

**WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL WORKSESSION ROOM  
JULY 24, 2023**

**1. CALL TO ORDER**

Mayor Rice called the worksession meeting to order at 5:01 p.m.

**2. ROLL CALL**

Present at roll call: 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; Golf Manager Larry Norland; Police Chief Eric Peterson; Liquor Store Manager Kevin Morelli; Public Works Director Mark Anderson; Communications and Recycling Manager Pam Bowman; Public Services Administrator Lisa LaCasse; Utility Director Del Vancura; City Attorney Scott Baumgartner.

Absent: None.

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

**3.1 Discussion; Green Haven Golf Course Study.**

City Manager Greg Lee shared a staff report with background information stating John Wait of Sirius Golf continues to work on the golf course study, specifically, development options and ideas around the course. Mr. Wait has requested to meet with Council to help guide and define the elements and options the Council prefers which will aid in the study by narrowing the development options that should be focused on.

John Wait, Sirius Golf, shared his report and asked if the City was interested in including the potential of a hotel then outlined the proposed options in detail. He shared in Option C-1 there may be more flexibility for State Street. Discussion was held on the possibility of attracting other levels of players with lower handicaps and create more high-end residential housing with lake views and proposed locations of holes. He said there would still be a range of high-quality housing to could be created and instead of 60 grass tees the space could be reduced and double-decked instead then outlined the advantages to this concept. Discussion was held on the possibility of high-end condo concepts that was not exclusively for seniors and the goal to not go below a par 70 course and the need to have the residential component match the marketing component. Mr. Wait shared about the desire to not have netting as it was expensive and the need to

update the clubhouse and the opportunity to create more amenities with a smaller footprint.

Councilmember Weaver shared history on the construction of the golf course by the WPA program and its importance and the need for the legacy to be retained.

Mayor Rice countered stating while some don't think the clubhouse should change and others believe it should and that we could propose a similar look in anything going forward but that he would be open to changes in the clubhouse.

Mr. Wait spoke about preserving some of the clubhouse and renovating the interior to create more useable space and restore certain elements the City wishes to retain.

Golf Manager Larry Norland shared then-president MGA President Dick Bennett said one element to retain would be the fireplace in the east room as that was a WPA project and spoke how it could be made as a centerpiece to honor the history while still making other improvements.

Mr. Wait said all changes would result in a par 71 course and asked if Garfield Road needs to remain. Mayor Rice said Garfield needs to remain to ensure police and fire response.

Police Chief Eric Peterson said while Garfield was an important road for connections other accesses could be created.

Councilmember Skogquist suggested another connection will be Main Street once construction is complete because it does not require accessing Highway 10 and result in other connections and possibly moving Garfield.

Sirius Golf Rep stated Option C was a par 70 but still contains 6,300 yards and Option B was a par 70 as well but that all options would remove the par 5 hole and some yardage.

Mr. Wait noted in either option the course would still be challenging.

Councilmember Weaver asked how convenient the driving range would be to the bar. Sirius Golf Rep stated that the bar area would be a little more remote but shared how Braemar in Edina is more remote too and still works well.

Mayor Rice suggested constructing a small bar service area near the range to address any concerns.

Mr. Wait said if we go up, we could install lighting on the range which could affect people on 6<sup>th</sup> Street but could be done well to minimize impacts and

that a bar service area would make a lot of sense to create a standalone operation in the area.

Discussion was held on having West Main connecting to Fair Oak which would provide good access.

Mr. Wait spoke about the course crossing Green Haven and adding holes which provides possibilities for a lighted crosswalk, tunnel, or bridge. He said he was not sure of costs yet but will provide them when complete then spoke about the visual image to the City or create estate homes and trading different levels of household income and adding to the local economy,

Councilmember Skogquist said the property needed to acquire for purchase for such homes was \$12-\$15 million in assessed value and not feasible.

Finance Director Brenda Springer spoke about the Greens of Anoka TIF District and its boundaries and how we can only get TIF off the properties rebuilt within the district and if we construct other housing, we won't capture those funds.

Councilmember Weaver said he liked the energy and excitement of the project but not for west of Green Haven Parkway and that we should focus on what can be done now and then what could be done in the future with Phase 2.

Mayor Rice said we'll have to construct everything in sync but was not opposed to having golf on the west side of Green Haven Parkway. He explained how Anoka was built around smaller homes during the 1940s for employees of Federal Cartridge but making a change to more upscale housing could be successful, the challenge is just the dollars and timing.

Sirius Golf Rep said they could provide potential options as a visual and asked about potential boundaries to start. Mayor Rice said there were no really boundaries other than the cemetery.

Consensus was that the proposed golf course design options were feasible and that work should continue showing cost/benefit analysis for each, including funds already invested in the area so they are not lost and not to focus as much about recapture but new tax base instead.

Mr. Wait said he would return in October with further revisions based on Council input then shared more about a proposed new irrigation pond to create water hazards on the course and character. He shared comments that this was a great golf course now and complimented staff on their work in operations and that the goal is to create alternative revenue sources through a driving range and winter activities and possible alternative management options such as removal of day-to-day operations and other opportunities for maintenance.

3.2 Discussion; River Rules/Mississippi River Corridor Critical Area (MRCCA).

Senior City Planner Clark Palmer shared a staff report with background information stating the Mississippi River Corridor Critical Area (MRCCA) is a corridor of land along each side of the Mississippi River in the Twin Cities Metro Area. Land development in the MRCCA has been regulated by City- and township-adopted MRCCA plans and zoning regulations since 1976. The MRCCA was designated a critical area in 1976 by Executive Order following the passage of the Minnesota Critical Areas Act of 1973. The Executive Order was superseded by MRCCA rules in 2017. The City of Anoka along with the cities of Coon Rapids, Brooklyn Park, Champlin, Ramsey and Dayton formed a north metro cities peer group who participated in the 2017 rule making. Joint response letters were submitted relating to the proposed rules. The group worked to ensure the rules are needed, reasonable, and serve a rational purpose. Other comments sought clarification in a number of areas. As part of the 2040 comprehensive plan, all communities in the MRCCA were required to adopt new local MRCCA plans (Chapter 8 of the Anoka 2040 Comprehensive Plan). Many communities in the Twin Cities have already adopted new ordinances or received conditional approval from the DNR. Along with other communities, Anoka must update its MRCCA ordinance consistent with the 2017 MRCCA rules and locally adopted MRCCA plans. A model ordinance has been developed consistent with these rules. Staff has been working on a comprehensive zoning text amendment that will amend the City Code to be consistent with the rules. Local MRCCA zoning regulations are administered as an overlay district and standards address building and construction, structure height, setbacks, decks and patios, water-oriented accessory structures, expansion of nonconforming structures, land alteration (grading and filling), vegetation removal and management, river access, paths, stairways, lifts, and landings. He shared further about how the new rules would impact decks and patios.

Councilmember Skogquist asked further questions about the bluff impact zone and what can be done.

Councilmember Weaver said there were many accessory structures along the river with screened porches and if they would still be allowed within 100 square feet 10 feet from the OHW.

Mayor Rice said many structures of 120 square feet with three sides also exist for storage and then are used for seating during the summer.

Mr. Palmer spoke about fences which would be allowed no taller than 6 feet and not located within a shore or bluff impact zone or in the 100-year flood elevation and asked if Council wanted to restrict fences along the river to 4 feet.

Mayor Rice said the fence ordinance should be reviewed anyway and agreed fences should not be greater than 4 feet to be respectful of the viewshed.

Councilmember Weaver agreed but spoke about the need for a medical accommodation to construct higher fences in the event of a safety need for someone suffering from a medical diagnosis.

Discussion was held on pools, stating the model ordinance allows patios to encroach up to 15% into the required setback then shared Champlin's example that stated no pools would be allowed in the shore impact zone with allowances made for patio areas.

Community Development Director Doug Borglund compared the rules to the shoreland regulations where the City made choices and worked with the DNR for buy in and suggested using Champlin's example to draft language to allow some type of patio surround.

Mr. Palmer spoke about permitting that would apply to shore and bluff impact zones and significant existing vegetative stands. He spoke about when a permit would be required and what would be prohibited such as intensive removal in protected areas and land alternation permits. He shared the proposed schedule for this process which included an open house on August 24, public hearing in September, and first and second reading in September and October.

Mayor Rice said he supported staying the same or being more lenient with regard to accessory structures but cutting vegetation be more restricted.

Mr. Palmer explained more about what would be allowed with regard to the tree canopy and how staff would make this element clear in the educational materials and during the meetings.

Councilmember Weaver asked when adopted can the City still issue rip rap permits or would that be done by the DNR. Mr. Palmer said a permit would still be required by the City with approval by the DNR.

### 3.3 Discussion; Social District.

Mr. Borglund shared a staff report with background information that outlined draft social district regulations and the proposed geographic boundary of the district. He updated the Council regarding the proposed logo, cups, signage, and other related information then shared the tentative schedule that included meeting with business and property owners, adopting the social district regulations, review of the management/maintenance plan for the district, and amending the fee schedule. He said businesses will submit application for a social district license which will be considered by City Council on September 5 with kick off for the district on September 6, 2023.

Discussion was held on the tools needed and application procedures and the proposed fee. Mr. Lee said the fee would be minimal for at least the first year as revenue will come from the social district cups.

Councilmember Weaver asked why Barzini's and Club 300 were not included in the district. Mr. Borglund said the plan was to start slowly to fully understand impacts before opening the district to both sides of Main Street, especially with concerns of crossing Main Street with alcohol. He noted a good portion of area was already included as part of the public park and activities area.

Mayor Rice said he felt the proposed area was not starting small but actually quite large and may be hard to control, adding he did not see the area expanding across Main Street and confirmed streets would be closed to thru traffic.

Chief Peterson commented on how the district would be for certain locations and the need to block off areas during for certain times.

Councilmember Weaver spoke about allowing alcohol by the docks and how that could be accomplished.

Councilmember Skogquist spoke about opening up the area as part of a special event to get a feel of how this would work. He said he liked that the fee schedule was addressed and how we could amend the boundaries and hours as needed and that the district was proposed on the limited timeframe to provide Council flexibility. He supported including the sidewalk and public alley areas as well in the district.

Communications Manager Pam Bowman shared the proposed logo for the cups that included the City logo on one side and the business logo on the other and how they will share this with the community.

Public Services Administrator Lisa LaCasse shared one vendor who could meet the printing requirements that resulted in a cost 22-30 cents per cup, with the majority of sizes being 12-16 ounces and that staff will continue to work to find other vendors to direct purchase from.

Mayor Rice suggested including all bar logos on the back with rules of the district on the bottom and box to be checked for the restaurant. Ms. LaCasse said the vendors didn't want to be responsible for that and that stickers make the cups non-recyclable, adding it could be all owners who use the outdoor social district cup. She noted Serum's would not be participating in the district at this time but was unsure why.

Mr. Lee added the outdoor street patios areas would not be allowed during social district timeframes and explained further how the cups would be distributed and used.

Councilmember Scott spoke about the need for recycling receptacles throughout the area for recycling of the social cups.

Ms. LaCasse stated summer concerts would be held through August then shared the proposed timeline with the kick-off on September 6 then said discussions will be held regarding the annual food truck festival and whether the Lions Club should be required to use the cups as well.

Mr. Lee said the Lions will sell alcohol at concerts through September 13.

Councilmember Skogquist said we need to have some independent verification of cups being order to ensure integrity.

Chief Peterson recalled how the food truck event prohibited other alcohol sales due to liquor liability and noted the annual Halloween tent party can control alcohol access based on entrances and how the district could become convoluted if mixed.

Mayor Rice commented how the food truck event may have to adjust and allow other alcohol sales this year as it would be contrary to the intent of the social district.

Discussion held on the need for clean-up after social district hours.

#### 3.4 Discussion; Miller Manufacturing Building – Demolition Timeline and Intermediate Use Options.

Mr. Lee shared a staff report with background information regarding the demolition timeline and intermediate use options for the Miller Manufacturing building.

Ms. Springer explained utilization of abatement bonds greatly restricts the City's options on future interim uses such as storage for the electric utility, activities such as pickleball, or leased to others. She explained Statute did not allow use of the building for a public purpose but if the building was demolished the land could be used for storage by the City or another company who wanted to lease the land.

Mr. Borglund updated the Council on the timeline of the purchase agreement, noting the site investigation will be complete by July 27. He shared the demolition estimate of \$500,000, asbestos/environmental estimate of \$200,000, soil borings in process of \$8,000, and title commitment review completed July 17. He reviewed the draft soil results in detail and said it was likely that nothing significant would be identified.

Ms. Springer noted closing on the bond sale will require a 4/5 vote.

Mayor Rice asked if Councilmember Skogquist would still like to see the term “possible” used with regard to demolition of the building.

Councilmember Skogquist said he toured the building and was surprised by the cleanliness and condition of the building. He said this was a very functional box building but noted it was a manufacturing building with very few doors and included floating dock type doors. He said he didn’t want to forgo the possibility of the building being used for another purpose and wanted to include that language in the upcoming resolution for consideration. He said the \$11 million short-term bonds include either refinancing to demolish, use, or cover debt service within three years and not having the equity of the building would not be acceptable. He shared concerns about the \$9 million gap and did not want to be in a position to not cover it if needed and didn’t think the gap could be covered if the building is gone and wanted to leave all options open for the residents.

Councilmember Scott asked about level of interest from Gramercy as this would be a unique opportunity for them then said he would like to see more once the payments are due where will that come from. He said there is excitement in the area now but if that changes what recourse does the City have and what would we do with the space. He said he was confident something will happen in this area but if it doesn’t where would the funding come from.

Mr. Borglund said Gramercy was still reviewing the plan they presented to Council then spoke about their interest in the Hoffman and Dehn Oil buildings and working to present their financial gap to Council for potential TIF assistance. He spoke about work with Hoisington Koegler on the Anoka Station plan and a possible moratorium for the area.

Ms. Springer noted bonds were callable at any time and that they City does not have to demolish the building right away or spend money for demolition. She said if no project occurs in three years, we don’t have to refinance but once the bond payments become due, we’ll have to levy, adding we can’t use funds from other TIF districts such as CRTV.

Mr. Borglund noted there are other parties interested in the site for new projects such as higher density projects.

Councilmember Weaver said if we own the building and put in money into it, we’ll likely own it for a very long time but agreed the building does not have to be demolished right away.

Mayor Rice said we don’t need to do anything to the building except secure it and wait for three years as we work to redevelop the area.

Councilmember Skogquist said he didn’t want to be in a position to purchase and demolish within a specific period, adding if the building sits, we’ll have to



refinance and wanted to keep our options as open as possible. He suggested language about demolishing all or in part instead.

Public Works Director Mark Anderson explained the possible maintenance needs required if the building was not demolished such as winterizing, etc., in order to maintain liability insurance then shared concerns about an attractive nuisance and the likely need for an alarm system and the electric to support that.

Councilmember Wesp said he won't support retaining the building as it was antiquated and he didn't want to put money into it. He said development will happen once the building is gone or we could sell to the leather company previously interested.

Mr. Baumgartner reminded the Council of the draft complaint still in place alleging inference with contractual purchase which could be filed if the Council did not move forward with the purchase. He said if we don't agree to purchase by the due diligence period, we lose the \$180,000 earnest money and any right to contest, adding notice of cancellation has to be delivered in three days. He spoke about the escape clause but that was part of the due diligence for no reason.

Mayor Rice suggested language stating the building could stand for three years then be sold or refinanced. He said he would support language keeping the building for three years and identify a buyer but didn't want to build something such as apartments because we feel like we have to pay for the land. He said everyone has the same goal to get rid of the building otherwise we shouldn't be purchasing the property.

Councilmember Scott said he would support that language. Councilmember Wesp said he was not sure of the proposed language at this point.

Mayor Rice noted the meeting minutes be a good defense as it was the City's goal to purchase the building and redevelop the area and had invested in the area 20 years ago.

Councilmember Weaver said the trigger terms need to be removed and then spoke about possibilities for light commercial use, medical, or others. He said the park across the street was underutilized near the river and should incorporate that into the discussion to help create a new neighborhood.

Mr. Borglund believed there were possibilities for redevelopment even though the acreage was a little smaller but there is more here than we normally have and that larger sites open provide more opportunities.

Mr. Baumgartner shared potential language for second reading in an amount not to exceed and demolition of the improvements thereon if the property is not

otherwise sold within three years or not demolished within three years unless there is a buyer.

Mayor Rice said if we prohibit demolition unless there is another use and not leaving the taxpayers with the bill. He said he didn't mind demolishing the building as we'll ultimately get the tax base, adding this is an 8-acre site and won't be vacant for long.

Discussion was held regarding on how to winterize the building and provide security.

Councilmember Wesp said he not support the proposed language because it is too open ended and that he was losing interest in the purchase, asking what was the sense of letting the site sit.

Councilmember Skogquist said we have a due diligence period coming up soon and he wanted to keep our options open for a few years and not have to pay on a \$9 million debt if we sell the site for only \$2 million. He said he supported buying and redeveloping the building.

Councilmember Weaver said then we should not purchase this site as we'll end up with a giant block building. He said we will not get \$9 million back in land but will out of future redevelopment. He said the Council experienced enough concerns with property purchases regarding 10K Brewing and did not want that to happen again.

Councilmember Skogquist said he tried to be upfront with his concerns in the beginning and did not want to be forced into allowing the site to be developed for apartments because we need to pay the debt service. He said he wanted to protect the asset to cover the debt service.

Mayor Rice said we need to get rid of the building and that he only agreed to the language of possible because he thought the building could be used for the electric utility or storage of City equipment but understands now, we can't do that. He said he was disappointed that we couldn't come to an agreement for a restaurant parcel near 10K Brewing but did not want to give up this goal.

Councilmember Wesp said the proposed language last week was 10K Brewing all over again and that Mayor Rice should not have voted the way he did.

Councilmember Scott said he could accept demolition as he sees the potential, adding the odds are low and that he didn't want to get rid of a good asset in the meantime. He said Gramercy and the VOA were developing in the area along with David Weekley and that there were many opportunities for development.

Mayor Rice said agreement on language would serve the goals of everyone on the Council. Consensus was to move forward with language for formal consideration to purchase the building without inclusion of the term possible demolition.

3.5 Discussion; East Liquor Store Relocation Options.

Liquor Store Manager Kevin Morelli shared a staff report with background information stating staff wanted to discuss options for relocation of the east liquor store as the property will be closing August 30, 2023. He outlined options that included demolition and shared more about the proposed relocation site.

Mr. Lee said this was an opportunity that fits all our needs versus building new and said someone was interested in the vacant site and how this could work very well moving forward.

Discussion was held on the ability to use the drive through for the liquor store which was not allowed by Statute.

Councilmember Wesp asked about the current size of the building. Mr. Morelli responded the building was approximately 3 times larger than the current facility.

Ms. Springer said the assessed value of the current site was \$2.9 million.

Councilmember Wesp asked if we could limit the City's cannabis license to one and hold for the liquor store. Mr. Baumgartner said the license can be limited to one and while he would have to confirm he thought it was likely it could be held for municipal use.

Councilmember Wesp asked about the addition on East River Road and why aren't we considering that site. Mr. Anderson shared costs of \$4.6 million for 7,000 square feet.

Mr. Morelli said this location was better with 14,000 cars per day, adding East River Road was not a controlled intersection which makes access difficult.

Mr. Lee agreed 7<sup>th</sup> and Main Street was a much better site than the East River Road site.

Councilmember Weaver inquired about permitted ingress/egress. Mr. Morelli said Anoka County was hesitant but would likely approve the ingress/egress.

Discussion was held about the benefits of the site in addressing lack of space, parking, and avoiding the need to demolish two buildings.

Mr. Morelli shared estimated sales of \$4 million.

**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 9:08 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk