

**SPECIAL WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
JUNE 12, 2023**

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 Scott, Skogquist, Weaver, and Wesp.

Staff present: City Manager Greg Lee, Community Development Director Doug Borglund, Senior City Planner Clark Palmer, Finance Director Brenda Springer, and City Attorney Scott Baumgartner.

Absent: None.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; Review Proposal from Ryan Companies Related to Amending the Purchase Agreement.

Community Development Director Doug Borglund shared a staff report with background information stating Patrick Daly from Ryan Companies would like Council to consider a proposal regarding the purchase agreement for the City owned development site at the NW corner of 7th Avenue and Bunker Lake Boulevard. He reviewed history stating on February 18, 2020 the City approved a purchase agreement with Ryan Companies for the sale of a 14-acre parcel at the northwest corner of & 7th Avenue and Bunker Lake Boulevard but due to COVID-19, the state of retail, and the City's desire to obtain a grocery retailer on the 14-acre site at 7th Avenue and Bunker Lake Boulevard, delays had occurred. He outlined the current proposal to approve a first extension of the purchase agreement for 12 months with \$25,000 earnest money and a 7.5% increase in the purchase price and a final extension of 12 months if needed for an additional \$25,000 earnest money and another 7.5% purchase price increase for a total of 15% over the current contract price.

Councilmember Skogquist said while there have been a lot of changes since 2020 this proposal was not enough of an increase in light of the potential opportunities over the next two years. He noted if nothing changes, we could always return to Ryan Companies to start again but was not supportive of holding the site for two years.

City Manager Greg Lee highlighted three elements for Council to consider in their decision making which included future transportation changes, the possibility of the City retaining a portion of this site for a municipal liquor store totaling 1.2 acres for building and parking, and the stormwater system which should be completed differently to be done correctly.

Mayor Rice asked if Anoka County would be motivated to accept the water from this property as there will be a fair amount of water. Mr. Lee said there have been no conversations recently but noted there is nothing they can do in this area anyway as the pond was always planned to be expanded to address water and that the County would benefit from the additional tax base just like the City and they would likely be open to this option.

Mayor Rice said he agreed the issue of changing climate says we should pause because we don't know the current value of the site with a new developer and if we wait could take the opportunity to do things differently which could pay for itself if we own the property and any future building. He said we can always return to Ryan if the site is still vacant in two years but in the meantime, we'll have addressed the current concerns that will result in a better project overall.

Councilmember Wesp noted the property has always been vacant and while working with Ryan Companies we saw impacts to the neighborhood, including where he lived, adding the area developed faster and resulted in neighbors creating their own traffic patterns. He said the property was undervalued and we need to have our own parcel available for a potential liquor store and this pause will allow us to solve traffic flow issues and that he would support pausing and not extending the purchase agreement at this time.

Councilmember Weaver said not extending does not mean Ryan can't come back with a future proposal but it provides the City opportunities for new discussions. He said he supported pausing at this time but would be interested in working with Ryan Companies in the future.

Councilmember Scott agreed with pausing, stating while Ryan Companies noted the grocer still had an interest in the site it was a good time to reset. He noted while the biggest risk of not extending would be if the property value was less and traffic was worse but felt it was apparent from the development on east of 7th Avenue and in other neighborhoods it was a fair assumption that the value of the site will only gain over time and address those concerns.

Councilmember Wesp said this was a different market now then outlined what has been constructed in Andover including a large apartment complex and restaurants and that just because we are resetting doesn't mean we won't want to work with Ryan Companies again.

Councilmember Weaver asked how much square footage we would gain by solving the stormwater concerns. Mr. Lee said the solution would result in an additional 1.2 acres of usable land.

Mayor Rice asked about the intersection and road serving this area from 7th Avenue. Mr. Borglund said we will have to look at different concepts such as using the middle of the site to maximize the full real estate and involve consultants to review traffic patterns.

Mr. Lee said the area will all be development driven but there will be a public connection from 7th Avenue to 6th Avenue with a public connection to the west as well.

Mayor Rice referred to the shape of the lot being wider on the north end and could roughly leave the same size parcel for a grocer overall.

Mr. Lee said staff will contact Anoka County to discuss the stormwater issues first as well as the potential turnback of 4th Avenue and Grant as a possible alternative and include 1.2 acres for a new liquor store for any new development.

Councilmember Skogquist said he did not support the concept of leasing space for a future liquor store and said it would be important to include space for a new liquor store in any future plans.

Mr. Borglund said staff had toured different store sizes and recommended 9,000 square feet for any future liquor store proposal with sufficient parking and room to expand and delivery space.

Mayor Rice asked if it would be premature to work with an engineering firm to discuss any future road in this area. Mr. Borglund said staff can work with the architect consultant to create a concept plan on a future road for inclusion in any marketing plan.

Councilmember Wesp said the City will benefit from the tax of any development on this site which will still be the case no matter what the development is.

Mr. Lee said staff will work on concepts and marketing materials but noted they would need to know what Council's vision was first and should involve the adjacent neighborhoods for input.

Mayor Rice said he would resist anything but commercial for this parcel as his that was his preference.

Council consensus was not to amend the purchase agreement with Ryan Companies regarding any extension and direct staff to finalize some details before any new marketing of the site.

**UPDATES/REPORTS/COUNCIL SUGGESTIONS FOR TENTATIVE
FUTURE AGENDA ITEMS**

None.

4. ADJOURNMENT

Motion by Councilmember Wesp, seconded by Councilmember Skogquist to adjourn the Worksession at 5:28 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk