City of Blaine
City Council Workshop

November 13, 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 Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; Finance Analyst Jenna Trittin; Public Works Director Nick Fleischhacker; and City Clerk Catherine Sorensen.

2. New Business

2.1. 2023-558 Utilities Enterprise Funds 2024 Rates
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated the utility rate study was presented to City Council at the August 14, 2023, workshop and the 2024 budgets were presented by staff at the October 9, 2023, workshop. At the October 9 workshop, Council directed staff to increase the higher tiers of the water rates and to review each utility to address the minimum cash requirements and the funds with a negative change in net position. The rates presented at the October 9 workshop and an alternative option for rates are included below for each utility.

Finance Analyst Trittin provided further comment regarding the proposed rates for water, sanitary sewer and stormwater for 2024 and requested comments or questions from the council.

Councilmember Robertson explained she supported the increased rates because it would put the city in a better position going forward.

Councilmember Newland agreed stating he believed the proposed increases were more palatable than in 2017. He commented on how this was a critical need and the city had to ensure the proper amount of revenue was coming in to cover expenditures. He thanked staff for their efforts on the new rates.

Councilmember Fleming asked how the city would deal with an excess in a utility fund. Mr. Zimmerman reported any excess could be used to buy down some of the capital that was anticipated in future years.

Councilmember Robertson asked when was the last time the council approved significant rate increases for water, sewer and stormwater. Ms. Trittin stated increases were approved last year, but prior to that it had been 10 years since the city increased the water, sewer and stormwater rates.

City Manager Wolfe reported during her first year with the city, there was a significant water line break that drained $1.5 million from the city's utility fund. She indicated the city had to repair the break while also staffing round the clock overtime until the lines could function on their own.

Councilmember Massoglia requested further information regarding the city's pond maintenance program. Public Works Director Fleischhacker commented on the city's pond maintenance program, noting both financing and staffing were in place. He estimated the city maintained 10 ponds per year. It was noted the city had over 500 ponds to maintain.

Further discussion ensued regarding the tree removal that was needed surrounding the city's ponds.

Mayor Sanders asked how the council wanted to proceed with the utility rates.

Councilmember Newland stated he supported the proposed increases as recommended by staff.

Councilmember Robertson explained she supported the proposed increases, but asked that staff not perceive the increased rates as approval to go forward and purchase new equipment.

Councilmember Massoglia indicated he appreciated the tiered approach for water within the rate structure. He commented on how the city had to continue to invest in its critical infrastructure and noted he could support the proposed utility rates. He questioned if the council should consider an even bigger increase in order to eliminate the need for future debt.

Councilmember Robertson questioned if now was the right time to approve larger increases to the utility rates, given the fact residents would also be seeing a property tax increase. She supported the council continuing to discuss the utility rates on a yearly basis. She stated it was not uncommon for municipalities to levy debt for capital improvement projects. She anticipated it would be atypical for a city to pay straight cash for their improvement projects. Ms. Wolfe indicated a three-year plan to elevate rates could be considered by the council and then the rate increases could be backed down. She stated this would help the city improve the health of its fund balances.

Councilmember Newland stated he believed it made sense to phase in the utility rate increases.

Councilmember Robertson inquired if Aveda would be adversely impacted by the new tiered water rates. She stated she did not want Aveda to be put off by increased water rates and have them looking to move to another community. She encouraged staff to consider how the city will be impacted over the next two years as additional development, hotels and residents come into the city and how this would impact utility rates. Ms. Wolfe reported that even with the proposed increases, Blaine would remain on the low end when it comes to water and sewer rates.

Council supported the revised recommended rates for water, sewer and stormwater as presented.

2.2. 2023-560 2024 Capital Equipment Fund

Sponsors: Jason Zimmerman, Finance Director, Brian Podany, Safety Services Manager/Police Chief, Nick Fleischhacker, Public Works Director

Ms. Trittin stated the capital equipment requested for 2024 was presented at the September 25 council workshop (Item 3.3). At the workshop, councilmembers requested further information on the fleet rightsizing study and for staff to quantify why the items are needed. Additional information on capital equipment was presented to Council at the October 30 council workshop where Council requested to see a proposal that included reducing the equipment requested in the Capital Equipment Fund to $3 million. Public Works has evaluated their requested equipment and prepared a list with the impacts of deferring purchases. The Police Department has also reviewed their requested equipment and has identified three items that could be deferred as well as items that could be paid for using public safety aid. A summary sheet was reviewed, outlining an option that reduces the Capital Equipment request from $3.8 to $2.98 million. If the council wishes to adopt a capital plan that is levy/debt funded at approximately $3 million, the revised plan achieves that goal.

Safety Services Director Police Chief Podany commented on the grants he would be pursuing for the license plate reader and discussed the partnerships he was pursuing with the county and MNDOT.

Ms. Wolfe discussed the electric mower that would be purchased, noting she viewed this piece of equipment as a pilot program. She stated staff would be monitoring the expense and maintenance needs for the new electric mower.

Councilmember Larson asked if neighboring communities were using electric mowers and, if so, if they had any feedback for the city. Mr. Fleischhacker reported he has spoken to several other cities that do like them. He commented that he was concerned about battery life, which was why staff wanted to try one out.

Councilmember Massoglia thanked staff for all of their efforts on the capital equipment fund. He stated he would be offering his support. He supported the council having a deeper discussion regarding the sidewalk snow plow machine. He reported that in his neighborhood everyone shovels their sidewalk. He indicated the city has an ordinance in place that requires residents to shovel their sidewalks. He suggested community outreach be done regarding the city's sidewalks and that questions be asked if this expense should continue to be assumed by the city.

Mayor Sanders stated there are also sidewalks and trails that are city owned that have to have snow removed during the winter months.

Councilmember Newland reported he does not have sidewalks in his neighborhood, but if the sidewalk at 85th and County Road J was not plowed quickly, residents would be walking in the road. He commented on how many calls he receives after snowfalls if sidewalks were not cleared.

Councilmember Massoglia agreed the major artery sidewalks and city-owned sidewalks have to be cleared. However, he did not support the city clearing all sidewalks in the city.

Councilmember Robertson agreed it was important to have the sidewalks cleared for pedestrian safety purposes. She indicated she did not support the city clearing all residential sidewalks.

Councilmember Saroya stated because sidewalks have been cleared by the city for so many years, residents have come to expect this. She supported the council having a deeper conversation regarding this topic and recommended the city communicate with residents as to what the expectation was when it comes to snow removal.

Councilmember Robertson agreed there may be confusion amongst residents and the city should work to clear this up when it came to sidewalk and boulevard maintenance. City Clerk Sorensen read a portion of city code from the city's website which stated residents were responsible for snow removal.

Councilmember Robertson stated she would like to see the city hold off on the electric mower purchase in 2024. She did not believe this was the year to experiment with new equipment given the utility rate and property tax levy increases. She requested staff gather data from other communities regarding the electric mowers and that this purchase be reconsidered in 2025.

Councilmember Newland indicated he supported the capital improvement fund as proposed. He commented on how the electric mower would point to the fact the city was looking into becoming more sustainable.

Councilmember Fleming supported the electric mower being taken out of the budget. She did not believe it was wise to spend $22,000 on one mower in order to try it out when staff could learn from other cities on how this equipment was working. Mr. Fleischhacker explained that staff had spoken with other cities and noted the feedback was that they were seeing benefits. He stated his main concern and why he wanted to purchase an electric mower was to test the battery life.

Councilmember Saroya recommended the mower be kept in the budget.

Councilmember Larson indicated she could support the purchase of one electric mower.

Council supported the proposed reduced capital plan funding for levy/debt as presented for $2.98 million and public safety funding. In addition, the council supported considering other sidewalk plowing options, such as requiring residents to clear sidewalks.

2.3. 2023-550 Assessment Review Outline, Part 3
Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated staff reviewed special assessments at the council workshop in January 2023. The review provided for an initial discussion and provided the council with information and background on the use of special assessments within the framework of the city's pavement management plan. He explained in January, staff reviewed the Purpose and Authority of Special Assessments as outlined in Minnesota Statues Chapter 429. Background information was provided from the League of Minnesota Cities' Special Assessment Toolkit Information Memo, which outlines the process a city can use to assess the benefits to selected properties. Staff also reviewed how the City's Public Improvement Special Assessment Policy has been utilized on street reconstruction projects over the past 10+ years. Finally, staff reviewed the current funding method(s) used by the city of Blaine, which is a combination of special assessments and property taxes. Staff and council then discussed other potential funding sources available for these projects.

Mr. Schluender reported at that meeting, staff was directed to further research the opportunities and impacts for funding street projects under different funding scenarios, including a flat rate, changes in cost sharing percentages (25/75, 30/70, 35/65,40/60), and a levy that would cover 100% of the costs (i.e no assessments). Staff was also directed to research the possibility and financial impacts of removing tax-exempt properties from the assessment policy and if there are any existing programs available for hardship(s). In May 2023, staff reviewed with Council, and Council provided feedback on deferral of assessments due to hardship as well as the possibility of exempting tax-exempt properties from assessments. It was noted the city attorney recommends the city continue to assess tax-exempt properties. In June 2023, staff reviewed with council, and council provided feedback on the funding options for street reconstruction projects (flat rate, changes in percent of cost share, 100% levy) and their financial impacts. Staff provided further comment on the current assessment process for street improvement projects and requested direction from the council on how to proceed.

Councilmember Saroya asked if the city had any type of hardship that addressed job loss or emergency situations. Mr. Schluender stated the city does not address either of these within the assessment policy.

Councilmember Larson recommended the assessment policy remain in alignment with state statute because this was something well defined the city could point to. Councilmember Newland agreed.

Councilmember Massoglia stated he was frustrated by the late information included in the memo regarding tax-exempt properties. He noted he has had multiple conversations with the city attorney and understood it was possible to not assess tax-exempt properties. He reported the Minnesota Supreme Court requires assessments to be uniform on the same class of properties. He indicated he brought this to the council for consideration and was frustrated with the information that was now being presented to the council on this topic. Mr. Schluender stated City Attorney Loonan could not attend this meeting, which was why he requested a memo regarding the tax-exempt properties.

Councilmember Massoglia stated it would be difficult to have conversations regarding this matter without the city attorney in attendance. Mr. Schluender recalled that the city attorney's position on this matter had not changed since this item was brought up by the council.

Councilmember Robertson explained she understood Councilmember Massoglia's frustration but reiterated that the city attorney had been telling the council this could not be done since the topic was brought up. She stated even if the city was allowed to do this, she would still not support moving in this direction.

Councilmember Massoglia stated he didn't care one way or the other but rather was frustrated with the fact that it appeared his idea was decided upon and he was given notice of it through a memo at the meeting. He questioned if Councilmember Robertson had discussed this topic prior to this meeting. Councilmember Robertson indicated she had only discussed this topic with Councilmember Massoglia at other workshop meetings.

Councilmember Saroya explained she missed the meeting when this topic was discussed. She stated she liked this idea and supported staff looking into it further.

Councilmember Massoglia did not believe it was worth staff's time investigating this topic further.

Mr. Schluender commented further on the difference between a tax-exempt property and a tax-exempt entity.

Mayor Sanders stated he could support Councilmember Massoglia having a further discussion on this topic with the city attorney in the room.

Councilmember Larson indicated she did not support making a change to the assessment policy. She feared that there would be room for error on which properties would and would not be exempted.

Councilmember Newland did not support the assessment policy being changed either. He reported tax-exempt properties were already not paying for any city services.

Ms. Wolfe commented staff does not have a position on this topic. She understood discussions were held in workshop meetings but noted noted she had not discussed this topic with the city attorney outside of other workshops.

Councilmember Massoglia stated this topic was discussed at three separate workshop meetings and he had three or four follow-up conversations with the city attorney afterwards and it was his understanding from these follow-up conversations that it was possible to not assess tax-exempt properties. Ms. Wolfe indicated the disconnect was staff did not have the same conversation with the city attorney. She reported the message in the memo appeared to be consistent with the message he presented to staff and council at the workshop meetings.

Councilmember Fleming commented on how Councilmember Massoglia inferred that Councilmember Robertson was having closed door meetings and that staff was against this. She stated this may be where some of the emotions were raised regarding this topic.

Councilmember Robertson reported the dialogue surrounding this topic has remained the same, and perhaps Councilmember Massoglia didn't like the answer he was receiving from the city attorney. She appreciated the fact the council had a space to raise topics and ask questions. She was of the opinion that all of the questions had been answered on this topic. While she didn't like receiving handouts from staff last minute, she stated the information within the memo was nothing that hadn't already been said to the council at previous workshop meetings.

Mayor Sanders encouraged the council to overcommunicate with City Manager Wolfe about items that have to be further discussed. He wanted to be assured that councilmembers had the space and time for items to be discussed.

Mr. Schluender clarified that the last minute memo was generated by the city attorney at his request so that information could be presented to the council without misinterpretation. He apologized for not getting this information to the council sooner. He then asked for council feedback regarding the assessment split.

Councilmember Newland stated he supported the split changing to 33%/67%.

Councilmember Robertson explained this was a complex issue and she appreciated the dialogue the council was having regarding this matter. She understood assessments were tricky but noted they were a one off cost. She feared if the city were to reduce the assessments for residents, then the city would be increasing its debt. She believed the council had to take a deeper look at the street management plan and how projects are financed.

Councilmember Saroya asked what the maximum assessment would be for a residential property. Mr. Schluender stated the most residents would have to pay is $8,000 and this could be paid over 15 years.

Councilmember Saroya questioned what residents could do if they do not want a street improvement project to move forward. Mr. Schluender explained these residents would have to come before the city council in order to make their voices heard.

Councilmember Saroya indicated most residents do not have $10,000 in savings to pay for a street assessment. She supported the city reducing the resident portion of assessments to 25%.

Councilmember Robertson reported the assessment rate for residents used to be 25%, but the city could not keep up with the infrastructure objectives within the PMP. She indicated staff then proposed 50% for residents and the council compromised at 35%. She recalled that streets have been pulled out of the plan.

Councilmember Fleming stated she was not in favor of lowering the assessment rate for residents because this would only lead to further increases in the tax levy. She recommended the assessment rate for residents remain at 35%.

Councilmember Massoglia and Councilmember Larson supported keeping the assessment rate at 35% as well.

Mr. Schluender thanked the council for their input and noted he would come back to the council with a more in depth discussion on the pavement management plan debt levy in early 2024.

2.4. 2023-554 Northtown Area Zoning Discussion

Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated at the September 6 and 11, 2023 Council workshops, the Council discussed creating a new zoning district for the Northtown area. At these meetings, the council reviewed uses and discussed performance standards for the district. Staff has drafted a mixed use district for the council to review and provide feedback and direction on. The intent of the mixed-use district is to promote development and redevelopment that encourages mixed-uses that combine new or existing retail development with a variety of housing, offices, retail or other complementary uses, and to create a mix of land uses, and at the same time protect the interest of surrounding properties, in the following ways:

- By establishing a mixed-use land use pattern and neighborhood design that is consistent with the vision, goals, and policies of the Blaine Comprehensive Plan.
- By creating cohesive, yet diverse, neighborhoods with increased economic and cultural opportunities, contributing to greater livability and a healthier local economy
- By providing for mixed-use development(s) that are carefully planned to promote efficient use of land, parking, and open space.
- By creating attractive neighborhoods that promote pedestrian-friendly, human interaction, safety and livability.

Ms. Sellman explained as proposed, the development procedure will be as follows:

- All new buildings and additions require site plan approval through the Planning Commission and City Council.
- A development agreement is required as part of the development approval and shall address, at a minimum, approved site and building design criteria, approved sign locations and design criteria, construction phasing, parking, cash escrow and/or letter of credit for construction of on-site and off-site improvements generated by the development.

Ms. Sellman reported the council previously discussed setbacks for multi-family residential next to single-family residential. Staff reviewed the proposed apartment building setbacks, apartment parking setbacks, and building height information in further detail with the council and requested comments or questions.

Councilmember Saroya stated her main concern was with privacy. She feared that those living adjacent to an apartment building would lose all privacy, even with a 100 foot setback. She recommended no apartment buildings be allowed adjacent to single family homes. She anticipated that many people who have purchased homes in the Northtown Mall area were not anticipating a massive apartment building in their backyard.

Mayor Sanders stated there were only several parcels that would work for apartments in the Northtown Area. Ms. Sellman reviewed the location of the two parcels that would allow for an apartment building.

Further discussion ensued regarding why the entire area was proposed for rezoning. It was noted this change would assist with future redevelopment that meets the council's needs.

Councilmember Fleming stated she understood the tension that arises when residents don't know what is happening in their backyard. She indicated not all residents do their due diligence to understand the zoning and guidance for properties. She discussed how the property surrounding the Northtown Mall was more urban than rural.

Councilmember Newland reported the intent was to change the Highway 10 corridor, allowing for retail to mix with residential. He did not support eliminating high-density residential altogether. He supported the recommendations from staff and noted the single family homes would be quite far away from the proposed high-density residential.

Councilmember Robertson asked how a high-rise was defined. Ms. Sellman stated this was defined as a seven-story building.

Councilmember Robertson spoke to a unique neighborhood she visited in Fargo, North Dakota. She explained she did not want the city to limit itself when it comes to building height, because she did not want every building in the Northtown Mall area to be the same height.

Mayor Sanders agreed the neighborhood in Fargo was unique and there was nothing like it in the metro area. He stated he would not be opposed to something like this because it would be new. He hoped to create a new energy for this area in order to draw people to this area. In addition, he hoped the bus lines would be able to be adjusted in order to draw young professionals that wanted to live in Blaine and could work downtown Minneapolis.

Councilmember Larson stated she supported the five story limit for apartment buildings. She reported Blaine already had 70,000+ people and she did not want there to be an oversaturation of people in the community. She indicated she was from North Dakota and she urged the city to not emulate Fargo.

Mayor Sanders stated the Northtown Mall area needs revitalization, which means the area needs an influx of new people and exciting amenities.

Councilmember Saroya urged the council to remember that some residents have lived in the Northtown Mall area for the past 50 years. She stated she could not support seven-story buildings in the mall area because this would adversely impact the existing residents. She encouraged the council to be reasonable and to only allow three or four story apartment buildings.

Councilmember Newland indicated the Northtown Mall opened 50 years ago and has been in decline for a number of decades. He reported this area was in need of revitalization and change. He stated building height directly corresponded to the financial feasibility of projects. He understood that some residents were not supportive of change. However, he noted he had spoken to residents that understood there was a need for change in the Northtown Area. He spoke to how change and revitalization would assist in reducing crime. He explained the new mall owner wants this change. He reported the residents living in this area don't want apartments adjacent to their homes, and this has been taken into consideration by the city council.

Councilmember Robertson supported the city creating a mixed use standard that would allow for more height for flexibility purposes. She indicated she did not want to argue the semantics. Ms. Sellman stated this could be done.

Councilmember Saroya questioned if the mall owner was asking for seven-story buildings. Ms. Sellman reported that staff had recommended five-story buildings and Councilmember Robertson had suggested seven-story buildings.

Councilmember Fleming explained workshop meetings are a time for dialogue and for bringing up ideas, and the council can then come to a consensus. She appreciated Councilmember Robertson bringing up a new idea for her to consider. She indicated the council has hired an expert to assist with the revitalization of this area. She stated she would be relying on their expertise when it comes to redeveloping this area.

Councilmember Saroya urged the council to not forget the people that live in and around this area and how they will be impacted by the change. She stated she cared about these residents.

Ms. Sellman commented on the future timeline for the Northtown zoning ordinance and asked if the council supported this matter moving forward.

Councilmember Newland recommended the building height be set at five stories and that the ordinance then move forward.

Mayor Sanders, Councilmember Massoglia and Councilmember Robertson supported the ordinance moving forward as well.

2.5. 2023-561 105th Avenue Redevelopment Project Updates
Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig provided the council with updates on the general development project, including the project schedule, work currently being completed by the developer, and the master plan for the 105th Avenue Redevelopment Area. He commented further on the project financing, reviewed upcoming actions and detailed the project schedule.

Robb Bader, Bader Development, stated this project was very exciting. He appreciated how the pieces were coming together. He thanked the MASC, NSC, staff members and council for all of the time they have put into this project. He commented further on the site control agreement that had been approved, noting this project had moved from Phase I of the development agreement to Phase II. He stated he was ready to leap into further design elements. He further walked the council through the project timeline, regulatory approvals, and commitments he was making to the project.

Corey Burstad, Elevage Development, commented further on the plans for the turf fields and how an environmental study had been triggered. The horizontal design phase was described along with the west campus plans. He discussed how the stadium and fieldhouse would be designed. He commented on how the baseball team was working to get involved in this development. He noted entitlements would be submitted by the end of this year. He appreciated the momentum this project had and he looked forward to the impact this district would have on the city of Blaine. He stated the quicker revenue can be generated from this project, the better for all parties involved.

Councilmember Saroya requested further information regarding the baseball team. Mr. Burstad reported this would be an expansion team, filling the void of the St. Paul Saints. He discussed how work was being done on the fields and the bonding that was being pursued for this district. He commented on how the stadium could be used throughout the year for events for the community.

Councilmember Newland indicated the NSC has begun working on the fields. He asked if soil borings had been done at the NSC. Mr. Burstad reported soil borings had been taken and different construction methods were being considered for this site.

Councilmember Newland questioned what the baseball teams timeline was. Mr. Burstad anticipated their timeline would be to announce the team in the spring.

Mr. Thorvig reviewed the financing proposals for this project. He commented on the turf field funding, noting this would be a $12 million general obligation tax abatement bond with a 15 year term. He indicated this debt would be issued in the spring of 2024 before the construction of the fields and the debt would be paid through tax abatement revenues. He discussed the meetings that were held with the county and school board, noting he had the feeling the votes were there to support this project. He described how providing this financing for the turf fields it unlocks property for the developer. He noted that after year 16, all of the taxes would return to the tax rolls. Staff commented further on the value of this project and outlined how the city would pay for the annual debt service. The financing for the stadium was further reviewed. It was noted in year six, the baseball team would be revenue sharing, which would cover the debt service on the stadium. The debt deficit for years one through five would have to be covered by the city and this could potentially be done through land sale revenues.

Mr. Burstad commented further on the revenue projections from the baseball team. He stated the baseball related sponsorships were conservative averages. He discussed how critical it would be to have these fields ready for use by next November, noting this will fuel the economic engine behind this project. He reported his goal within this project would be to beat the projected numbers. He discussed how the design team will spend approximately $2 million in order to get the horizontal design plans in place for this project.

Mr. Thorvig explained the developers were looking for some form of bond commitment to be made around the time the baseball team is announced next spring. He indicated the bonds may not have to be funded until sometime later in the summer.

Mayor Sanders stated he was pleased the project had gotten to this point. He was excited to see how this development would impact Blaine and the surrounding region. He thanked the master developers for their leadership and assistance with this project.

Mr. Burstad commented on the meetings he has had with other developers on what this project would have to have in order to attract other uses. He explained the developers were very impressed by this development.

Mayor Sanders asked for questions or thoughts from the developers.

Councilmember Saroya questioned who would own the stadium. Mr. Burstad discussed how the baseball team would have a lease for the space and the ownership group would manage the stadium.
Councilmember Saroya asked how many years the baseball team would be required to remain in Blaine. Mr. Bader stated terms would be written into the lease to keep the team in place.

Councilmember Saroya inquired if there were plans for meetings with residents in order to gain their input and feedback. Mr. Burstad reported part of his role would be to carry out open houses in order to learn more from the public. He stated he would be working with city staff and the council to determine when these events should occur. Mr. Bader indicated this work would be completed as part of Phase III of this project.

Councilmember Saroya requested further information regarding the residential proposed for this development. Mr. Burstad stated the project was proposed to have 600 housing units and 400 hotel rooms. Mr. Thorvig indicated the TIF used for the east district would not be for the physical structures, but rather would be used for infrastructure improvements and parking structures.

Councilmember Saroya requested staff speak with the school district to ensure they understand another 600 housing units would be constructed in this area. Mr. Thorvig indicated it was his understanding the school district would welcome additional students.

Mikaela Huot, Baker Tilly, commented on how the values were based on current assumptions. She noted she was meeting with the county in order to better understand what the market values for properties will be in the future.

Councilmember Newland requested further information regarding the east side timing. Mr. Burstad stated he was working with staff and was hoping to meet the entitlement phase of July 2024. He noted hotel conversations were already underway.

Councilmember Massoglia thanked the developers for all of their work on this project. He asked if there was an alterative if the county and school district do not support the turf fields. Ms. Huot stated she had only briefly discussed an alternate plan and reported the hope would be to have the school district and county participate.

Mayor Sanders commented on how the county saw the value of the proposed development and noted the tax abatement district may only have an 11 or 12 year term, versus a TIF district which would have a 26 year term. Mr. Burstad discussed how this project would not have moved forward without the participation of the city, bringing partners together and noted this development would be a huge win for everyone.

Councilmember Massoglia stated he would like to learn more about the financial projections for the baseball team. He explained he looked into the St. Paul Saints and noted the state gave this team $25 million for their project which meant St. Paul only had to bond $8 or $9 million. He supported the city pursuing additional state bonding for this project.

Mr. Thorvig summarized the next steps for this project, noting a term sheet would be reviewed by the council next Monday. He reported staff would be providing the council with another update on this project on Monday, December 11.

3. Other Business

None.

4. Adjournment

Signed by Tim Sanders

Tim Sanders, Mayor

Signed by ______________________________

Catherine M. Sorensen, CMC, City Clerk

The workshop was adjourned at 9:13PM.