

**SPECIAL WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL CHAMBERS  
JANUARY 10, 2022**

**1. CALL TO ORDER**

Mayor Rice called the worksession meeting to order at 5:00 p.m.

**2. ROLL CALL**

Present at roll call: Mayor Rice, Councilmembers Barnett, Weaver, Wesp, and Skogquist.

Staff present: City Manager Greg Lee; Finance Director Brenda Springer; Community Development Director Doug Borglund; Public Services Administrator Lisa LaCasse; Public Services Director Mark Anderson; Mark Brual, Green Haven Golf Course; and Electric Utility Director Greg Geiger.

Absent: None.

**3. COUNCIL BUSINESS and/or DISCUSSION ITEMS**

**3.1 Discussion; Green Haven Golf Course Redesign Concept.**

Community Development Director Doug Borglund shared a staff report with background information stating at the December 13, 2021 work session, the Council was presented with an overview of the Green Haven Golf Course redesign. At that meeting Council provided comments to the proposal regarding financing, proposed accounts and current balances, proposed draw down, projected balances, abatement bonding, and breakdown of specific items. He said discussions would also need to include renaming Garfield Road if reconstructed, exploration of Coon Rapids business model (Kendall's), and further financing options.

Finance Director Brenda Springer shared estimated project costs for the full project, including the Garfield Road renewal/realignment, was estimated to be \$10.6-\$11.1 million. She outlined proposed funding sources that included current and future land sales and electric department, internal loan from urban development fund, and abatement bonds. She outlined land sales that could be used to acquire property and work to relocate the current Garfield Road then explained three financing options available to complete the project. Ms. Springer outlined future income opportunities such as curling, lawn bowling, driving range and round costs, and additional banquet opportunities and commissions.

Councilmember Weaver asked about impacts to taxpayers in each funding scenario.

Councilmember Barnett asked about the length of taxpayer impacts on households and businesses. Ms. Springer outlined how they would use estimates from either three proposed businesses or 2,000 single family homes for 10 years to gauge base amounts.

Councilmember Skogquist clarified taxes from that base estimate would be spread across the entire City in the form of a levy.

Councilmember Wesp asked if Option 2 was used and we loaned ourselves money what would be an appropriate amount. Ms. Springer explained the City could loan itself whatever amount it deemed necessary but noted the electric fund currently contained \$6 million and this option would deplete the fund to \$3 million then spoke about electric rates and trends.

City Manager Greg Lee noted adjusting electric rates had nothing to do with the Green Haven project but stated rates would increase regardless to prevent utilizing fund reserves as electric costs increase.

Councilmember Weaver commented about the importance of this enterprise and having public from outside the community help pay for this asset.

Councilmember Skogquist expressed concern about depleting the electric utility too much and the need to budget for the average cost of materials to maintain the infrastructure.

Councilmember Weaver spoke to the need of flexibility in getting ahead of the unknowns because everyone will feel the impacts of upcoming increases in all utilities.

Electric Utility Director Greg Geiger explained how the City has been using cash reserves to draw down increased costs for purchase power and how fuel and renewable costs will continue to rise in these unprecedented times and shared concerns with timing of this project due to the uncertainty of power costs and materials.

Ms. Springer suggested alternate loan amounts and using \$1 million from reserves and the remaining \$1 million in abatement to help alleviate those concerns.

Councilmember Skogquist said he recognized the need for golf course improvements but expressed concern about this scope of a project at this time and said he would not support any of the proposed financing options at this time.

Councilmember Weaver spoke about the unexpected benefits of WAC/SAC credits from demolition of the former restaurant on Thurston and Highway 10 which was intended to enhance redevelopment in the City and how this project would be a reason to use these funds as it was a long-term investment that help Anoka continue to thrive. He said if we delay inflation will only continue to rise and materials become more expensive, especially when everyone's energy costs are going to increase.

Mayor Rice agreed the project would be good for the golf course and their users but expressed the need to maintain reserves as well.

Councilmember Skogquist asked about the status of Buldoc Construction, Inc. at 649 Garfield Street. Mr. Borglund said staff was still in negotiations regarding this property.

Councilmember Weaver spoke about other activity that would occur as part of this expansion such as banquets, conferences, increased food and alcohol revenue and more regular use which would be very beneficial.

Councilmember Wesp shared history of the area and donation of land for the back nine holes and how Green Haven was almost 100 years old and the importance of reinvestment such as a driving range. He referred to the simulators already in place and his views regarding improvements as a generational change to Green Haven. He said he understood concerns for future expenses but expressed concern about doing improvements only partway and the need for the full project now for the overall good of the City. He spoke about the interested investor who wants to construct high-end homes in the area, how the restaurant wants to extend their lease, and other reasons to do this project and the need to be open minded for the overall betterment of the community as it will help increase surrounding property values.

Ms. Springer noted the overall project was between \$10-11 million and includes the road which will need to be done regardless. She noted electric transfers of \$700,000 offset the levy annually and if not done the tax rate would be 10% higher.

Councilmember Barnett referred to how few residents we would be directly impacting from this project and if it was worth the risk for the majority of taxpaying residents to improve the course. She said if we rush this we could pay more for parcels and other items then referred to the need for more planning to better identify funding and affordability.

Mayor Rice spoke about the proposed \$10 per year increase in taxes to the residents in addition to possible electric rate increases. He said he was not concerned about the electric utility because we have to support it regardless of

what happens, adding we already sell electric less than our competitors and still make a profit and how this project would benefit the City as a whole.

Mr. Geiger shared comments about due diligence and the need to share his concerns but said he would support the project if the Council moved forward by adjusting from an equipment installation model to a maintenance model instead for a few years which would allow for options then spoke about increases in reliability.

Members of the audience shared support of the proposed project as it would better the larger community.

Council consensus was to proceed with the proposed Green Haven Golf Course redesign concept by utilizing Financing Option #2 or alternative hybrid financing options.

Mr. Lee clarified this general consensus did not commit the City to the full project but just provided staff direction on next steps which would be to continue negotiations with Buldoc Construction and refine the plan, adding the next decision point would likely be property acquisition would could be stopped if directed.

#### **OTHER BUSINESS**

None.

#### **4. ADJOURNMENT**

Motion by Councilmember Weaver, seconded by Councilmember Wesp to adjourn the Worksession at 6:10 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk