

CITY OF ANOKA  
ECONOMIC DEVELOPMENT COMMISSION  
MEETING MINUTES  
MARCH 9, 2023

Call to Order: Chairperson Thompson called the EDC meeting to order at 8:05 a.m. at Anoka City Hall, 2015 First Avenue North in the City of Anoka.

Roll Call: EDC Members present were: Mike Allen, Mathew Finn, Jeff Lee, Curt Rekstad, Dave Sanasac, Julie Smith (virtual), and Logan Thompson. EDC members absent were: Biran Beaudoin and Ephantus Mwangi. Staff present: Community Development Director Doug Borglund and Public Services Director Lisa LaCasse

Approval of Minutes: Mr. Borglund noted a yellow highlight and asked for details on who make the second to that motion. He stated that he could rewatch the video to fill in that item.

MOTION BY COMMISSIONER REKSTAD, SECONDED BY COMMISSIONER SMITH, TO APPROVE THE MINUTES OF THE FEBRUARY 9, 2023 EDC MEETING, WITH THE NOTED ADDITION. MOTION CARRIED.

Mr. Borglund noted that a motion would be needed to amend the agenda to add an item, restaurant pad discussion.

Chairperson Thompson stated that the EDC has been tasked by the Council to discuss the restaurant pad and two proposals.

MOTION BY COMMISSIONER REKSTAD, SECONDED BY COMMISSIONER SMITH, TO AMEND THE AGENDA TO ADD AN ITEM, RESTAURANT PAD DISCUSSION. MOTION CARRIED.

Commissioner Lee noted that he will be abstaining from even the discussion for that item.

OLD BUSINESS:

March EDC Anoka Enterprise Park Event Planning: Mr. Borglund provided an overview of the upcoming Anoka Enterprise Park annual meeting. He stated that invitations have been sent. He reviewed the proposed agenda for the meeting.

The Commission agreed with the agenda for that meeting as proposed.

NEW BUSINESS:

All Things Bicycle Related in the City of Anoka: Ms. LaCasse provided an overview of bicycle amenities throughout the city including bike fix-it stations, bike racks, multi-

modal trails, trail loops, regional trails, and trail corridors. She also provided information on future trail plans and connections as well as funding opportunities the City pursues.

The Commission asked about potential connections and whether there was any thoughts to making the downtown area more bike friendly along Main Street between 5<sup>th</sup> and 1<sup>st</sup>.

Ms. LaCasse replied that Monroe, Jackson, and Van Buren would be the bike routes for that area. She noted that downtown businesses are able to request a bike rack, similar to Two Scoops.

It was noted that perhaps it would be helpful to have a bike fix-it station near the parking ramp or as part of the Jackson Street redesign. It was also suggested that motorcycle parking be considered.

Restaurant Pad: Mr. Borglund provided background information on the restaurant pad site and the discussion that took place in 2022. He stated that staff sent an RFP to many different restaurants/businesses as part of the most recent process. He stated that the Council discussed this item at its meeting on Monday night and there was a tie vote of 2 – 2 as one member abstained. He stated that the Council has asked for the opinion of the EDC and the Park Board. He noted the information he sent to the members prior to the meeting today in order to provide background information on this topic. He provided a summary of the two proposals that are being considered by the Council including the proposed purchase price and the type of restaurant/facility proposed.

Chairperson Thompson stated that the Council has asked for an opinion from this group related to economic development. He noted that the sales price for the property is important because the general fund has had to supplement the TIF district because there has not been revenue generated to support that district. He noted that Briggs would consider adding an additional restroom that would have external access for the users of the park.

Mr. Borglund stated that the proposer stated that he did not originally understand that desire, but it was noted within the RFP and that developer would be open to adding that amenity as part of the project. He stated that proposer would also be open to building a larger building.

Commissioner Allen asked if the Commission is supposed to choose which proposal would be a better fit for the location.

Chairperson Thompson stated that although aesthetics are a consideration, he would believe the EDC should focus on the economic element. He stated that both concepts would be subject to change based on feedback from the Planning Commission should one proceed to that process.

Commissioner Allen asked why both concepts would not be chosen and one placed across the street on the vacant lot.

Mr. Borglund replied that the City owns two acres in that location and a larger project would be desired for that site in order to maximize the real estate.

Commissioner Allen commented that these folks are competing for the same spot and asked why an alternate spot is not offered to the other group.

Mr. Borglund replied that the City does not have an alternate spot and one group only wants this location.

Commissioner Allen referenced the grain mill site and asked why that is not used for this purpose.

Mr. Borglund replied that the City does not own that site but does own the grain bins, a portion of the parking lot, and trail. He stated that the City does not own the riverfront or the building site.

Commissioner Finn referenced the statement that the bathroom would be maintained by the City and not the business owner and confirmed that to be true. He asked if the difference in the asking price is simply upfront earnest money, and whether the lower offer would be paying the remainder of the asking price after construction or is simply offering \$1.

Mr. Borglund confirmed that offer is \$1 for the purchase price.

Jim Burns stated that business was also offering to donate to charity annually in lieu of the purchase price.

Commissioner Finn asked how municipalities have held those businesses accountable in those deals.

Mr. Borglund stated that they have not explored those terms.

Commissioner Smith stated that the other proposer also offered a donation to charity.

Mr. Borglund stated that both businesses currently donate to charity.

Commissioner Finn recognized the bathroom upkeep and asked if there would be other maintenance responsibilities of the City that would come from these deals.

Mr. Burns clarified that he believed the donation would be a percentage based off the sales that came through from the park activity.

Commissioner Sanasac stated that if the smokehouse were going to add the public bathrooms and change the size of the building to better fit the site, that would address the concerns he had with that proposal. He stated that 10K has ten bike racks proposed

whereas the smokehouse does not show one, which was concerning because of the location on the river trail.

Mr. Borglund noted that the concepts were very early in conceptual planning to provide a starting point for consideration, but those aspects would be addressed in whichever proposal is chosen to move forward.

Commissioner Sanasac stated that the smokehouse proposes to keep eight to 12 of the exist parking spots which would remove 20 to 24 stalls. He stated that 10K only proposes to remove five or six parking spaces and asked if parking should be considered.

Mr. Borglund stated that the 10K proposal absorbs the lower and upper-level parking, based on the concept and the smokehouse would be on the upper level, maintaining the lower level of parking.

Commissioner Sanasac stated that it appears 10K would have customer parking against the building whereas the smokehouse would be putting their customers into the ramp.

Mr. Borglund noted that parking is a continual discussion in the downtown and there has been consideration to add a fourth level to the ramp but thus far the cost has been prohibitive.

Commissioner Smith asked if the City has ever sold property for \$1.

Mr. Borglund stated that he has been here since 2016 and during that time nothing has been sold for less than \$200,000 an acre. He stated that historically that could have occurred, and he has worked in other communities where property has been sold for \$1. He noted that those decisions are often based on what type of development the City wants to encourage.

Chairperson Thompson stated that he does understand the purchase price of \$1 in return for the business adding the public bathroom as that provides a much greater value to the City. He noted that the other proposer has also offered to add that amenity in addition to the greater purchase price. He stated that in his mind it would come down the tax base difference and therefore the smokehouse offer would seem to make more sense as it would generate more revenue from the sales price while still providing the public bathroom amenity.

Commissioner Smith stated that she does not understand how the bathroom is involved in this discussion.

Ms. LaCasse explained that the Park Board has been looking to construct a bathroom facility at the riverfront park. She stated that the City recently constructed a standalone bathroom at John Ward Park which had a cost of \$250,000. She stated that rather than adding another standalone building, the City was interested in adding that amenity to the restaurant building. She noted that if there were a service window to the park, the

thought was that it would be helpful to have bathroom access in that area of the building as well. She stated that the business would just construct the shell for the bathroom facilities and the City would build out the remainder of that amenity and would maintain that facility as well. She also provided estimates on typical cleaning costs.

Commissioner Smith asked if the City is willing to pay for the construction of the bathrooms.

Ms. LaCasse confirmed that the Park Board would be willing to contribute funds for the build out of the bathrooms.

Commissioner Allen asked if there is a plan to address potential vandalism in that area.

Ms. LaCasse replied that there are already cameras in the park, but they would add another camera pointing towards the bathroom access.

Mr. Burns asked if the bathrooms would be closed during certain times.

Ms. LaCasse confirmed that the bathrooms would only be open similar to the other bathrooms in the parks system from 9 a.m. to 9 p.m.

Commissioner Finn asked if 10K has been given the opportunity to adjust their offer after the other party has adjusted their offer.

Mr. Borglund replied that he had the conversation with the other business at 4 p.m. the previous day and therefore this is the first discussion he has had on that updated offer.

Commissioner Lee stated that he has been advised to abstain from this issue because he has conditionally reviewed and approved the financing for 10K.

Mr. Borglund stated that he has put that question to the City Attorney but has not yet received a response and therefore advised Commissioner Lee to abstain from this item.

Mr. Burns asked if the task of the EDC is to determine what would be best in terms of financial benefit or whether they are to consider what the residents are truly going to want.

Mr. Borglund stated that ultimately the decision will be of the City Council and that group will weigh all those factors. He stated that the City has always wanted a restaurant in that location.

Mr. Burns stated that he just started coming to City Council meetings and when he attended the meeting where both proposals were considered it seemed that most residents that spoke had a personal relationship with 10K. He stated he does not have a vested interest in either proposal and was there to listen. He stated that a brewery tends to flourish in larger areas and does not typically attract people from other areas. He noted

that business would also start as a one level operation and would offer a menu that would not appeal to the majority. He did not see that to be a good business model that would flourish. He believed that the other menu would be far more attractive to a wide variety of people. He stated that Jellybean and Julia's is on the other side of Anoka and is only open limited hours and Q-Fanatic is also limited in hours. He believed that the BBQ would attract people especially with the rooftop element and seating on the river. He believed that this choice would be a no brainer as to what would be better for the community. He commented that he believes the public bathroom is a horrible idea, noting that he is a retired Police Officer. He stated that location is ripe for issues with homelessness, substance abuse, and others. He stated that as a resident he believes the smokehouse would be a much bigger draw. He stated that Champlin has built an amphitheater and is building an entertainment center in that area. He asked if there has been through to dredge the channel of the Rum to the Mississippi which would allow boats larger than a pontoon to reach the City Hall docks.

Mr. Borglund noted that in the interest of time, Ms. LaCasse could follow up with the resident on those topics.

Commissioner Finn asked if both proposals would be 50/50 food and drink.

Mr. Borglund noted that in order to receive a liquor license, 30 percent of sales need to be generated through food.

Commissioner Finn stated that both proposals offered a take-away window or walk-up window and asked if the City would be providing resources for waste disposal.

Ms. LaCasse stated that the City already has trash pickups and believed that most service for the window would be generated through park events, where they would have more trash receptacles out.

Commissioner Finn stated that he would acknowledge both parties and make 10K aware of the adjustments the other party has made on their offer. He stated that as a taxpayer and in a financial review it would seem that the higher purchase price would seem to make more sense because both proposals included the public bathroom.

Chairperson Thompson stated that similar to a residential real estate transaction, it makes more sense to select the proposal that offers more money for the land.

Commissioner Finn stated that while both proposals look great and viable, it would be tough to not choose the higher purchase price and therefore would favor the smokehouse option. He again noted that 10K should have the opportunity to adjust their asking price in response to the other proposer adjusting its proposal to include the public bathrooms.

Chairperson Thompson stated that it would appear the consensus would be to allow 10K to make a counteroffer in response to the adjustments to the other proposal. He stated

that at that point the EDC would recommend selecting the higher purchase price for the property.

Commissioner Smith stated that it is not just the dollar amount but when comparing the food menu and hours of operation, the smokehouse provides a wider menu selection and expanded business hours compared to 10K. She believed the smokehouse option is better because it would attract more people and would also appeal to families rather than a limited clientele.

Mr. Burns stated that it was interesting during the Council meeting he was under the impression that 10K was incorporating the public bathrooms into the cost of their build, whereas it sounded like today the business would only provide the shell and the City would fund the buildout of the bathroom amenity. He stated that should be clarified in the next presentation as that is a large difference.

Commissioner Finn stated that he would recommend that the City accept the offer that makes the most financial sense. He stated that 10K should be allowed to amend its offer in response to the smokehouse adjustments that were made but noted that at this time it seems that the smokehouse would make more sense.

Commissioner Allen commented that he believes there should be more exploration of alternative sites as it would be great to have both businesses in the area. He asked why both businesses could not be put on that site.

Mr. Borglund stated that in the last discussion there was a potential to share the site but that did not come to fruition. He stated that it would be up to the businesses as to whether they wanted to work together but the issue at this time is that the two businesses are competing for the same site.

Commissioner Smith noted that the 10K project is proposed for two phases and there is no assurance the second phase would happen. She stated that when only \$1 is invested it does not bode heavily towards an investment in ensuring the business is successful and can go to the second phase.

Chairperson Thompson noted that the 10K offer was also contingent upon the ability to construct the space and did not believe the smokehouse offer included the same language.

Mr. Borglund stated that 10K does approve funding approval for its proposed project. He noted that both parties have received financial approval for their project.

Chairperson Thompson stated that in the event that all things are equal, and counteroffers are made, the Council should select the higher purchase price.

Commissioner Sanasac stated that one proposal would provide onsite parking while the other would be taking away from existing parking. He noted that perhaps that building could be adjusted on the site to provide parking.

Chairperson Thompson stated that if that business were willing to add the public bathroom, it would most likely be willing to pursue that suggestion as well.

Mr. Borglund stated that the parties were just asked to provide a high-level conceptual drawing. He stated that it seems that the consensus of the EDC is towards the smokehouse proposal.

Chairperson Thompson stated that at this time, given the offers submitted, the smokehouse proposal would make more sense given its impact on the TIF district and tax base as well as the benefit to the community.

Commissioner Lee left the meeting.

Commissioner Finn noted that he still believes that 10K should have the opportunity to adjust its offer based on the adjustments from the other proposer.

Mr. Borglund stated that the EDC favors the smokehouse proposal because of the full price offer, the menu, larger customer base/family friendly, expanded hours of operation, and because the project would be fully built and not phased. The EDC does not believe the bathrooms should impact the selection if both parties are offering that element.

MOTION BY COMMISSIONER REKSTAD, SECONDED BY COMMISSIONER ALLEN, TO APPROVE THE CONSENSUS STATEMENT PROVIDED BY MR. BORGLUND. MOTION CARRIED.

#### COMMUNICATIONS AND REPORTS:

##### Marketing and Communications Updates:

- Discover Anoka: No comments.
- Chamber of Commerce: No comments.
- ABLA: No comments.

Subcommittee Updates: None.

#### MISCELLANEOUS:

Discuss April Meeting Agenda: No comments.

Staff Update: No comments.

Adjournment: The meeting was adjourned upon a motion by Commissioner Allen, a second by Commissioner Rekstad, and a unanimous vote of those present at 9:42 a.m.



Amanda Staple, *TimeSaver Off Site Secretarial, Inc.*