

**WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
AUGUST 22, 2022**

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 Barnett, Skogquist, and Weaver. Councilmember Wesp participating remotely from 4252 Parkview Ln, Anoka.

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

Absent: None.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; City of Anoka Hosting Our Own Candidate Forum.

City Manager Greg Lee shared a staff report with background information stating Councilmembers Barnett and Weaver requested that the City Council discuss hosting our own candidate forum for the upcoming General Election.

Councilmember Barnett shared comments about the need to ask questions of candidates on topics such as the proposed jail expansion and proposed doing our own forum that would be politically neutral and focus on Anoka first. She said questions would be crafted specific to Anoka and include a non-City staff member as host, adding this structure would benefit the underfunded, disadvantaged candidates by allowing them to direct questions to the City website rather than printing or creating own campaign page and get the most information to the residents.

Mayor Rice said he supported this as a way to inform residents on all offices as they impact Anoka.

Councilmember Skogquist said we already allow the League of Women Voters (LWV) to host a forum and that they were already politically neutral, adding the City hosting the event could be a potential conflict of interest.

Councilmember Barnett suggested a neutral party collects the questions and provides for the forum, adding the LWV states they are neutral but then shared screenshots from their webpage regarding their stance on abortion, immigration, environment impacts, and other topics.

Councilmember Skogquist said he did not think the City should be conducting a forum and that questions should be provided by the newspaper, LWV, realtors association, and others and said he was not comfortable with putting staff coordinating.

Councilmember Wesp suggested the Human Rights Commission organize and moderating the forum instead one of their topics stressed the importance of voting.

Councilmember Barnett said the effort should come from outside and suggested the Chamber or ABLA instead.

Councilmember Weaver suggested former Representative Kathy Tingelstad. Councilmember Barnett disagreed, stating it was important to stay neutral.

Councilmember Skogquist said it is difficult to get information on local candidates and suggested other groups instead and having the City link candidate bios to the Secretary of State's office.

Councilmember Barnett said most go to the City's website for information.

Councilmember Wesp agreed with Councilmember Barnett that there was not a lot of exposure for local candidates and would like to see more information on the website used and agreed with the need for a City-centric debate.

Mr. Lee outlined the difficulty in collecting proposed questions, compiling, and selecting.

Borgie Bonthuis, Anoka, agreed there was a need as no one gets the local newspaper any longer and that the LWV does not allow the public to attend the forums. She said they were not the right source and that forums were not moderated well and could lead to defamation and liable.

Councilmember Barnett said she would like to see this happen yet this election as there were many topics not covered in sheriff candidate forum that were Anoka specific. She said she would like to move forward with this proposal and not use the LWV and no longer link their webpage to the City's website due to their partisan nature and the need to create neutrality especially when sending residents to a link.

Councilmember Skogquist disagreed, stating more information was best and the LWV's forum was already scheduled and was a free source. He suggested questions could be directed to candidates for discussion at an open Council meeting instead.

Councilmember Weaver said he agreed but believed it would be difficult to do with the current schedule now, adding a good moderator could be the City Attorney.

Discussion was held on importance of knowing candidates' stance on the proposed jail expansion and directed staff to invite sheriff and commissioner candidates to attend a Council meeting. Mayor Rice suggested requesting a candidate statement instead.

City Attorney Scott Baumgartner noted not many residents understand the jail expansion and that those questions should come from the Council to get the best information from each candidate.

Councilmember Wesp noted county attorney candidates attended the Anti-Crime Commission meeting to speak and could invite sheriff candidates too and that he would be open to keeping the LWV in place but work to get another forum in place.

Discussion was held on the neutrality of groups, the need to still have a separate forum, options to ask questions, and schedule for viewing.

Council consensus was to invite candidates to Council meeting with a prepared statement and possible responses to questions and try to schedule a recorded forum by the City in the future.

3.2 Discussion; Entertainment District and Agriculture Area.

Community Development Director Doug Borglund shared a staff report with background information stating at the direction of the City Council, staff is making plans to move forward with the development of the plan and vision for the Anoka Agricultural Area and the Jackson Street Entertainment District. The City has hired consultant Kimley Horn to assist with the development of both master plans and is ready to move forward with the planning process through the end of the year to develop a vision and master plan for the historic area of the City. He shared the proposed schedule for upcoming meetings planned this fall then asked who should participate in the development of the plan. He outlined options that included the full Council, members of boards/commissions, members of private impacted property owners (Larson's and Peterson), and any other options for participation the City Council determines. Mr. Borglund then asked about the proposed process for developing a vision and master plan for the Jackson Street Entertainment District in preparation for anticipated reconstruction of the Jackson

Street Area Entertainment District in 2025 then shared that staff was working with the City's financial consultant researching options and possibilities of a "Taxing District" that could assist with funding of infrastructure improvements and possible parking ramp improvements and cost of security, maintenance, marketing, and management. He also noted staff has been reviewing the "Social District" regulations and understanding the obligations under the new City of Anoka Social District State Law.

Councilmember Skogquist said the task force composition used for Riverwalk would be a good fit for the agricultural area to discuss and brainstorm ideas as it worked out well for the West Rum River area then spoke about charrettes used in the past.

Councilmember Weaver noted we took funds away for this project so how do we pay for it once designed as we need to balance needs versus wants. Finance Director Brenda Springer said funds have been budgeted for the plan in 2023 for the project in 2024.

Mr. Borglund asked about the agricultural area and if the Council wants to appoint or participate then spoke about Jackson Street plans, stating creating the vision will help the rest of the process. Mayor Rice suggested two members from Council be on the task force.

Mr. Baumgartner suggested staff and restaurants should determine what they want to be first to see then include the remaining business owners.

Councilmember Skogquist said preliminary budget data will be important to share with stakeholders and others in the beginning to help facilitate the vision.

Mr. Lee explained the City cannot do a sales tax district in a specific area as it has to be the entire City and noted many cities are doing this to fund regional improvements such as a parking ramp. He said the tax could be restricted to food and beverage establishments but we need the vision and funding on how to operate with live music, clean-up, security and other logistics, adding a social district could ultimately work.

Councilmember Barnett noted that all restaurants would have to pay for the tax and not just those on Jackson Street.

Councilmember Weaver asked if there were any issues with the food truck festival. Police Chief Eric Peterson said not during the event but some occurred afterwards.

Mayor Rice noted class reunions were being planned for the area on Jackson Street and that this idea would be positive and successful for the City.

Todd Young, Magillicuddy's said this would be a good idea but if the City was trying to do this multiple times it diminishes the special nature of the event and would be a huge expense each time and suggested limiting the social district to events such as car shows, Jam by the Dam, and others.

Jackie Young, Magillicuddy's said there will also be the need to address trash as part of any special event and once started each owner will have to clean up.

Councilmember Skogquist said this will be a good way to focus on the current need to empty trash cans and identify extra resources sooner.

Mr. Lee noted the process will need to be reviewed throughout.

3.3 Discussion; 202 East Main Street Building Renovation and Encroachments.

Senior City Planner Clark Palmer said Dan and Julie Smith, owners of 202 East Main Street, are planning on renovating/restoring their building consistent with its original historic character. They would like to restore certain historical elements at the exterior and add a few new building elements. The interior will also be completely remodeled including establishing a dwelling unit on the second level. Once completed, the owners plan to lease the first floor and basement for commercial use, and use the second level dwelling as a personal residence. The purpose of this agenda item is to provide the City Council an overview of the proposed improvements and discuss certain building elements that currently encroach and are proposed to encroach into the City's right of way. The existing building was constructed at a zero-lot line, meaning its placement is not setback from the property line. Although an exact survey of the property has yet to be completed, certain existing and proposed improvements will encroach over the property line and within the City's right of way (ROW) along 2nd Avenue. Staff has advised the property owners that an encroachment agreement approved by the City Council will be needed for those improvements that currently encroach and those that are proposed. Staff is currently working with the property owners and their attorney on drafting the agreement and the terms of the agreement. The purpose of the agreement is to indemnify and hold harmless the City for damages to, repairs of, and liability associated with those private improvements within the City's ROW. He said the restored historical bay window will extend from building approximately 3 feet and be located above the sidewalk approximately 11 feet (measured to the bottom of the cap of the corbeled brick cantilever support), two new balconies will extend from building 5 feet, 3 inches and be located approximately 14 feet above the sidewalk (measured to the bottom of the balcony joist), the existing stairwell extends from building approximately 4 feet, two small metal awnings over windows along 2nd Avenue which currently encroach will be removed, a previously proposed ADA landing/ramp/guardrail at the sidewalk along 2nd Avenue located at the southwest corner of the building is no longer proposed and will be constructed within the building, and other minor building elements such as brick details may encroach and will be identified when

a survey of the property is completed. He discussed previous encroachments that have been approved by the City including the building located at the corner of 2nd Avenue and Jackson Street (2015 2nd Avenue) including approval of a brick ledge and balcony which encroach over the Jackson Street right of way/sidewalk kitty-corner to City Hall.

Dan Smith, applicant, shared reasons for fire hydrant relocation as it was a safety hazard then spoke about the encroachment agreement as damage would be his problem so he proposed a compromise. He said he felt the parapet did not encroach and was a historic piece and the two balconies if damaged they will repair, adding the stairwell is historic and a fire exit and should not be theirs to repair.

Mr. Baumgartner said he had submitted standard language regarding encroachments. Mr. Smith shared his concerns about intentional or unintentional damage. Mr. Palmer said similar language was in place for the balcony at Ambi Wine Bar.

Councilmember Weaver confirmed the restoration of the current brick and said he was excited to see this happen as the building will add more character to the downtown area.

Councilmember Barnett inquired about other precedents. Mr. Palmer said other encroachments included the Walker skyway, Steve Jensen's building, the restaurant outdoor seating, and using property that does not belong to the property owner.

Mr. Smith asked who owns the property or if it was right-of-way as they did not want to start the project until confirmed. Mr. Lee said everyone owns the platted right-of-way.

Councilmember Skogquist said he was comfortable with the compromised agreement Mayor Rice agreed but said he was concerned with five feet encroachment becoming 10 feet and suggested leaving it at five feet.

Councilmember Barnett asked about the fire hydrant and alternatives to leave it in place then spoke about the City's liability. Public Services Director Mark Anderson spoke about the need to modify the area with clearance and that there will be some expense to relocate.

Mr. Smith said this is the only spot with a hydrant in this location downtown.

Councilmember Weaver clarified the property owner was still responsible for the snow removal and salt and did not want to provide too much assistance due to resources.

Mayor Rice suggested asking the Fire Department if the hydrant could be capped. Mr. Smith said he would be fine with relocating but suggested another way to address snowplowing.

Mr. Palmer outlined the historic elements of the building which was not historic for the two new balconies.

Mr. Baumgartner suggested considering the height of the five-foot extension as part of any approval.

Council consensus was to work with the property owners on the hybrid option with the bay window at 3 feet, balconies of 5 feet 3 inches and 14 feet off ground.

Councilmember Wesp left the meeting at 7:00 p.m.

3.4 Discussion; Street Renewal Program; 5-Year Plan and Future Projects.

Mr. Nelson 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, water main, 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. The 5-year plan for the SRP project has been accelerated to be aggressive to take advantage of lower than average construction costs during the recession beginning in 2012. In 2015, the City Council approved two separate SRP projects in different areas of Anoka in a single year. He shared a breakdown by year of the past SRP project's lengths and project costs then reviewed four options for the Franklin Area neighborhood and said staff was seeking input on the program.

Ms. Springer explained that from 2021-2023 two SRP projects resulted in bond issues of \$5 million so now there was an additional \$1 million over two years and if we stretched this amount how would it affect cash flow. She spoke about breaking this into three projects and outlined funding options and eliminating the SRP until 2031.

Mayor Rice confirmed of the 22 years of SRP we only bonded one year. Ms. Smith said they used to transfer in from the electric fund but made the choice to do that no longer and instead use special assessments in the hopes of using the \$1.2 million we are saving for MSA projects.

Mr. Lee said advance encumbered allocation is a really good strategy as funds are worth less than in future years.

Councilmember Weaver asked what this will do to the levy and other projects as it will lessen the load of inflation. Ms. Springer reviewed the City's current debt obligations and future projects.

Councilmember Skogquist said this is the result of the City postponing items and at some point, we have to discuss ways to do the SSIP and that it may be time to charge for SSIP.

Mayor Rice said we need to be less aggressive with projects and start to assess as the benefit to both the City and resident is tangible as we can no longer keep bonding.

Councilmember Weaver said he would prefer doing this on the revenue side instead.

Discussion was held on the amount of assessments as 25% is not enough and how to address cost increases that were currently occurring. Mr. Baumgartner cautioned against raising the rate more than the benefit of the property.

Mayor Rice said there is no benefit to having an electric fund if we cannot use it to fund projects and noted if we raise the electric rate only a portion of the raise is borne by the residents.

Council consensus was to move forward with Option 1 and come up with other sources of revenue for a 30% assessment instead of 25% and electric rate investments.

3.5 Discussion; Anoka County Government Building Expansion – Jail Expansion.

Mr. Borglund shared a staff report with background information stating this item was placed on the agenda in the event the City Council would like to discuss the Anoka County government building/jail expansion and noted at the last meeting Council supported allowing a jail expansion at the historic State hospital.

Mayor Rice added if we plan on any other direction the case will likely go to the courts and said the City should suggest if the County was expanding to support inmates with those scheduled for court only that the remaining inmates go to the new site instead of downtown.

Mr. Lee noted it is difficult to support the need for a new ramp when the current one was used less than 30% capacity.

Mr. Baumgartner encouraged the City to move forward with this direction then noted the County will argue that staffing will be needed for both locations and that this option will not work.

3.6 Discussion; Trunk Highway 47 Railroad Grade Separation Project - Updates.

Mr. Lee shared a staff report with background information stating at the July 25, 2022 worksession, the Minnesota Department of Transportation (MnDOT) project team representatives Mark Lindeberg, Project MnDOT Metro District Project Manager, Melissa Barnes, MnDOT Metro North Area Manager, and Craig Hass of SRF Consulting provided an overview of the open house, alternatives dismissed, alternatives under evaluation, refined alternatives evaluation, recommend alternative, and next steps/updated schedule for the Highway 47 (Ferry St) and BNSF Crossings project. Council provided direction to MnDOT staff that the City's preference is Alignment Alternative 2 – which is the best and safest alignment for the traveling public as it reduces the curves and reduces dangerous truck turning movements that occur near the curves in MnDOT's preferred Alignment Alternate No. 5. He provided an overview of these two alignment alternates and said Council should be aware that this item will be discussed at the September 26 worksession meeting where MnDOT project team representatives will provide findings of the refined alternative alignment evaluations, next steps, and an updated schedule. As a reminder, pursuant to Minnesota State Statute §161.164, the City of Anoka will have to provide municipal consent to MnDOT for any trunk highway project that results in any of the following items: alters local access, increases or reduces traffic capacity or requires acquisition of permanent right of way including permanent easements. Mr. Lee said he shared concepts with Alter Metals which they said were not realistic and asked for other options, noting we will have to extend funds to make this work with MnDOT.

Councilmember Weaver asked if there was too much pushback MnDOT could use the existing alignment and not require municipal consent. Mr. Lee noted spending \$100 million to reconstruct a road in its existing alignment would not make sense.

Discussion was held on MnDOT's goals to move traffic and possible tunnel options.

4. UPDATES/REPORTS/COUNCIL SUGGESTIONS FOR TENTATIVE FUTURE AGENDA ITEMS

Ms. Springer reviewed property taxes, TIF, and truth in taxation that included new reporting requirements and noted Hennepin County's commercial/industrial tax capacity went down \$12 million which was the largest contributor to fiscal disparities and means our fiscal disparities that directly reduces our levy will be

reduced. She said this reduction of 10.6% alone has the tax impact to add \$24 per year with the City doing nothing and that more discussion will be needed.

5. ADJOURNMENT

Motion by Councilmember Skogquist, seconded by Councilmember Weaver to adjourn the Worksession at 8:06 p.m. Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk