



City of Blaine

City Council Workshop

October 9, 2023 | 5:00 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.

2. Roll Call

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 Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Public Works Director Nick Fleischhacker; Detective Orin Christensen; Finance Analyst Jenna Trittin; Public Services Kristian Gaasland, and City Clerk Catherine Sorensen.

3. New Business

- 3.1.** 2023-452 Polar Plunge 2024
Sponsors: Brian Podany, Safety Services Manager/Police Chief

Safety Services Manager/Police Chief Podany stated the Polar Plunge is an annual event that raises money for Special Olympics Minnesota. The event is held during the winter where thousands of participants across the state jump into icy cold waters despite the cold temperatures. The Anoka County Polar Plunge has been hosted by the Sheriff's Office for the past 11 years, but in 2024 the City of Blaine will be hosting this great event for the first

time.

Detective Orin Christensen introduced himself to the council stating he would be coordinating the Polar Plunge event, which will be held at Lakeside Commons Park on February 24, 2024. He explained his goal was to get 1,000 people to jump at next year's event. He described the event schedule and encouraged the city council to get involved. He discussed how the funds raised would benefit athletes participating in the 2026 Special Olympics.

Molly Eagan, Special Olympics Minnesota, commented further on the mission of her organization, discussed how the plunge helps the athletes and thanked the Blaine Police Department for their willingness to work with Special Olympics Minnesota.

3.2. 2023-461 Introduction of the New Owner of Northtown Mall
Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated in August, the Northtown Mall sold to Florida-based firm 4th Dimension Properties. Felix Reznick is the principal owner. Prior to fully dedicating himself to management and investment in retail shopping centers, Mr. Reznick spent fifteen years operating a New York law firm specializing in corporate and real estate law. Having started his legal career at Cadwallader, Wickersham & Taft, and at Rosenman & Colin LLP, Mr. Reznick gained knowledge and experience through representation of real estate developers, family offices, and investment banks and funds. Staff introduced Mr. Reznick and his concept plans for the mall and asked that council provide feedback on plans that would be incorporated into future zoning discussions prior to formal changes occurring.

Felix Reznick, 4th Dimension Properties, explained he was trying to take a property and make it better for the community than it was before. He hoped to see more food and entertainment in this mall than it had previously. He was looking to host events and have a new tenant mix within the mall. He indicated he would be outsourcing some of the mall lots, which would help in attracting people to the mall area. He looked forward to learning more about what the mall was missing and how the area could be improved.

Tom Goodrum, Moore Engineering, introduced himself to the council and noted he would be working with Mr. Reznick on the redevelopment of the Northtown Mall. He reported he reviewed the vision plan and comprehensive plan and appreciated how invested the city was in this area and looked forward to working with Mr. Reznick and the city on this project. He understood the redevelopment of the mall area would take 20 years.

Councilmember Newland stated the mayor, Councilmember Saroya and himself had the pleasure of meeting with Mr. Reznick and Mr. Goodrum last week and believed the plans they had for the mall would fit well into the city's revitalization plans for the Northtown Mall area. He explained several properties surrounding the mall may have to be rezoned in order to move their plans forward. He appreciated having a willing partner in the Northtown Mall in order to meet the city's vision for this area then invited them to speak as to how the greenspace on the west side of the mall will be changed in order to address the current challenges this space faces.

Mr. Reznick stated pickleball courts could be installed or a park, along with a path to keep the area safe. He commented on how a potential fitness user brought up the idea of having outdoor pickleball courts in this area. He suggested a park area also be considered near parcels 6 and 7, because he had a school interested in purchasing these parcels.

Mr. Goodrum explained he would work to activate the area and commented further on how greenspaces would benefit the community.

Councilmember Newland requested further comment on the high density residential housing project that was proposed near the mall property.

Mr. Reznick stated he was in favor of having 500 to 700 people waking up on mall property knowing they would return home after work and could shop or recreate in the mall area. He noted he had been fielding calls from developers interested in bringing a high-density residential product to this area, as well as hotels. He believed both would be a great fit for this area.

Councilmember Larson asked if the interior of the mall would change, or would there still be small shops. Mr. Reznick explained the interior of the mall would remain the same. He stated he was looking to change the anchors and exterior land surrounding the mall.

Councilmember Robertson questioned if there was anything within the visioning document that didn't fit with the new mall owner's vision for the area. Mr. Reznick reported he has gone through several mall redevelopments throughout the country. He stated it was hard to predict what things would look like in 25 to 30 years. He believed high density was a great fit for the area. He indicated he was not a developer, but what he did well was run malls, finding the right tenant mix in order to increase foot traffic and sales.

Councilmember Massoglia thanked the mall owner for being in attendance and for choosing to invest in Blaine. He stated he supported the out parceling and how this would bring new tenants to the area. He believed an Asian market would be great for the community. He believed multi-family could work in this area, but would require some conversation with the council. Mr. Reznick thanked Councilmember Massoglia for his comments then urged the council to bring him new tenant ideas that they think would be a nice fit for the mall area.

