



City of Blaine

City Council Workshop

March 18, 2024 | 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.

2. Roll Call

PRESENT: Mayor Pro Tem Robertson, Councilmembers Fleming, Massoglia, Newland, Robertson, Saroya.

ABSENT: Mayor Sanders, Councilmember Larson

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; City Attorney Tom Loonan; City Attorney Kevin Sandstrom; Communications Manager Ben Hayle; Assistant City Engineer Stefan Higgins; Public Works Director Nick Fleischhacker; Deputy Public Works Director Jason Grode; Public Works Supervisor Kristain Gaasland and City Clerk Cathy Sorensen

3. New Business

- 3.1.** 2024-788 Closed Session Pursuant to MN Statute 13D.05, subd. 3(b) - Attorney Client Privileged Discussion Regarding Litigation Status, Strategy and Legal Advice with the City's Litigation Counsel on the Matter of *Blaine v. Irene Tamblyn*, Anoka County Court File No. 02-CV-22-0930
Sponsors: Daniel Schluender, Director of Engineering

After motion, second and unanimous vote, council moved to closed session at 5:31PM.

- 3.2.** 2024-68 Closed Session Pursuant to MN Statute 13D.05 Subd. 3(b) - Attorney Client Privileged Discussion Regarding Lexington Water System Interconnections
Sponsors: Nick Fleischhacker, Public Works Director

Upon completion of closed session items, the council moved to open session at 6:05PM.

- 3.3.** 2024-69 Park Dedication Request Related to a Development Proposal by Sand Companies for 111 99th Avenue
Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated in December 2022, the Council approved a rezoning of the subject site to Development Flex (DF), a Conditional Use Permit (CUP) for a 111-unit apartment building, and preliminary plat creating one lot and two outlots. In September 2023, an extension was approved for the CUP and preliminary plat to September 5, 2024. Development has not started. Since development has been delayed in moving forward, the property owner relisted the property and was approached by Sand Companies. The property owner and Sand Companies have an agreement for Sand Companies to acquire the property. Sand Companies is proposing to build a 48-unit apartment building on the subject site, which therefore requires a new CUP. The developer has made an application for the new CUP and is scheduled to go before the Planning Commission on April 9, 2024. The City Council will consider this item at the May 6, 2024, regular meeting. The site is zoned Development Flex and requires a CUP to establish the development standards. The subject site has a land use designation of High Density Residential (HDR) with a density range of 12-25 units an acre. As proposed, the development meets these requirements. As part of the new proposal, a new plat will be submitted since they are proposing a smaller building. The developer does not need the entire property.

All subdivisions are subject to park dedication fees or land in lieu of fees. These fees are collected at the time of final plat. Article V of the Subdivision code outlines park dedication requirements. Section 75-131 determines the amount of land that can be accepted in lieu of fees. This section provides a formula based on the gross area of land included in the subdivision. The formula is based on dwelling units per acre. Twelve units/acre are being proposed for the project. Per the calculation, dedication shall be 16% of the land area, which is calculated at .62 acres. The developer is proposing to dedicate .65 acres. If they dedicate the whole .65 acres, and it is accepted by the City Council, this would satisfy the park dedication requirements. City staff, nor the park board, have discussed how the space would be used if it is accepted by the city as open space. If the developer were to pay just the fees for park dedication, the residential calculation is \$4,894/unit, totaling \$234,912. They could also do a combination of fees and dedication. Though the purpose of the workshop discussion is to get feedback regarding the park dedication proposal, it is also an opportunity for the City Council to ask questions about the project as it moves through the approval process.

Jamie Thelen, Sand Companies, presented his proposal for park dedication for the property at 111 99th Avenue, then outlined the 48-unit project that would have an affordability component. He requested the council consider a land dedication versus a park dedication

fee.

Councilmember Massoglia stated this was a busy corner that may not be support a city park. He suggested the city accept park dedication fees instead of land for this project.

Councilmember Newland questioned what the city typically does in these types of situations when a developer was requesting the city to take land in lieu of a park dedication fee. He anticipated it was not very comment for the city to accept land. Community Development Director Thorvig stated it was more common for the city to accept land in larger single family residential subdivisions. He indicated the most recent example was the new park in Lexington Waters after the developer dedicated land. Mr. Schluender explained looking at the parks master plan, when a park is identified in or near a proposed development, that was when the city could ask for land. He stated the value was then put towards the park dedication fee. He discussed how a combination of land and park dedication fees could also be collected for projects, depending on the size of the project.

Councilmember Newland asked if the city had a mechanism in place to appraise the value of the property to ensure it was worth \$234,000. Mr. Sellman explained the city's formula would require the land donated to be 16% of the overall project and the value of the land was not calculated.

Councilmember Newland stated he supported Councilmember Massoglia's comments noting this was a fairly busy intersection and did not believe this would be a desirable parcel for a city park in Blaine.

Mayor Pro Tem Robertson inquired if stormwater ponding was drafted into the plans for this project. Ms. Sellman indicated the developer would be responsible for onsite stormwater ponding.

Councilmember Saroya questioned if park dedication fees were meant to benefit only new residents. Ms. Sellman reported park dedication fees were placed into one fund and were intended for all parks in the city. She stated the fees were not ward specific.

Councilmember Saroya explained she did not agree with this. She supported keeping any funds generated from Ward 1 in Ward 1 in relation to park dedication fees then stated she did not support this project.

Councilmember Massoglia indicated he had this same concern in the past, noting there has been a deal of development in Ward 3, but the park dedication fees generated from these projects have been spread throughout the city. He explained all parks within the city are treated wholistically and believed this was the best way to do things. Otherwise, the city would have millions of dollars to spend on parks only in Ward 3. He reported Aquatore Park has received the most benefit in recent years from the city's park dedication fees which was located in Ward 1. He supported all residents in Blaine having good access to parks.

Councilmember Saroya commented on the condition of the parks in Ward 1, noting the parks in Ward 3 were newer, which meant there was a disparity. She stated going back to the development, she supported the city accepting land in order to maintain a public space.

Councilmember Massoglia indicated Ward 1 has received more money for parks in recent years than any other ward. He reported the east side of Ward 3 had newer parks, but the west side of Ward 3 had parks in the same condition as Ward 1. He invited Councilmember Saroya to visit these parks then suggested a divisive narrative does not benefit anyone in Blaine.

Councilmember Saroya stated what was creating the divisive narrative in the wards was bringing forward projects like this. She explained the residents do not want projects like this where single family homes were being turned into multi-family residential. She reported projects like this were creating division as well as creating problems on the council.

Further discussion ensued regarding the stormwater ponding for this project.

Mr. Thelen stated he would be open to some sort of combination of land dedication and park fees.

Councilmember Fleming indicated she wanted to do what was best for the residents in this area and if more land was needed for stormwater ponding, she could support this. She explained she could support a combination of land dedication and park fees as well.

Councilmember Saroya reported she was the Ward 1 councilmember and strongly opposed this project. She stated this project came to the city in 2022, where it was initially denied then brought back where it was approved. She said she did not believe things were done in the right way with this project and believed an apartment building did not make sense on this property. She feared major traffic issues would be created. She indicated she could support townhomes or single family homes on this property, but not an apartment building of 48 units. She stated projects like this keep coming to Ward 1 and she feels strongly that this project should not move forward. She reported the city's traffic study showed an apartment building should not be located on this property. She was of the opinion it was unfair to introduce this type of housing to the neighborhood as it would adversely impact the residents who have lived in the area their entire lives. She further discussed how natural resources and endangered species would be harmed if this development were to move forward. She stated the city's comprehensive plan was not final and was wrong. She indicated she could support an area of apartments in the Northtown area but not on the proposed property given the fact it was a residential neighborhood.

Councilmember Newland explained there were two Ward 1 councilmembers in Blaine and was the other representative from Ward 1. He indicated there was not one voice that dominated but rather consensus was reached by the council before projects moved forward. He stated the mayor also represents Ward 1 because he was elected by all residents in Blaine. He reported this project has gone through dialogue and discussion for approval. He noted there is an apartment complex the council was looking at to the south. He stated this project was less than half the number of units previously proposed, which would have less traffic impacts. He further discussed how this project was downsized from previous considerations.

Councilmember Massoglia requested further information regarding the affordability component. Mr. Thelen explained he would be applying for financing through the Minnesota Housing Finance Agency in July if the project was approved. He stated he has also

applied for funding through Anoka County. He indicated rents on one-bedroom units would be \$750 per month and four-bedroom units would be \$1900 per month. He explained the rents would be set based on income.

Mayor Pro Tem Robertson explained the city completed a very thorough traffic study and all members of the council received a copy of this study. She questioned if the traffic impacts that were being studied were regarding the current proposal. Director of Engineering Schluender clarified the traffic study observed the current traffic conditions as they are today and had addressed the proposed 110 unit apartment building.

Mayor Pro Tem Robertson requested further information regarding the findings from the traffic study. Mr. Schluender reported the study showed the intersection of 99th and 101st Avenues met warrants for a traffic control change, whether this be a signal or roundabout. He clarified this was based on current traffic conditions, independent from the proposed apartment building. The study when onto further address how a signal or roundabout would impact the area.

Mayor Pro Tem Robertson requested further information regarding the environmental process that must be followed to address endangered species. Mr. Schluender explained the developer has to inventory the site and when watershed permits are requested, threatened or endangered species would be investigated.

Councilmember Saroya questioned who identifies threatened or endangered species then noted a resident had spotted a red headed woodpecker on this property. Mr. Schluender reported habitats would have to be identified on this site and depending on where the habitats are located, the habitats have to be protected and indicated the DNR should be contacted in these instances.

Councilmember Saroya indicated the Alexandra House has not been mentioned yet and would like to know if the applicant had spoken to the Alexandra House given their previous concerns regarding privacy and safety. Mr. Thelen noted he had spoken to the Alexandra House and noted they had not opposed this project. Mr. Thorvig explained he met with Executive Director Connie Moore and their board chair and shared the orientation of this building was different and how they appreciated how this building did not have any balconies proposed.

Council consensus was to support a combination of options that included accepting land in lieu of cash dedication, accepting land for city stormwater ponding, and pay park dedication in cash. Staff will work with the developer on options for formal presentation to council at a future date, which would include property appraisal as part of the plat application.

3.4. 2024-70 Well Interference Updates
 Sponsors: Nick Fleischhacker, Public Works Director

This item will be rescheduled to a future workshop.

3.5. 2024-71 Lead Service Line Inventory Update
Sponsors: Nick Fleischhacker, Public Works Director

Public Works Director Fleischhacker stated the city of Blaine started building a public water system in the 1960s. In 1985, the State of Minnesota banned lead water services to be installed in new construction. There are approximately 7,500 services that fall into the category of the pre-ban era of the city's 22,000+ total water connections. It was noted a Lead Service Line Inventory is due to the Minnesota Department of Health by August 15, 2024, and to the EPA by October 16, 2024. Inventory of both sides of the service will be required. Lead and Galvanized pipe will require replacement. While there are no lead service lines (LSL's) expected to be found, every service needs to be verified. The priority will be to inventory the 7,500 estimated connections that are pre-lead ban. Grant funding is available to both the homeowners' side and the city side. As of March 11, 2024, the City of Blaine has received 2,346 city-wide submissions. Of those, 1,805 have been verified by staff. The difference involves services that still need to be looked at, or there's an issue that needs to be resolved. City staff will keep working on this.

Mr. Fleischhacker explained the city has sent postcards to every resident, posted via social media and posted in the *City Connect* newsletter. City staff are going to go door-to-door starting on March 12 to help answer questions and fill out surveys for residents. Staff have already spent an estimated 400+ hours on the project so far. Staff are doing house visits for people having trouble with the survey or do not have the ability to fill it out. Several departments are working on this effort. The city sent requests for proposal to three engineering firms to help with this process and two declined. Of the two that declined, they stated that they did not have the resources to dedicate to this project. A contractor will be expected to input data, review records and verify services. City staff has negotiated that this be done on an hourly rate for the whole project.

Mayor Pro Tem Robertson questioned if the city would be receiving fines from the EPA if this work was not completed. Mr. Fleischhacker explained he was uncertain if a fine structure had been established by the EPA but said the city was most interested in learning about the potential for lead exposure. Communications Manager Hayle commented further on how the city was working to communicate with the public on this topic.

There was general consensus to support employing a consultant to assist with the mandated lead service line inventory and staff was directed to bring forward a contract for formal consideration at the April 1 city council meeting.

4. Other Business

None.

5. Adjournment

The workshop adjourned at 7:04PM.



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk