

**WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
JANUARY 23, 2023**

1. CALL TO ORDER

Mayor Rice called the worksession meeting to order at 5:03 p.m.

2. ROLL CALL

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

Staff present: City Manager Greg Lee; Community Development Director Doug Borglund; Police Chief Eric Peterson; Finance Director Brenda Springer; Assistant City Engineer Ben Nelson; Senior City Planner Clark Palmer; Electric Utility Director Del Vancura; Public Services Director Mark Anderson; and City Attorney Scott Baumgartner.

Absent: None.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; Anoka County Jail Expansion.

City Manager Greg Lee shared a staff report with background information stating in late December 2022 the City received a demand letter from the County stating its position and requesting the City respond by January 31, 2023 regarding the proposed Anoka County Jail Expansion. He shared a timeline of events maintained by staff for all commutation/events/activity related to the discussions around the topic of the Anoka County jail expansion and new parking ramp in downtown Anoka. The City provided a list of its concerns to the County to which the County provided a response. The City provided options for the County to consider which included County property in other locations. He noted those locations were never investigated by the County, only sites in the City. Lastly, the City looked at options and considered a zoning text amendment and map amendment to allow a correctional facility in area of the City not in the downtown area and the Planning Commission approved the amendments. The City Council held back from holding first reading until the City understood the County's final position. Further, the County's proposed downtown location is not an allowed use by zoning but is allowed in others.

Councilmember Wesp noted the letter the City received was only from a couple Commissioners and not the County Board as a whole.

Police Chief Eric Peterson shared that Sheriff Wise is concerned with the relationship between the County and City and said he expressed the City's concerns with Sheriff Wise, especially with regard to release of inmates. He said Sheriff Wise is committed to a better release process and to creating a jail committee to help address the City's concerns.

City Attorney Scott Baumgartner shared comments that Commissioner Look was not part of this letter and stressed the importance for the County and City to reestablish trust, which could be done through a committee to provide a broader perspective.

Mayor Rice said the City should formally respond to the letter, copy the entire Board, then allow more discussions to occur as part of the committee.

Councilmember Skogquist agree we should respond that the City would like to meet and review to get everyone on the same page.

Councilmember Weaver said we understand City ordinances while the County understands what is important to them as well as the courts and asked what our alternatives are about where they could expand. He agreed with the expansion being next to the public safety facility in Andover due to its proximity to safety center and sufficient space.

Mr. Baumgartner said a location could also be by the AMRT with the new courthouses not too far but close enough to have judges go to where the inmates are and offer housing and other services to get them started. He said the facility needs to be remodeled at some level or it will be decommissioned which will be very difficult to address should that occur.

Mayor Rice said he understands the need to make financial sense with regard to meals, housing, etc., and the concept of staying nearby with the need to be cost effective overall also hinges on food service.

Councilmember Skogquist shared his frustrations with any idea being this was not feasible because of budgets.

Councilmember Weaver agreed but noted the County has both a new Chairperson and Sheriff.

Mr. Baumgartner said the City still has an opportunity to navigate the discussion as part of public consideration.

Discussion was held on current Commissioners' terms and representation.

Mayor Rice said the City should state that it will not change the zoning and share that we are still opposed to a jail downtown but willing to discuss alternatives or

have the County move forward with whatever legal action is available to them. He said we need to be honest with the County that we will not close Van Buren and would instead prefer remodeling the space and keep the inmates near the courthouse for appearances and house longer term inmates somewhere else or other real options.

Mr. Baumgartner said the City could give the letter no credibility as it came from only two Commissioners and not the full Board but we should be willing to meet in order to address lack of transparency.

Borgie Bonthuis, Anoka, shared concerns about how the County's committees do not listen to each other.

Chief Peterson agreed, stating this was similar to the Joint Law Enforcement Council.

Councilmember Weaver said meetings had been held without a quorum so were then not open to the public.

Mayor Rice noted the Board meets without much public input anyway then spoke about the need for transparency.

Councilmember Wesp said it appears the Board has the votes to move forward already but that Commissioners Braastad and Schulte seem to be speaking for the full Board and agreed we need to stand back and say no. He said he was willing to meet with the Board, County Attorney, and Sheriff then spoke about the importance of leveraging and protect the community, similar to what the City did protecting against expanding Stepping Stones.

Councilmember Weaver spoke about the importance of the court of public opinion, including utilizing tools such as the *Star Tribune*.

Mayor Rice said the City understands being the County seat and having a jail but said there are many other organizations we currently support and do not want to expand anymore.

Mr. Baumgartner said we need to start as a committee then decide and bring consensus to larger group to show that we tried.

Discussion was held on the benefits of acting now and holding first reading for alternative locations, including the armory and others. Mr. Baumgartner said if the results are not good the Council does not have approve rezoning and could hold off on second reading while discussions still continue.

Item 3.3 was heard at this point in the agenda.

3.2 Discussion; City Bonding.

Finance Director Brenda Springer shared a staff report with background information stating in 2000 the Anoka City Council began the Street Renewal Program (SRP) for the reconstruction of City streets and infrastructure at or reaching the life expectancy typically around 70 years and the program has reconstructed over 32% of the City's roadway system. This program was developed to reconstruct streets that are in poor condition including the bituminous surfacing, concrete curbing, and poor stormwater surface drainage. This also includes replacing the existing sanitary sewer, watermain, and storm sewer that has aged and deteriorated over time. Since this program was implemented twenty-two years ago; 21 miles of City streets have been reconstructed or 32% of the 69.1 total miles of City streets, this represents an investment of approximately \$50M in the city infrastructure. At the August 22, 2022 worksession meeting, Council provided unanimous consent to move forward with Street Renewal Program in the "Franklin Area" neighborhood that is bounded by Branch Avenue to the west, TH-169 (Ferry Street) to the east, Highway 10/169 to the north and West Main Street to the south. Council gave direction to complete this neighborhood in two-years (option #1) with will require the City to bond for \$5M or determine other funding sources to finance the project. She recapped of the four options presented at the worksession meeting and shared project location maps/cash flow options documents for more detailed information on the financials. She reviewed four options in detail and said at the November 28, 2022 worksession meeting, Council provided unanimous consent to raise the assessment rates approximately 12% for 2023. The residential street unit assessment will be \$4,520 along with a \$24 front footage assessment. The residential sanitary sewer unit and water unit assessments will be \$1,510 and \$1,640 respectfully. Staff anticipates with this increase to the assessment rates; the 2023 SRP project will be approximately 24% financed with special assessments. She reviewed the proposed project schedule and said staff is seeking direction on the project financing and the project limits/phasing for the Street Renewal Project - Franklin Area neighborhood.

Assistant City Engineer Ben Nelson reviewed the proposed options in detail and the required bond amounts.

Councilmember Scott asked if redoing roads from 2027 and beyond would assume the costs remain the same or include inflation. Mr. Nelson said the estimates include a 10% inflation rate.

Ms. Springer shared past bonding projects and not using the City's electric utility but instead bond.

Councilmember Weaver spoke about the need for street repair in front of Franklin School and other areas,

Councilmember Skogquist shared how roads are falling apart faster than we can replace and the need to figure out how to replace quicker or slow deterioration such as through organized hauling. He said we could at least partially bond and suggested milling off the top and replacing to extend street life 5-7 more years or a combination of all options.

Mayor Rice said we have been careful not to assess more and agreed we need to determine how our roads can last longer.

Councilmember Weaver said we have to focus on neighborhoods as they come first then shared history on the SSIP program.

Mayor Rice the City can no longer afford to do SSIP anymore.

Councilmember Scott commented on costs that will not decrease anytime soon.

Councilmember Weaver said he would support bonding but wanted to identify other ways to increase revenue so residents do not have to just pay through the levy, such as the electric utility.

Discussion was held about how other communities address street projects.

Mr. Lee said staff could continue with the plans for 2023 and come back in August with a five-year plan for Council consideration on how to subsidize funding for street projects.

Councilmember Skogquist asked that timing be included and scheduling so we can decide whether a project should be SRP, SSIP, or other options depending on a road's condition.

Mayor Rice suggested quantitatively determining ways to do new roads, noting 50% more would have been worth it anyway.

Mr. Lee said it is cost effective to have an entire road for residential streets, changing it out every 25 years.

Councilmember Skogquist asked how much deterioration is based on materials and tradeoffs.

3.3 Discussion; Development Real Estate Update.

Community Development Director Doug Borglund shared a detail update on the development sites of 4th Avenue and Johnson Street and 2nd Avenue and Van Buren Street. He shared past Council direction regarding Sites A and C of 4th and Johnson Street.

Mr. Borglund shared about Site B and the offer by Gramercy of \$200,000 with a market value of \$175,000, adding the City bought the property from William Egan for \$387,880.

Information was shared about the site including possible contamination issues, ground and covered parking so no need to excavate, and more about a possible concept similar to Malcom Yards for food and alcoholic beverages. He said the food hall inspiration was under contract with a large portion of Site A and while there may be a need for TIF should fit well into the City's small area plan and overall concept.

Councilmember Skogquist asked about current debt for purchases. Finance Director Brenda Springer said she was not sure of the amount but said the City was slowly purchasing property in this area.

Councilmember Weaver spoke about the new public works facility and cost restrictions which could this be part of the plan.

Mayor Rice said we need to increase the tax base but build at the same time and replace the public works facility.

Councilmember Weaver asked if Sites A, B and the food hall were part of a TIF district. Ms. Springer said the City can purchase until June 2023, adding the district was extended for 12 more years.

Councilmember Skogquist said he was excited about the possibilities and potential TIF generation over the years, especially once full and how the district could help serve debt.

Councilmember Weaver agreed but said it has to work for the taxpayers first.

Mayor Rice asked if the proposal was condos or owner occupied. It was explained the project would likely be condos and not owner occupied unless it could be part of a broader redevelopment.

Councilmember Wesp spoke about the proposed grocery store development on the north and the last property to develop and how redevelopment is only left now. He said the Council has to make sure a project works for taxpayers and how other development usually starts other projects. He said we should figure out how this could work while being responsible to the taxpayers and Gramercy then referenced the great project at the golf course and how that could continue. He asked about the property across from Site B and if that could fit into the plan. It was stated that it would not fit into the plan unless Site C was part of it.

Councilmember Wesp said he would not want the City to give away Site C and that we should continue to work on this plan.

Mr. Lee said Site C may not be in play and listed reasons why including access and said staff needs more time to assemble as we do not want to move the public works facility just to have the result be more rental for example.

Mayor Rice said the area will likely be rental and not purchased for single family but instead by corporate for continued rental use.

Ms. Springer added the TIF district has borrowed \$3.2 million and last year had \$173,000 in TIF revenue.

Representative from Gramercy said he would like to continue conversations with the City and build something beautiful for future residents and consider Site B north of Site C and invited the City to tour the Green Haven project on March 16.

Mr. Borglund spoke about Gaughn properties and their interest in 2nd and Van Buren then explained the \$36 million project of 150 market rate apartments, restaurant, fitness center, and other amenities including municipal parking, in the historic Rum River District.

Councilmember Skogquist inquired about what the Historical Society was generally proposing for space.

Councilmember Weaver said he was not interested in apartments downtown but would possibly consider owner occupied units.

Councilmember Skogquist cautioned against saying no because we may not get any development for another 20 years, adding condos would not work near the downtown entertainment district.

Discussion held on benefits for development downtown.

Councilmember Scott said he appreciated the demand which is positive but agreed we should look at trends and demographics as they are changing and may be more generational and should consider the importance of keeping downtown the jewel it already is.

Council consensus was not to support apartments and continue working with Gramercy on the first site.

UPDATES/REPORTS/COUNCIL SUGGESTIONS FOR TENTATIVE FUTURE AGENDA ITEMS

None.

4. ADJOURNMENT

Motion by Councilmember Weaver, seconded by Councilmember Wesp to adjourn the Worksession at 7:33 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk