

**WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
JANUARY 27, 2020**

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, Freeburg, Skogquist, and Wesp.

Staff present: City Manager Greg Lee; Community Development Director Doug Borglund; Public Services Director Mark Anderson; Engineering Technician Ben Nelson; City Planner Clark Palmer; HRA Manager Darin Berger.

Also present: Members of the Economic Development Commission, Housing and Redevelopment Commission, and Planning Commission.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; Development at the Corner of 7th Avenue/Main Street.

Housing and Development Manager Darin Berger shared a staff report with background information stating in July 2019, the City of Anoka Housing and Redevelopment Authority (HRA) modified the South Central Business Tax Increment Financing (TIF) District to include six additional parcels at the southwest corner of Main Street and 7th Avenue. The HRA's intention was to purchase property, demolish existing substandard structures, clear and prepare the site in anticipation of providing a site for future redevelopment. Financing for these purchases and site work has been obtained through bonds provided by the City of Anoka. Bond funds are to be repaid with tax increment generated by the development that occurs in the expanded district. Beginning in August of last year, the HRA acquired 640, 650 and 658 E. Main Street. Removal of regulated waste and demolition has been substantially completed on these properties. The HRA is also in discussions with the owner of 1919 7th Avenue, working towards acquisition of that property. If all four of these properties are purchased, the site will total 1.53 acres in size.

Mr. Berger said staff is hoping for an open discussion to gain insight into what the HRA, City Council, Economic Development Commission and Planning Commission envision being built at this high visibility corner. He said this exercise would help ensure a shared vision as we move toward an end use. Mr. Berger provided a map of the area outlining the HRA owned parcels and potential future acquisition as well as a list of permitted uses in the EM-2 Sub-District for review including brewery, condos, and others.

Councilmember Freeburg asked about issues if the Johnson property is not acquired. Mr. Berger said they are looking to sell the business that creates geographical marker imprints and that the owners have no interest in selling the property to anyone but the City.

Councilmember Wesp asked what would be a good fit for the property. Mr. Berger reviewed the list, stating we would likely not want to see a rental project and said the purpose of the discussion is to see what the group does not want to pursue.

Councilmember Wesp inquired about the former Gould Jeweler's building across the street. Mr. Berger said the building could accommodate various uses but parking in the back is an issue and was unsure of the property's status.

Councilmember Barnett asked for insight from brokers about being too close to some similar uses in Coon Rapids. Mr. Berger said it would depend on the use, stating a big box store could be a conflict or constructing another building for rent.

Commissioner Brewer asked about designs and height limitations.

Councilmember Skogquist said he saw this site as more commercial and said the site could be a transitional spot with high grade residential above, adding he would be open to being flexible instead of identifying something specific.

Commissioner Kjonaas asked about the possibility of a liquor store. City Manager Greg Lee West said a study had been conducted but that this was not a recommended site as it was too close to the East store.

Mayor Rice said a retail use would be good like a food court with 4-5 different restaurant options but no other retail. He suggested a medical arts use or even hotel but was unsure the site was large enough for that use.

An audience member suggested a professional office building for lawyers, CPA, or insurance use. Mayor Rice said that was possible but noted the site offered limited parking.

Commissioner Brewer said access would be a challenge similar to Walgreen's and that the business has to be successful.

Commissioner Bonthuis said she understood Edina Realty had an active contingency for the former Gould's Jeweler's for a VA clinic.

Commissioner Kjonaas liked said he would prefer to see a list of ideas presented for consideration. Councilmember Skogquist agreed a list would be best.

Mayor Rice confirmed there was no support for rental apartments and that a consultant said, owner-occupied was likely not an option. Mr. Berger clarified the Council would not support solely rental units unless part of a retail use below. He said 15 years ago the

City could not have sold a mixed-use building but that things have changed as this would be an attractive product but the retail has to carry the building.

Commissioner Kjonaas said this concept works in downtown Minneapolis. Councilmember Wesp cautioned the group to be more realistic and referred to similar uses and what occurred in Elk River.

Council consensus was no fast food uses would be considered. Councilmember Barnett said she would be open to a fast-casual restaurant use such as Erbert and Gerbert's or Chipotle but not fast food such as McDonald's. She asked if whoever purchased the site would meet the guidelines within M-2 and then know who to actively market to as the City already had enough uses such as carwashes.

Commissioner Werdien confirmed the HRA had contracted with a broker to market the site.

3.2 Discussion; David Weekley Homes Project/4th Avenue and Rum River Development Site.

Community Development Director Doug Borglund provided an update to the City Council on the David Weekley Homes development project proposed for the 4th Avenue and Rum River City of Anoka owned development site. He said the desired use was condos or townhomes and recalled how Council reviewed proposals from different developers and selected David Weekley Homes. He highlighted discussions that occurred at the time that involved many details including guest parking, stairs, and others and how the Council toured their Maple Grove project and supported the project but that recently there appeared to be a change in the City's support. Mr. Borglund said comments have been shared during marketing for this product that has confused the developer about the City's position that a younger demographic would not be interested in this type of product in Anoka. He cautioned against being the community that changes its mind and that David Weekley Homes has completed full submittals and done all required work to date to move forward with their proposed project and that staff wanted to confirm the Council's direction before they continue with the approval process.

Mayor Rice said this was a national builder and that they will sell what they want to sell and that the City is not the expert in housing types. He said the City preferred owner-occupied products but understood the need for a balanced community and believed young people would be interested in the product.

Councilmember Wesp asked who was against the product. Commissioner Brewer said the Planning Commission felt they were talked into building something based on the developer's idea on Monroe Street which were not selling because it was a different product in the end and that they did not want to see this happen again and were cautious. She said this was a beautiful open area and did not fit but understood the developer just wants clear direction.

Commissioner Kjonaas said the Commission knows they spent a lot of time on whether or not to have stairs in this development but felt they had other good discussion on the courtyard and that ultimately no one wants empty buildings.

Mayor Rice said while we want to be honest with the developer at the same time, we should understand who we are talking to as they do not want empty buildings either.

One of the PC Commissioners stated that we need to be more cautious then referred to the project on 2nd Avenue and Monroe Street that has not sold but were supposed to be hugely successful. She said the concept drawings did not result and when this project came about, we were cautious as this is Anoka and not Maple Grove and we do not have the same amenities.

Commissioner Bonthuis said she did not think Lennar did enough research for their project and shared while we get trains in this area it is not light rail.

Councilmember Freeburg said without density this project would not work.

Councilmember Skogquist said many of his friends moved within 6-8 blocks of downtown because of the positive things we have and Lennar saw this as it was near the Rum River, trails, and downtown Anoka and while this product would not be his ideal home it could work and he would support it, adding the City should stay out of the details once we have approved the general concept.

Commissioner Bonthuis suggested villas as a possible use. Mr. Borglund said the Highland Park neighborhood will provide that opportunity for a villa-type product on the golf course.

Mayor Rice said spoke about how Lennar was going to compromise on items such as grade but did not and that the attractiveness is owner-occupied and not connected and how the developer has to market the product.

Commissioner Youngquist agreed while the 2nd Avenue and Monroe Street project was disappointing they have sold six units and that he agreed he did not like the architecture or stairs but it was not up to the City to tell Lennar or David Weekley what type of product to create.

Councilmember Wesp said Council approval was not unanimous vote based on the Planning Commission's concerns and for that reason changes were made. He said the developer should know how to properly market their use and while it was a product, he personally did not like we should continue with this plan.

Mr. Lee said this was a good discussion and stressed the need for a unified front as the developer has better options than Anoka, such as Ramsey and other sites coming up with Lennar south of City Hall. He suggested a similar discussion with them in order to provide good direction to developers each time.

Mayor Rice spoke about street renewal and the desire for sidewalks and how they don't always result.

Commissioner Brewer said the City has a fiduciary duty to address vacant land and to look forward 15 years to see if the result will be a quality product, especially because we have limited land in the City. She said even though a product is attractive now we have to look into the future to see if people stay and what potential resale value would be.

Councilmember Wesp spoke about the Coon Rapids development his parents lived in and what will this look like in 30 years and did not want to be caught like before. He said he liked that this was a homeowner's association as it provided covenants.

Mayor Rice said Rum River Shores filled a need as well as this product and will result in young families and commuters and should always be in demand because of the rail station.

3.3. Discussion; Fred Moore Middle School Parking Related to a Proposed Expansion.

Associate Planner Clark Palmer shared a staff report with background information stating the Anoka-Hennepin School District is proposing building additions and renovations to the Anoka Middle School for the Arts, Fred Moore Campus, located at 1523 5th Avenue. The additions will add capacity for approximately an additional 20 staff and 300 students. The Planning Commission was provided an overview of the project at a work session held on October 17, 2019. At the meeting, the Planning Commission expressed concerns regarding the proposed parking plan, which showed no net increase in parking. Based on feedback provided by the Planning Commission, the school district is currently exploring options for additional parking. Staff provided an overview of the project and facilitate a discussion on related parking concerns and possible options. He shared the proposed plans, cafeteria and classroom conversions, and resulting loss of parking from 86 stalls to 56 stalls for a loss of 27 and the proposed parking lot expansion of the northern lot for an additional 29 stalls. He shared the concept of parking on City lot and the real estate transaction needed for a net gain of two stalls with a capacity of 166 staff and 1,500 students in the end. He spoke about possible encroachments and parking on City property and access off of 5th Avenue as well as discussions with Zion Church for shared parking options and if the school district needs land, they should purchase but if we eliminate parking from the plan does Council suggest selling or encroachment.

Councilmember Wesp asked if the proposed area was currently a park where the skate park was. Mr. Palmer said the area included a memorial and would result in loss of significant trees and while no one wants tree loss should the project move forward parking needed to be addressed.

Councilmember Skogquist said he would support selling the land for encroachment but had no desire to see the rest turn into a parking lot as there already was a lot of parking present with Zion Church and hoped they could reach a shared parking agreement instead. He said certain places could make parking work while others could not and

would prefer Zion instead. He said he appreciated what they are doing for the school but would not be pleased about losing stalls.

Mr. Palmer said the school district would be bringing forward an application for consideration soon but that staff wanted to address parking first.

Mayor Rice said currently there were no empty spaces so to expand without a parking plan would not be realistic. Mr. Palmer referred to the new access proposed as well that would be ADA accessible.

Commissioner Nemec referred to the outcome of small stretch of Washington Street and suggested making it available for additional parking.

Steve Anderson, Anoka-Hennepin School District, said they looked at this area and if Washington Street could be vacated it would make sense but they would have to purchase the property across street and there was no time to do it with the current construction schedule. He said if the building maxed out at 1,500 students from its current 1,200 students, we do have empty parking now and their goal was to reach an agreement with Zion Church as it makes the most sense. He spoke about parking needs increasing during football games and funerals but with the 25 stalls that would meet the requirements if student population reaches 1,700 students and that nothing more would be needed for the next five years.

Councilmember Wesp asked about the net gain with Ramsey Elementary and Brookside. Mr. Anderson said it depended on what Ramsey does with their development as they thought there would be 750 students at Sunrise Elementary but they were now at 900 students. He spoke about 10-year projections with the improvements to Fred Moore and maximum capacity and about staff moving from facility to facility during the day and how the middle school population will remain flat with 1,200 students at Fred Moore.

Mayor Rice said the idea is to add stalls to have a +2 net with Zion. Mr. Palmer said if done we would be very close to a 1:1 ratio but are looking at capacity.

Mayor Rice asked about progress on negotiations with the church. Mr. Anderson said they were close but their goal was to review other solutions and make adjustments where possible.

Councilmember Skogquist suggested the lot where the former service station exploded. Mayor Rice said the cost was too high at \$200,000.

Mr. Anderson said they would prefer not to have students cross the street at 5th Avenue.

Commissioner Brewer suggested including the number of part-time teachers in order to help with negotiations with the church.

Commissioner Bonthuis suggested marked leased spaces.

Mr. Palmer confirmed the Council did not want to pursue an encroachment option but sell that portion of the land.

Mr. Anderson asked about access and project timing. Mr. Lee said the City would grant right of entry if needed.

Mr. Palmer said the right of entry could be done through the Planning Commission/City Council process then outlined the process for sale with a potential for consideration at a March meeting.

Mr. Anderson said they would construct a sidewalk if desired and thanked staff for bringing this concern forward before the application to review concerns including water runoff a concern.

Mr. Palmer confirmed Council consensus was to move forward with a property sale as outlined to address the parking encroachment.

Commissioner Bonthuis spoke about parking during large funerals at Zion Church. Councilmember Skogquist said street parking would be used in those instances as neighbors anticipated that occasionally already.

3.4 Discussion; Transportation Update; MN Highway 47 (St. Francis Boulevard) Between Anoka County Fairgrounds and Bunker Lake Boulevard.

Engineering Technician Ben Nelson shared a staff report with background information stating in 2016, MnDOT began a study of the BNSF Railway crossing of MN Highway 47 to improve safety for motorists, pedestrians, bicyclists, and trains, as well as improving regional mobility and emergency responder time. That study evaluated elevating MN Highway 47 over the railroad. As part of that effort, roadway corridor improvements were discussed between US Highway 10 and Bunker Lake Boulevard. A public open house was held in June 2016 and again in February 2017. Many residents attended to express concerns about corridor deficiencies north of the railroad. In response to those concerns, the City began a study in partnership with MnDOT to study the segment of MN Highway 47 (St. Francis Boulevard) north of the Anoka County Fair Grounds to Bunker Lake Boulevard with a goal of improving access and safety for all users while preserving or enhancing the community. The BNSF Railway crossing feasibility study was completed in 2017 and an open house for Highway 47 is scheduled on Thursday, February 20, 2020 at Green Haven Golf Course & Event Center.

Ross Tillman, Senior Transportation Project Engineer with Bolton Menk, presented information for the open house and addressed questions from the Council. He reviewed public input from the earlier open house that included traffic concerns, turn lanes, expanding westbound right turn lane, updating previous work, lane widths less narrowing, less property impacts, signal at McKinley, queuing impacts to neighborhoods and ability to get out from their homes. He reviewed safety concerns with the 18,000 vehicles per day and the several driveway accesses in existence today then reviewed

dedicated lefts, right turn lanes, enhanced pedestrian accommodations, trail on the east side of the roadway, curb/gutter, storm pipe, and tight footprint with a trail shift more to the east and trees impacted within the public right-of-way.

Mayor Rice confirmed internal movements were considered.

Councilmember Wesp asked about surveys on right-of-way encroachment of property versus others. Mr. Nelson said they have not been marked yet and that property owners will likely be surprised and once they are onboard for a signal the surveys will be shared to make it clear where the right-of-way was.

Mr. Lee said 30 feet on the east is under the control of Anoka and not MnDOT. Mr. Nelson said they will have a 3D model available during the open house to help address concerns and better demonstrate property impacts.

Mayor Rice spoke about the possibility of cityscape roadway and grass instead of sidewalk and if that is plausible. Mr. Nelson said they put the sidewalk in the desired location for input and would apply for regional solicitation grant to hopefully have some type of trailway, noting this will be first time talking with the neighborhood about the project.

Mayor Rice said the trailway is essential in this area.

Eric Johnson, Project Engineer with Bolton & Menk, shared tree locations and proposed tree impacts with trail construction.

Councilmember Skogquist asked how ponding would work and if speed limits would be similar. Mr. Johnson shared the tentative ponding location on Anoka County property.

Mr. Nelson said this would be a 2025 project as it cannot be done during the Highway 10 construction project but that staff wanted to discuss with the neighborhood now because of the overlay project.

Mr. Johnson said speed limits were used to control speed through design and shared more about the signal at McKinley, trail improvements, and how McCann and Dunham would be cul-de-sacs with traffic counts being fairly low.

Mr. Johnson shared a rough schedule of the project and the worksession scheduled to share public input with funding applications due in April. He said they would share the proposed layouts through video and an interactive station and have dot rankings to identify different aspects' importance and quality of life improvements.

Mayor Rice asked if the trailway improvement plans would meet with Highway 47 and not end at the trailway. Mr. Nelson said not at this time but it would go through the fairgrounds.

4.1 Staff Update.

None.

4. COUNCILMEMBERS COMMENTS

None.

5. ADJOURNMENT

Mayor Rice adjourned the Worksession at 7:20 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk