

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
SEPTEMBER 19, 2022**

1. CALL TO ORDER

Mayor Rice called the regular meeting of the City Council to order at 7:05 p.m., followed by the Pledge of Allegiance.

2. ROLL CALL

Present at roll call: Mayor Rice, Councilmembers Barnett, Skogquist, and Wesp.

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

Absent at roll call: Councilmember Weaver.

3. COUNCIL MINUTES

3.1 September 6, 2022, Regular Meeting.

Motion by Councilmember Skogquist, seconded by Councilmember Barnett, to approve the September 6, 2022, Regular Meeting minutes as presented.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Michelle Austin-Dehn; Anoka Halloween Update.

Michelle Austin-Dehn and Bill Bedinski presented an overview of the Anoka Halloween celebration planned for 2022, which will include parades, bonfires, movie night, bingo, and many other events. They spoke about how Highway 10 construction will impact access to the events then noted they were always looking for volunteers to assist and encouraged everyone to attend. They explained how Anoka Halloween was a fully volunteer-led organization and thanked the City, Council, Fire and Police Departments for their support.

Councilmember Skogquist thanked the group for their work and suggested better signage be used for portable restrooms during events.

4.2 Police Activity Update.

Police Chief Eric Peterson spoke about the unexpected passing of Officer Eric Groebner. He shared about his exceptional background and career that began as a non-sworn officer then patrol in 2014 and included an Explorer Advisor, COPS Unit, SWAT, and many other roles. He shared about Officer Groebner's countless positive interactions in the field and thanked the community for their tremendous support during this very difficult time. Chief Peterson thanked Coon Rapids, Ramsey, and Anoka County law enforcement members for staffing Anoka's department during the memorial service.

4.3 Highway 10 Anoka Construction Update.

Assistant City Engineer Ben Nelson shared an update on construction status that included the project's hotline contact information then reviewed current and upcoming closures, temporary signals, and further communications regarding construction projects.

OTHER INFORMATION UNDER OPEN FORUM

Jeff Nelson, Wingfield Avenue, shared concerns about City commission members during a recent League of Women Voters (LWV) candidate forum. He explained the forum was closed for recording purposes but that spouses and four City commission members insisted on attending as they stated it was a public meeting and if not allowed would result in consequences. He requested an investigation into the incident then shared concerns about recent campaign literature regarding Councilmember Skogquist.

Vicki Violet, 708 River Lane, explained that all parties agreed to the forum being closed but that not all people involved followed that agreement, stating the integrity of the forum may have been compromised. She shared a statement from a LWV spokesperson then explained her discussion with the City Manager about how the forum was a public meeting in a public space and referenced consequences if the public was not allowed. She said these actions were a direct threat to LWV volunteers and unacceptable then expressed frustrations with City commission members' lack of respect and requested their removal. Ms. Violet said these actions interfered with the election process and requested a public apology be issued then thanked those who followed the process and said she trusted there would be follow-through and transparency regarding this incident.

Jeff Lee, candidate for City Council, 706 River Lane, said the forum process was new to him and that while his wife did attend for support he felt the forum went very well. He said everyone was cordial and that he appreciated everyone's views and good ideas but said he was surprised to learn that the moderator was a campaign donor of one of his opponents which he felt was unusual and should have been shared as it may have impacted his decision to participate.

City Manager Greg Lee shared how he had met with Jody Anderson of the LWV prior to the forum and had a good discussion about their change of process from open forums to closed as a result of COVID and how they planned to continue that practice. He said he shared that while the LWV wished to continue having the forums closed to the public that the City felt they should be open and as a result may no longer allow the LWV to utilize their facilities. He suggested the topic be included on a future worksession so it can be further discussed.

Councilmember Skogquist stated he had not donated to his campaign but that others from the LWV have in the past and was in favor of a worksession as he had concerns because there was direction from Council regarding the LWV forums that had changed. Mr. Lee clarified that Council was supportive of the forum itself but not with the public being excluded.

Councilmember Wesp shared frustrations about a previous meeting where Councilmember Skogquist did not think it was appropriate to discuss campaign topics during meetings but now felt it was. He said three LWV members had contributed to Virginia Louden's campaign and not disclosed then shared comments about Councilmember Skogquist's behavior with City staff that resulted in him pleading guilty to disorderly conduct which was much more serious.

Bjorn Skogquist, Anoka, shared concerns about possible open meeting law violations through telephone calls and serial meetings to reach direction without the public being informed as had occurred when three Councilmembers contacted the City Manager to discuss this issue.

Mayor Rice explained how Councilmembers can contact staff regarding a topic but that Councilmembers cannot discuss a topic amongst themselves and was not aware of a single example of an open meeting law violation while he has served on the Council.

Mr. Lee clarified that there was no open meeting law violation as Councilmember Barnett had made it clear at the workshop that she was not supportive of allowing the LWV to conduct their forum and confirmed no other meetings had occurred with any other Councilmembers.

City Attorney Scott Baumgartner explained how serial meetings could violate the open meeting law but did allow staff to discuss topics with Councilmembers.

Councilmember Skogquist noted there appeared to be two sets of concerns, one being the forum and one being open meeting law and requested these topics be scheduled for a worksession then requested review from someone outside the City as he was concerned about the results of the candidate forum.

Councilmember Barnett agreed, stating there had been accusations of bullying, insurrection, consequences, and intimidation of the public to bring attention to candidates during a political time period then shared that the LWV is a highly political and partisan organization and that residents should have opportunities for other forums.

Councilmember Wesp said he was frustrated with how this election process was going as Anoka is a great place to live and agreed with the worksession. He reiterated he did not speak to the City Manager that day and felt an additional forum should occur.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Motion by Councilmember Barnett seconded by Councilmember Wesp, to approve Consent Agenda Items 6.1 through 6.5 as presented.

Councilmember Skogquist thanked Commissioner Garrick for his service.

6.1 Approve Verified Bills.

6.2 Revising and Setting Council Calendars.

6.3 2022 Street Surface Improvement Project; Authorize to Execute the Deed Restrictions and Easement Agreements for Rain Gardens Located at 211 McCann Avenue, 332 Coolidge Street, 3720 Rum River Drive, and 3751 Roseberry Place.

6.4 Resignation from Economic Development Commission; Quinn Garrick.

6.5 U.S. Highway 10/169 Improvement Project; Approve Change Orders Number 25 and 27.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMISSIONS

7.1 Planning Items.

7.1.A. RES/703 East Main Street Variance and Conditional Use Permit, Site Plan Review.

RESOLUTION

Community Development Director Doug Borglund shared a background report with Council stating Kinghorn Construction has submitted a land use application requesting a Conditional Use Permit, Variance, and Site Plan Review to construct a multi-tenant, 1-story, 4400 square foot, 3 bay, commercial/retail building with two (2) drive-through window facilities. The subject property is located on the northeast quadrant of East Main Street and 7th Avenue where the Hardees Restaurant occupied the existing site for decades. Hardees ceased operations several months ago and the property owner elected to tear down the old restaurant building but utilize the existing non-conforming parking lot in place and replace the building providing additional commercial opportunities. The Planning Commission reviewed the application and held a public hearing on September 7, 2022 and recommended approval based on the findings of fact to allow two fast-food drive-through window facilities, the requested variances and proposed site plan with conditions.

Councilmember Wesp asked if the Veterans building was granted any variances. Mr. Borglund said he cannot recall if variances were granted.

Mr. Lee stated the subject property is owned by Councilmember Weaver.

Councilmember Barnett said the drive-through flow plan may be cumbersome in the beginning and asked if there were any concerns with safety.

Grady Kinghorn, applicant, spoke about site circulation and design, stating the drive-throughs were important after the pandemic and how they had to be creative to create enough stacking which resulted in a very safe plan. He spoke about the intensive landscaping plan and plantings that would not block views and how they may adjust the plan to ensure that is the case.

Councilmember Skogquist confirmed a CUP was required for any drive through then asked if any concerns had been received from neighboring properties since if approved there would be more. Mr. Borglund no concerns raised.

Councilmember Skogquist asked about the variances and using the existing parking and while Hardee's was there were different setbacks and while the building looks great he did not want to see all parking in front on Main Street. He referred to the variances granted to CVS and was not supportive of impervious surface being more than 75%. Mr. Kinghorn explained having the parking lot remain intact would ensure the existing storm sewer and infrastructure remain then noted the building had a smaller pad than the former Hardee's so they could all existing parking and be grandfathered in, adding they did not want the drive-throughs along Main Street for safety reasons.

Councilmember Skogquist referred to the Caribou setback as closer as well as CVS and felt this variance was being requested for economic reasons and should

be able to meet code as he was concerned about the amount of impervious surface.

Councilmember Wesp said the project was intended to have multiple tenants and two drive-throughs then asked if Hakanson-Anderson engineering consultants drafted the plan. Mr. Kinghorn explained how their firm does design build work and that they did not want people walking across moving drive-throughs and felt this was the best solution.

Mayor Rice recalled discussions about CVS's drive-through and understood the need for them to work well which was why the City compromised.

Councilmember Wesp said project economics is important to property owners and had no concerns with the proposed impervious surface, adding the Veterans building site was interesting as well.

Motion by Councilmember Wesp seconded by Councilmember Barnett, to adopt a resolution approving a conditional use permit and site plan review, 7th Avenue and East Main Street.

Councilmember Skogquist reiterated he did not want to see large parking areas along Main Street and said Caribou was a good example of a site in this location and would like to have seen other options. He referred to the HRA-owned property nearby and how this will develop.

Councilmember Wesp said any other plan would require customers to walk across a drive-through and noted Taco Bell has two drive-throughs adjacent to each other.

Mayor Rice said he liked the design as it allowed cars to exit the queue if needed.

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

Motion by Councilmember Barnett seconded by Councilmember Wesp, to adopt a resolution approving a variance(s) for 7th Avenue and East Main Street; 703 East Main Street.

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

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1. RES/Adopting 2023 Proposed Budget and Preliminary Tax Levy.

RESOLUTION

Finance Director Brenda Springer shared a background report with Council stating the 2023 budget process began in August and was based on Council directives and the 2022 goal session. The Council has reviewed the 2023 budget, as proposed by the City Manager, at several meetings in August and September. The proposed 2023 budget for all funds, excluding the HRA component unit, is \$90,402,328, which is a 21.49% increase from 2022. The 2022/2023 proposed levy is set at \$8,295,505. This is down (\$1,610,449) from the original staff proposed levy. She explained arrival at the lower levy that resulted from Council changes to positions, ARPA Funds, garage transfer, and additional use of fund balance that totaled \$1,610,449 or 19.41%. Ms. Springer explained the proposed General Fund and Debt levy is an increase of \$484,601 or 6.20% above the 2022 levy and that residential property taxpayers will see a small increase in property taxes. The levy increase, along with changes in fiscal disparity contributions and distributions, changes in tax increment and market value all affect the tax rate and the amount of property tax levy distributed to individual properties. With the increase in the levy, the Council is able to cover all general fund operating, debt service payments and some capital expenditures. She stated this is a preliminary levy and cannot be increased and that staff will continue to work to propose additional cuts. The final levy will not be set until the December 19 meeting.

Councilmember Wesp asked for clarification on the proposed 2023 budget for all funds which would be a 21.5% increase from 2022 and includes the electric fund and that the City was not asking residents to shoulder this large of an increase and had made reductions that resulted in 19.4% change.

Ms. Springer explained the \$90M budget encompasses all funds, including the TH 10 project, then explained the initial increase was 26% and reduced to \$1.6M which is reduction of 19.41% for an overall increase of 6.2%.

Councilmember Skogquist confirmed the budget includes spending down by using cash reserves of \$500,000 and asked how much more that would be if not used. Ms. Springer estimated the amount would be approximately \$82,000 per percent so likely a 6-7% increase if fund balance was not used.

Councilmember Barnett asked about future fiscal disparities. Ms. Springer said she was unsure of the impacts, adding if Hennepin County moves forward with rebuilding efforts then Anoka will benefit.

Mayor Rice noted while commercial property values in Minneapolis will return it is likely to continue to be low for a while. He said Anoka has benefited greatly from fiscal disparities but we need to be prepared for the possibility of its loss in the future.

Councilmember Skogquist spoke about property values relative to other areas, adding they continue to be strong in suburban areas.

Motion by Councilmember Skogquist seconded by Councilmember Barnett, to adopt a resolution relating to adoption of a Preliminary 2023 Budget and Certifying a Proposed Property Tax Levy Collectible in 2023, and Setting Public Hearing Dates.

Councilmember Wesp confirmed the proposed 6.2% cannot be increased but could be decreased prior to final adoption.

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

9.2. RES/Consenting to the HRA Adopting a Tax Levy Collectible in 2023.

RESOLUTION

Ms. Springer shared a background report with Council stating the Council must consent to any Authority levy prior to it becoming effective as required by Minnesota Statutes Section 469.033 and that the HRA has adopted the proposed levy to be \$345,800. This is approximately the maximum levy allowable. It is \$19,800 more than the 2022 levy or a 6.07% increase. The HRA levy will be used to accomplish the goals of the Authority and in furtherance of its housing and redevelopment plans. The maximum levy allowed for the Housing and Redevelopment Authority is 0.0185 percent of taxable market value, or approximately \$345,867.

Motion by Councilmember Skogquist seconded by Councilmember Wesp, to adopt a resolution consenting to the Housing & Redevelopment Authority in and for the City of Anoka Adopting a 2022 Tax Levy Collectible in 2023.

Councilmember Barnett asked for examples of projects the HRA has completed. Housing and Redevelopment Manager Darin Berger explained the HRA's workplan and proposed projects that included commercial rehab loans, rental housing conversion loan program, residential rehab program, and the recent CARE program.

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

9.3. RES/Cancellation of GO Street Improvement 2023 Bond Levy.

RESOLUTION

Ms. Springer shared a background report with Council stating according to Minnesota State Statute 475.61, the City is required to adopt a resolution canceling the bond levy, which is originally certified with the county, if it is not intending to levy for the certified bond levy amount. Staff shared a resolution canceling the bond levy because the amount needed to pay the City's debt is included in the general fund operating levy as a transfer out. She said there will be no impact to the budget or the truth and taxation notices to property tax payers, as the cancellation of debt was already included in the calculations and the amount needed to pay debt is sufficient in the street renewal fund.

Motion by Councilmember Wesp seconded by Councilmember Skogquist, to adopt a resolution Authorizing Cancellation of GO Street Improvement 2023 Bond Levy.

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

9.4. RES/Adding Chapter 22, Article XII. Cannabinoid Products.
1st Reading

Mr. Baumgartner shared a background report with Council stating effective July 1, 2022, the Minnesota Legislature amended Minnesota Statutes, Section 151.72, regarding the sale of certain cannabinoid products. The changes to the law amended the scope of the sale of any product that contains cannabinoids that are extracted or derived from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration. The law previously authorized a product containing nonintoxicating cannabinoids to be sold, but the authority to sell edible cannabinoid products was unclear and there were no age restrictions on the sale of cannabinoid products. The amended law allows for the sale of a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, to be sold for human or animal consumption only if all the requirements of Minnesota Statutes, Section 151.72 are met, and provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol (THC) and an edible cannabinoid product does not contain more than five milligrams of any THC in a single serving, or more than a total of 50 milligrams of any THC per package. He said sellers of these products are not licensed by the State so the proposed ordinance provides a licensing framework to regulate the sale of cannabinoid products within the City.

Mr. Borglund shared proposed maps where cannabinoid licensing would be allowed and various buffer zones such as schools, parks, and other areas.

Councilmember Barnett asked if a buffer map exists for tobacco and liquor licensing. Mr. Borglund said there are no requirements for distance for those licensing types outside of the adult use ordinance.

Mr. Lee noted buffers could be one tool for the Council to regulate this use and others could include limiting the number of licenses or distances from others.

Mr. Baumgartner added the importance of regulating only those 21 and older entering the premise as well.

Councilmember Skogquist spoke about not impacting existing businesses and said the proposed ordinance would not allow products at municipal liquor stores then said he did not want to be more restrictive than the State with regard to penalties, adding he was more concerned about retail sales and licensing than enforcing false IDs. Mr. Baumgartner noted the ordinance was based on the tobacco ordinance which includes penalties then added sale of these products at liquor stores is not allowed by Statute.

Councilmember Wesp said the 1,000-foot restriction proposal would cause existing businesses to not be able to sell these products and felt this should return to a worksession for further discussion.

Councilmember Barnett said she was in favor of a zoning approach and supported a further worksession discussion.

Mayor Rice supported these products in businesses that only serves adults and that other states have done this as well, such as dispensaries in California that require IDs to enter and would support first reading with further discussion at a worksession.

Motion by Councilmember Wesp seconded by Councilmember Skogquist, to table first reading of an ordinance amending Chapter 22, Businesses and Services; Establishing Article XII Cannabinoid Products of the Code of the City of Anoka Minnesota to allow for further review at an upcoming worksession.

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

(Did not sign in), House of Oil Works, commented about the 1,000-foot buffer and that the City's alcohol and tobacco ordinances do not include a distance restriction and should be considered similar. She shared concerns with the proposed limit of three licenses and said these products are already being sold at CVS, Walgreens, and boutiques then asked if any license would be a corporate license for all Kwik Trip locations for example. She shared concerns about putting local businesses in direct competition and was not comfortable with the proposed ordinance.

Councilmember Barnett encouraged this discuss occur soon as there currently were no parameters in place.

9.5. RES/Second Assignment and Amendment to VOA Purchase Agreement.
RESOLUTION

Mr. Borglund shared a background report with Council stating the City entered into a purchase agreement with The Homestead at Anoka, Inc. (VOA) for the sale of a 2.51-acre site allowing the VOA to construct an 80-Unit Senior Residential Building, with an effective date of November 10, 2021. On May 16, 2022 the City Council approved the first assignment and amendment for the purpose of financing and construction. The Homestead at Anoka, Inc. requested to assign the purchase agreement for the Property to VOA Anoka AH GP, LLC. Through the assignment, VOA Anoka AH GP, LLC, assumed all rights and obligations of The Homestead at Anoka, Inc. under the Purchase Agreement, and The Homestead at Anoka, Inc. will be relieved of the same. Further, the amendment included a new closing date of June 30, 2022. Due to a last-minute change from HUD, VOA is asking for a second assignment and amendment of the purchase agreement. For the purpose of financing and construction, VOA Anoka AH GP, LLC is requesting to assign the purchase agreement for the Property to Anoka VOA Affordable Housing, LLP. Through the assignment, Anoka VOA Affordable Housing, LLP, will assume all rights and obligations of VOA Anoka AH GP, LLC under the Purchase Agreement, and The Homestead at Anoka, Inc. will be relieved of the same. Further, the amendment includes a new closing date of October 30, 2022.

Motion by Councilmember Skogquist seconded by Councilmember Barnett, to adopt a resolution approving second assignment and amendment to the VOA purchase agreement.

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

9.6. RES/Assignment and Amendment of VOA Development Agreement.

RESOLUTION

Mr. Borglund shared a background report with Council stating the City entered into a development agreement with VOA Anoka AH GP, LLC (VOA) for the sale of a 2.51-acre site in the City allowing VOA to construct an 80-Unit Senior Residential Building, with an effective date of July 27, 2022. Due to a last-minute change from HUD, VOA is asking for an assignment and amendment of the Development Agreement. For the purpose of financing and construction, VOA Anoka AH GP, LLC is requesting to assign the Development Agreement for the Property to Anoka VOA Affordable Housing, LLP. Through the assignment, Anoka VOA Affordable Housing, LLP, will assume all rights and obligations of VOA Anoka AH GP, LLC under the Development Agreement, and the VOA Anoka AH GP, LLC will be relieved of the same.

Motion by Councilmember Barnett seconded by Councilmember Wesp, to adopt a resolution approving assignment and amendment to the VOA purchase agreement.

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

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1. Consideration of Appointment to Heritage Preservation Commission.

Mr. Lee shared a background report with Council stating the City has one opening on the Heritage Preservation Commission for a partial term with an expiration date of December 31, 2023. Staff advertised for applications according to City policy and received one application from James Collins of Anoka.

Motion by Councilmember Wesp seconded by Councilmember Skogquist, to appoint James Collins to the Heritage Preservation Commission for a term to expire December 31, 2023.

Vote taken. All ayes. Motion carried.

12. UPDATES AND REPORTS

12.1 Exploring Financial Options for Paying for Capital Projects.

Ms. Springer shared that at the upcoming worksession staff will be discussing the possibility of establishing a Local Area Sales Tax that would include establishing a timeline, restrictions, and potential capital projects the local tax could fund if approved.

12.2 Tentative Agenda(s).

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

Discussion was held on potential topics for the September worksession and the need for effective discussions by limiting the number of topics per worksession or adding an additional worksession meetings when needed.

12.3 Staff and Council Input.

None.

ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

Time of adjournment: 9:51 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk