburg noted that the Council does have the ability to allow a variance for smaller PUDs.

Mr. Darnell stated that staff can further research the option and bring the information back for discussion.

Motion by Councilmember Freeburg, seconded by Councilmember Schmidt, to hold first reading of an ordinance amending Chapter 74, Article III, Section 74-62 of the Anoka City Code Regarding the City of Anoka Zoning Map.

Further discussion: Mayor Rice stated that this is a win/win for everyone. He stated that his concern would be with the size of a possible expansion in the future that could exceed the expectations of the City. He stated that he would like assurance that the City has control over expansion in a PUD of this nature to ensure that this does not grant special ability for expansion that the City did not intend.

Councilmember Freeburg stated that it appears there is only room for the additional units specified as future expansion on this site.

Mr. Darnell noted that there are conditions included to address that concern. He noted that it would only be feasible to expand the four units, two buildings, specified on this site.

Mayor Rice asked if the City is now looking at the style of the structure.

Mr. Darnell confirmed that is the design proposed and displayed a proposed sketch, highlighted different architectural elements. He noted that the townhome units would meet the required parking elements and building code of the City, should the units become owner occupied townhomes at some time in the future. He confirmed that each two-bedroom townhome would allow for double occupancy, which means four clients could be housed in each townhome.

Mayor Rice commented on the appearance of the structures noting that they are beautiful and will be such an upgrade from the current campus.

Councilmember Schmidt stated that he has heard overall support from the community as well.

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

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

- 9.1 Modification to TIF District.
RES/Approving Modification to TIF District/Greens of Anoka and Commuter Rail Transit Village.

ACTED UPON AFTER PUBLIC HEARING

- 9.2 ORD/Second Amendment to Purchase Agreement; Hearth Development I, LLC.
(2nd Reading)

ORDINANCE

Mr. Lee shared a staff report with background information to the Council stating on February 2, 2015, the City of Anoka and Hearth Development entered into a purchase agreement for 1.57 acres of land at the southeast corner of 2nd Avenue and Harrison Street. Hearth Development wishes to build the Gladstone Cooperative, a 44-unit (previously proposed 59 units) senior cooperative on that site. The purchase agreement outlined a date of closing of August 31, 2015. Hearth Development has been actively marketing the building, however, had not reached the necessary amount of reservations to be able to proceed with purchase of the property. Therefore, back on September 8, 2015, the developer asked to extend the closing date to March 1, 2016 to allow sufficient time to obtain the necessary amount of reservations to receive financing. Since then, they have been working through the financing process with HUD, which has taken more time than expected. At this point, Hearth Development would like to push the closing date back to on or before June 1, 2016.

Councilmember Freeburg stated that he prefers the new height as it will be a better aesthetic match to the surroundings.

Councilmember Anderson agreed.

Mr. Lee noted that he has heard similar comments of support for the lower height from the nearby condominium building.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold second reading and adopt an ordinance approving second amendment to the purchase agreement with Hearth Development I, LLC.

Further discussion: Mayor Rice stated that he is pleased that this development will be moving forward and will contribute to the Historical Rum River District.

Councilmember Schmidt noted that this would be another City owned parcel that would joining the tax roll.

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

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.

Councilmember Freeburg noted that the new parking lot near City Hall is moving along well.

Mr. Lee noted two road closures: Monroe Street between 1st and 2nd Avenue, which will be closed for the next two weeks; and 7th Avenue from Main Street to 5th Avenue/East River Road, which will be closed for up to two weeks beginning the following Monday.

Ms. Yager provided an update on the TIF Bill, which went before the Senate and has now been passed onto the House of Representatives.

Mr. Lee noted that MnDOT has dedicated \$300,000 to study possible grade separation at the rail crossing on Ferry Street. He noted that if the cost estimate looks feasible MnDOT would like to continue with the design of that element. He stated that an open house meeting would be held in late May or early June and noted that the study is anticipated to conclude by August of this year. He noted that the study would include the area of Ferry Street from Highway 10 to McKinley Street with a possible signal at McKinley.

Councilmember Anderson stated that this will perhaps resurrect the discussion of access for the subdivision near the fairgrounds.

Mr. Lee confirmed that is why the possible signal is also being researched but noted that if a signal is installed at McKinley that would require the access of two other nearby roadways onto 47 to be closed.

13. ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

Time of adjournment: 8:29 p.m.

Submitted by: Amanda Staple, *TimeSaver Off Site Secretarial, Inc.*

Approval Attestation:

Amy T. Oehlers, City Clerk