City of Blaine
City Council Workshop

July 10, 2023 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

The meeting was called to order by Mayor Sanders at 5:30PM.

PRESENT: Mayor Tim Sanders, Councilmembers Terra Fleming, Leslie Larson, Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Eric Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Fire Chief Dan Retka; Finance Director Joe Huss; Deputy Finance Director Ali Bong; Director of Engineering Dan Schluender; City Attorney Tom Loonan; and Communications Manager Ben Hayle.

2. New Business

2.1. 2023-294 Closed Session Pursuant to MN Statute 13D - Blaine Atlantic Funding LLC/City of Blaine Litigation
Sponsors: Erik Thorvig, Community Development Director

Upon motion, second and vote to move into closed session, the council discussed pursuant to MN Statute 13D the Blaine Atlantic Funding LLC/City of Blaine Litigation. The council moved back into open session upon conclusion.

2.2. 2023-298 SBM Fire Department - Quarterly Update

Sponsors: Dan Retka, Fire Chief

Fire Chief Retka provided the council with a quarterly update from the SBM Fire Department. He explained the summer months were busy for the department. He commented on the numerous public engagement events he has attended on behalf of the department. He stated he was in the middle of strategic planning for the coming year. He indicated a town hall meeting would be held with the fire department and all stakeholders to discuss the duty crew model later this fall.

Natalie Streich introduced herself to the council and explained she was the Recruitment and Retention Coordinator for the SBM Fire Department. She noted she has been working for the department for the past five months. She discussed how she has been working to promote the department and noted she has reached 163,000 people with her posts since March. She noted she has had 15 inquiries to the department since posting information on the electronic billboards along Highway 65 and indicated she would continue to find opportunities to publicize the SBM Fire Department.

Councilmember Fleming asked what the current staffing levels were for the department. Chief Retka reported he had 38 firefighters at present and noted he would need 100 in order to move to the duty crew model. He discussed how tough competition was in the marketplace for firefighters at this time and was pleased to have nine people going through the academy.

Councilmember Robertson requested an update on the golf tournament. Deputy Chief Grant explained the golf tournament was hosted to assist the department with purchasing a LUCAS device. He reported the tournament raised $41,000 this year. He thanked all the members of the community that participated in this event.

Councilmember Newland questioned if the new applicants would be paid on call members of the department. Ms. Streich reported this was the case and explained most of the candidates were within the city limits.

Councilmember Newland asked if the SBM Fire Department would have a presence at the Anoka County Fair/Minnesota State Fair. Ms. Streich indicated she would be willing to look into this.

Councilmember Newland requested further information regarding the fire board and the fire board members. Chief Retka discussed the makeup and members of the fire board. He explained Becky Booker was a former employee and world renowned education trainer from the SBM Fire Department and would be a huge asset for this group.

Councilmember Massoglia commended the fire department on their efforts and encouraged them to explore Google ads for recruitment.

Mayor Sanders thanked Chief Retka and staff for their update and for all they do on behalf of the community.

2.3. 2023-272 Proposal for Morty's Bark and Brew
Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated the city of Blaine Economic Development Authority owns property at 255 89th Avenue. The property was purchased by the EDA in 2005 for $1,155,000. The property was formerly a Frank's Nursery. The property was held for many years in anticipation of a joint redevelopment of the former big-box property to the west where a former K-Mart was located. In 2018, after years of being vacant, the property owner decided to repurpose the building into a multi-tenant building. As such, a larger redevelopment including the multi-tenant building isn't anticipated in the near future. The subject property is approximately 2.89 acres. Since 2015, there have been several multi-family developers that have looked at the site for apartments, but previous City Councils were not interested in the various projects. The property is currently zoned B-2 Community Commercial and guided as Community Commercial in the 2040 Comprehensive Plan. The Northtown Area Vision Plan identifies this area for medium density residential (townhomes). The land use identified in the vision plan makes sense under a larger redevelopment scenario. However, as noted above, this isn't anticipated for many years given the remodel of the multi-tenant building. A standalone residential property on the EDA property would be difficult given how small it is. The property has been challenging to maintain and, in its current state, doesn't help the appearance of the area.

Mr. Thorvig explained staff has been approached by the owners of Morty's Bark and Brew. The ownership group is looking for their first location. The concept is an indoor/outdoor beer hall designed to provide a safe and healthy environment for both dogs and humans. The property would be developed with an indoor beer hall with limited food options and an outdoor play area for dogs and humans. The company would purchase the land from the EDA to construct their facility.They have offered to pay $100,000 for the property. A letter was shared providing reasoning for the offer. The offer is based on this being their first location and the costs associated with improving the property. The purpose of the workshop discussion is to introduce the project and gauge whether the EDA is interested in selling the property for this use. If there is interest, flexibility can be provided in zoning and land use to not prevent the use if it moves forward, but also plan for future redevelopment to the west which could include housing. A formal action by the EDA would be required to enter into a purchase agreement while the ownership group does further due diligence and obtains necessary zoning entitlements. Overall, staff finds this proposal intriguing as it introduces new investment in a key area of the city and the proposed use is consistent with feedback heard during the Northtown Area Vision Plan public engagement which identified new, unique dining options. If the proposal moves forward, attention will need to be placed on the relationship of the proposed use, which includes outdoor space for dogs, and the impact it would have on adjacent single family homes.

Air Gustafson, Morty's Bark and Brew, reported the idea for Morty's Bark and Brew began in 2011 when she stumbled upon Lucky Dogs Bark and Brew. She explained she fell in love with the concept of watching her dog play in the company of other people. She hoped to have a safe place for dogs and people to mingle.

Mr. Thorvig requested the council consider the project, ask questions and direct staff with feedback on how they would like to proceed.

Mayor Sanders stated he supported the proposed use. He believed this could be a solid amenity for the neighborhood.

Councilmember Fleming asked what the hours of operation would be. Ms. Gustafson stated the establishment would be closed on Mondays but would be open Tuesday through Sunday from early morning to 10:00PM.

Councilmember Fleming indicated she believed this was a unique concept that would do well then questioned how this type of business would work in the winter months. Ms. Gustafson explained the play area would be moved indoors during the winter months. She stated in an ideal world she would have a heated outdoor space.

Councilmember Larson asked how this business would make money. Dwayne Morris, Blue Waters Consulting, reported revenues would be made mostly from memberships and beer sales. He commented there were other concepts like this in the metro area. He indicated he has done his research and due diligence. Ms. Gustafson indicated this was a growing concept that was sweeping across the nation. She discussed how her business would be unique because she would like to educate pet owners on pet ownership.

Councilmember Robertson thanked Ms. Gustafson for providing the council with a thorough concept plan. She indicated this was a unique business concept and agreed this area of Blaine needed new life. She stated she loved businesses like this, especially establishments that focus on socialization and community building.

Councilmember Newland indicated he liked the idea of a new business for this area of Blaine. He noted this business may not quite fit with the vision for the Northtown Area, however, would like to better understand how the neighbors would feel about this concept. He expressed concern about the proposed sales price for this property but understood there would be a long-term payback in taxes.

Josh, Morty's Bark and Brew, discussed how this business would provide another destination or themed business that would draw people to Blaine.

Mr. Morris stated the proposed purchase price was a starting point and noted they would be willing to negotiate on the purchase price for the property.

Councilmember Larson indicated she liked that this business was green, communal and positive. She questioned if the business would offer day passes. Ms. Gustafson stated the business would be offering day passes.

Councilmember Robertson noted this is the only proposal the city has seen for this property since 2019 other than a townhouse project with a large TIF request. She indicated she would be willing to further discuss the sales price for the property noting she would like to better understand the current market value for the site.

Councilmember Saroya explained she was a Ward 1 resident and has lived there for 20 years. She indicated she lives in this area and shared concerns with the proposed hours of operation. She feared how the neighbors would be impacted by dogs barking or fighting.

She said she did not want the neighbors' quality of life being impacted by this business. While she liked this business concept, she suggested another site be considered. She indicated she was struggling with understanding how pets and alcohol would mix. She noted she was worried about how this business would impact Invictus or the Rusty Bumblebee.

Mr. Morris stated he understood these concerns. He noted this concept has worked in other cities and parameters would be put in place to monitor the amount of alcohol that was being distributed to guests. He explained walls could be put in place to assist with buffering the sound. He indicated this was not a brand new concept, but one that was already working in other cities then discussed the berm that would be put in place to assist with deflecting sound from the neighbors.

Ms. Gustafson commented further on the education and orientation information that would be provided to all visitors and members.

Mayor Sanders stated he understood Invictus and the Rusty Bumblee were important to the community, but noted they also want more restaurants in the community to create destination places in Blaine. He stated after meeting with Invictus he understood they wanted another brewery in the entertainment district because it creates energy for visitors.

Councilmember Larson questioned what this property would look like from the adjacent neighborhood. Josh discussed how the site would have a berm and wall in place to assist with addressing the noise coming from the property.

Councilmember Fleming thanked the applicant for their thoughtfulness within the plan. She encouraged the applicant to consider serving wine along with beer. Ms. Gustafson stated this would be part of her plan as the business grows.

Councilmember Massoglia said this was an intriguing business . He explained if the concerns with the neighbors could be addressed he would not oppose this concept plan. He anticipated this business would be a great add to the Northtown Area. He noted he would not be able to support the proposed financial ask. Mr. Morris stated he was not asking the city for any TIF and noted the sale price for the property was open.

Council consensus was to direct staff to work with the applicant on a purchase price and to direct the applicant to reach out to the immediate neighborhood.

2.4. 2023-271 Kraus-Anderson Northtown Proposal Discussion
Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated representatives from Kraus Anderson were in attendance to discuss their property, Northcourt Commons in Northtown (716 County Road 10) regarding market trends, city partnerships and feedback on the Northtown plan.

Bob Cunningham, Kraus Anderson, thanked the council for their time and discussed how extremely difficult it was to redevelop commercial properties. He commented on the current market conditions, noting this site had one of the last standing Barnes and Noble in the metro area. He noted lenders were quite nervous at this time, which was making redevelopment even more difficult. He stated it was very difficult for developers to take a building down and rebuild, noting no money was being made in that time. He commented further on the planning process that was followed to redevelop a large commercial/residential property in St. Louis Park (Excelsior and Grand). He stated he understood how these types of projects were done.

Mr. Thorvig shared photos of the core vision for the Northtown Area.

Councilmember Larson asked how many acres this project was. Mr. Cunningham reported the project in St. Louis Park was 16 acres in size then indicated density could be done well and should not be feared.

Ms. Sellman noted the Northtown Redevelopment Area was 158 acres. She explained the Northcourt Commons property was guided for mixed use with high density or medium density residential.

Mr. Cunningham explained density could be done well and urged the Council to consider more high density developments within the Northtown Redevelopment Area. He discussed how building codes have changed and noted the most economical solution for apartment buildings was to have five levels over two levels of concrete. He commented further on the leases he has in place for his space and explained he needed to line up the leases in order to prepare for a future redevelopment.

Councilmember Newland thanked Mr. Cunningham for speaking about the Excelsior and Grand project. He stated this redevelopment project was very well done. He asked if the housing within this project was a combination of rental and condos. Mr. Cunningham reported there was a mix of housing. He discussed how the condo market has declined in the metro area. He indicated there was also 18 affordable units within the project.

Councilmember Newland commended Mr. Cunningham for his patience with this commercial property in Blaine despite the challenges facing commercial properties. Mr. Cunningham stated Kraus Anderson was committed to staying in Blaine.

Councilmember Saroya questioned what the rental rates were for the properties at Excelsior and Grand. Mr. Cunningham stated he was uncertain what the rates were at this time.

Councilmember Saroya expressed concern with how the city would be able to maintain the level of apartments constructed in this area as she wanted the new apartments to remain luxury apartments. Mr. Cunningham spoke to the amenities included in the apartments at Excelsior and Grand and noted these were luxury apartments.

Megan Barnett Livgard, Director of Business Development for Kraus Anderson, stated the market demand would have to be considered before apartments were constructed for this area, along with median incomes.

Councilmember Massoglia asked if an infield development could be considered in the parking lot. Mr. Cunningham indicated this has been considered and priced, but noted this would be an impediment to future redevelopment.

Councilmember Larson questioned if Kraus Anderson had demographic information for the area. Mr. Cunningham stated he had demographic and income information for the area and indicated he would get this information to the Council.

Ms. Livgard explained she was pleased to see the vision the city had in place for this area then asked why the council was averse to high density.

Councilmember Robertson stated this was due to the impact high density housing would have on the surrounding long-term residents. She further discussed how people fear change. Mr. Cunningham related about the many discussions he had trying to calm the concerns of the neighbors surrounding Excelsior and Grand.

Mayor Sanders indicated this project needs a change agent and more people have to be brought to the Northtown area in order to bring it back to life. Mr. Cunningham discussed how Southtown was working to redevelop.

Councilmember Saroya explained she door-knocked 5,000 homes in this area and heard this area had been allowed to deteriorate. She indicated there was a lot of negative things that have to be addressed in the Northtown area. She stated people were moving out of her neighborhood to other areas of Blaine and noted crime was a concern in her neighborhood. She urged the city and developer to not put profits over people when moving this project forward.

Mayor Sanders stated the city was trying to address the concerns and bring about life and vitality to this area. He did not believe the council was looking to build low end developments in Blaine but rather has a visionary document in place from Damon Farber to guide the city through this process. He explained if push back continues from the neighbors, the city will have to find new ways to reach the neighbors.

Mr. Cunningham commented on how the North Loop has redeveloped and become a safe place for visitors after the George Floyd riots in 2020.

Mr. Thorvig stated apartment buildings built in the 1960s, 1970s and 1980s are very different from the apartment buildings built today. He explained he visited a project being completed by Risor and commented on the various amenities that were included in the building for its tenants.

The council thanked Kraus Anderson for the wonderful presentation.

2.5. 2023-273 Northtown Land Use Discussion Part 2

Sponsors: Sheila Sellman, City Planner

Ms. Sellman reviewed the proposed land uses for Northtown overlaid on the plan, aerial photos with the proposed land uses, alternative land uses, comprehensive plan designations and what they mean. It was noted staff has accepted RFPs for an Alternative Urban Areawide Review (AUAR) for the Northtown area. This process is a hybrid of the environmental assessment worksheet (EAW) and environmental impact statement (EIS) review process. Responsible Government Units (RGUs) (the City) can use the AUAR as a planning tool to understand how different development scenarios will affect the environment of their community before the development occurs. The process is designed to look at cumulative impacts anticipated by development scenarios within a geographical area. The AUAR for Northtown will provide recommendations and cost analysis. Staff further reviewed the information that would be included in the AUAR.

Councilmember Saroya requested further information regarding the 50% requirement. Ms. Sellman explained properties guided for HDR/PC had to have a mix of 50% residential and 50% commercial.

Councilmember Newland stated the modifications that have been made were about the most he would make, especially after hearing from Kraus Anderson. He indicated he was open to this plan, or the previous plan. He understood the need to change this area was critical and supported completing this project in stages.

Councilmember Saroya respectfully disagreed with this comment. She encouraged the council to consider who they were receiving feedback from. She noted the developers were saying one thing, while the neighbors were saying another. She asked that the council hear the concerns being voiced by the neighbors. She feared how four large apartment buildings would impact the Northtown Redevelopment Area.

Councilmember Robertson stated she was not geographically elected from Ward 1 but spent a lot of her first 15 years at Northtown Mall. She indicated she did not want to see this area fail and respected the diverse incomes and people in this area. She explained the Northtown Mall was not going anywhere but rather there would be additional infield developments and outdoor dining options adjacent to the mall. She noted Cub Foods and Home Depot were not going anywhere. She hoped the council could begin to move forward. She wanted to see the council acting on behalf of the residents even if a handful of people disagreed with some portion of the project.

Mayor Sanders discussed how the city was a willing partner in working to bring this area of Blaine back to life. He believed the city had to do everything they could to revitalize this area. He explained this project would require a great deal of energy and commitment. He commented on how well the Damon Farber projects have been done.

Councilmember Fleming stated she agreed with Councilmember Newland and Councilmember Robertson that something had to be done. She understood that for every six people who supported the project there would be six people who did not . She explained the city council was elected by the people to act on their behalf and appreciated how the council was moving forward with this project with a great deal of due diligence. She understood people were fearful of change but anticipated the change would greatly benefit the community.

Councilmember Saroya indicated she was struggling with the fact she wasn't on the council when this project began. She stated she was not part of the visioning process and neither were the Ward 1 residents. She supported town halls and focus groups being completed. She asked if the council has looked at having a hospital in this area or corporate satellite offices. She explained she drove her kids 40 minutes to school everyday and she has been tempted to move but loves this area and will not leave this neighborhood. She wanted to make this a place that betters Blaine but does not impact quality of life.

Mayor Sanders reported that whenever a person enters an elected office, there will always be projects that were in the pipeline and decisions made before the person takes office . He noted this project has been in progress for the past three years. He stated there was every intention of doing this project with the public engaged and noted Damon Farber stated the city has had the best community engagement out of any project they have completed. He indicated he was open to doing more but noted the city did everything it could in conjunction with its partners to hold multiple public engagement meetings. He stated the city recently held two additional meetings to engage the public. He commented on how important it was to have high density residential in this area in order to draw high end restaurants, retailers and employers. He explained it was critical that this area be revitalized in order to receive reinvestment.

Councilmember Robertson commented on the discussion she had with a developer from North Dakota that worked to create housing developments with their own ecosystems. Mr. Thorvig stated this was the theme for this entire development, to create a mix of uses, not just all commercial or all residential. Ms. Sellman reported of the entire area only 25% could be residential then commented further on the information that would be gathered in the AUAR.

Councilmember Larson explained she liked the proposed plan for the Northtown area and believed the end result would benefit the community.

Ms. Sellman stated the next step for the city was to put land uses in place. She questioned if there was council consensus regarding the land use changes. The consensus of council was to move forward with the land use changes.

Councilmember Saroya left the meeting at 7:55 PM.

2.6. 2023-297 Strategic Priorities Review

Sponsors: Ben Hayle, Communications Manager

Communications Manager Hayle stated on June 12, 2023, the city council and senior management staff engaged in a strategic planning retreat. As a part of that retreat, six strategic priorities were identified. These priorities were: Financial Sustainability, Economic Development, Infrastructure Management, Organizational Health, Collaboration and Engagement, and Highway 65 Improvements. He reported staff will work to create initiatives and action plans based on these strategic priorities and the associated desired outcomes, key outcome indicators, and targets that were developed with the council as a part of the strategic planning retreat. Prior to holding the initiatives session, staff is seeking confirmation that the six strategic priorities are in line with the priorities of the council. These priorities will be used to develop future work plans, organizational initiatives, and budget requests. The entire strategic plan, including the staff developed initiatives and action plans, will return to the city council for consideration before the strategic plan is finalized. Additionally, an annual strategic plan report will be presented to the city council. The annual report will also include an opportunity for the council and staff to discuss changes or additions to the plan.

Further discussion ensued regarding the strategic plan that was created in 2018.

Councilmember Newland asked if the six priorities could be streamlined to four or five in order to better focus staff's efforts. Mr. Hayle stated the Highway 65 Improvements could be placed under the Infrastructure Management priority, but staff was calling it out due to its importance to the community.

Councilmember Newland stated this made sense and supported staff keeping the six priorities as listed.

3. Other Business

Mayor Sanders stated the Blaine Business Council would meet Thursday, July 13 at TPC at 7:30AM.

Mayor Sanders encouraged Council to respond to staff regarding the 3M Open and opening ceremonies for the USA Cup. He indicated this was the time of year for Blaine to shine.

4. Adjournment

The Workshop was adjourned at 8:16PM.

Signed by ______________________________

Tim Sanders, Mayor

Signed by ______________________________

Cathy Sorensen, CMC, City Clerk