

## OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council Worksession was held on December 07, 2020 at the Spring Lake Park City Hall, 1301 81st Ave NE, at 5:30 PM

### 1. CALL TO ORDER

Mayor Nelson called the meeting to order at 5:30 P.M.

#### Roll Call:

Members Present: Councilmembers Wendling, Delfs, Goodboe-Bisschoff, Dircks and Mayor Nelson.

Members Absent: None

Staff Present: Police Chief Ebeltoft, Administrator Buchholtz

Visitors: David Frei, Family Promise of Anoka County, Dave Noe, Family Promise of Anoka County

### 2. DISCUSSION ITEMS

- A. Discuss Request from Family Promise of Anoka County for Code Amendment to Allow a Homeless Shelter in the C-2 Zoning District

Administrator Buchholtz provided an overview of the request from Family Promise of Anoka County to either lease or purchase the property at 1628 County Road 10 to be used as a homeless shelter for families. He stated that the use is not specifically defined in the zoning code as either a permitted or conditional use. He reported that Family Promise is seeking input from the City Council on a potential request or a zoning code amendment to permit a shelter use in the C-1, Shopping Center Commercial, Zoning District.

The City Council held significant discussion on the code amendment request. Councilmembers raised issues associated with the use including compatibility of the use with surrounding residential, commercial and child care uses abutting the building, the permanency of the use should Family Promise of Anoka County purchase the building, and security concerns associated with the use. After the discussion, the City Council expressed insufficient support for an amendment to the zoning code.

No action was taken on the item.

- B. Request for Lease Amendments at 8466 Hwy 65 - RS Properties

Administrator Buchholtz reported that the City had received a request from Ray McManus, owner of RS Properties, for an amendment to the lease covering City-owned property at 8466 Highway 65 NE. He said the current 5 year lease began on January 15, 2018 and will

expire on January 14, 2023. He stated that the lease contains one 5 year extension. He noted that the current monthly lease rate is \$5,600, with the tenant responsible for property taxes and insurance. He stated that the monthly lease rate will increase to \$7,000/month with the 5 year renewal.

Administrator Buchholtz noted that the owner proposed a new long-term lease with significant rent reductions. He stated that his initial analysis would be that the lease would mean a rent reduction of over \$300,000 over 5 years. He stated that he had talked to a commercial broker that stated that other commercial property owners have provided a rent amortization to provide relief rather than a rent abatement. He stated that staff recommended a short-term rent relief package.

Councilmembers discussed the issue. Several Councilmembers expressed frustration at the size of the request and highlighted the assistance the City Council had provided previously. The City Council determined that the COVID-19 pandemic has had a significant impact on hospitality businesses, like Sunset Grill, and that a short-term relief package of 6 months would be appropriate.

CONSENSUS OF THE CITY COUNCIL is to authorize the Administrator, Clerk/Treasurer to make an offer of a 6 month rent abatement to RS Properties. The rent abatement would not include an abatement of the portion of the lease dedicated to property taxes and insurance. The rent abatement could be taken consecutively or non-consecutively, but would expire prior to the end of the lease on January 14, 2023.

C. Discuss Potential Sale of McKinley Street Lots

Administrator Buchholtz stated that Councilmember Goodboe-Bisschoff requested the matter of selling the 4 city-owned lots on McKinley Street. He stated that he reached out to realtor Dan Super who suggested that the lots could be listed for \$100,000 - \$125,000. He requested that, should the City Council wish to offer the lots for sale, staff be authorized to work with a realtor to sell them.

City Councilmembers discussed the sale of the lots. Members of the City Council were supportive of selling the lots, but wanted to ensure that the lots were sold to individuals who were willing to build a home on the lots within one year.

CONSENSUS OF THE CITY COUNCIL was to authorize the Administrator, Clerk/Treasurer to market the lots and bring forward any proposals to the City Council for action.

### 3. REPORT

A. Administrator Report

No report.

**4. ADJOURN**

Mayor Nelson declared the meeting adjourned.

The work session was adjourned at 6:45pm.

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Robert Nelson, Mayor

Attest:

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Daniel R. Buchholtz, Administrator, Clerk/Treasurer