

Council Executive Session Minutes 04-20-2020

**EXECUTIVE SESSION OF THE ANOKA CITY
COUNCIL ANOKA CITY HALL
COUNCIL CHAMBERS
APRIL 20, 2020
EXECUTIVE SESSION COMMENCED AT 6:00 P.M.**

1. CALL TO ORDER

Mayor Rice called the Executive Session to order at 6:00 p.m.

2. ROLL CALL

Present at roll call: (Remotely present); Mayor Rice, Councilmembers Barnett, Skogquist, and Wesp, (Physically present); Councilmember Freeburg.

Staff present (Physically present): City Manager Greg Lee and City Attorney Scott Baumgartner. (Remotely present); Engineering Tech Ben Nelson.

Consultant present (Remotely present); Peter Mikhail and Scott Lucas, Attorneys with LeVander, Gillen & Miller, P.A.

- 3.** Motion by Councilmember Wesp, seconded by Councilmember Skogquist, to close the meeting pursuant to Minnesota Statute § 13D.05, Subd (c), for Attorney-Client discussion on litigation risks and strategy for U.S. Highway 10/169 Improvement Project.
- 4.** After discussion, the closed executive session adjourned at approximately 6:58 p.m.

Approval Attestation:

Amy T. Oehlers, ACM/City Clerk

Regular Council Meeting Minutes 04-20-2020

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
APRIL 20, 2020**

1. CALL TO ORDER; REGULAR MEETING- Mayor Rice reconvened the regular session at 7:00 p.m.

2. ROLL CALL

Present at roll call: (Remotely present): Mayor Rice, Councilmembers Barnett, Skogquist, and Wesp. (Physically present): Councilmember Freeburg.

Staff present: (Physically present); City Manager Greg Lee, Public Services Director Mark Anderson, Police Chief Eric Peterson, Finance Director Brenda Springer, Community Development Director Doug Borglund, City Planner Clark Palmer and City Attorney Scott Baumgartner. (Remotely present); Engineering Tech Ben Nelson and Housing Coordinator Darin Berger.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 Minutes of the February 24, 2020, Worksession.
Minutes of the April 6, 2020, Regular Meeting.

Motion by Councilmember Skogquist, seconded by Councilmember Barnett, to waive the reading and approve the February 24, 2020 Worksession and April 6, 2020, Regular Meeting minutes as presented.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

4. OPEN FORUM

4.1 Proclamation; Tree City USA and Arbor Day 2020.

Public Services Director Mark Anderson shared that for the 39th consecutive year, the City of Anoka has been awarded the Tree City USA Award by the Minnesota Department of Natural Resources and the National Arbor Day Foundation. This particular Award is for the City's efforts in 2019 and is acknowledging the City's continued commitment to trees and forestation in our community. Last year the City observed Arbor Day by planting a tree at Mount Olive Preschool and for 2020, the City will be celebrating Arbor Day by planting and transplanting multiple trees at Sunny Acres Park near the tennis courts and parking lot on Sunny Lane. Mr. Anderson said this will take place at 10:00 am on April 24, 2020, and due to restrictions in place because of COVID-19 social

distancing will be observed and attended by only necessary people with photos taken to recognize the event. He thanked the Mayor, Council, Park Board, and Planning Commission who actively promotes forestation and conservation of trees in our City.

Councilmember Barnett asked if the City's arborist was still available to go into the field should residents have questions regarding their trees. Mr. Anderson said City Arborist Jerry Tri was available to meet with residents and to contact offices to schedule an appointment.

Mayor Rice read the Proclamation into the record.

4.2 Police Activity Update.

Police Chief Eric Peterson provided an update to the response plan to the COVID-19 pandemic and ways to ensure continuity of service in Anoka. He shared recent cases identified increased from 43 to 95 in Anoka County with unfortunately two deaths, an increase from 3 to 7 known positive cases in the City, and a total of 2,470 cases and 143 deaths in the State. He explained the median age of death was 84 years old and despite perception that numbers in the immediate area are low staff was working with congregate care facilities to assist in any way to help mitigate the spread as well as working with the State and County. He shared about the mask drive on April 25 organized by Governor Walz for drop off at the fire department then shared the Stay at Home order ends on May 4 but that staff had not heard about any extension or changes yet. He noted the order was amended to lift golf course restrictions last weekend with social distancing and shared when Green Haven opened, they had 200 golfers on Saturday who all respected the rules. He shared Green Haven is organizing an initiative that anyone who pays is being asked to support local restaurants by donating additional money to purchase gift cards from local restaurants to be used for prizes later this year. Chief Peterson extended his gratitude to everyone for following social distancing as they are working to prepare for the worst then shared about Severe Weather Week and outlined the need for a plan to prepare for events should they occur and encouraged residents to visit Ready.gov to help outline plans for all potential disasters. He shared calls for service were down and criminal activity less frequent but said they remained ready to serve when needed.

Councilmember Skogquist asked about any staffing or major interruptions. Chief Peterson said all staff is currently healthy and at work responding to calls for service. He shared about the change in law that allowed the sharing of known positive cases with first responders in order to best prepare when responding to a home in order to reserve personal protective equipment (PPE) as much as possible while limiting exposure wherever possible.

Councilmember Skogquist shared he recently toured the Allina facility who shared that the largest number of calls were for mental health concerns and asked if that has increased since the pandemic. Chief Peterson said staff has actually seen a decrease in some mental health calls while seeing an increase in others such as anxiety issues and shared Anoka County has established a team to help address these issues then commented issues with those who are homeless were also down although staff was unsure as to why but believed individuals were finding solutions to shelter in place.

OTHER INFORMATION UNDER OPEN FORUM

None.

5. PUBLIC HEARING(S)

- 5.1 Issuance of an On-Sale Intoxicating Liquor and Sunday License; The Wheelhouse LLC, 227 Jackson Street.
RES/ Issuance of an On-Sale Intoxicating Liquor and Sunday License; The Wheelhouse LLC, 227 Jackson Street.

RESOLUTION

City Manager Greg Lee said an application had been submitted for an On-Sale Intoxicating & Sunday Liquor License by The Wheelhouse LLC, 227 Jackson Street. This location was previously called Courtside Bar & Grill. The business has been sold and will be under new management. The new owners have applied for the same licenses: On-Sale Intoxicating Liquor and Sunday Liquor. Staff is in the process of conducting the necessary background investigations and inspections and so far, no concerns or objections have been expressed. However, the interior is still undergoing some construction remodeling, so not all inspections can be completed at this time. They have 90 days after Council approval to complete the remodel, have all inspections successfully completed and be issued a Certificate of Occupancy. Approval of the licenses will be contingent upon successful completion of the inspections and investigations. The applicant has requested that the effective date of the license be withheld until the State of Minnesota lifts the restrictions on Bars/Restaurants. The licensed premises will include the outdoor patio area.

NOTE: By motion from Councilmember Barnett, which was seconded by Councilmember Wesp, and by a unanimous vote of the Council, agenda item 9.1 was moved up on the agenda and acted upon at this point.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Councilmember Wesp noted the public hearing needed to be held before any action taken.

Motion by Councilmember Wesp, seconded by Councilmember Freeburg, to table consideration of Item 9.1 until after the public hearing.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Mayor Rice opened the public hearing at 7:28 p.m.

Being no comments Mayor Rice closed the public hearing at 7:28 p.m.

Mayor Rice asked about holding license approval until 90 days until after the Stay at Home restrictions were lifted. Mr. Lee clarified if approved this evening the applicant had 90 days to obtain the certificate of occupancy and then remain until the effective date.

Mayor Rice asked if the applicant was being cautious about getting the license too soon and having to reapply. Mr. Lee said this delay in issuing the licenses was standard procedure.

Motion by Councilmember Freeburg, second by Councilmember Barnett to adopt a resolution approving the issuance of an On-Sale Intoxicating Liquor and Sunday Liquor License to The Wheelhouse LLC, 227 Jackson Street, Anoka, Minnesota.

Councilmember Wesp clarified July 20 was when the applicant would have to have everything complete or forfeit the fee. Mr. Lee explained the applicant had 90 days to complete and pass inspections but the liquor licenses would not be issued unless the State lifted the restrictions.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

6. CONSENT AGENDA

Motion by Councilmember Freeburg, seconded by Councilmember Skogquist, to approve Consent Agenda 6.1 through 6.3.

6.1 Approve Verified Bills.

6.2 Revising and Setting Council Calendars.

- 6.3 Approve 2020 Combined Street Improvement Project; Purchase of a Portion of 747 Harrison Street for Right-of-Way Purposes (Bob Ehlen Area SRP Project).

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

7. **REPORTS OF OFFICERS, BOARDS AND COMMISSIONS**

7.1. Planning Items

None.

8. **PETITIONS, REQUESTS AND COMMUNICATION**

None.

9. **ORDINANCES AND RESOLUTIONS**

- 9.1 RES/ Issuance of an On-Sale Intoxicating Liquor and Sunday License; The Wheelhouse LLC, 227 Jackson Street.

ACTED UPON AFTER THE PUBLIC HEARING

- 9.2 RES/U.S. Highway 10/169 Improvement Project; Authorizing Approval of Appraised Values, Offers of Compensation and Acquisition by Eminent Domain – Par 2. (Partial Acquisition).

RESOLUTION

Engineering Technician Ben Nelson shared a background report stating in cooperation with Minnesota Department of Transportation (MnDOT) and Anoka County, the City is undertaking the U.S. Highway 10/169 Improvement Project. The Project will improve safety and mobility, eliminate at-grade signalized intersections, improve the frontage road system to better serve and separate local and through traffic, and improve circulation for bicyclists and pedestrians. The City Council has already adopted several resolutions for the Project, has ordered the Project, and authorized the total acquisition of three properties for the Project. At that time, Council reserved for later determination what partial acquisitions would be needed for the Project because the engineers and surveyors had needed more time to complete all the legal descriptions. Mr. Nelson stated the proposed resolution with respect to the partial acquisitions will authorize offers, negotiation, and eminent domain if necessary. He reviewed the subject properties in detail then explained the process should eminent domain be necessary. He stated the City was in the process of securing real estate appraisals by Patchin Messner Valuation Counselors and the next step in the property acquisition process is to authorize city staff or agents to make an offer to purchase, subject to

the eminent domain statutes. He said Peter Mikhail, eminent domain Attorney with LeVander, Gillen & Miller, P.A., was available to address questions from Council on this item.

Councilmember Skogquist asked at what point would staff come to Council if unable to come to agreement with a property owner and asked what other strategies would be available at that time. Mr. Nelson responded that included in the resolution is a mechanism that if staff was unsuccessful in negotiating on a specific property that staff would return for separate approval.

Motion by Councilmember Freeburg, seconded by Councilmember Wesp, to adopt a resolution for U.S. Highway 10/169 Improvements Project; Authorizing Approval of Appraised Values, Offers of Compensation, and Acquisition by Eminent Domain – Part 2 (Partial Acquisition).

Mayor Rice explained the City's intention was a willing seller and buyer and with assessments available staff should be able to work with property owners to come to agreement first.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

9.3 RES/Official Intent to Reimburse Certain Expenditures Using the Proceeds of Tax Exempt Obligations Issued by the City.

RESOLUTION

Finance Director Brenda Springer shared a background report stating on February 3, 2020, City Council adopted a resolution to accept bid and award bid for a Golf Maintenance Facility. They awarded a construction contract to Rochon Corporation in the amount of \$4,635,400. She outlined the base bids and alternates that included roof structures over storage bins and build-out of the animal containment area. She said the City will be using general funds to initially pay for the construction and then bond for the funds in 2021 and reimburse general funds. In January 2020, the City issued \$8.5 million in bonds for the combined 2019 and 2020 street renewal projects. If the City issues more than \$10 million in bonds in one year they can no longer be bank certified, which allows for a lower interest rate on the bonds. Staff is recommending the City Council approve a resolution adopting a statement of official intent to reimburse original expenditures. Ms. Springer noted this action would provide flexibility for funding of the Golf Maintenance Facility and receive lower rates on our bond issue.

Councilmember Barnett asked if we would go out for bonding in 2021 or wait for favorable terms or get bonding done early because the general fund would not hold over. Ms. Smith said staff hoped to go out for bonding in January but would take guidance from Ehlers' recommendation on the best time in order to obtain the best rates.

Mayor Rice confirmed the health of City reserve funds was sufficient but if poor could wait until the end of 2021 to reimburse.

Councilmember Skogquist said if we bonded over \$10 million in one-year terms would it be less favorable. Ms. Smith said she was not sure of the exact rate but would forward that to City Council.

Motion by Councilmember Barnett, seconded by Councilmember Barnett, to adopt a resolution stating official intent to reimburse certain expenditures using the proceeds of Tax Exempt Obligations issued by the City.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

9.4 RES/Temporary Change to Utility Billing and Collection Policy.

RESOLUTION

Ms. Springer shared a background report stating on March 25, 2020, the City of Anoka received a letter from both the Minnesota Department of Commerce and Minnesota Public Utilities Commission requesting all utility providers to commit to work with COVID-19 affected customers and communities by undertaking the following voluntary actions for the duration of the national security or peacetime emergency:

- 1) Extend the protections of the Minnesota's Cold Weather Rule by restricting disconnection of residential customers for non-payment of utility bills and reconnecting customers who have been disconnected for the duration of the national security or state peacetime emergency. This request shall not affect the utility's ability to disconnect a customer's service for public safety concerns unrelated to non-payment of services.
- 2) Waive late fees that any residential or small business customer incurs because of the economic circumstances related to the coronavirus pandemic
- 3) Arrange payment plans for customer requesting help during this time that is based on the financial resources and circumstances to the customer.

Ms. Springer said the City's utilities will have a reduction in late payment revenue and that customers may encounter larger than normal balances on future bills. She noted the utilities had good fund balances so delayed payments and cash flow should not negatively affect our utilities then shared the Utility Billing Request for Assistance form and noted five customers to date have reached and encouraged others interested to contact City Hall for assistance.

Councilmember Barnett asked for clarification on larger balances and increases on future bills and if we were passing on payments from other customers. Ms. Springer clarified when customers applied for assistance, they would allocate that balance over the next three months.

Motion by Councilmember Wesp, seconded by Councilmember Freeburg, to adopt a resolution approving temporary change to utility billing and collection policy.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

9.5 ORD/Homestead at Anoka, Inc. First Amendment to the Option Agreement.
(1st Reading)

ORDINANCE

Community Development Director Doug Borglund shared a background report stating on August 16, 2010 the City of Anoka and Homestead at Anoka entered into an option agreement for approximately 8.3 acres of land east of their current facility. The Homestead of Anoka acted on the option agreement for construction of Phase II which encompassed the north 3.93 acres of the site. The Homestead at Anoka in December 15, 2014 entered into another option agreement for the remaining 2.51 acre parcel the City of Anoka owns just north of Grant Street. The current option agreement will expire on July 31, 2020. Homestead of Anoka is now requesting an extension of the expiration date of the option to July 31, 2023. Mr. Borglund shared the at the time of the original option the developer requested the static price of \$4.24/sf, which would not increase during the period of the agreement. This was requested as a result of negotiations for Phase II land where the developer contributed \$297,942 towards public improvements to 5th Avenue and the storm sewer system and paid \$4.24/sf. for the land. The developer agreed to pay these costs if the land price for Phase III would remain the same for the length of the option agreement. The developer argues the 115kV line should reduce the value of the land but has chosen not to negotiate a price reduction if the price is static at \$4.24/sf. He noted the VOA has been working on the proposed development of Phase III senior housing and affordable, 80 units, concept only and shared plans that would tie in with existing campus. The land sale price for the option land and option extension would be approximately \$463,582.00. If the developer chooses not to act on the option the city would retain a \$10,000.00

original option payment and the additional \$10,000.00 option payment for the extension. He said the could Council discuss pricing and inflation value of the land as the price has been static for 6 years.

Councilmember Skogquist said a three-year option seems long since the City has been waiting since 2014 for the development and suggested a one-year option instead as while this will be a great project it is a secondary building for senior housing and not a unique use.

John Klimcher (*not signed in*), Volunteers of America (VOA), said they were recently selected by Housing and Urban Development (HUD) as one of 18 national projects and the only one in Minnesota to receive \$2 million HUD kick off money and have 30% of internal funds on hand representing 30% of the total request. He said they fully expect to be funded next year but that a one-year extension may be cutting it too close and would like a longer extension.

Councilmember Skogquist said the VOA is a good neighbor who has done a lot and with that funding support in place would like to allow the three-year extension knowing they probably need only 1-2 years maximum.

Councilmember Wesp confirmed that VOA was a 501c3 non-profit organization and pays property taxes and noted the intent since 2014 was to hold the price but the City has been waiting nine years for a project and taxpayers see that property values increase over time and that the City should negotiate a price difference based on inflation if we choose to wait the additional three years.

City Attorney Scott Baumgartner clarified the timeframe stating the extension only refers to the purchase and that closing would be within one year after purchase.

Mayor Rice said the VOA would pay for the amount of the original extension of \$10,000 and questioned the value of the property and felt a responsibility to the VOA and Homestead and the development surrounding which is VOA. He spoke about fairness of having a lock on a property for the past six years and then asking for three more.

Councilmember Wesp said the development has primarily been VOA and appreciated having them in the community but the City is in negotiations with other developers who are being affected by what the VOA is doing and we should come to a fair assessment and if extended that would be good but we should negotiate more for the taxpayers.

Mayor Rice said the Council should clarify its direction and be clear what is being requested at second reading two weeks from now.

Councilmember Skogquist suggested extending to the end of 2021 and agreed with Councilmember Wesp some sort of inflationary factor should be included as a compromise.

Councilmember Freeburg noted the real estate market will likely change with the pandemic and that we could regret if the VOA does not build because others may not either and should continue working with the VOA as they have funding in place.

Mayor Rice shared about the value of this project as it retains residents in Anoka but commented about the fairness to citizens to wait an additional three years and does the purchase price really matter if they actually build as taxes will then be payable.

Motion by Councilmember Wesp, seconded by Councilmember Freeburg, to hold first reading of an ordinance approving the First Amendment to the Option Agreement to Convey Real Property to The Homestead at Anoka, Inc. and enter into negotiations into possible purchase price amendments based on land value inflation.

Mayor Rice asked if this direction was fair to the applicant. Mr. Borglund said he believed it was as they had anticipated this occurring with regard to land value and will work with the VOA to come to some type of agreement.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

9.6 RES/Approving a Lot Split/Division of Two-Family Dwelling; 2304 State Avenue.

RESOLUTION

Associate Planner Clark Palmer shared a background report stating the property owner of the two-family dwelling located at 2304 State Avenue is proposing a lot split of the property at the common party wall of the existing duplex. The goal is to create two ownership parcels and attached single-family dwellings which could be sold separately. The Zoning Code allows two-family dwellings to be divided into single parcels of record with the common party wall acting as the dividing lot line subject to the meeting of criteria. The original home (the northern dwelling unit) was built in 1957 as a single-family dwelling. In 2004, the property owner constructed a second attached dwelling unit, converting the single-family dwelling into a two-family dwelling. This was allowed at the time due to zoning that allowed two-family dwellings in the zoning district. The property has since been rezoned to single family, so the duplex is considered legal nonconforming. As mentioned, the Zoning Code allows for the division of the duplex subject to the meeting of criteria. Mr. Palmer outlined the criteria required for this request

and that the Planning Commission reviewed the application and held a public hearing on February 4, 2020. He said no comments were received by the public but the Planning Commission had some concerns about how the duplex, once converted to two ownership units, would be maintained and managed. Since the Planning Commission meeting, the applicant has worked with staff and the City Attorney to draft the required declaration of covenants, conditions, and restrictions. The Planning Commission recommended approval of the application subject to conditions of approval that included a declaration of covenants, conditions and restrictions, as prepared by the City Attorney that addressed building and use restrictions, party walls, relationship among owners of adjoining living units, including arbitration of disputes, and separate or shared services. He noted the applicant should pay parkland dedication fees owed for a single dwelling unit in the amount of \$2,543 and that all conditions of approval shall be completed no later than one year from the date of approval.

Councilmember Barnett asked about party wall declaration and what ability does the City have to enforce. Mr. Baumgartner said the difficulty is the City's intent is a contract with two property owners and can always enforce against one or both sides but covenants and restrictions tells what incoming property owners can and cannot do and is recorded against the property such as exterior colors, etc.

Councilmember Barnett clarified if two different paint colors for each side was done would we have the ability to enforce. Mr. Baumgartner said part of the approval process for allowing a lot split would be that type of agreement and therefore be in violation of the covenants. He said he would argue we would have a place to invoke rights of the property owners unless in violation of the covenants, adding both property owners were parties to the covenant agreement.

Councilmember Freeburg asked when the addition was constructed built in 2004 the homeowner did not need any variances but this request was different as it is not uniform and shared concerns about one property owner wanting to do roof repairs and the other property not. Mr. Palmer said the request for a lot split was denied but the property owner wanted to construct a second single-family home so they constructed the second attached dwelling instead which was allowed but since has been rezoned to single family.

Mr. Baumgartner said the difficulty is City Code allows this action and if an issue arises such as two roof repairs it is possible there could be some disputes but noted there are places when these agreements work and we will make them as enforceable as possible within Code.

Mr. Palmer added the ordinance was enacted in 1987 and if uncomfortable Council could amend to not allow these in the future but that we have to work through this current application.

Mayor Rice agreed we cannot deny the application in place and said we have the advantage that the Planning Commission placed conditions upon approval to help the City address should concerns arise in the future.

Motion by Councilmember Freeburg, seconded by Councilmember Wesp, to adopt a resolution approving a lot split/division of a two-family dwelling, 2304 State Avenue.

Councilmember Barnett confirmed the motion included the applicant having to pay parkland dedication fee.

Todd Christensen, applicant, said the property was purchased in 1998 and had been a rental unit for a long time. He said he is working to turn the property into owner-occupied and therefore asked for waiver of parkland dedication as this project would be in best interest of Anoka.

Mayor Rice said it is appropriate to require parkland dedication when a lot split is created and this increases property value.

Councilmember Wesp said parkland dedication was a recommendation of the Planning Commission and part of motion and when developers come in and enhance with a new development, they pay fees or provide land in lieu of fees and asked about the basis of the fee. Mr. Palmer clarified the fee was standard for a single-family home.

Mayor Rice said all developers would argue they are increasing value and providing improvement to the City but are also using City parks and should be contributing.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

None.

12. UPDATES AND REPORTS

12.1 Tentative Agenda(s).

The Council reviewed the tentative agendas of the upcoming Council meetings.

12.2 COVID-19; City Operations, Changes, and Impacts – Questions, Comments, and Discussion.

Chief Peterson provided an update regarding the recent law change that allows restaurants to sell malt liquor, hard cider and wine in conjunction with curbside meal pick up. He noted all other applicable liquor laws would have to be followed, including age verification. He noted cities can be more restrictive in many instances and while he did not see this expanded opportunity for alcohol sales an issue, he wanted to provide an opportunity for Council input.

Councilmember Freeburg said he was in favor of less restrictions.

Councilmember Barnett agreed, stating if issues arise to bring it back for discussion but that she had no concerns as a lot of profit can be made on beer and wine sales and that this change helps support small businesses in Anoka.

Chief Peterson agreed he did not see any issues with this amendment as all other laws remained in place and saw it no different than going to an off-sale liquor store. He noted the golf course opening was going well and that police would assist in managing concerns if needed and if further items came forward would keep the Council posted.

Councilmember Wesp spoke about the potential of postponing the property tax due date and encouraged Anoka County to make that known to residents as this is a stressful time and personally encouraged the Board to consider this postponement to assist residents.

Councilmember Skogquist said he has been reviewing what other cities are doing during this time such as grants or small loans for small businesses and shared one example in Aikin County and suggested a program similar to housing rehabilitation such as zero percent interest loans with a portion forgivable if owned for five years. He said these are unprecedented times and that Anoka is a small business hub and after speaking with small business owners and Pete Turok of the Chamber felt anything could help. He suggested creating a program that would allow \$500 grants or a loan of up to \$2,500 zero interest for six months, 2% if loaned for one year be offered to businesses in Anoka. Councilmember Skogquist said State programs are good but the demand was high and not many businesses have been successful in obtaining these funds and it is important to invest in our businesses. He spoke about using the Urban Redevelopment Fund as the funding came from WAC/SAC credits paid for by businesses and had a balance of \$1.4 million and suggested loans be provided to help cover one month's bills for businesses. He said the goal of the fund is to expand businesses and felt this would be an appropriate use of these funds.

Councilmember Freeburg said he felt this was not an appropriate time for this discussion as there were many moving parts and would be a good worksession topic, adding this situation will be an issue for a long time. Councilmember

Skogquist disagreed and said it was important to act now and not wait for a worksession.

Mayor Rice said he thought this was a good idea, adding former Councilmember Schmidt help create this fund to give flexibility for businesses and that everyone who has accessed this fund has been a small business and felt this would be in the spirit of the fund's goals. He agreed a worksession would be best though as developing loan amounts and interest rates would be too complicated to sort through this evening.

Mr. Baumgartner said he understood the need to address this in a timely manner but shared concerns about following formality and suggested the Council direct staff to initiate research for answers, adding he was hesitant to act tonight as this topic was not formally on the agenda. Ms. Springer agreed, noting the fund had a policy in place for distribution and any change would require a policy amendment.

Councilmember Barnett agreed with the concept but was concerned if this was a real stop gap and realistic timeframe by providing funding to cover one month's expenses, adding was this enough to save a business.

Councilmember Wesp agreed but said Anoka has large businesses too and would like to see impacts made to the community as a whole by pushing back property taxes for businesses and residents alike. He said we may need a more longer-term program and referred to the suggestion to not include corporately-owned chains as many of those are franchise owned and should be included as well. He said he would like more action by Anoka County instead.

Councilmember Skogquist agreed we have to be creative in all ways but the best we can do is ask the County to postpone payments and this is something we can do as a City. He agreed we did not need to determine all details this evening but wanted to know if this was something we could pursue to act on at the next meeting as these loans would have an impact.

Councilmember Barnett asked how quick could something be crafted. Mr. Baumgartner said he would need to determine the City's authority to use these funds first then create policy considerations and draft loan documents with terms and conditions and possibly personal guarantees. He said staff would move very quickly but we needed to protect the Council and residents and find some answers first.

Councilmember Wesp agreed staff could review this possibility and noted businesses are being affected by the Street Renewal Program and suggested including a delay on that interest too but noted this only affected a segment of the community and not all and while some rent payments are not going to be paid during this time the same will occur with mortgage payments too.

Councilmember Freeburg cautioned against waiving assessments as well as lending to some while others do not fit whatever criteria we create. He added he was not sure if it was the City's job to distribute taxpayer's money interest-free.

Councilmember Wesp clarified he was not suggesting abating assessments just diverting the interest on the assessment.

Mr. Baumgartner cautioned the Council in using tax dollars to supplement private businesses and the need to ensure where the funds would come from as they needed to be used across the board as co-mingling would be a concern.

Mayor Rice said these are all good ideas and more discussion was needed and suggested directing staff to explore these concepts for a worksession discussion.

Councilmember Barnett referred to the request of Round-Up Funds to be distributed earlier and clarified the total investment was not being amended just distributing quarterly instead of three times a year.

Ms. Springer said the City currently had \$11,860 available for disbursement and that staff was suggesting distributing \$11,500 now with \$2,000 to Alexandra House and \$2,000 to ACBC Food Shelf, \$3,500 to Youth First, \$1,500 to Anoka Community Mission, \$500 to CEAP, and \$2,000 to Cross.

Councilmember Freeburg suggested disbursing \$2,500 to Youth First instead and adding another \$1,000 to Anoka Community Mission (for a total of \$2,500 to Anoka Community Mission).

Ms. Springer recapped the agreed amount to Anoka Community Mission was guaranteed \$5,000 in 2020. Councilmember Wesp said he believed Youth First was not operating right now due to the pandemic and is unsure of any summer programming. Councilmember Freeburg noted Anoka Community Missions has made a large impact then spoke about their loss of a tenant and stolen catalytic converter from their van.

Councilmember Wesp asked if it was appropriate to make motion for this direction. Ms. Springer said staff could make the changes as outlined and resubmit to the Council.

Mayor Rice clarified no changes would be made to the annual allotments just distribution direction to receive the funds early.

Mr. Lee clarified direction for loan program possibilities included a worksession agenda item after some research. Mayor Rice agreed there was at least some direction and consensus to consider options that included shifting the Street Renewal Program interest to zero percent for a period of time, recommend

postponing property tax due dates to the County, and review of possible loan programs.

Councilmember Barnett asked what affect property tax payments would have on an average property owner. Mayor Rice estimated approximately \$2,000 in property taxes for an average homeowner and while many included those payments in escrow accounts others pay separately, including businesses.

Councilmember Skogquist estimated the amount would be a few thousand dollars depending on the amount of property value. Councilmember Barnett asked how that would impact City or County funding. Ms. Springer said she did not believe property tax funding delay would impact the City much as we have a good amount of reserves on hand

Councilmember Freeburg cautioned if deferred to long the total amount would be due October 30 and possibly difficult to pay at that time and said the solution is to open businesses again.

Councilmember Wesp said we are just trying to find ways to cover as many people as possible and that ideas are needed.

Mayor Rice agreed but said these are not simple decisions to make and many result in just postponing payments later.

12.3 Staff and Council Input.

None.

13. **ADJOURNMENT**

Councilmember Freeburg made a motion to adjourn the Regular Council meeting. Councilmember Wesp seconded the motion.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Freeburg, Skogquist, and Wesp voted in favor. Motion carried.

Time of adjournment: 9:15 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk