

**WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL CHAMBERS  
FEBRUARY 22, 2021**

**1. CALL TO ORDER**

City Manager Greg Lee called the worksession meeting to order at 5:00 p.m.

**2. ROLL CALL**

Present at roll call: Mayor Rice (arrived at 5:05 p.m.), Councilmembers Barnett, Skogquist, Weaver, and Wesp.

Staff present: City Manager Greg Lee; City Planner Clark Palmer; Public Services Director Mark Anderson; Police Chief Eric Peterson; Police Captain Andy Youngquist; Housing and Redevelopment Manager Darin Berger; City Planner Clark Palmer; Engineering Technician Ben Nelson; Community Development Director Doug Borglund; Finance Director Brenda Springer.

Absent: None.

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

Police Chief Eric Peterson shared an update on the recent criminal car chase that began in Blaine and concluded in Braham, Minnesota that involved Anoka police officer Jake Sorteberg and K-9 officer Bravo who was shot as part of the incident. He stated Bravo was recovering well from his injuries, shared his thanks for the outpouring of support from all over, and said how proud he was of both these officers.

**3.1 Discussion; Development Options.**

Community Development Director Doug Borglund shared a staff report with background information stating staff would present a variety of development related topics and ask for feedback and direction from City Council on several development topics.

*Discussion: Highway 10 Project Post-Construction Development of Remnant Parcels.*

Engineering Technician Ben Nelson shared updates on several remnant parcels as part of the Highway 10 project that included Tire Zoo, Wright Tires, Sign Station, and the former Vineyard restaurant that would be available for redevelopment. He shared information on size, City's MN freight match, residual value, and worst-case settlement offers for each parcel.

Councilmember Barnett clarified the requirement for public purpose for The Sign Station Company Tire was just that the City could not sell the parcel.

Councilmember Weaver confirmed the City's match funds were budgeted items.

Councilmember Skogquist asked more about other use restrictions of the former Vineyard parcel. Mr. Nelson explained the area was approximately 1.2 acres remaining.

Mr. Lee noted these three parcels will be included in future redevelopment discussions.

*Discussion: Historic Rum River District (HRRD) Tax Increment District Update.*

Mr. Borglund shared an overview of the HRRD tax increment district. Ms. Springer explained the history of the district with the goal of bringing in almost \$52 million with decertification occurring in 2032 then reviewed debt and interest payments now and in the future.

*Discussion: 2nd and Van Buren Development Concept.*

Mr. Borglund shared about the 2<sup>nd</sup> and Van Buren development interest with Gaughan Companies for a project that would encompass two acres and asked if the library could be included as part of this redevelopment project. He shared details of the site and a rendering of a similar downtown river front project in Shakopee and another in Forest Lake that included a restaurant, retail, and residential.

*Discussion: 2nd and Harrison Development Site.*

Mr. Borglund shared about the 2<sup>nd</sup> and Harrison development site. He shared photos of similar projects that could occur on this site that would include townhome units with parking in the rear and asked for Council direction.

Councilmember Wesp shared support for the Gaughan development and the importance of owner-occupied project on 2<sup>nd</sup> and Van Buren with office on the first level and residential on the second.

Councilmember Skogquist shared concerns about payback as the density was lower then stressed the importance of having a good plan up front. He said he supported the proposed concepts but noted the site would be surrounded by all brick buildings and anything new would need to match. He spoke about the Van Buren site and how an owner-occupied site would work in this current market.

Councilmember Weaver said he was excited to see people wanting to invest in Anoka and that it would be important for materials to be compatible with those on

2<sup>nd</sup> and Van Buren. He said the concepts for Harrison and 2<sup>nd</sup> would work well and supported owner-occupied on Van Buren and 2<sup>nd</sup> with a mixed-use building with retail and restaurant that included a condo building. He noted the Anoka County Historical Society may have some input as well with regard to their relocation.

Councilmember Barnett agreed regarding the direction of owner-occupied with appropriate architectural standards on 2<sup>nd</sup> and Harrison and said the bars and restaurants would do very well with an influx of residents in the area then asked about the possible relocation of the Anoka Historical Society. Mr. Borglund explained they wished to remain in the downtown area and noted their space needs have changed over time, adding they have an existing lease with the City and will be working on details for relocation.

Councilmember Skogquist noted their lease was extended with improvements. Mr. Lee confirmed their lease was in effect for another 15 years.

Mayor Rice asked for more information on the financial responsibility to the Historical Society. Mr. Borglund said they were in discussions on options for that support and noted the developer was interested in the entire site but if Council did not want to include the entire site that could be considered.

Council consensus was to support both development options as presented but to speak to developers regarding projects without the inclusion of the Historical Society for consideration with potential consideration for mixed-use and rental units.

Planning Commissioner Borgie Bonthuis commented about the number of steps on the proposed projects that would limit the market to a younger population.

Councilmember Skogquist shared concerns about the project on 2<sup>nd</sup> and Monroe that was more hybrid with decks on the back overlooking the parking lot and thought a porch would be a better option.

*Discussion: CRTV Tax Increment District Update.*

Mr. Borglund shared about the CRTV tax increment district. Ms. Springer shared the TIF plan estimated revenue was \$37 million and explained their work with the legislature to extend the district for an additional three years until 2023. She explained the new revenue projects of approximately \$11 million and expenses that would result in \$6 million to purchase land.

Mr. Borglund explained more about the site and asked what use the Council would support on the three-acre site and if the Council would be interested in pursuing any new parcels in this area.

Councilmember Barnett said she supported the concept of moving Johnson Street and using as a buffer along the railroad tracks south of Johnson Street. She said acquiring parcels along Johnson Street would not be beneficial to the City and acquiring the towing site instead would be better.

Mayor Rice said we have a responsibility to create a favorable environment for redevelopment and south of Johnson Street is more motivating as we own more parcels.

Mr. Borglund asked about the area along Highway 10 and if the Council wanted to pursue parcels in this area, noting the adopted Anoka Station master plan calls for commercial/office uses.

Councilmember Skogquist said he was not interested in pursuing parcels south but noted 2610 5<sup>th</sup> Street could be pursued and would support more parcels around the Community Mission property, but is not in favor of purchasing the Community Mission property. He said if they would remain in this area, they would need more space and noted the house on 4<sup>th</sup> Avenue could be removed.

Mayor Rice said he envisioned purchasing parcels from willing sellers but not the Community Mission as that would turn into a larger industrial use along with the parcels we had assembled.

Mr. Borglund spoke about the land north of the railroad tracks west of the new Kwik Trip. He said the master plan identified this as a high-density area with relocated community gardens. He said the City has purchased one parcel and asked if the Council was interested in additional parcels and if so, what would be the proposed use.

Councilmember Barnett said these properties were a higher priority and could adjust the plans for apartments to a higher owner-occupied condo use and offer parcels from the parking lot down and relocate the road adjacent to the railroad.

Councilmember Wesp spoke about the building in this area that should be removed and agreed action here would give us the best ability to redevelop, there was a likely willing seller and would support shifting the road for more land.

Mr. Borglund said the intention of redevelopment was to assist in situations such as this building. Councilmember Skogquist said all these improvements were worn and agreed the focus should be on this area.

Councilmember Barnett said with David Weekley Homes and other local development, the Pierce site would motivate commercial buyers would take this first step and hopefully not see as much City-spending overall.

Mayor Rice said this was a big enough piece of property to create more land and hoped this site would create interest once cleared and motivate other developers with high quality redevelopments.

Mr. Borglund outlined the area east of 6<sup>th</sup> Avenue that called for urban townhomes in the Anoka Station master plan.

Councilmember Barnett said she was not interested in pursuing this area at this time as there were other priorities.

Mr. Borglund outlined the area at Ferry Street and Pleasant Street and asked for Council feedback.

Councilmember Wesp asked how these parcels would be affected by the grade separation. Mr. Nelson explained how the grades would increase at Martin Street and would not be affected with the exception of the bike trail.

Mayor Rice said he would support holding these parcels at this time as it could block a future larger project if attempted now.

Councilmember Weaver expressed his frustration with the offer from Trilogy Homes for this site a few years ago that did not come to fruition.

Council consensus was to hold these parcels at this time.

*Discussion: 4th and Grant Development Interests.*

Mr. Borglund shared about this site that could include a four-story apartment building with 150 units with MWF Properties for a market-rate project at a price of \$600,000. He shared the proposed rent structure then shared interest by David Weekley Homes for 31 units owner-occupied units on this site for a price of \$405,000.

Mayor Rice said he would like to know estimated taxable values for both projects should they be developed. Mr. Borglund said he could work with the City Assessor to determine those values.

Councilmember Wesp asked about project values and portfolio turnover. Matt Metzger, MWF Properties, estimated \$200,000 development costs per unit or approximately \$30 million then said the benefits of partnering with higher density would produce a higher tax base than owner-occupied and add more households to sustain commercial activity. He said their firm was long-term owners with an inhouse management company and was another reason why they would be a good fit for the neighborhood.

Councilmember Weaver said he supported apartments in this area but cautioned against constructing too many apartment projects that increased the number of rental units to more than 50-60%, especially in the downtown area.

Councilmember Skogquist agreed but said we were at a point now that rental was not completely out of line and that areas by the rail station would be good for apartment units and suggested the site south of Johnson Street instead.

Councilmember Wesp referred to Riverspoint and Weston Woods as good rental developments because they had associations with controls put in place and said he could support owner-occupied in that scenario.

Councilmember Barnett agreed, stating the continuity, aesthetics and timing with David Weekley Homes made sense now with regard to TIF districts.

Mayor Rice said it would be good to have all parcels developed privately if possible, as owner-occupied and if David Weekley was willing to develop those types of units, he could support that concept.

Council consensus was to continue discussions with David Weekley Homes on a project.

*Discussion: CRTV Land Acquisition.*

Mr. Borglund shared about interest from Sand Development, LLC, for the site on 4<sup>th</sup> and Johnson for proposed residential units with some commercial and asked for Council input. He outlined the proposed 50-60-unit building with underground parking and other amenities including incorporating transitional to permanent housing for occupants of Havens for Heroes. He outlined the offer of \$700,000 and asked if there was interest in this proposal.

Councilmember Weaver said he would support apartments on this site but stressed the importance of including a whistle stop/Amtrak station that would service the rail with a historic depot.

Councilmember Barnett said she would like to save the parcel as part of a larger discussion for a developer with the entire parcel and confirmed the City was still being paid a lease rate by Metropolitan Council for use of this site.

Councilmember Skogquist agreed, stating as we wait this location will become more desirable and should pursue parcels to the east first.

Council consensus was to postpone pursuing development of this parcel at this time.

*Discussion: Greens of Anoka TIF District Update.*

Mr. Borglund spoke about M&I Homes and explained the proposed concept of and adjusting the southern line of the parkway with 46 units attached and detached. He shared photos of proposed units and materials and spoke about discussions had regarding retaining Garfield Street.

Ms. Springer explained the City had \$8 million invested in this site.

*Discussion: Highland Park Update.*

Mr. Borglund asked questions regarding Highland Park about intended use and layout with one level villa products and if the Council wanted staff to move forward with this developer.

Councilmember Skogquist clarified the developer was not interested in the separate triangle parcel. John Rusk, M&I Development, said they did not have a high interest in this parcel but could include it if required but that it was not a deep enough parcel.

Councilmember Weaver said he liked the adjusted alignment and thought villas in the triangle parcel would be fine. He liked the attachment to Garfield Street as it would provide a backway connection into the City with all the construction occurring.

Mr. Borglund noted the villa product could work as a phase one and phase two project. Mayor Rice asked about the road that serves the Calvary area, stating it needed to remain and provide another access if possible then asked if we could consider creating a smoother transition.

Councilmember Barnett asked about the market for one-level villas. Mr. Rusk confirmed the one-level would be appropriate in this area by the golf course and that the site lays well for the project.

Councilmember Weaver asked if spending money on an appraisal was necessary as the tax base will continue and encouraged negotiation instead. Councilmember Barnett said she would prefer to have an appraisal conducted to have a good starting point for negotiations.

Councilmember Skogquist said he liked the quality of the villas and felt they would fit in well but did not support including the triangle piece at this time.

Councilmember Wesp said he was pleased a new park would be included as part of this development and provide an opportunity to highlight the golf course and said if ACAAP was willing to sell that parcel could be considered in the future and should move forward with purchase.

Council consensus was that they liked the layout and product and to move forward with an appraisal for negotiations. Mayor Rice said he would like to see some units include basements with walkouts if possible.

Mr. Borglund asked about the parcel by Garfield for consideration.

Councilmember Weaver spoke about the need for a driving range for the golf course and said he supported purchase of this site.

Councilmember Skogquist asked about the distance from the clubhouse and if that was a concern. Mr. Borglund said the Council could have further discussion on this parcel and answer those questions.

Mr. Lee said Mr. Norland would fully support a driving range at this site. Councilmember Barnett offered her support as well based on aesthetics of this site.

Council consensus was to bring this topic back for a future workshop.

### 3.2 Discussion; Law Enforcement Training Center/Animal Containment Facility.

Chief Peterson shared a staff report with background information stating the proposed project had been before City Council several times and how Council directed staff to provide options to amend the plans due to costs and nearby neighborhood site lines. He provided information on three proposed options for the Law Enforcement Training Center (LETC) and Animal Containment Facility (ACF) and said Council would be asked to provide direction.

Chief Peterson outlined Option 1 of a single-story facility with removal of ACF and enhance the golf maintenance site for long term use for animal containment. He said the estimated construction cost would be \$1.5 million and outlined three proposed alternates for a gun range and range lengths. He said the range would enhance training with long guns and save travel time to other ranges. He provided renderings of Option 1 and street view impacts to the neighborhood.

Chief Peterson outlined Option 2 of an expanded single-story facility with removal of the ACF that would include construction of a six-lane shooting range, classroom space, and enhancements of the golf maintenance site for animal containment. He said the estimated cost would be \$1.8 million then outlined bid alternates for the range.

Chief Peterson outlined Option 3 which was the original proposal as a two-level building with the ACF. He said the facility would include a four-lane range with an estimated cost of \$2.5 million with bid alternates for the range.

Chief Peterson shared comments that if Council wished to proceed with Option 2 and have bid alternates available for a six-lane range expanded to 50 yards that option would provide the best training available. He said while it was important to have animal control in the City with modifications to existing site, we could sustain needs for the near future as the building could be expanded one level if needed in the future. He outlined the floor plan for the golf maintenance animal containment in detail and said it would meet our needs for the near future then outlined his goals for inclusion of a decision-making simulator which could be included in this facility as well. He noted Federal Cartridge was willing to donate \$50,000 towards this goal and shared plans to work to raise the remaining funds.

Councilmember Weaver said after what Anoka Police Department went through last weekend with the car chase incident, he fully supported training for the police team and supported a one-level building, 50-yard-long gun range and simulator.

Councilmember Wesp said how it was not taken lightly the importance of training and that he would also support a one-level 50-yard gun range with simulator, adding there will be opportunities to train neighboring departments as well.

Ms. Springer shared that bonding for the ACF could be favorable as we should receive good rates should Council wanted to still consider that option.

Mayor Rice said he understood the ACF was very expensive but felt it was needed as the City has been committed to this service and said he would be in favor of supporting the full facility.

Councilmember Skogquist said he supported the full facility as well as we can bond for the facility and it was needed, adding it was the Council's decision to sell the existing ACF and that we need to make good facilities to last. He said the decision to relocate the ACF to State Street would need to be shared with that neighborhood.

Councilmember Barnett said while it was difficult to spend the extra money having the use in one location was important and he felt the full-length range and simulator was necessary.

Councilmember Weaver disagreed with spending an additional \$1 million for only 150 dogs that need to be contained over the course of a year as there were many roads that were in need of repair.

Mayor Rice noted the discussion of ACF was done because the building had been removed for the American Club building.

Councilmember Wesp said he could not justify the ACF based on the tour of the current animal containment area.

Councilmember Barnett asked if there the garage could be removed from the ACF to save costs. Chief Peterson said the garage would be needed to transfer animals and for vehicles.

Mayor Rice asked how many other uses were conducted in the animal containment area. Chief Peterson responded the area contained office space to assist dog owners but there was no other use that would be helpful.

A resident of the neighborhood expressed concerns of having an ACF in a residential area which would add more traffic and a lot of activity. She said construction of this site would impact sight lines and property values and that dog containment may not be needed in the future. She said with the building by the golf course if the need changes it could be used again for golf, adding the need was not really there and that she would prefer the funding go to the police and not an ACF.

Councilmember Skogquist spoke how the bid pricing ranged between \$600,000 and \$1 million which was not that much difference overall and said he would support construction of the full facility as Council had already made the decision regarding the current building.

A resident of the neighborhood said he was opposed to an ACF, adding the City never spoke to them first when the site was selected for their neighborhood.

Councilmember Weaver said was this the first year not doing a street surface improvement project and stressed the need for using funds for road repair instead.

Councilmember Barnett asked more about space allocation and if additional space would be needed in the future. Public Works Director Mark Anderson said there was no more room to add in the area on the golf course should more space be needed in the future.

Councilmember Weaver said if approved we would tear down the current facility and all the improvements. Mayor Rice noted the floor drains were part of the building already. Mr. Anderson explained the additional trenches were added because the deduct did not make financial sense.

Mayor Rice agreed street renewal was necessary but said animal containment was needed as well. He said Anoka has invested in a K-9 unit for many years but recently proved to be extremely beneficial to the department.

Chief Peterson said the City has provided animal containment since the 1960s and if the ACF was not approved it would not change operations. He said if Option 2 was selected staff would like to be able to provide expansion options in the future but would understand any Council decision.

**4. ADJOURNMENT**

Motion by Councilmember Weaver, seconded by Councilmember Wesp to adjourn the Worksession at 8:05 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk