



# CITY COUNCIL MEETING

August 23, 2021

7:00 PM

Fridley Civic Campus, 7071 University Avenue N.E.

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## MINUTES

### **CALL TO ORDER**

Mayor Lund called the City Council Meeting of August 23, 2021, to order at 7:00 p.m.

### **PRESENT**

Mayor Scott Lund  
Councilmember Dave Ostwald  
Councilmember Tom Tillberry  
Councilmember Stephen Eggert  
Councilmember Ann Bolkcom  
Walter Wysopal, City Manager  
Dan Tienter, Finance Director  
Ryan George, Deputy Director  
Melissa Moore, Deputy City Clerk  
Andrew Biggerstaff, City Attorney

### **PLEDGE OF ALLEGIANCE**

### **APPROVAL OF PROPOSED CONSENT AGENDA**

Motion made by Councilmember Ostwald. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

### **APPROVAL OF MINUTES**

1. Approve the Minutes from the City Council Meeting of August 9, 2021.

### **OLD BUSINESS**

2. Ordinance No. 1395, Adding Fridley City Code Chapter 34, Reasonable Accommodation (Second Reading).

### **NEW BUSINESS**

3. Resolution No. 2021-69, Approving Change Order No. 3 (Final) for Locke Park Water Treatment Plant Project No. 17-509.

4. Resolution No. 2021-70, Approving Gifts, Donations and Sponsorships received between July 19 and August 16, 2021.

## **CLAIMS**

5. Resolution No. 2021-71, Approving Claims for the Period Ending August 18, 2021.

## **ADOPTION OF REGULAR AGENDA**

Motion made by Councilmember Tillberry. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

**OPEN FORUM, VISITORS:** Consideration of Items not on Agenda – 15 minutes.

Abby Kosberg, North Suburban Center for the Arts, thanked the City Council for their support as they move and transition into their new space. A two-phase renovation is taking place--phase one is to build out the interior and phase two to build an addition to the new space in two to five years. They are halfway to their capital campaign and it has been just six weeks since they launched. The community support is appreciated, and they are excited to focus on the north suburban area and surrounding communities. Anyone who would like to donate can do so on the website.

## **REGULAR AGENDA ITEMS**

### **PUBLIC HEARING**

6. Resolution No. 2021-68, Revocation of the On-Sale Intoxicating Liquor License for Halo's Restaurant Bar and Vero's Banquet.

Motion by Councilmember Eggert to open the public hearing. Seconded by Councilmember Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING OPENED AT 7:09 P.M.

Ryan George, Deputy Director of Public Safety, said Halo's Restaurant Bar and Vero's Banquet currently operate a restaurant at 1040 Osborne Road NE. The owner of Halo's, Angel Morocho-Carchi, applied for an On-Sale Intoxicating Liquor License in October 2020. During the initial license approval process, staff noted concerns about Halo's potentially planning to operate in a manner that would not comply with several provisions of Chapter 603 of Fridley City Code.

Mr. George said Public Safety staff documented fights, assaults, a shooting, urination in the parking lot, drinking in the parking lot, and remaining open well past the closing time established by local and state regulations. When staff attempted to address their growing concerns, they received no response from Halo's or the license owner. The Minnesota Supreme Court has recognized that there is no property right in the liquor license and, therefore, municipalities have broad discretion to determine the manner in which

the liquor licenses are issued, regulated, and revoked. Minnesota Statutes, Section 340A.415, authorizes the City to revoke an on-sale liquor license on a finding that the license holder has failed to comply with any applicable statute, rule, or ordinance relating to alcoholic beverages or the operation of the licensed establishment.

Staff documented numerous violations, specifically addressed in the agenda report, by Halo's and Angel Morocho-Carchi, of Chapter 603 of the Fridley City Code, and additional conditions imposed by the City Council. The ownership and management of Halo's has not maintained control of security measures and appears unable to successfully operate a safe and secure environment for the dispensing of alcohol. The City has documented numerous violations of the City Code. The City has documented violations of the additional conditions imposed by the City Council on Halo's liquor license. Allowing Angel Morocho-Carchi to maintain Halo's On-Sale Intoxicating Liquor License would permit the continuation of a significant risk to the public's health and safety. Staff recommend Council hold a public hearing for the purpose of considering the revocation of Mr. Morocho-Carchi's On-Sale Intoxicating Liquor License and adoption of Resolution No. 2021-68.

Mayor Lund said he thought everything seemed straight forward and clear.

Angel Morocho, Co-Owner, said it is sad to see the way things transpired throughout the time of owning a liquor license. He wanted to open a welcoming business in Fridley and his personal life put him back and affected how the business was ran. A family member stepped in and it didn't go the way it should. He is sorry for the way things transpired and hopes that the company doesn't get penalized, it was his responsibility to take care of it.

Councilmember Bolkcom asked if Mr. Morocho was aware of the issues.

Mr. Morocho said he tried to control things when he was there. He hired and let go of different security teams that were not up to his standard. He could not be in multiple places at once. He hired security guards to make sure nothing happened outside, and everyone left in a peaceful manner. He set up new security but that was not what he wanted.

Councilmember Bolkcom asked if at any time public safety was contacted to talk about the incidents that happened.

Mr. Morocho replied that is why he let go of the security team, because they did not meet the values and mission that Halo's was looking for.

Councilmember Eggert asked what Mr. Morocho's status was with the business today.

Mr. Morocho replied that he is making sure they are functioning. He is the owner's so, and the liquor license is in his name. He is an employee.

Councilmember Bolkcom asked if another manager took over when he stepped away.

Mr. Morocho replied no, he knew about the managerial license, but that person fell through, and he was a one-man team.

Councilmember Bolkcom asked what Mr. Morocho was going to do differently.

Mr. Morocho replied that there is a new team of people working around the clock rather than just him alone.

John Akwuba, Attorney for Mr. Morocho, asked Council to please give the establishment a second chance. This is a minority owned establishment that lived through COVID. Mr. Morocho had some difficult personal issues which created problems for him. After speaking with his dad, the security has been addressed and more employees are working. They are even willing to hire off-duty police officers, retired police officers and have a squad car on the premises. They plan to fence off some areas and have everyone off the premises at 12:30 a.m. They plan to take better care of the situation inside the bar and especially outside with increased security measures and Fridley police officers. There are measures put in place to address this and the personal problems are taken care of now. Please give Halo's a second chance to operate, the issues will be taken care of this time.

Councilmember Bolkcom noted that this has been going on for at least two weeks and she was surprised they came here tonight with no written plan for Council about what is being done to address the issues. This has been going on since October and she is concerned about the community and what happened there, including underage drinking. We were all excited when Council originally passed the liquor license for this restaurant, and it is disappointing and not fair to other restaurants that have a liquor license and abide by the rules.

Mr. Akwuba said he met with Deputy Director George last month and they spent time in the building and went through everything. He gave him attachment A and went through each one of the items with the owners to fulfill the recommendations of the Public Safety Department.

Deputy Director George said Attachment A is the document adopted by Council when the liquor license was adopted.

Councilmember Tillberry said they talked with the owner after opening when they had advertised for a club atmosphere around Halloween. At that point Halo's was given a second chance.

Mr. Akwuba said they are asking for a second chance regarding the revocation. They have learned their lesson this time and would like a chance to make things completely right.

Councilmember Tillberry noted that Fridley could not provide police security when it was requested last October.

Councilmember Ostwald read through the timeline and said the list is very concerning. This is not behavior for a quality run business. No reassurances will stop this from happening, and they have presented nothing indicating what changes will happen.

Mr. Morocho replied that the business was not advertised as a night club and he terminated the event. Some things were out of his control.

Councilmember Bolkcom said that they do not have enough people working. They hire people and then those people do not do what they should do so they are fired, and then another group comes on.

Mr. Morocho said that staff looks amazing on paper but not when they show up to work.

Mayor Lund said Mr. Morocho seems sincere, and he would like another chance and he is sorry for what occurred. The responsibility lies on the liquor license owner and there have been too many failures. As Councilmember Bolkcom said, they did not come to Council with a definite plan. For safety reasons and the good of the general public, he said he did not see changing the recommendation of staff.

MOTION by Councilmember Tillberry to close the public hearing. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING CLOSED AT 7:41 P.M.

MOTION by Councilmember Tillberry to adopt Resolution No. 2021-68, Revocation of the On-Sale Intoxicating Liquor License for Halo's Restaurant Bar and Vero's Banquet, with the correction noted on page 69. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

Deputy Director George said when Mr. Morocho stepped away from the business, the liquor license was taken away. They are still allowed to serve food but no alcoholic beverages, so the atmosphere of Halo's has changed.

## **OLD BUSINESS**

7. Resolution No. 2021-72, Accepting Bird Rides, Inc.'s Withdrawal of TA# 21-02 Allowing Shared Micromobility Vehicles.

Wally Wysopal, City Manager, said this action was submitted based on code enforcement issues brought up on May 12. This was scheduled to go to Council on June 29 and was postponed to this date. Bird Rides submitted a withdrawal last week. Staff is recommending terminating all ordinance amendment processes and for the ordinance to remain as it was prior to the text amendment. Any changes would come with a new petition and fee to move forward.

Mayor Lund asked if there were any discussions that they would come back next spring.

Mr. Wysopal said Bird Rides would need to come back to discuss and start back at square one.

MOTION by Councilmember Bolkcom to adopt Resolution No. 2021-72, Accepting Bird Rides, Inc.'s Withdrawal of TA# 21-02 Allowing Shared Micromobility Vehicles. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

8. Resolution No. 2021-73, Directing No Updates be Made to Fridley City Code Chapter 11, Fees, Regarding Micromobility Sharing Services.

Wally Wysopal, City Manager, stated that in response to the Bird Rides petition for a new ordinance to change the fees regarding micromobility impound and storage fees, since the previous ordinance is not taking affect there is no reason to move forward with this item. Staff recommended Council adopt Resolution No. 2021-73.

MOTION by Councilmember Eggert to adopt Resolution No. 2021-73, Directing No Updates be Made to Fridley City Code Chapter 11, Fees, Regarding Micromobility Sharing Services. Seconded by Councilmember Ostwald.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

## **NEW BUSINESS**

9. Resolution No. 2021-67, Authorizing and Directing Efforts Related to the Recodification of the Fridley City Code.

Melissa Moore, Deputy City Clerk, stated recodification is the collection and systematic arrangement of the ordinances of a local government related to specific practices within its jurisdiction. The creation and maintenance of the Fridley City Code is authorized by several regulations including MN Statute 415-02, Fridley City Charter Chapter 1.02 and Charter 3.10.

Ms. Moore said in 2020, the City Manager created the Recodification Coordinating Group (RCG) to support the Recodification Project. The Project will adhere to improve accessibility, align with known best practices and provide clarity for end users. Progress to date includes the Fridley City Code was converted to an online format in June/July of 2020. The Department Directors provided prioritization guidance and the RCG began the preliminary recodification project in September/December of 2020. In January/July 2021, the proposed reorganization of the City Code began, and recodification licenses were appointed by the City Manager. Presently the City Council received the Recodification Project, and formalization of City Code reorganization. Staff will begin working on the first round of revisions.

Ms. Moore said moving forward the RCG will prepare information for the staff liaisons who will revise the proposed ordinance. The proposed ordinance is reviewed by the RCG, City Attorney and City Manager. The proposed ordinance will be reviewed at a conference meeting where additional revisions will be made to the proposed ordinance if needed. The City Council will hold the first reading of the proposed ordinance and additional revisions are made if needed. The City Council will hold the second reading and adopt the proposed ordinance by title and the ordinance will be published and go into effect.

Ms. Moore said the next steps and recommendation include a Recodification Project webpage with updates and all supporting documents found on the City's website. Staff recommend the City Council adopt Resolution No. 2021-67, authorizing and directing efforts related to the recodification of the Fridley City Code.

Councilmember Bolkcom asked who to contact if people have questions and if the website is interactive.

Ms. Moore replied staff contact information is listed on the bottom of the page.

Mr. Wysopal added that conference meetings are open to the public, questions can be asked, and deliberations will take place for the public to comment at the Council meetings. He said this project will take about three years to complete. He said he appreciated Melissa and Dan's help. They have been masterminding this and figuring out all the details.

MOTION by Councilmember Eggert to adopt Resolution No. 2021-67, Authorizing and Directing Efforts Related to the Recodification of the Fridley City Code. Seconded by Councilmember Bolkcom.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.

### **INFORMAL STATUS REPORTS**

There were no reports.

### **ADJOURN**

MOTION by Councilmember Ostwald to adjourn. Seconded by Councilmember Eggert.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED AT 8:08 P.M.

Respectfully Submitted,

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Krista Peterson  
Recording Secretary

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Scott J. Lund  
Mayor