Ms. Sellman requested Mr. Reznick speak to mall security. Mr. Reznick stated he has already increased mall security with increased hours and selected a new vendor with additional training. In addition, he noted he increased the number of hours housekeeping working onsite in order to improve the appearance of the mall. He noted pop up vendors would be brought into the mall for the holiday season.

Councilmember Saroya stated she liked this project and appreciated all of the experience Mr. Reznick would be bringing to this project. She hoped that the mall area could become a destination for restaurants and dining for the community. She appreciated how the focus for the new owner was to revitalize the mall and the surrounding area as a comprehensive full package. She anticipated this would help bring the community on board with the proposed changes. She looked forward to working with Mr. Reznick going forward.

Councilmember Massoglia supported the mall having more activities for young families, especially things to do in the winter months which would be great for the community. Mr. Reznick commented further on the uses he hoped to bring to the mall area.

Mayor Sanders thanked Mr. Reznick for attending this meeting and for speaking with the council. He appreciated the fact Mr. Reznick was supportive of the city's vision for this area and he hoped the city would help bring his vision to light as well. He looked forward to this area of Blaine receiving the revitalization that it deserves.

3.3. 2023-490 Utilities Enterprise Funds 2024 Budgets
Sponsors: Jason Zimmerman, Finance Director

Finance Analyst Trittin and Finance Director Zimmerman presented the staff report. Ms. Trittin stated enterprise funds account for public services which the city provides to residents and commercial properties. The city operates four enterprise funds: water, sanitary sewer, garbage and recycling, and stormwater. The water, sanitary sewer, and stormwater funds will be discussed in this item. Enterprise funds operate by charging user fees for services provided by the city. In return, the city provides clean drinking water, sewage collection and treatment, and stormwater management. These fees are used to cover the costs associated with the fund.

Mr. Zimmerman explained enterprise funds operate independently of each other. Fees collected from these services should cover the enterprise's total cost, including all operations, maintenance, capital outlay, and debt payments. To ensure the city collects enough fees to cover each utility's costs, it is recommended and good practice to evaluate the fees charged yearly and conduct a rate study every five years. The last rate study the city contracted for was conducted in 2018, and this rate study only focused on water utility rates. In 2022, the city contracted with Baker Tilly to perform a rate study for the water, sanitary sewer, and stormwater funds.

Mr. Trittin reported the results of the rate study were presented to Council at the August 14, 2023, workshop and Council requested staff to bring the item back for discussion at the October 9 workshop to allow for further review of budgets and capital programs. Staff commented further on the proposed 2024 utility rates and asked for comments or questions from the council.

Councilmember Newland asked how many residents in Blaine take advantage of the senior rate. Mr. Zimmerman noted 170 residents were taking advantage of the senior rate for garbage. He anticipated this number would be similar for utility users. Mr. Trittin indicated she would have to investigate this further and could report back to the council with exact numbers.

Councilmember Newland supported the city advertising the senior rate at MAYC in order to make more seniors aware of the discounted rate.

Councilmember Fleming stated she would like to better understand why the city charges a flat rate for stormwater fees.

Public Works Director Fleischhacker provided the council with a high level overview on expenditures for the city's water treatment plant, noting the price for chemicals to treat water were on the rise. He also provided the council with an update on the city's SCADA system. He commented on how the city was working with the DNR to see how its east side wells can be best utilized. He further discussed how important it was to keep Lift Station 4 operational.

Councilmember Newland asked if the water tower at Aquatore Park was scheduled to be repainted in 2024. Mr. Zimmerman indicated this water tower would be cleaned in 2024.

Mayor Sanders thanked staff for their detailed presentation. He asked if the council had comments or questions regarding the proposed utility rates.

Councilmember Newland indicated he supported the proposed rate increases. He noted these were core services the city had to provide to residents and the utility funds had to be sustainable.

Mayor Sanders commented on how critical it was for the city to have proper water and sewer infrastructure systems in place, especially given the fact the city continues to grow. He indicated he supported the proposed rate increases as well.

Councilmember Massoglia explained he supported the rate increases and asked that the council consider raising the upper tier rates. He questioned why the utility department needed brand new F350 or F550 trucks. He indicated he was onboard with improving lift stations and water infrastructure, but wanted other equipment expenditures to be further discussed to ensure they were sustainable. Mr. Zimmerman commented on the process the city must follow to procure vehicles, noting multiple quotes were required.

Councilmember Newland supported raising the upper tier rates as well. He stated he recently visited the Public Works Department. He explained he understood new equipment was expensive, however it was needed. He stated if this equipment was not purchased now, the price would only continue to rise. He indicated the city had \$50 million in equipment and this equipment needed to be replaced and invested in over time.

Councilmember Massoglia commented on the fleet replacement study that was completed and stated he had a hard time understanding why the city was selling off vehicles from 2019 that only had 80,000 miles on them. He reported the city was slated to spend \$700,000 on vehicles in 2024. He was of the opinion it was more important for the city to be investing in its lift stations than in brand new vehicles. Mr. Fleischhacker explained the city had plow trucks that ranged in age. He explained once they reach a certain age it became increasingly difficult to find repair parts. He stated he was looking to replace the mid-range vehicles due to the cost of keeping them maintained.

Councilmember Robertson indicated she believed the job of local government was to provide public safety and infrastructure. She stated the city cannot have catastrophic failures on its streets. She supported the city charging more for the top tier for water rates. Mr. Fleischhacker indicated staff had looked at the capture rate for the top tier and noted there were very few residents that used enough water to be at the top tier.

Councilmember Robertson explained she had a hard time with the vehicle purchases as well and she understood these vehicles were expensive. She supported the council having a deeper conversation regarding public works services and at what level they should be provided to Blaine residents. Mr. Fleischhacker reported he had 500 pieces of equipment under his supervision and he had to decide how to keep it reliable, safe and operational for his employees. He noted he had four mechanics and the fleet study called for the city to have seven. City Manager Wolfe indicated further discussions could be held surrounding the fleet study.

Mayor Sanders stated it may be helpful for the council to have further discussions with staff regarding the capital purchases plan for the next five to 25 years in order to understand how the city was going to get ahead. Ms. Wolfe commented on how delaying purchases now could increase costs in the future.

Mayor Sanders requested staff move or adjust tiers 2 and 3 within the water plan.

Ms. Wolfe thanked the council for their input and noted this item would be coming back to the council at a future meeting in November.

3.4. 2023-451 Parking Ordinance and Drive-Thru Regulation Discussion
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated at the May 8, 2023 workshop, changes to the parking ordinance were discussed. At the meeting, there was consensus on what was proposed but the council wanted more information on drive-thrus. Council directed staff to review what other cities require for drive-thrus and to review if a drive-thru should require a Conditional Use Permit (CUP). One primary design concern with drive-thrus is the amount of space provided for car stacking, or the queuing of vehicles in the drive-thru. The current ordinance does not address required stacking for drive-thru businesses. Generally, drive-thru stacking is reviewed through site plan approval and the CUP process, if one is required for the primary use. The proposed ordinance provides for specific requirements for stacking criteria for pharmacies, banks, and all other uses. Generally, six stacking stalls per lane are required with reduced requirements for banks, pharmacies, and a business with two drive-thru lanes. Staff reviewed the proposed language with the council in further detail and requested feedback on how to proceed.

Councilmember Robertson stated she liked the CUP approach because each request for a drive-thru was unique. Ms. Sellman stated additional language could be written into the code to address screening or other concerns versus requiring a CUP. She commented on how many drive-thrus require a CUP, but there were some instances where they do not. She reported if a drive-thru were a permitted use, the city would review the site plan through the building permit process.

Councilmember Robertson reported the drive-thru at Raising Cane's was busy all day long, which was a concern to her. Community Development Director Thorvig commented on how staff relies on each business to bring in a drive-thru proposal based on the needs of their

business.

Councilmember Robertson recommended all drive-thrus within a five mile radius of the NSC have to accommodate more vehicles due to the level of traffic that would be coming through those sites.

Mayor Sanders stated an entertainment radius could be proposed. Ms. Sellman indicated she could further explore this.

Mayor Sanders recommended screening and aesthetics for drive-thrus be further considered. He stated the overall layout of parking lot should also be considered.

Councilmember Newland supported the recommendations from staff and indicated the standards could always be revisited in the future. Ms. Sellman commented on how drive-thrus were more heavily utilized since COVID.

Councilmember Massoglia questioned how many people follow the stacking requirements at a Starbucks. He stated he was uncertain how to address the issue. Ms. Sellman explained this could be addressed when the project is designed. Mr. Thorvig indicated staff could investigate if specific or different standards should be considered for coffee shops.

4. Other Business

Ms. Wolfe explained instead of a fall retreat staff would be scheduling a special budget workshop on October 30 from 4:00PM to 8:00PM.

Mr. Thorvig stated last Wednesday the council received a request to hold a meeting with business owner Scott Uram with a quorum of the council . He explained this could be problematic due to open meeting law and anticipated Mr. Uram wanted to discuss implementing a zoning text amendment for a mini storage use, while also seeking feedback on other uses for the site. He suggested instead that staff work with Mr. Uram on the proposed text amendment which would be brought to a future workshop meeting.

Councilmember Massoglia noted Mr. Uram may have gotten the wrong idea of support when they met earlier and explained he did not support mini storage as a conditional use in the B-3 zoning district but would consider other zoning districts where this use could fit.

Councilmember Newland indicated he did not support mini storage on this site and did not believe the council should create a special exemption for just this property.

Councilmember Larson commented this would not be a special exemption but rather restrict the use of this area.

Councilmember Robertson agreed with Councilmember Newland that this use should not be allowed and allowing for a special exemption would be a lack of consistency on the city's part.

Ms. Wolfe invited the council to attend the Highway 65 funding celebration on October 12 and indicated Governor Walz was planning to attend this event.

Further discussion ensued regarding recent social media posts by Steve Guider of the Veterans Memorial Park who was frustrated with the city's clean up efforts after Ocktoberfest. It was noted staff did their best to clean up the park after the event but was difficult to do all clean up in the dark and that fence removal and final clean up was scheduled for the following Monday.

5. Adjournment



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk

The Workshop was adjourned at 8:12PM.