City of Blaine
City Council Workshop

April 15, 2024 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

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

2. Roll Call

3. New Business

3.1. 2024-102 Home Occupation Discussion II
Sponsors: Sheila Sellman, City Planner

3.2. 2024-103 Update and Discuss Various EDA Owned Properties in the City
Sponsors: Erik Thorvig, Community Development Director

4. Other Business

5. Adjournment

City of Blaine
Staff Report
File Number: 2024-102

Agenda Date	Status
April 15, 2024	

In Control	File Type
City Council	Workshop Item

New Business - Sheila Sellman, City Planner

Agenda Item # 3.1

Home Occupation Discussion II

Background

At the February 12, 2024 workshop, the Council had a high level discussion on home occupations. At the meeting there was discussion about allowing the properties zoned Farm Residential (FR) to have different standards because they are larger lots. A map of the properties zoned FR are attached.

There was discussion to prohibit outdoor storage. Another concern was customers coming to the house. The current code limits this to four customers. The number of employees was discussed as well. Currently, the code does not allow for outside employees under the permitted home occupations, however a CUP can allow for this.

Based on the previous discussion at the workshop, staff has put together scenarios for the Council to consider and will review these at the workshop. The scenarios are attached.

Staff Recommendation

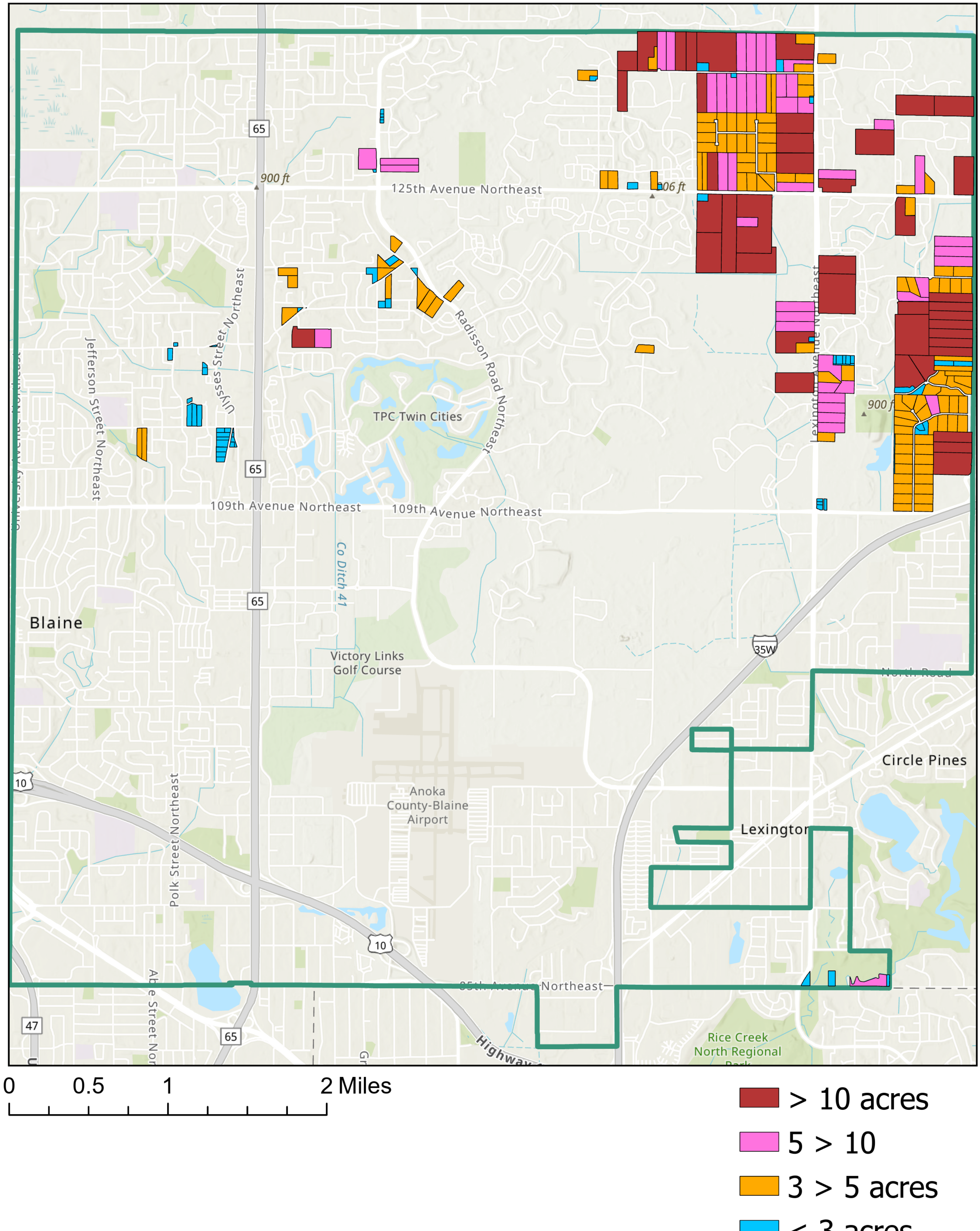
Provide feedback and recommendations on changes to the home occupation ordinance.

Questions for Council

Do you agree with the suggested changes?

Attachment List

1. FR Districts
2. Home Occupation Scenarios



65
900 ft
125th Avenue Northeast
Radisson Road Northeast
TPC Twin Cities
Ulysses Street Northeast
Jefferson Street Northeast
109th Avenue Northeast
109th Avenue Northeast
Lexington Avenue Northeast
900 ft
Co Ditch 41
Blaine
Victory Links
Golf Course
35W
Circle Pines
Anoka
County-Blaine
Airport
Lexington
Polk Street Northeast
10
47
85th Avenue Northeast
Rice Creek
North Regional
0
0.5
1
2 Miles
> 10 acres
5 > 10
3 > 5 acres
< 3 acres

Home Occupations Discussion II

City Council Workshop

April 15th, 2024

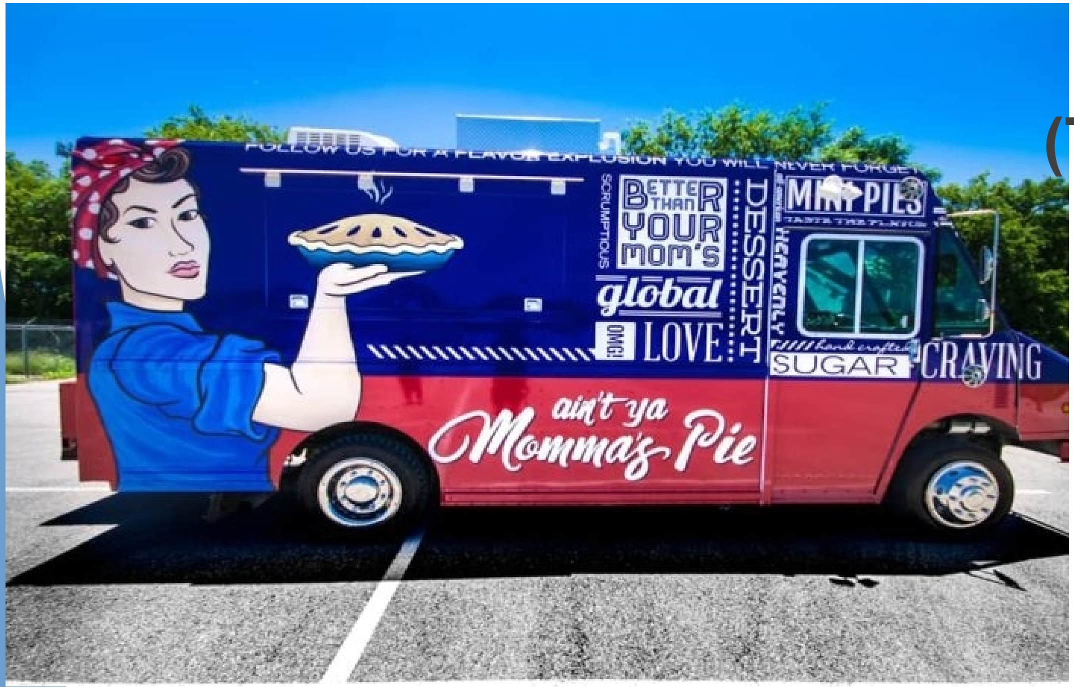
Home Occupation Scenarios

Beauty Salon Scenario

Richard started cutting hair a few years ago, and has since accumulated several customers that come to his home for a haircut. He would like to construct a 300 square-foot accessory building in his backyard to accommodate an area for hair cutting and a small space for clients to sit and wait. He typically only has a few people come in each week. He will have a small 2.5 square-foot sign on the front of the accessory structure.

(image shown is a 280 square foot structure)

Truck Storage Scenario



Mary has always been talented at baking. She has always been especially good at baking pies. She recently bought a food truck that she uses to sell her pies at fairs, parades, and farmer's markets. She lives in a small subdivision zoned R-1 and parks her truck in her driveway. The truck is too large to fit inside her garage. She does not sell pies from her property.

(The current code does not permit parking of vehicles that are above 12,000 GVW)

A typical food truck similar to the one pictured weighs more than 20,000 GVW

Gunsmithing

William enjoys repairing firearms. He works primarily out of his garage and sometimes employees the help of friends to work on firearms. The firearms are never fully constructed or discharged from anywhere on the property. He typically only has a couple of people visit the property in relation to the business each week. He utilizes a small metalworking lathe and receives deliveries of parts through UPS when needed.

(This type of business is common, and the most recent CUP for gunsmithing in an R-1 district was approved in 2020)

Questions:

Are you okay with allowing this type of home occupation?

Are you okay with permitting this home occupation in residential districts?

Equipment rental scenario I

Mr. Snax wants to know if he needs any formal approval to rent his popcorn and sno-cone machine. He posts ads on craigslist for people to rent them, and once in awhile someone takes him up on his offer. There is no selling of popcorn or sno-cones from the property. He stores the machines in his garage.

Equipment rental scenario II

Jeff's property is zoned FR. He rents his skidloader, lift, and dump truck to local landscaping businesses and neighbors to do work on their properties. All the equipment associated with his business fits inside his accessory structure.

(Would it be ok if the equipment was stored outside?)

(Do you want the equipment stored inside?)

(Any different requirements if this home occupation was conducted in a residential district?)

Light Manufacturing vs. Heavy Manufacturing (current definitions)

- ***Manufacturing, Light*** **– Fabrication, processing, or assembly employing only electric or other substantially noiseless and inoffensive motive power, utilizing hand labor or quiet machinery and processes, and free from neighborhood disturbing agents, such as odors, gas fumes, smoke, cinders, flashing or excessively bright lights, refuse matter, electromagnetic radiation, heat or vibration**
- ***Manufacturing, Heavy*** **- All manufacturing, compounding, processing, packaging, treatment, or assembly of products and materials that may emit objectionable and offensive influences beyond the lot on which the use is located. Such uses include, but are not limited to the following: sawmill, refineries, commercial feedlots, acid, cement, explosives, flour, seed, and grain milling or storage, meat packing, slaughter houses, coal or tar asphalt distillation, rendering of fat, grease, lard or tallow, alcoholic beverages, poisons, exterminating agents, glue or size, lime, gypsum, plaster of Paris, tanneries, automobile parts, paper and paper products, glass, chemicals, plastics, crude oil and petroleum products, including storage, electric power generation facilities, vinegar works, junkyard, auto reduction yard, foundry, forge, casting of metal products, rock, stone, cement products.**

Light Manufacturing Scenario

Beth loves making candles. She has cultivated a unique process of combining bacon fat that she derives from pigs on her father's farm with wax. She lives in a R-1 district and works primarily out of her home. She sells her candles to her coworkers and at the farmer's market. No odors or noise from her business can be detected outside of the home.

Heavy Manufacturing Scenario

Dave lives in an FR district. He teaches blacksmithing at a local college and has a small forge and tools behind his house in an accessory dwelling. He especially enjoys making roses out of iron. Though he only works during the day, sometimes the clanging and smoke can be detected from his neighbors' properties. All of his pieces are sold online.

(Do you want to allow this in FR Districts?)

City of Blaine
Staff Report

File Number: 2024-103

Agenda Date	Status
April 15, 2024	
In Control	**File Type**
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.2

Update and Discuss Various EDA Owned Properties in the City

Executive Summary

Background

The Blaine Economic Development Authority (EDA) owns various properties within the City of Blaine. Minnesota State Statute identifies the various powers an EDA has in the State of Minnesota. EDA's have the authority to purchase land and is intended to be done in a manner to promote economic development. Unlike city-owned property, which is perpetually tax-exempt, any land purchased by an EDA becomes subject to property taxes 9 years after acquisition. This provision is in place to discourage EDA's from becoming long-term landholders.

The EDA currently owns 31 properties in the City of Blaine (see attached map). Acquisitions date back to the 1990s/early 2000s. The EDA has sold property for redevelopment purposes in various areas over the last 25+ years. The 2040 Comprehensive Plan identifies 13 redevelopment areas (see attached). Many of the properties owned by the EDA are within the identified redevelopment areas. The EDA has acquired other properties within the City of Blaine in an effort to remove blighted property that the private market hasn't resolved (i.e. former Jimbo's Restaurant on County Road 10) or land that could be developed for industrial purposes (i.e. property along Naples Street). The EDA purchased the house at 1320 109th Avenue in 2011 in anticipation that it would be needed for future Highway 65 improvements. The EDA has acted as a landlord and has been renting this property for residential purposes. It will be removed for the Highway 65 reconstruction occurring in 2025/2026.

With the number of properties owned by the EDA, the EDA has an opportunity to generate revenue through land sales. Many of the properties are within redevelopment areas that may require developers to purchase additional property to make a project feasible. The EDA has the ability to adjust the purchase price based on the overall financial feasibility of a project (i.e. sell land for less than market value). In other instances, the EDA owns vacant property that could be sold at market value as additional property is not needed by the developer to make a project feasible. There are certain EDA owned sites that could be marketed today based on location, readiness, etc. The following is information on various sites that staff would like direction/feedback on.

1409 105th Avenue

The EDA purchased this property in 2018 for $340,000. It contains a small industrial building that was built in the 1970s. The corner of 105th Avenue/Highway 65 is identified as a redevelopment area in the 2040 Comprehensive Plan. There are four properties that could be part of a redevelopment. Two of these properties are EDA owned (1409 105th Avenue and vacant land to the north), and two of the properties are privately owned. Staff recently had discussions with the owner of ABC Signs. They are not looking to move. However, if they were approached by a developer or the EDA with an attractive offer, they would consider it. Staff is not aware of the status of the other property. Given the changes occurring to this intersection with the Highway 65 project, it would make sense to wait for redevelopment discussions until the project is complete.

The EDA assumed an existing lease with a welding business when the property was purchased in 2018. The business notified staff they would be vacating the building on March 31, 2024. The owner of ABC Signs indicated a desire to lease the building from the EDA. They are flexible on terms and conditions, knowing the building will ultimately be removed. Alternatively, the EDA could just demolish the building and continue to hold the land.

QUESTION: Is the EDA interested in leasing the building to ABC Signs, or should it be demolished?

255 89th Avenue

The EDA purchased this property in 2005 for $1,155,000. It was formally Franks Nursery. The EDA demolished the building and has been holding the land. The original vision was to sell this property as part of a redevelopment of the former K-Mart building located directly to the west. Around 2018, the owner of the building chose to remodel and divide the building for new tenants. Based on this investment, it's not likely the building will be redeveloped anytime soon.

Over the last 5+ years, the property was listed for sale on various commercial real estate exchange sites but didn't garner much interest. In 2023, the city was approached by Morty's Bark and Brew about purchasing the property. This group came to a workshop in 2023 and held a neighborhood meeting to gauge neighborhood interest. Staff have not heard from the group since last fall.

An appraisal was completed earlier this year to determine a potential value. The appraisal valued the property at $750,000. In reviewing the appraisal, comparable commercial land sales within the appraisal, and Anoka County Assessors' value, the value is in the lower range. The purpose of an appraisal is to get a gauge of potential value; however, the EDA can set the price when considering selling the property.

When the EDA owns property, the EDA has greater discretion on the potential use of the property, even if it meets zoning requirements. As such, a different approach can be taken to determine what the most appropriate use of the property should be. When Morty's Bark and Brew held their neighborhood meeting in August 2023, there were mixed opinions from residents present about what their preference for the site would be.

It was suggested by a council member to involve the neighborhood in a brainstorming session to understand what ideas and wants the neighborhood may have for the site. It's not uncommon for cities to host these types of meetings when land is owned by a city. This could be done in the early summer and be reported to the city council at a future workshop to determine next steps in marketing the property.

Additionally, the site has been a maintenance challenge for the city's public works department. Public Works mows the property a couple of times during the summer to keep weeds down. There is also trash that collects on the property. Barricades were placed on the property several years ago to prevent illegal parking. The large concrete wall that surrounds the property was painted by the city in the last couple of years, but is continuing to deteriorate. The residents appreciate the wall, but continued deterioration is a concern.

QUESTION: Should staff arrange a neighborhood open house to get feedback from residents? If so, how large of a notification area should be used? Should a new maintenance plan be prepared for the site? There may be additional costs associated with the maintenance that the city council would need to provide direction on.

<u>8700/8800 Block of Central Avenue</u>

The EDA owns six vacant parcels in this area. They are 8717, 8801, 8809, 8817, 8825 and 8839 Central Avenue. Acquisition dates back to the early 2000s, with the most recent purchase occurring in 2022. All the lots had older homes that weren't consistent with the commercial zoning and land use guidance. The EDA purchased the homes from willing sellers. Of the six properties owned, four are contiguous. There are several options that exist:

1. Market 8717 Central Avenue for commercial development as it's a standalone parcel and not likely to be joined with other parcels to the north or south.
2. Market the four contiguous parcels for commercial development as they are likely large enough to accommodate a commercial building.
3. Alternatively, hold the four contiguous parcels and look at acquiring 8833 Central Avenue. If this property is acquired, the EDA would have six contiguous parcels.

The properties abut single-family residential uses to the east. If the properties were to be put on the market for sale, the EDA could solicit feedback from adjacent property owners to identify preferred uses and concerns regarding potential development. This would help guide the EDA on who to market the property to.

QUESTION: What marketing option should be explored for the parcels owned by the EDA? Once this is determined, should there be neighborhood engagement to understand preferred uses and concerns from adjacent homeowners?

Strategic Plan Relationship

Board/Commission Review

Financial Impact

Public Outreach/Input

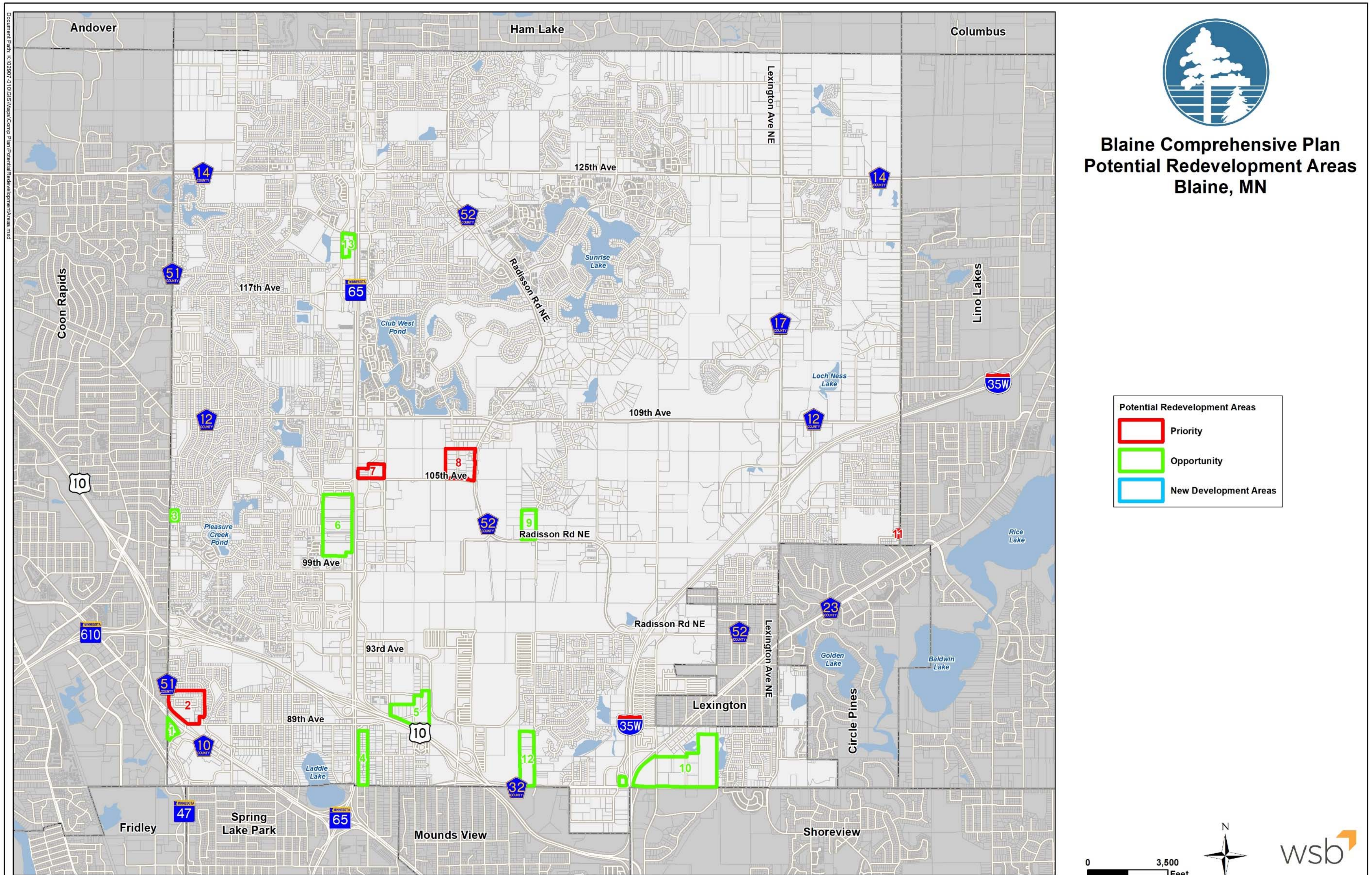
Staff Recommendation

Discuss the items and provide direction and feedback to staff.

Attachment List

1. Redevelopment Areas
2. 89th Avenue
3. 105th and Highway 65
4. Central Avenue Sites
5. EDA Owned Properties
6. EDA Owned Properties Zoomed

FIGURE 5-17: POTENTIAL REDEVELOPMENT AREAS



Area 1 - Opportunity

Site characteristics:

Seven-acre site in City's extreme southwest corner. Six (6) commercial sites including two (2) automotive service shops, bank, restaurant, veterinary clinic and cabinet retail shop. Site has more difficult access than some sites but very good exposure and location next to Northtown Mall.

Strategy:

At some point in the future the City may need to help assemble parcels if overall health of the site creates multiple vacant buildings.

Areas 1 and 2

Area 2 - Priority

Site characteristics:

21-acre developed area consisting of older commercial sites and fifteen (15) single-family homes. The K-Mart space (110,000 sf.) has been vacant since 2014 but is currently being redeveloped to accommodate two or more new tenants. The EDA owns 5.03 acres of land on each side of the K-Mart property. This is a potential long-term redevelopment area that could be triggered by something happening to the K-Mart site. The land use was changed to HDR/PC which creates opportunities for future redevelopment at high intensity and density levels.

Strategy:

The EDA/City should explore opportunities to assemble land in this area that would help lead to efficient redevelopment and possible access to the site from 91st Avenue to take advantage of the traffic signal. The EDA/City should also consider financial assistance for removal of buildings and site preparation, particularly the K-Mart building. Future redevelopment could consist of a mix of medium/high density residential and retail/commercial uses.

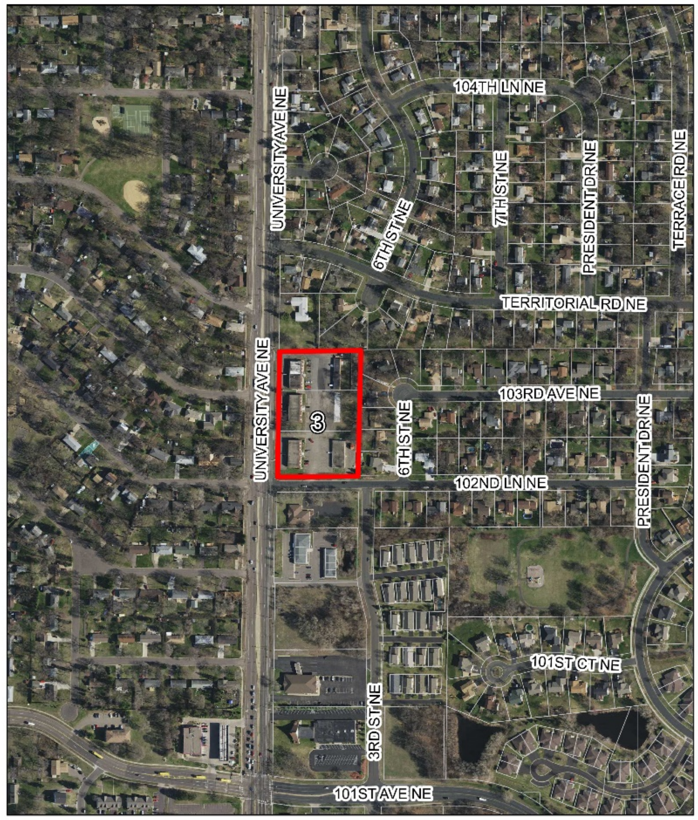
Area 3 - Opportunity

Site characteristics:

This area occupies just over 3 acres and contains three (3) older office buildings and several "storage" garages in the rear of the site. The site is extremely non-conforming and the buildings, built in the 1970's, and have exceeded their functional life span.

Strategy*:

Work with the owners on redevelopment possibilities including City/EDA assistance if it is determined public assistance is warranted. Consider zoning and land use changes to allow for medium or high-density residential uses that limit the impact to the adjacent single-family residential uses.



Area 3

*As of the adoption of this plan, the property has been approved for redevelopment of 43 attached townhomes.

Area 4 - Opportunity

Site characteristics:

Five-acre area with a mixture of small houses and office buildings, from 87th Avenue to 89th Avenue. The City (EDA) has purchased and removed four (4) of the small houses. The zoning and land use for this area is commercial.

Strategy:

Continue to assemble parcels from willing sellers. Look for opportunities to work with the two larger office users for possible redevelopment. Eventually market the vacant/assembled parcels for destination office uses. A good example of the type of use that may work along the site is the redevelopment area in Fridley near the old Columbia Area.

Area 4

Area 5 - Opportunity

Site characteristics:

This is a 36.5-acre area with many heavy industrial and truck related, uses. Sites were all developed in the 1970's and are extremely nonconforming. The sites have terrific visibility from Highway 10 and good access from both east and west. Several large parcels lying to the north and west of these uses have been redeveloped.

Area 5

Strategy:

Examine possible land assembly options as well as look at land use options for reuse to increase the tax generation from the area. May need to work with the property owners to identify new locations for their operations.

Area 6 - Opportunity

Site characteristics:

Area 6

This area, adjacent to Highway 65, from the old Highway 65 Drive-In Theater to the abandoned Gasoline Alley, consists of 68 acres. Some of the parcels still have buildings, some of which are occupied. The City (EDA) has purchased two of the smaller sites and has removed the buildings. The City's land use designation for this area is Planned Commercial. This area is also the location of the future service road connection "Ulysses Street" to be completed as development occurs.

Strategy:

Continue to explore land assembly opportunities as they occur. Work with existing property owners in determining a new service road alignment and process for implementation. Site may also need to be redirected to a mix of housing opportunities from the current retail direction.

Area 7 - Priority

Site characteristics:

10-acre area located at the northeast corner of 105th Avenue and Highway 65. The area contains three (3) small industrial buildings and a large heavy contractor storage yard. The current market will likely cause the large "contractor yard" to self-redevelop. The smaller industrial buildings will be more difficult for the market to remove. The entire area is guided and zoned for commercial/office/retail uses.

Area 7

Strategy:

Continue to monitor the three industrial buildings. Opportunities to acquire any of the buildings from willing sellers should be explored if they come up. Opportunities to assist a developer in demolition and clean-up should also be considered in-lieu of acquisition.

Area 8 - Priority

Site characteristics:

The area at the northwest corner of 105th Avenue and Radisson Road, is one of the key redevelopment areas within the City and consists of 37 acres of mostly older industrial buildings, developed in the 1960's and early 70's, and one (1) non-conforming residential structure. The Blaine 2030 Plan changed the land use for this area from Heavy Industrial to Planned Commercial/Planned Industrial. The implementing zoning could then be PBD (Planned Business District) or DF (Development Flex).

Area 8

Redevelopment, either completely market driven or assisted by the City, is expected. The edges of the area along 105th and Radisson Road lend themselves to service, retail, office and other commercial uses because of the visibility and access. The interior properties likely make sense to continue as, or redeveloped to new light industrial and office uses. Because of how the land is currently used, redevelopment would likely result in higher building density, increase in employment opportunities, a larger tax base and significantly improved aesthetics and community image. The City would work with those existing uses that would be appropriate to relocate somewhere else in the community.

It should be noted that the properties along the eastern edge of Area 8 fall within the safety zone of a potential new runway within the Anoka County/Blaine Airport. Although there are no immediate plans by the Metropolitan Airports Commission to add this runway, any new redevelopment that falls within its safety zone will need to comply with Federal and State rules that govern land use within airport safety zones.

Strategy:

The City has started to acquire property and several private businesses/developers have purchased land/buildings and made improvements. The EDA/City should continue to explore land assembly options with willing sellers as they come up. Be prepared to work with the private market to help finish the redevelopment of this area.

Area 9 - Opportunity

Site characteristics:

18-acre area located at the northwest corner of Xylite Street and Radisson Road. The site contains three (3) industrial uses, all with trucks or other outside storage, and a small single-family home. This is a long-term redevelopment area that may redevelop over the next 10 or more years. The site has great access and good visibility from Radisson Road. Xylite Street leads into one of Blaine's larger and higher quality residential neighborhoods, The Sanctuary.

Area 9

Strategy:

Consider a land use change from the HI (Heavy Industrial) to other uses that would help support redevelopment. Explore possible land assembly options, over time, as property comes up for sale.

Area 10 - Opportunity

Site characteristics:

120-acre industrial park with the primary users being trucking terminals and heavy construction yards. Area is adjacent to 35W and County Road J with great access and visibility. The business park on the south side of County J (Shoreview) has many office and office showroom uses as well as a new hotel and restaurants. This area represents a long-term redevelopment opportunity for the truck yards and heavy construction yards within the park to be converted into higher density office, research and design, manufacturing type uses. The site's great location and high visibility will have an impact on the future of this area.

Area 10

Strategy:

The land use designation was changed to Planned Commercial/Planned Industrial (PC/PI) that could someday be implemented by either a change to PBD (Planned Business District) or POD (Planned Office District) zoning. Examine possible land assembly options as they occur in the future.

Area 11 - Priority

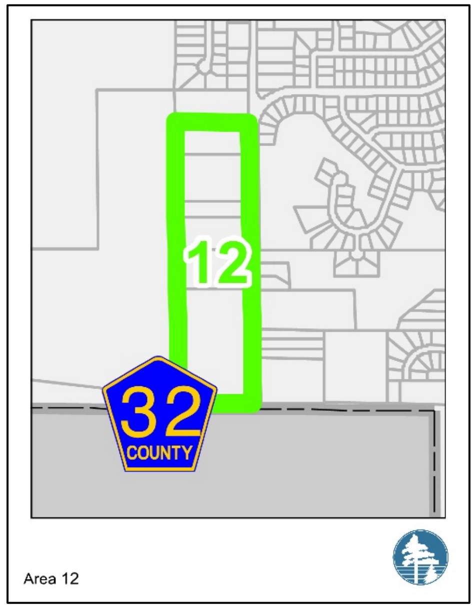
Site characteristics:

This 0.79-acre area consists of two parcels. The parcels are zoned B-2 Community Commercial and identified as Community Commercial in the land use plan. One parcel has a vacant, former gas station. This property has a dilapidated structure that should be removed. The other parcel is a commercial building used for various uses since it was constructed. This building is in relatively decent condition. The area lacks depth to make it functional for redevelopment of commercial uses. The neighborhood generally consists of single and multi-family uses along a moderately busy road (Sunset Ave.). The properties are also near Centennial High School.

Strategy:

Consider changing the future land use and zoning to allow for residential redevelopment on either one or both parcels. Focus should first occur on redevelopment of the former gas station site through either acquisition or financial assistance through the EDA or grants for demolition of the structure. Additional environmental work may need to occur if residential uses are proposed.

Area 12 – Opportunity



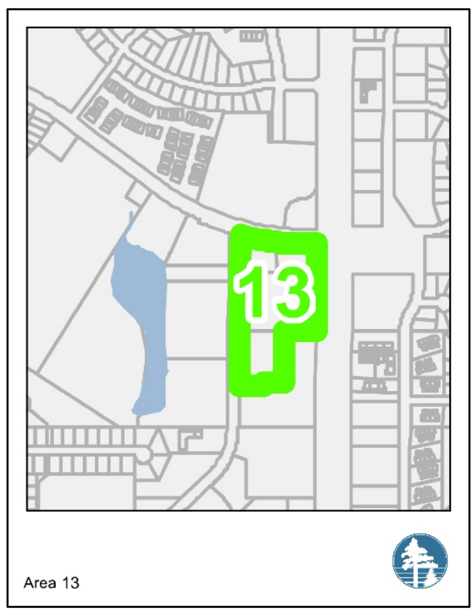
Site Characteristics:

This 35-acre area consists of seven parcels. The southern portion is zoned for heavy industrial use and the northern portion is zoned for light industrial use. The oldest buildings were constructed in the early 1980s. The largest land owner, Lorenz Bus Service is anticipated to make improvements to their property to approve appearance and reduce the amount of outside storage. Xylite St. is a main entry point to the Rice Creek Parkway residential neighborhood.

Strategy:

Review land use and zoning for the existing heavy industrial sites as potential redevelopment occurs in the future. If redevelopment of the older industrial buildings occurs, the City should encourage high finish buildings with limited outside storage as Xylite St is a gateway into a residential neighborhood.

Area 13 - Opportunity



Site Characteristics:

This 10-acre area consists of four parcels. The entire area is zoned B-2 Community Commercial. Uses include an entertainment hall, gas station and small retail. The sites were dramatically impacted by the closure of the Paul Parkway access to Highway 65 when the overpass was constructed. The sites immediately adjacent to Paul Parkway are also at a much lower elevation than the road due to the overpass. Three of the four buildings were built prior to 1980. The area is located directly across from a Metro Transit Park and Ride facility.

Strategy:

Review land use and zoning that could allow for higher density residential uses if redevelopment is proposed.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89TH AVE NE
170


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10501
1409
1491
105TH AVE NE
105TH AVE NE


CENTRAL
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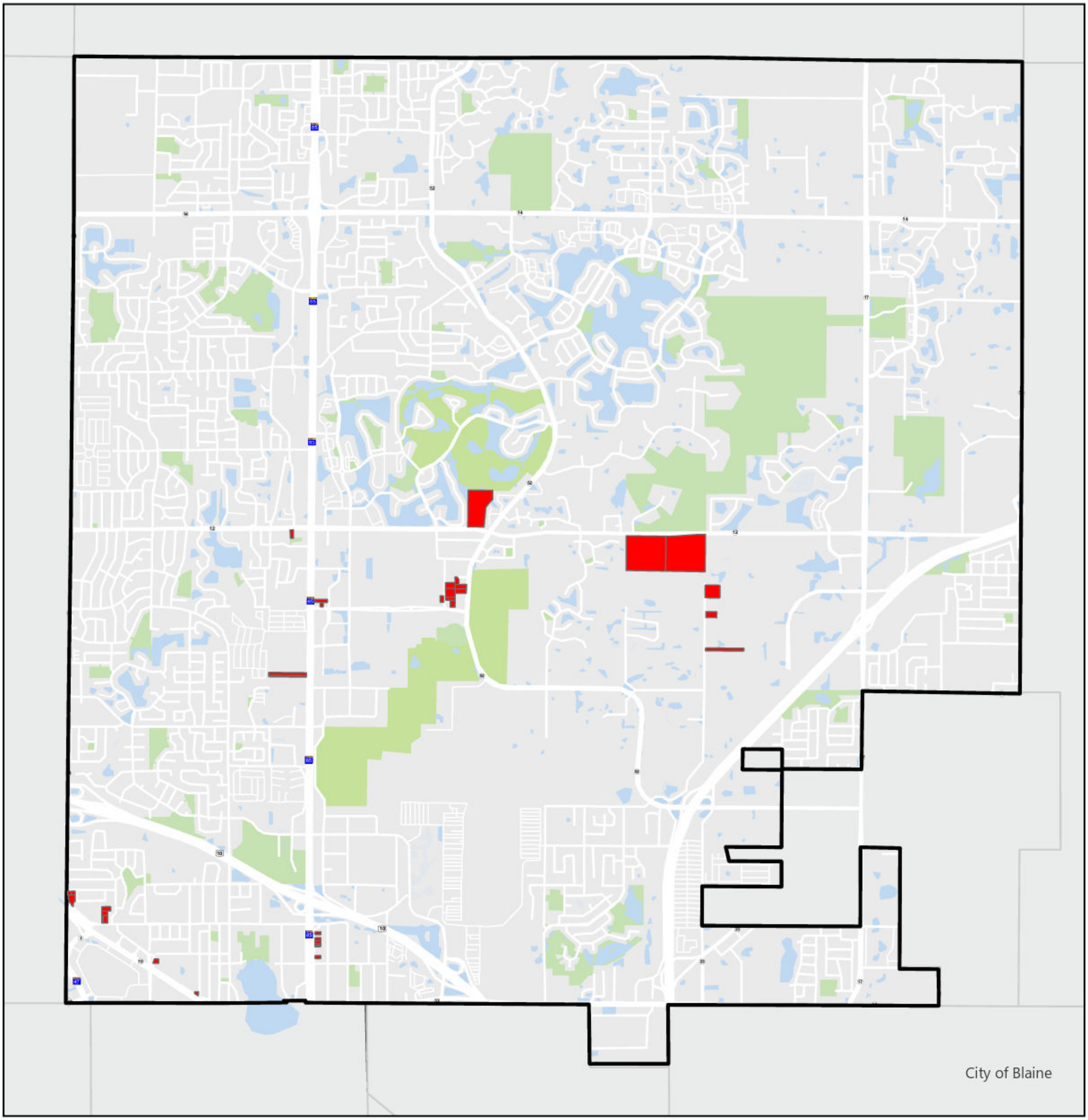
EDA Properties



EDA Properties