City of Blaine
City Council

April 15, 2024 | 7:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order by the Mayor

The meeting was called to order at 7:00PM by Mayor Sanders followed by the Pledge of Allegiance and the Roll Call.

2. Pledge of Allegiance

3. 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; Police Captain Matt Carlson; Finance Director Jason Zimmerman; Public Works Director Nick Fleischhacker; Director of Engineering Dan Schluender; City Attorney Tom Loonan; Senior Management Analyst Lisa Derr; and Communications Manager Ben Hayle.

4. Awards - Presentations - Organizational Business

None.

5. Communications

Councilmember Robertson stated she has received over 100 emails regarding Uber and Lyft in the last week. She explained she would love for Uber and Lyft to continue to serve Blaine customers. However, the city of Blaine does not have the ability to control what other jurisdictions do. She reminded the public the council was hearing the concerns but explained this issue was being caused by the city of Minneapolis.

Councilmember Massoglia stated over the weekend he received an email from City Manager Wolfe regarding inappropriate comments a councilmember made at the April 9 planning commission meeting. He explained these comments insulted both city staff and the planning commission, which was in violation with the code of conduct. He stated he was speaking out because he believed it was critical for the council to stand behind city staff. He reported staff works diligently to keep the city safe and functioning properly. He indicated if Blaine wants to keep high quality staff members, the council has to stand behind its staff members, then shared a prepared statement: City Manager Wolfe, we stand with you and your deep concern and desire to set the record straight. He understood while the council disagreed on a lot of topics, the council was firmly united behind its staff and the phenomenal work staff completes day in and day out on behalf of the city of Blaine. He offered a sincere thanks on behalf of himself and his constituents. He explained he did not want to go into the details of what happened at the April 9th planning commission meeting noting City Manager Wolfe's email addressed the untruths and the comments that were made. He reviewed the statements that were untrue and called on the elected official to issue an apology to city staff, the planning department and the planning commission.

Counclimember Saroya stated the comments were being directed to her and explained she had to deal with a lot of harassment and retaliation from the city council on a daily basis. She indicated she would not be intimidated or silenced. She stated this was a perfect example of what she has to deal with as it was an extreme mischaracterization of what she said. She believed the city had amazing staff. She was of the opinion Blaine has the best police chief in the nation, along with an amazing finance director and public works director. She indicated she never had to contact the city's public works director to make a second request because they get things done. She indicated the statements that were made were a major mischaracterization of what was said. She commented her focus was specific to the proposed apartment project at 99th Avenue and felt the project was a mess. She explained the project was originally denied, then came back for reconsideration, which was why she mentioned things going on behind the scenes and was directed at council. She reported there were councilmembers meeting in groups of three and making decisions as a group and bringing items to the council. She indicated she spoke at the planning commission meeting in her personal capacity and made that clear at the beginning of her remarks. She stated this project was within walking distance to her home and it was within her first amendment right to have freedom of speech during a public hearing. She explained the planning commission chair allowed her to speak and did not raise any concerns. She stated she has extreme respect for Chair Al Goracke and served on the charter commission with him for years. Had she been told to sit down, she would have stopped speaking. She reported she spoke calmly and respectfully and shared her experience with the planning commission. She stated staff had an opportunity to respond to the public comments at that meeting and several did, which meant the process played out in the manner that it should. She reported councilmembers have spoken in a personal capacity at city meetings in the past, as was done by Councilmember Massoglia in December of 2023. She indicated no communication was made to the mayor and city council from the city manager after Councilmember Massoglia spoke and no apology was issued. She commented further on an article that was printed after the December 2023 council meeting where the reporter stated it appeared the council was piling on Councilmember Saroya and questioning her intelligence. She stated this was happening to her again. She believed it was perfectly acceptable for councilmembers to advocate for an issue in their neighborhood, as has been done by other councilmembers. She indicated this feels very retaliatory and she would address and counter any attempts to retaliate and silence her. She stated she would continue to advocate for her constituents and urged the council to not set a dangerous precedence when it comes to free speech. She was of the opinion this leadership does not accurately reflect Blaine residents or their interests with the 99th Avenue apartment project. She reported over 50 residents showed up and stated they do not want this project in their neighborhood and provided alternative suggestions. She suggested the city purchase this property and turn it into a park for veterans. She encouraged the city to do the right thing and put the interest or residents before profit. She stated she has nothing to apologize for as she did not offend staff. She reported her words were misconstrued and taken out of context. She reiterated that she was only speaking of the 99th project as it has been a disaster. She hoped the city could own up to that and make it right for the residents.

Councilmember Massoglia clarified the public is free to watch the April 9 planning commission meeting. He explained he was surprised by the fact Councilmember Saroya believes she did not offend staff when the city manager felt obligated to send out an email defending staff. He stated it was heartbreaking that Councilmember Saroya could not see this. He reiterated that the council stands with staff and even though Councilmember Saroya accused staff of things at the planning commission meeting, these statements were untrue. He stated he had no problem with Councilmember Saroya speaking in a personal capacity, but he did have a problem with the lies and accusations that were made against city staff.

Councilmember Saroya stated what she believed was offensive was the fact the city council was making decisions that were harming Blaine residents. She indicated this was the point of her statement. She explained she was trying to act in the best interests of Blaine residents. She stated if she hurt anyone's feelings, then she would apologize. She apologized to Community Development Director Thorvig noting she had sincere respect for him. She reported her objective was to advocate for the residents and it was not a criticism of staff, but rather was a criticism of the process. She believed the process was not working for Blaine residents. She commented the city was proposing to approve a project that would put a massive apartment building next to homes and this was being done over and over. She understood the city had an election coming up in November and the residents need to decide what they want, whether this included car washes and apartment buildings, or if someone new should be considered who puts residents first.

Councilmember Robertson stated she was not going to get in the middle of this. She reported residents could look up the process and state statutes that must be followed in order for a project to be considered by the city of Blaine. She commented on how important dialogue and communication was. She explained this included both what comes out of someones mouth and how it is construed by the recipients. She understood Councilmember Saroya was passionate about this project. However, she was of the opinion all councilmembers were passionate about Blaine residents. She encouraged all councilmembers to be aware of how they were dialoguing and the tone they are using. She noted she apologized in an open meeting to Councilmember Saroya. She was of the opinion there were areas of the planning commission meeting that could have gone better. She commented on the large responsibility the council had to properly represent the residents voices. With that being said, she understood city staff did an amazing job to support the city council. She discussed how many city staff members lived in Blaine. She commented on how the world is divided and that she understood there was going to be division on items that come before the council. She stated city staff has been working diligently and tirelessly for this city. She discussed how the city attorney guides the city council through legal and statutory process requirements. She reported City Planner Sellman and Community Development Director Thorvig were absolutely stellar at their jobs. She explained the finance director and public works director were both new directors for the city of Blaine and have proven to be incredible adds to the community. She commented further on how staff works every day on behalf of the community, and not just for one agenda item at one meeting a month. She indicated she appreciated the tremendous service the community receives from the police and fire departments. She urged the council again, to be aware of how they are communicating with each other and with staff.

City Manager Wolfe explained she was in an appointed non-partisan position. She stated she was not passionate about projects but the job she does and the staff members she works with. She reported the focus of the communication that was referenced was solely and completely based on statements made about staff, which she needed to respond to in support of staff.

Mayor Sanders stated it was a violation of the code of conduct to show up to a board or commission meeting in any other capacity than an observer and that councilmembers are to notify staff prior to board or commission meetings if they were going to be an observer. He encouraged all councilmembers to follow its own policies, procedures and code of conduct going forward.

6. Open Forum

Open Forum is an opportunity for the public to present an issue or concern to City Council. There is a maximum of fifteen minutes set aside for open forum. Each presentation should be limited to no more than three minutes. If your item needs follow-up from the City, staff will arrange for that follow-up and will contact you to let you know what is being done. Thank you for coming this evening.

Mayor Sanders opened the Open Forum at 7:22PM.

There being no input, Mayor Sanders closed the Open Forum at 7:23PM.

7. Adoption of Agenda

The agenda was adopted as presented.

8. Approval of Consent Agenda:

All items listed under the "Consent Agenda" are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

Mayor Sanders requested the removal of consent agenda item 8.11.

Councilmember Newland stated he would be abstaining from voting on Item 8.1 due to a conflict of interest as he owns a business in Blaine that received payment for services from the city.

Councilmember Saroya requested the removal of consent agenda item 8.1.

Moved by Councilmember Robertson, seconded by Councilmember Newland, that the following items on the Consent Agenda be approved as amended removing Items 8.1 and 8.11.

Motion adopted unanimously.

8.1. 2024-104 Schedule of Bills Paid
Sponsors: Jason Zimmerman, Finance Director

Councilmember Saroya reported the bills to be paid were divided differently this meeting. She reported there were three local printers in Blaine and she was seeing the division of funds was not being done fairly between the three printers in the community. She feared a perception of a conflict of interest was being created.

Councilmember Fleming stated if this is about Councilmember Newland again, this matter has been addressed at the past two council meetings.

Councilmember Saroya indicated her concern was with the finances. She reported on March 22 the city paid ABC Printing $215, Allegra Printing $87 and Print Central $0. She commented on the week of March 29 there were four payments to Allegra Printing totaling $376.51 and zero to the other printers. She noted 84% of the funds spent on printing was going to Allegra Printing and she asked if there were efforts to make this distribution fair. Ms. Wolfe commented the city has spent dollars with ABC Signs for signs and sign related work. She explained per state statute and the city's purchasing policy there were various dollar limits that guides how the city approaches purchasing. She indicated for smaller print jobs, the city can use the open market and an RFP was not required. She stated often times quotes will be requested and the project will be completed by the lowest bidder. She discussed how each of the local printers specialize in specific types of projects. She noted the city's business cards were split with the police department going to one vendor and the remainder of city staff's going to another. She reported the city attempted to use all three vendors, but noted quotes sometimes dictate who receives the project.

Finance Director Zimmerman explained the layout was consistent with previous council agendas. He stated each week staff releases a list of claims and the schedule of bills paid was consistent with this list for council review.

Mayor Sanders requested the city attorney speak to the conflict of interest claim. City Attorney Loonan reported there was no potential conflict of interest in this case. He noted when bills paid to Councilmember Newland's company were being made, Councilmember Newland states for the record that he will be abstaining from voting on this item. He indicated this was the process that was outlined in statute and in city code.

Counclimember Robertson indicated this was the third or fourth time this matter has come before the city council. While she appreciated the fact the city wanted to operate through a lens of fairness, in the business world, she understood each printing vendor had their specialty or niche in the market. She indicated she did not want to stop anyone from asking questions, but she urged the council to consider how they were communicating. She feared this line of questioning, especially when repeated at three or four meetings, could be received that Counclimember Saroya had a problem with Councilmember Newland. She explained this line of questioning has been asked and answered repeatedly by staff in open meetings. She stated the repetition of the questions were feeling unfair, especially given the fact Councilmember Newland has done work with the city for the past 30 years. She reported there was not a conflict of interest that was not being addressed, as per the City Attorney's statement. She questioned why a councilmebmer would continue to address a non-issue when the councilmember was taking proper action when working with the city.

Councilmember Saroya clarified for her this was a numbers issue. She wanted to understand why 65% of the local business was going to one printing company and why was this work not being more equally distributed. She understood Councilmember Newland was following the right process. She stated her issues was not with Counclmember Newland. Rather she questioned how the city was selecting the printers for projects. She was of the opinion the city may need to revisit its purchasing policy in order to make things fair.

Ms. Wolfe reported the process was not arbitrary. She indicated the city had a purchasing policy in place and this policy was followed. She stated the percentages that were being stated were inaccurate because ABC Signs was given city business. She reiterated that if quotes were sent for a project to two, five or ten companies, the business with the lowest quote will receive the project. She reported this was the mechanism in which one business may receive more work from the city than others. She reiterated the city was following its purchasing policy with all of these transactions.
Moved by Mayor Sanders, seconded by Councilmember Robertson, to approve the Schedule of Bills Paid.

Councilmember Saroya reported ABC Printing prints business cards while also doing signs. She suggested the city move all of its business cards to ABC Printing.

Councilmember Newland clarified for the record, next week his business will have been in operation for 31 years.

Motion adopted 6-0-1 (Councilmember Newland abstained).

8.2. 2024-105 Approval of Minutes
Sponsors: Cathy Sorensen, City Clerk

8.3. 2024-106 Approve 2024-2025 Kennel Licenses
Sponsors: Cathy Sorensen, City Clerk

8.4. 2024-107 Approve 2024-2025 Vending Truck Licenses
Sponsors: Cathy Sorensen, City Clerk

8.5. 2024-108 Approve a Tobacco and Tobacco Products License for Yalla Tobacco LLC, located at 10950 Club West Parkway NE, Suite 180

Sponsors: Cathy Sorensen, City Clerk

8.6. 2024-109 Approve Carnival License for Amusement Attractions at Northtown Mall

Sponsors: Cathy Sorensen, City Clerk

8.7. 2024-115 Temporary Liquor License for Invictus Brewing Company for Use at the Adjacent EDA Owned Property

Sponsors: Cathy Sorensen, City Clerk

8.8. RES 24-75 Resolution Releasing Lots 2 and 3, Block 1, Cloverleaf Commons Second Addition from Recorded Development Agreement (Case File No. 24-0025/SLK)

Sponsors: Sheila Sellman, City Planner

8.9. 2024-110 Motion to Approve a Five-Year Agreement with Comcast Business for Internet Service

Sponsors: Jason Zimmerman, Finance Director

8.10. RES 24-76 Resolution to Approve Joint Powers Agreement No. C0010479 with Anoka County for New Signal Construction and Street Improvements at Lexington Avenue (CSAH 17) and 122nd Avenue NE

Sponsors: Daniel Schluender, Director of Engineering

8.11. 2024-111 Accept Proposal from Carr's Tree Service, Inc., for Tree Removal Services and Authorize Execution of an Agreement.

Sponsors: Nick Fleischhacker, Public Works Director

This item was removed from the agenda.

8.12. 2024-112 Motion to Approve the Agreement to Terminate Anoka County's Rights and Obligations with Respect to the Fogerty Arena.

Sponsors: Michelle Wolfe, City Manager

9. 7:00 PM - Public Hearing and Items Published for a Certain Time

9.1. RES 24-86 Resolution Approving Property Tax Abatements Related to Improvements at the National Sports Center.

Sponsors: Erik Thorvig, Community Development Director

Mr. Zimmerman provided the council with an overview on how tax abatement works. He explained tax abatement was established in 1987 as an alternate to TIF. He reported tax abatement is typically used for parks, community centers, ice arenas and sports facilities. It was noted the tax abatement process requires a public hearing by each jurisdiction and each jurisdiction must adopt a resolution with a statement of public benefit. Tax abatements are limited to 15 years and may not be granted to any property located within an active TIF District. The allowable uses for abated taxes were discussed, and it was noted in this scenario, the abated taxes would be reimbursed to the city to be used for public infrastructure costs and debt service payments. Staff reviewed the differences between TIF and tax abatement. He noted reinvestment in the city was important because it increased the city's tax base, improved appearance/ desireability, provided for property diversification, developed public infrastructure, created stability, sustainability and extends private development/improvements to other areas.

Community Development Director Thorvig commented on the 105th Avenue Redevelopment District noting in 2021 the council identified the 105th Avenue/ Radisson Road Industrial area as a priority. Based on direction from council, the city embarked on a vision/design process for this area. General discussion with the council identified this as a potential "city core" designed to be walkable with entertainment uses to take advantage of the NSC while serving as an amenity to Blaine residents and visitors. In the fall of 2021, an architect was selected through an RFP to assist in designing the vision and in the summer of 2022, the draft master plan was received which outlined potential uses including hotels, restaurants, residential and retail. In the fall of 2022, a master developer was selected for the project through an RFP process. Discussions began in APril 2023 to identify a process in which the developer could acquire rights to a portion of the Minnesota Amatuer Sports Commisson (MASC)/NSC property. Based on legislation with which the property was originally acquired, statutory language allows MASC to lease up to 16 acres of property for private development. There would be a 30 year lease, with two optional extensions of an additional 30 years each, for a total of 90 years.

Mr. Thorvig discussed the improvements proposed at the National Sports Center and stated the city has been working with the NSC to assist with funding new turf fields. He reported through negotiations, the NSC/MASC identified the need for artificial turf all-purpose fields as compensation for leasing the allowable 16 acres on the north side of 105th Avenue. In order to finance the project, an amount of $12 million was identified to complete the installation of ten lighted artificial turf all-purpose fields. Turf is proposed to be installed on fields 25-32, 55, and 56. This NSC has stated that this investment has the potential to increase their revenue by 10% to 15% while also greatly increasing their ability to compete for national tournaments. Increased utilization of the campus will also drive economic growth for the City, as visitors are likely to patronize local businesses and restaurants. In order to raise the requested funding, staff is recommending the the city issue $12 million in General Obligation Bonds, Series 2024A.

Mr. Thorvig explained from the onset, the intent has been to finance this project with new values not currently included in the city's property tax calculation. The debt would be paid for through annual tax abatement revenues generated by new development. The current debt structure, which requires approximately $125 million in value to generate sufficient annual property taxes is being considered. This accomplishes the goal set forth to underwrite the project with contributions from new property tax base. If not for the city's willingness to issue bonds, the developer would not be able to secure the ground lease of 16 acres on the MASC site, and no development, nor new tax values would be generated. Upon conclusion of the debt service in 2040, the new value will be incorporated into the city's overall tax base. While access to this property is vital to the 105th Avenue Redevelopment and serves as the first phase of the overall master plan, the commitment of tax abatement does not include or commit the City to financing any other activities related to the redevelopment area.

Mr. Thorvig reported the council is being asked to hold a public hearing, receive comments from the public, close the public hearing, discuss the requested tax abatement and take action on the proposed resolution approving the properly tax abatements.

Mayor Sanders opened the public hearing at 7:50PM.

There being no public input, Mayor Sanders closed the public hearing at 7:51PM.

Moved by Councilmember Massoglia, seconded by Councilmember Robertson, to adopt a Resolution Approving Property Tax Abatements Related to Improvements at the National Sports Center.

Councilmember Robertson stated this was a unique opportunity for Blaine to do something incredible. She appreciated how the council and staff and other partners have worked together to bring the vision for this redevelopment area to life. She discussed how the NSC, visitors and residents of Blaine would benefit from this project. She commented on how this project would bring new amenities and a great deal of economic develompent to the community.

Councilmember Newland indicated it has been a journey to get to this point and he appreciated how the team working on this project has brought the vision to fruition. He stated this would be the biggest redevelopment project ever to be completed in Blaine . He commented on how this project would be a destination for visitors as well as Blaine residents. He stated he only learned about tax abatement last year and he appreciated how the team had brought this option forward for the council. He thanked staff and the development team for all of their efforts and explained he supported this project moved forward.

Councilmember Saroya stated she believed this was a great project and she supported a sports entertainment district. However, she believed it should be done right. She asked if the visioning and strategic planning that was done in Maple Grove has been done in Blaine. She was surprised the city of Blaine had not engaged the community. She indicated this was not an attack on Community Development Director Thorvig, but she wanted to do her due diligence. She explained this was the saddest public hearing ever held by the council and asked what kind of process was followed. Mr. Thorvig reported all statutory requirements were followed by the city which was to publish the public hearing notice in the newspaper, which was the same process that was followed by Anoka County and the school district.

Councilmember Saroya questioned what paper the public hearing notice was printed in. Mr. Thorvig explained the notice was printed in the *Spring Lake Park Life*, which was the city's newspaper of record.

Councilmember Saroya inquired what the readership was for this paper. Mr. Thorvig stated he was uncertain what the readship was for the *Spring Lake Park Life*.

Councilmember Saroya expressed concern with the fact the public did not know about public hearing and that was why no one came forward to speak, whether positive or negative. She asked if the residents of Blaine wanted the NSC to have turf fields. She commented on how turf fields only lasted seven to ten years and she questioned if Blaine residents would be required to replace these fields every seven to ten years. Mr. Thorvig indicated MASC would be responsible for the maintenance and operations of the fields. He reported the developer would be paying $300,000 annually to the EDA and 16 years after the bond was retired, $200,000 will go to the NSC for use. These funds could be used for the replacement or repair of the fields.

Councilmember Saroya inquired if taxpayer funds would be used for repair or replacement of the turf fields. Mr. Thorvig stated the fields would be the responsibility of the NSC or MASC. He indicated a request could be made to the city in the future and a future council could choose to do this, but this was not being discussed at this time.

Councilmember Saroya stated $12 million was a lot of money and questioned how this money could be used if not used on this project.

Mayor Sanders reported the fields were in motion because the NSC requested turf as a part of the land lease deal. He indicated the council took action as a council to begin this work. He stated this funding would be going to turf fields at the NSC.

Councilmember Saroya reiterated that $12 million was a lot of money and she was concerned with the fact the city was spending this much in taxpayer dollars without going to the residents. She asked if this funding could be used to improve parks, purchase the 99th Avenue apartment property for a veterans memorial, or provide more funding to the police department to increase salaries, address youth suicide prevention, or address the homelessness concerns in the community or stop assessing residents for streets.

Councilmember Massoglia called for a point of order.

Councilmember Massoglia requested Councilmember Saroya keep her comments focused on the tax abatement matter.

Councilmember Saroya stated her point was, was there other uses for this funding.

Mr. Thorvig explained the matter before the council was to authorize tax abatement to pay debt service on a $12 million bond for the NSC. He reported there are many other things separate from this, but that was the request before the council at this time.

Councilmember Saroya inquired if there were other ways to fund this project. She commented on how the mall owner was investing $30 million in the redevelopment of the Northtown Mall.

Councilmember Massoglia called for a point of order.

Mayor Sanders encouraged Councilmember Saroya to focus her statements and questions on the tax abatement request.

Councilmember Saroya questioned why the city was using tax abatement for this project but not for the Northtown Mall area. Mr. Thorvig explained nothing would prevent the developer from asking for TIF or tax abatement financing. He reported tax abatement is a tool that can be used for public facilities. He indicated TIF could not be used for the turf fields, but tax abatement could be used. He stated it would be difficult for the developer to privately finance this project because there is no collateral to the bank because the land was owned by MASC/NSC. He explained the developer would be paying the city $9 million over the 30 year term and the developer could have entered into this deal with the NSC.

Councilmember Saroya indicated she received an email from a resident asking about the $12 million the city was giving the NSC for artificial turf. This resident questioned if an environmental impact study had been completed, noting articifical turf was the number one cause for water pollution and the west coast was abandoning any future installations. She was having a hard time understanding why the city was proposing to spend $12 million on PFAS when it could be spent elsewhere. She reported the PFAS law in Minnesota was going into effect in 2025. She inquired if the city was setting itself up for failure and would the city's water supply be harmed. Mr. Thorvig commented a response was provided to Councilmember Saroya based on this email that looked at both the groundwater challenges and the laws that exist. He reported a response was received from the installer as well regarding PFAS concerns. Director of Engineering Schluender stated this project has been reviewed and approved by the watershed district. He explained each of the fields has and underdrain system that goes to a temporary pond before being discharged into County Ditch 41. He commented further on the information provided by the NSC noting the turf fields would have negligible PFAS residual in their system.

Councilmember Massoglia called for a point of order given the fact Councilmember Saroya has had the floor for over the past eight minutes.

Councilmember Larson stated a mom of kids who play soccer she visits the NSC frequently. She indicated she also travels a lot for soccer in order to find turf fields. She commented on the amount of money she spends when she has to travel with her family and she looked forward to the economic development that would be brought to Blaine when these turf fields were completed. In addition, she appreciated how the turf fields would extend the soccer playing season.

Councilmember Fleming explained two years ago she campaigned to create a downtown area for Blaine. She reported she knocked on over 6,000 doors and spoke with thousands of residents who were excited about having a downtown in Blaine. She commented she could not speak for Wards 1 and 2, but she understood residents in Ward 3 were looking forward to having a downtown in Blaine.

Councilmember Saroya indicated she likes this project and she supported the city having a downtown. However, she wanted to ensure this project was done right. She did not want profits to come before residents and water safety. She commented on the PFAS prohibitation that would occur in 2025, which included synthetic turf as a specific category. She noted there has been several studies that have found artificial turf is made with dangerous levels of forever chemicals and athletes have higher levels of PFAS after playing on turf, and these are children. She did not like the idea of exposing children to PFAS and forever chemicals. She requested the city do its due diligence when it comes to the turf fields that could be poisoning children long term. She commented on the conflict of interest on how the developer was selected. She referred to a campaign donation from Corey Burstead, the developer on this project. Also, she questioned if the developer was paying fair wages and did they support unions.

Mayor Sanders requested staff speak to how the city selected the master developer. Mr. Thorvig stated in November of 2022 the city interviewed four firms that responded to an RFP. Councilmember Robertson, Councilmember Massoglia, Councilmember Newland and Mayor Sanders were a part of this process. He indicated there were no absentions. Mr. Loonan addressed the conflict of interest concern raised by Councilmember Saroya regarding a campaign donation. He advised campaign donations to local candidates were exempt from establishing a conflict of interest. He stated there was no legal conflict of interest as a result of any individual providing a campaign donation to an elected official that would require that elected official to be recused from a future discussion.

Councilmember Larson stated she really cared about chemicals and assumed that grass fields were treated with chemicals or fertilizers to keep them free of dandelions and other weeds.

Mayor Sanders indicated the grass soccer fields were maintained by the NSC and not the city of Blaine.

Councilmember Robertson believed this matter has been dialogued at length and asked that the Mayor call the question.

Motion adopted 6-1 (Councilmember Saroya opposed).

10. Development Business

10.1. ORD 24-2547 Second Reading

Ordinance Granting an Amendment to the Blaine Zoning Code Highway 65 Overlay District (HOD), Adding Conditional Uses, Prohibited Uses and Modifying Performance Standards. City of Blaine (Case File No. 24-0013/SAS)

Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated the proposed ordinance amendment adds prohibits uses, conditional uses and modifies performance standards within the Highway 65 Overlay District (HOD). Staff reviewed the proposed amendments in further detail with the council and reported the planning commission recommends approval with removal of self-storage under conditional uses.

Moved by Councilmember Larson, seconded by Councilmember Massoglia, to approve second reading of ordinance Granting an Amendment to the Blaine Zoning Code Highway 65 Overlay District (HOD), Adding Conditional Uses, Prohibited Uses and Modifying Performance Standards.

Councilmember Newland explained he has a business located along Highway 65 and noted he spoke with the city attorney to see if there was a conflict of interest. He reported City Attorney Loonan clarified there was no direct conflict of interest given the size of the overlay district. Mr. Loonan stated he consulted state law and guidance from the League of Minnesota Cities and noted the size of this district was broad enough that it impacts a significant amount of properties within the city and was not specific to Councilmember Newland's property. He reported this matter did not arise to a conflict of interest under the law.

Councilmember Newland suggested some possible amendments to the ordinance that would expand prohibited uses to include tobacco/vape shops, tattoo parlors, and money exchange businesses. He noted an email was sent to the council describing this request.

Amended motion by Councilmember Newland, seconded by Councilmember Robertson, to amend Section 35.53 to include the following prohibited uses: tobacco/vape shops, tattoo parlors, and check cashing/money exchange.

Councilmember Robertson stated she appreciated the proposed amendment noting the city already had 57 tobacco license holders in Blaine. She indicated she was concerned with the fact this amendment would have the local government picking winners and losers along this corridor.

Councilmember Massoglia asked if the prohibition of the money exchange establishments would prohibit a rare coin shop. Ms. Sellman stated typically check cashing was separate than gold/silver and rare coin shops.

Councilmember Massoglia questioned if marijuana dispensaries would fit in the tobacco/vape shop category. Ms. Sellman indicated this would be a separate or different use.

Councilmember Newland commented in response to picking who goes where, the city council has been doing this when it comes to the types of businesses the city wants in the 105th and Northtown Mall redevelopment areas. He reported his suggestion was being made in light of the image the city was trying to create along the TH65 overlay district.

Councilmember Saroya asked if there would be a negative financial impact to nearby businesses if these prohibited uses were allowed.

Councilmember Newland stated his intent was not to have any businesses move or go out of business, but rather pausing the addition of these types of businesses.

Amendment adopted unanimously.

Councilmember Newland reported over time the council has had the ability to do its homework in order to make the best decisions possible. He commented on the history of self-storage facilities along TH65. He stated it was a good decision to keep new mini-storage buildings in the I-2A industrial parks. He did not support changing city code to allow mini-storage for one parcel in Blaine. He recommended a door not be opened to allow mini-storage along the corridor. He commented on how property may redevelop south of Highway 10 over time and noted existing properties could be turned into mini-storage if this ordinance were approved as previously considered. However, he supported self-storage not being allowed along TH65 north or south of Highway 10. He recommended the entire corridor of TH65 be treated equally.

Amended motion by Councilmember Newland, seconded by Councilmember Robertson, to amend Section 25.53 prohibited uses: remove self-storage facilities north of Highway 10 (which would eliminate the use south of Highway 10) and amend Section 32.55, removing self-storage as a conditional use and the standards.

Councilmember Massoglia agreed the properties along TH65 were prime real estate in the city of Blaine. However, he did not believe it was bad to help a uniquely shaped parcel. He indicated this parcel was next to Caliber Collision, which was a light industrial use. He stated this was a very unique amendment that would only apply to the properties south of Highway 10. He explained no other mini-storage facilities could go in within 1500 feet of another mini-storage facility. He was of the opinion the proposed ordinance would provide a solution for one uniquely shaped parcel. He thanked staff for meeting with the mayor and himself in order to find a solution for this parcel. He encouraged the council offer a no vote on this amendment.

Councilmember Larson commented on how the council does make exceptions at time. She discussed how this exception pertained to one property. She indicated this parcel was adjacent to a collision center which was not ideal. She believed the proposed use would fit this unique parcel well. She reviewed the limitations that would be put in place to ensure additional mini-storage facilities would be allowed along the TH65 corridor.

Councilmember Robertson explained she was not in favor of this item when it came before the council at a workshop meeting. She indicated she was on the council when mini-storage became a prohibited use along the TH65 corridor. She stated this was a long and arduous process that was followed based on resident feedback. She reported she was averse to modifying the ordinance because the council invested a great deal of time to find the best path forward for the TH65 corridor. She also did not want one set of rules in place for the north side of TH65 and then another set of rules for the south side of TH65. She stated she was not against the developer but she did not support another storage facility along the TH65 corridor because she believed the city could do better. She encouraged the council to support Councilmember Newland's amendment. She indicated she took issue to councilmembers that had a strong stance on resident issues that they don't represent.

While she understood councilmembers made decisions for the entire city, she encouraged councilmembers to hear the feedback of the people that represent the area.

Councilmember Saroya indicated she door knocked this area and spoke with the residents to gain their feedback. She reported this area was already struggling. She commented on the bright red car wash that was approved by this council and expressed concern with the massive apartment buildings that were being proposed.

Mayor Sanders asked what properties Councilmember Saroya was speaking about.

Councilmember Saroya stated she was speaking about the 99th Avenue apartments.

Mayor Sanders requested Councilmember Saroya keep her comments to the topic at hand.

Councilmember Saroya indicated residents do not want an apartment building or outdoor storage on this property. She explained the residents were concerned about their safety and security. She stated there was already an office building on this property. She reported the neighbors supported an office building on this parcel. She was of the opinion the proposed building was an expansion of an office building and that it was a mischaracterization to call this a mini-storage project. Rather, the property owner was seeking to expand the existing office building. She stated because the existing buffer would be removed, she would not be able to support this request.

Josh McKinny, Measure Group, stated the request before the council was to amend the overlay district that would facilitate the storage use. He indicated a significant amount of work would have to be done to determine the site plan work and what buffering looks like for this property if mini-storage were allowed. He reported he was willing to listen to how to mitigate as much impact to the neighbors as possible. He stated he wanted this too. He explained he did not have a plan in front of the council for their review, but rather had a conceptual use for climate controlled storage for the council to consider on a parcel.

Scott Uram, property owner, shared he grew up in Blaine then opened an insurance business here. He discussed how his heart was in Blaine even after he moved to Ham Lake. He commented on the conversations he had with the neighbors stating he wanted to bring climate controlled storage to this property. He explained his property was a forgotten area in Blaine. He estimated the facility he was proposing to construct would bring $8 to $12 million in tax value to the community.

Ms. Sellman indicated at the neighborhood meeting Mr. Uram shared a concept plan but this development had not come before the city council for formal action. She reported the matter before the council this evening was a council-initiated amendment to the HOD district that would allow self-storage south of Highway 10.

Councilmember Larson explained she did not agree with letting the Ward 1 councilmembers take the lead with respect to this item. She reported TH65 was the entrance to Blaine which meant this corridor involved the entire council.

Councilmember Newland stated if this item moved forward and self-storage was an allowed use, he questioned how the council would respond if residents stated they did not want mini-storage. He reported if mini-storage were made an allowed use, there would be nothing the council could do. He indicated the decision for the use on this property was being made at this time. He was of the opinion mini-storage was not the right fit for this property.

Councilmember Larson commented it would be an anomaly that additional mini-storage requests would come up in the future given the parameters that would be put in place.

Councilmember Newland stated the parameters would open the door for a self-storage site south of Highway 10 and this matter would be coming forward for council consideration.

Amendment failed 3-4 (Councilmembers Fleming, Larson, Massoglia and Mayor Sanders opposed).

Amended motion adopted 4-3 (Councilmembers Newland, Robertson and Saroya opposed).

10.2. RES 24-77 Resolution Authorizing Distribution of the Alternative Urban Areawide Review for the 105th Redevelopment District.
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the Alternative Urban Areawide Review (AUAR) process is a hybrid of the Environmental Assessment Worksheet (EAW) and Environmental Impact Statement (EIS) review processes. Responsible Governmental Units (RGU) can use an AUAR as a planning tool to understand how different development scenarios will affect the environment of their community before the development occurs. The process is designed to look at the cumulative impact of anticipated development scenarios within a given geographic area and a mitigation plan. The AUAR document uses a list of questions adapted from the EAW form, but provides a level of analysis of typical urban area impacts comparable to an EIS. Environmental analysis information from an AUAR can be used to inform local planning and zoning decisions. Given the scope of the project, an AUAR process is recommended.

Ms. Sellman explained formal environmental reviews are governed by Minnesota Rules 4410 and the Environmental Quality Board (EQB). Prior to adoption by an RGU of an AUAR, a public process must be completed. Tonight's action is to authorize distribution of the AUAR for public comment. Upon acceptance of the AUAR by the EQB, a 30-day comment period begins. The draft AUAR is provided to 16 regional, state and federal agencies. The draft AUAR is also made available on the City's webpage. A press release is also required in a local newspaper. Notice is also published in the EQB Monitor.

Ms. Sellman reported after the 30-day comment period is complete, the RGU has 15 days to consider the comments and may revise the plan based on those comments. Revised plans are distributed to state agencies and the Metropolitan Council. Those agencies have 10 days to file an objection. If no objections are received, the RGU adopts the final AUAR and mitigation plan. Based on the current schedule, this is anticipated sometime in June or July. If objections are received, negotiations would occur between the RGU and the objecting agency. If objections are resolved, the AUAR is adopted by the RGU. If not, the EQB determines the adequacy of the AUAR and either forwards it to the RGU for adoption or directs the RGU to revise the plan.

Moved by Councilmember Robertson, seconded by Councilmember Massoglia, to adopt a Resolution Authorizing Distribution of the Alternative Urban Areawide Review for the 105th Redevelopment District.

Motion adopted unanimously.

10.3. RES 24-78 Resolution Granting a Six-Month Extension for Recording the Final Plat of Meadowland Estates West Creating Two Single Family Lots, 28 Townhome Lots, Common Space and One Outlot at 2741 and 2775 125th Avenue NE. Herbst Raich Investments, LLC (Case File No. 23-0048/SAS)

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting a six-month extension to the final plat to develop the site into 28 townhome lots, common space and retain the existing two single family homes. The applicant is working with the DNR concerning the presence of rare species of plants within the proposed development.

Moved by Councilmember Robertson, seconded by Councilmember Fleming, to adopt a Resolution Granting a Six-Month Extension for Recording the Final Plat of Meadowland Estates West Creating Two Single Family Lots, 28 Townhome Lots, Common Space and One Outlot at 2741 and 2775 125th Avenue NE.

Councilmember Saroya questioned what rare plant species was on this site. Mr. Schluender explained generally the plant species found in most developments in the Anoka Sand Plain in Blaine and reported the DNR allows a takings permit or an avoidance plan to be put in place.

Councilmember Saroya inquired if the watershed district was aware of this. Mr. Schluender stated through the watershed process with permitting the DNR flagged this area as containing species and the developer would have had to complete a walk of the site. He noted biologists would have had to identify species on the site.

Councilmember Saroya asked if the city was under any legal obligation to approve the extension. Mr. Loonan indicated there was not a legal obligation, rather the applicant has asked for an extension and this could be approved at the discretion of the council.

Councilmember Saroya questioned if construction did not commence within one year of the CUP approval, then the CUP will automatically expire. Mr. Loonan reported this was in conformity with city ordinance.

Councilmember Saroya inquired if the comment received from a resident this morning was included in the packet. Ms. Sellman stated the council received comment, but this did not come to her directly and therefore it was not included.

Councilmember Saroya clarified the comment was sent to the public comment email address. Mr. Thorvig explained when public hearing notices are sent, there was an opportunity for residents to send emails to planning@blaine.mn.gov and those emails are provided to planning administrative staff. He reported public comments are not always sent to this email address.

Councilmember Robertson indicated this was an extension on a CUP that has already been granted. She reported the land use and zoning for this property was already changed. Ms. Sellman commented this was correct, noting the zoning on this property would remain Development Flex and the land use would be LDR/MDR.

Councilmember Robertson commented she could support this extension because this was not a financial based ask. Rather, the developer had some extenuating circumstances in place due to the rare plants found on the property. While she understood change was hard, she would be supporting the requested extension.

Councilmember Larson indicated she could support this extension because the request was not being made for financial reasons.

Councilmember Saroya stated if the extension were not approved, would the applicant have to reapply for a CUP. She did not believe this project was fair for the surrounding residents because the property was supposed to have single family homes and not townhomes. She commented on how a resident had lost faith the council was able to produce a fair and unbiased vote on this topic or any other. She said this resident had commended her for acting on behalf of her ward and he hoped the upcoming election would bring about change.

Mayor Sanders requested staff speak to the process this item went through. Ms. Sellman indicated if the extension were not approved, a new conditional use permit would have to be requested. She reported regardless of this action the preliminary plat for this parcel was still in place and if recorded by June, the property would have 28 townhomes and two single family homes.

Councilmember Newland indicated this was a very routine process for the council to consider. He requested the mayor call the question.

Motion by Councilmember Newland, seconded by Councilmember Fleming, to call the question.

Motion adopted unanimously.

Motion adopted 6-1 (Councilmember Saroya).

10.4. RES 24-79 Resolution Granting a Six-Month Extension to a Conditional Use Permit Amendment to Allow Two Single Family Lots and 28 Townhomes in a DF (Development Flex) Zoning District at 2741 and 2775 125th Avenue NE. Meadowland Estates West (Herbst Raich Investments, LLC) (Case File No. 23-0007/SAS)

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting a six-month extension to a Conditional Use Permit (CUP) Amendment for development of 28 townhome units and retention of two single family homes. The applicant has been working with the DNR concerning the presence of rare species of plants within the proposed development.

Moved by Councilmember Robertson, seconded by Councilmember Fleming, to adopt a Resolution Granting a Six-Month Extension to a Conditional Use Permit Amendment to Allow Two Single Family Lots and 28 Townhomes in a DF (Development Flex) Zoning District at 2741 and 2775 125th Avenue NE.

Motion adopted 6-1 (Councilmember Saroya opposed).

11. Administration

11.1. 2024-113 Motion to approve a Contract with Beacon Athletics for the Blaine Baseball Complex Field #1 Backstop Replacement project for $78,012.
Sponsors: Jerome Krieger, Sr. Recreation Manager

Senior Parks and Recreation Manager Krieger stated the City Council discussed the Blaine Baseball Complex Field #1 backstop project on September 25, 2023, and council consensus was to move forward with the project. The Blaine Baseball Complex was established in 1984. Field #1 and the two little league fields were built during that year. In its 40-year existence, this premier field has been the home to many baseball teams. Organizations include Blaine High School Baseball, Blaine Traveling Baseball, Blaine Legion, Blaine VFW, Blaine Fusion (Town Ball team), Minnesota Iceman, Blaine Area Little League, Spring Lake Park Traveling and other adult men's teams.

Mr. Krieger reported staff has noticed in the last year or two that the backstop poles are starting to lean, especially down the first baseline. The current backstop is 20' high and national safety standards for a full - size field are now 30' in height. City staff and the Blaine High School baseball staff have toured and researched other city baseball complexes to see what other fields have to offer. This current design satisfies the need and fits within our project budget. Staff met onsite with a Beacon representative to go through the specifics and details of the backstop replacement. Beacon Athletics is located in Wisconsin and serves the United States with their products. City staff have purchased their field products for over 15 years and have been very pleased with their quality.

Mr. Krieger reported utilizing cooperative purchasing contracts, Parks and Recreation staff requested a quote for the Blaine Baseball Complex backstop replacement from Beacon Athletic. As part of the $150,000 budget, there is also some additional fencing and concrete work that will be completed. Midwest Fence will complete the tear down of the old backstop as well as install 2.5' of fencing in front of the new backstop, to secure the safety padding. The quote from Midwest Fence is $7,500. Concrete will be poured along the back side of the backstop to replace the deteriorating asphalt surface. Contracts for this additional work will be signed by the city manager. Staff recommends that the Beacon Athletic quote of $78,012 be accepted. Staff is also requesting a 10% contingency on the Beacon Athletic quote of $78,012, bringing the reconstruction of the Blaine Baseball Complex Backstop project budget to $85,813.

Moved by Councilmember Newland, seconded by Councilmember Robertson, to approve a Contract with Beacon Athletics for the Blaine Baseball Complex Field #1 Backstop Replacement project for $78,012.

Councilmember Newland questioned when construction on this project would begin. Mr. Krieger stated construction would begin this fall after the summer baseball season.

Councilmember Massoglia indicated this was a significant expense. He asked if there were any other significant improvements that were necessary at the Blaine Baseball Complex. Mr. Krieger commented the only expense left for this field would be to improve the stands. He reported this was not an expense that would be pursued in 2024.

Councilmember Saroya inquired if the cost for the project was $78,000 or $85,000. Mr. Krieger reported the cost for the project was $78,012 and staff was requesting the council approve a 10% contingency which would bring the total project cost up to $85,813.

Councilmember Saroya questioned if the proposed contingency was enough. Mr. Krieger believed the 10% contingency should be adequate.

Motion adopted unanimously.

11.2. 2024-114 Authorize the Mayor and City Manager to Enter Into a Contract With OpenGov for Asset Management Services.
Sponsors: Nick Fleischhacker, Public Works Director

Public Works Director Fleischhacker stated the city of Blaine's primary asset management system (PubWorks) has been in use by public works for over 6 years and no longer supports the business needs of the city. Weaknesses and limitations have been identified that do not align with current needs and future goals for enterprise asset management. Staff, working with an outside consultant, went through an extensive process to identify specific requirements through a needs assessment to select a more capable system that can be used citywide to replace the existing one. After completing this year-long process, a Request for Proposals (RFP) was created and published to find a suitable Enterprise Asset Management System (EAMS). City staff formed an evaluation committee to review the most qualified EAMS vendors. As the offerings from each vendor were reviewed, three vendors were chosen that fit the city's requirements; Cartegraph, Cityworks and Elements XS. All vendors gave thorough demonstrations to a large group of staff. At the completion of all three demonstrations, it was a unanimous decision to move forward with Cartegraph as the preferred vendor. At this time, council is being asked to approve the purchase of the Cartegraph Enterprise Asset Management System software for $228,450, not to exceed the remaining budget of $233,286.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to Authorize the Mayor and City Manager to Enter Into a Contract With OpenGov for Asset Management Services.

Motion adopted 6-0-1 (Mayor Sanders was absent for the vote).

11.3. RES 24-80 Resolution Approving Tax Abatement Pledge Agreements with Spring Lake Park Schools and Anoka County

Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated as part of the tax abatement action related to the funding for improvements at the National Sports Center, agreements are necessary with the Spring Lake Park School District and Anoka County memorializing the terms of the tax abatement structure. The agreements generally outline the following:

1. Total pledge of tax abatement by each entity. Anoka County will be pledging $5.3 million and SLP Schools will be pledging $6 million. Payments will be made starting in 2025, continuing until 2040.
2. Properties to be included in the tax abatement area: The properties to be included are parcels owned by the Minnesota Amateur Sports Commission (MASC) where private development will occur, Arris and Glenfield apartment properties and the National Sports Village being constructed at the southwest corner of 105th and Radisson Road. The agreement notes that none of these properties can be included in a TIF district.
3. The assistance to be provided does not constitute a business subsidy as identified in Minnesota Statutes, Section 116J.993 through 116J.995.

Mr. Thorvig reported the Spring Lake Park School board will consider this agreement at their meeting on April 25, 2024. Anoka County approved a term sheet related to the agreement at their April 9, 2024, board meeting and will be considering the agreement at their April 23, 2024, board meeting.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Approving Tax Abatement Pledge Agreements with Spring Lake Park Schools and Anoka County.

Councilmember Massoglia thanked staff for all of their efforts on this item. He discussed how this project would assist in unlocking an economic hub for the city of Blaine. He stated he has heard nothing but positive comments from the public regarding the 105th Area Redevelopment project.

Councilmember Saroya questioned what properties would be subject to the tax abatement. Mr. Thorvig reviewed the redevelopment, Arris and Glenfield properties that would be included in the tax abatement.

Councilmember Saroya indicated she would be voting against this item, stating while she fully supported the city having a downtown district she did not support the taxpayer portion of this. She understood people supported this project, but she questioend if taxpayers wanted their dollars used in this manner. She stated this question has not been asked.

Councilmember Massoglia indicated this statement was not true. He explained the city would not be getting any tax value from this land if the NSC did not lease it to the city to build on it. He reported no taxpayer dollars were being used for this project and expressed frustration over Councilmember Saroya continuing to state that taxpayer dollars will be going toward this.

Councilmember Robertson stated she appreciated the creative minds that came together to find a financial solution for this project without having to bring a taxpayer sponsored referendum or other burden on residents. She explained this property was worth zero dollars at this time because it belonged to the state and could not be assessed. She indicated the abatement process would allow the city to unlock the unlimited development potential for this property. She thanked the staff and the financial team for their efforts. She commented the only other option that was available for the council was to join the County's HRA, but this would have shown up as a line item on taxpayers statements.

Councilmember Saroya indicated there was taxpayer money going towards this project. She expressed concern with the public versus private ownership within this development. She indicated she was also concerned with the fact residents were not asked about this project.

Councilmember Robertson stated everything that goes on at the city, county or state level was done through taxpayer money. She reported she did not ask 70,000 people for permission to build TH65 but the council went out and pursued state and federal dollars to fix this roadway. She understood what Councilmember Saroya was saying was correct but noted every single item the council approves and all the actions required to keep the city operational requires taxpayer dollars. However, she reported this was not applicable when it comes to the tax abatement request.

Councilmember Saroya indicated it was clear she was the only no vote. She wished the city would have asked residents if they wanted a baseball stadium and a sports entertainment district that looks like this.

Councilmember Massoglia commented he did not believe taxpayer dollars were being used on this project. He referred to empty land next to Invictus that could not be developed unless the city approved this project then stated the revenues from this land would be used to pay for the turf fields and not taxpayer dollars.

Councilmember Saroya questioned what empty land was being referred to. She stated it was her understanding this land was owned by property owners and the city was threatening eminent domain.

Mayor Sanders reported the land being referred to was the 20 acres owned by MASC with the sand dunes.

Councilmember Saroya stated she was talking about the overall project.

Mayor Sanders indicated that was not the matter before the council at this time.

Motion adopted 6-1 (Councilmember Saroya opposed).

11.4. RES 24-87 Resolution Providing for the Competitive Negotiated Sale of $12,550,000 General Obligation Tax Abatement Bonds, Series 2024A
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated council is requested to authorize the competitive negotiated sale of General Obligation Tax Abatement Bonds in order to finance the construction of ten lighted artificial turf all-purpose fields on the existing National Sports Center campus, consistent with the Funding Agreement and other project related agreements associated with the 105th Avenue Redevelopment Area.

Mr. Zimmerman explained under the property tax abatement authority, the amount of property taxes abated annually for the bonds, together with any outstanding annual abatements, may not exceed 10% of the City's net tax capacity ("NTC") or $200,000, whichever is greater. For property taxes payable in 2024, the City's NTC is approximately $114,685,940, which provides property tax abatement authority of approximately $11,468,594. The maximum annual debt service on the principal amount of the bonds is anticipated to be approximately $1,300,000 by 2031, remaining at that level until the conclusion of the debt schedule. Since the City does not have any outstanding abatements, this amount is well below the statutory limit.

Mr. Zimmerman reported as part of the overall financing package, the Spring Lake Park School District and Anoka County have indicated a willingness to take part in the tax abatement. Participation from all three taxing authorities has been important and is included in the structure of the pre-sale summary. On April 9, the County and School District held public hearings related to the tax abatement resolutions. No one appeared at either board to speak. The school board will be acting on the tax abatement resolution and agreement on April 25. The County is scheduled to consider the tax abatement resolution and agreement on April 23. The City Council is also requested to formally approve the tax abatement agreements with the County and School District in a separate action this evening. The terms of the agreement include:

- Maximum County contribution of $5.3 million
- Maximum School District contribution of $6.0 million
- Distribution of collected taxes by the County and School District to be sent to Blaine by July 15 and January 15 of each year
- The bonds are to be general obligations of the City for which its full faith, credit and taxing powers are pledged

Mr. Zimmerman indicated the bonds are being issued for a term of 16 years. Principal on the bonds will be due on February 1 in the years 2027 through 2040. Interest is payable every six months beginning February 1, 2025. Under state statute, an abatement can last no more than 15 years when more than one political subdivision participates. In consideration of the anticipated development timeline and delay in Minnesota's property tax collection process, the bonds are designed to be interest only in the first year and paid for using capitalized interest. This capitalized interest increases the size of the bond and is added to the principal amount of the debt. The anticipated debt structure will effectively allow all taxing authorities to delay the start of the 15-year abatement window, while ensuring the capitalized interest can also be repaid within the authorized collection period. Annual principal payments are intended to increase annually until 2031, to match the developers' timeline for construction and property tax valuation.

Mr. Zimmerman reported the city has retained Baker Tilly as its independent municipal advisor for the sale of the bonds and is requesting authorization for them to solicit proposals in accordance with Minnesota Statutes. In conjunction with the sale, Baker Tilly is to prepare the Official Statement for the Bonds, with the cooperation of city staff, and to execute and deliver it on behalf of the city upon its completion. Baker Tilly has also provided a Pre-Sale Summary outlining the sale date, amount, and structure of the proposed bond. Staff commented further on the proposed debt structure and recommended approval of the bond sale on May 6.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution Providing for the Competitive Negotiated Sale of $12,550,000 General Obligation Tax Abatement Bonds, Series 2024A.

Councilmember Newland asked how interest rates would impact the payback rates and how were interest rates proposed to change in the coming years. Mikaela Huot, Baker Tilly, reported the structure presented to the council was based on current estimates which had interest rates at 3.56%. However, interest rates were slowly increasing. She explained she would continue to monitor interest rates between now and May 6.

Motion adopted 6-1 (Councilmember Saroya opposed).

11.5. RES 24-81 Resolution Authorizing an Amendment to the Funding Agreement with the National Sports Center For Artificial Turf Field Improvements
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated on November 6, 2023, the City Council approved a funding agreement with the National Sports Center related to artificial turf field improvements at the NSC. The funding agreement is based on the anticipated issuance of a $12,000,000 bond to fund the installation of ten, lit, artificial turf fields at the NSC campus which is part of the 105th Redevelopment Project. Debt service for the bond will be paid through tax abatement. The original agreement anticipated authorization of tax abatement by all entities (Spring Lake Park Schools, Anoka County, City of Blaine) by March 31, 2024, with the first disbursement of funds occurring on April 1, 2024.

Mr. Thorvig reported due to scheduling delays, the tax abatement authorization will not be approved by the three entities until various meetings in April. The City Council will be acting on the tax abatement authorization on April 15, 2024. Based on the change in schedule, the first disbursement is now scheduled for April 16, 2024, after City Council action on the tax abatement. The remaining disbursement schedule is generally consistent with the previous agreement. Disbursement is contingent upon authorization of tax abatement by the City

Council. The tax abatement action will occur prior to this item on the agenda.

Mr. Thorvig explained in order to stay on schedule with the installation of two of the fields this spring, the NSC had to front costs associated with procurement of the artificial turf. The first disbursement of $1,000,000 is intended to pay for those costs and will occur prior to the City receiving the bond proceeds. As such, the City will need to utilize city dollars for the first disbursement, and will be reimbursed when the bond proceeds are received in May. The second disbursement on May 31, 2024, will be made with bond proceeds. Staff commented further on the proposed draws and recommended approval.

Moved by Councilmember Robertson, seconded by Councilmember Massoglia, to adopt a Resolution Authorizing an Amendment to the Funding Agreement with the National Sports Center For Artificial Turf Field Improvements.

Motion adopted 6-1 (Councilmember Saroya opposed).

11.6. ORD 24-2549 First Reading
Amend Chapter 90 - Vegetation, Article II. Weeds and Tall Grass
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated Minnesota Statute 412.925 was signed into law last year and requires that municipalities allow property owners and occupants to install and maintain managed natural landscapes that may exceed eight inches in height and be allowed to go to seed. The landscapes must be maintained and cannot include noxious weeds. Additionally, weeds and grasses not part of a managed natural landscape cannot exceed eight inches in height or be allowed to go to seed. The law went into effect July 1, 2023, and supersedes any local regulations requiring residents to maintain a managed turf-grass lawn. Managed natural landscape properties will be recorded and tracked through iMS (city code enforcement and permitting software) for documentation and will not include any official permitting or review unless a complaint is received.

Declared by Mayor Sanders that Ordinance No. 24-2549, “Amend Chapter 90 - Vegetation, Article II. Weeds and Tall Grass,” be introduced and placed on file for second reading at the May 6, 2024 Council meeting.

11.7. ORD 24-2548 Second Reading
Amend Sec. 86-7. Lawn Sprinkler Restrictions
Sponsors: Nick Fleischhacker, Public Works Director

Mr. Fleishhacker stated based on last year's lawn sprinkling violations, staff determined that a more effective mechanism is required in order to gain compliance with watering restrictions. The proposed change will also help recover the costs of having our staff performing early morning inspections and numerous followup visits to gain compliance. This updated language will require late payment fees as well as the ability to have late payments certified onto property taxes.

Mr. Fleischhacker reported in 2023, staff cited nearly 850 violations with 68 repeat violations. Of the repeat violations, 49 were paid. This new ordinance language will increase fines when repeated violations are cited. The first offense is $25, subsequent offenses increase in $25 dollar increments with a maximum of $100 for the 4th offense. First reading was held on April 1 and no comments were received. The City of Blaine has a high quality groundwater resource. Irrigation enforcement ensures a balanced utilization of our underground resources. Sprinkling restrictions, prevalent in most communities in Minnesota, ensure we balance supply vs demand.

Moved by Councilmember Robertson, seconded by Councilmember Massoglia, to approve the Second Reading Ordinance 24-2548, Amending Section 86-7. Lawn Sprinkler Restrictions.

Motion adopted 6-0-1 (Councilmember Newland absent for the vote).

12. Other Business

Councilmember Massoglia stated in light of his comments at the beginning of the meeting he would like to call for a first warning of censure for Councilmember Saroya and formally call on her to issue an apology to city staff and the planning commission.

Motion by Councilmember Massoglia, seconded by Councilmember Fleming, to temporarily suspend the rules in order to allow for a motion to be brought forward.

Councilmember Saroya indicated she did apologize to Mr. Thorvig.

Councilmember Massoglia stated while this may have occurred, Councilmember Saroya did not apologize for the comments she made at the April 9 planning commission meeting.

Councilmember Saroya explained she apologized to Director Thorvig stating it was not his fault this process does not help residents. She indicated the current process needed fixing and the council was making decisions that were harming residents.

Motion adopted unanimously.

Motion by Councilmember Massoglia, seconded by Councilmember Fleming, to issue a first warning of censure to Councilmember Saroya regarding her improper conduct and direct her to review the Council Code of Conduct to ensure further violations do not occur; also formally calling Councilmember Saroya to issue a public apology to city staff for her comments made at the April 9 Planning Commission meeting based on City Manager Wolfe's email; and also calling Councilmember Saroya to return to the next Planning Commission meeting in order to issue a formal apology.

Councilmember Larson stated she was not aware of this and noted she did not watch the planning commission meeting. She indicated she had reviewed the email, but she felt ill equipped to act on this because she had not viewed the planning commission meeting.

Councilmember Saroya explained she was speaking in her personal capacity and did not believe the council should be making a political maneauver. She indicated she has refrained from bringing up fraud allegations involving the mayor's personal capacity.

Councilmember Massoglia called for a point of order.

Councilmember Saroya stated the council has opened the door to talking about people's personal actions and words.

Councilmember Massoglia explained the discussion had nothing to do with what a councilmember does in their personal capacity but everything with the Council Code of Conduct and how Councilmember Saroya tried to influence the planning commission as an elected official. In addition, Councilmember Saroya made multiple blatant statements that were untrue about city staff. He encouraged Councilmember Saroya to apologize for these statements and to begin following the Code of Conduct because her behavior was completely unacceptable.

Councilmember Saroya stated she did not make untrue statements about city staff.

Councilmember Robertson indicated she watched the planning commission meeting and while Councilmember Saroya introduced herself and stated she was speaking in her personal capacity she also stated she was a representative for Ward 1. She stated after the general public was informed she was a councilmember that she was no longer speaking in her personal capacity. She understood Councilmember Saroya was very passionate about this matter and she respected freedom of speech. However, in certain instances there was more power that comes from the gallery than from the city council. She reported a level of professional restraint was necessary when serving as an elected official.

Councilmember Massoglia stated his biggest concerns were comments made insinuating staff makes decisions behind the scenes with developers.

Councilmember Saroya indicated this was a mischaracterization.

Councilmember Massoglia reported the public can watch the meeting to hear the comments directly then asked Councilmember Saroya to stop interrupting him as he has the floor as that was against the Code of Conduct as well. He referred to City Manager Wolfe's email which outlined staff's perception of the comments that were made. He reiterated that the biggest concern for him was the falsehoods Councilmember Saroya made against city staff.

Councilmember Saroya explained she was speaking from her experience as a resident who lives in this area and was representing the views of 99% of the people who live in the neighborhood. She indicated the council would not stop her from advocating for residents whether in her personal capacity or her professional capacity. She did not believe Councilmember Newland advocated for Ward 1 residents but that she would continue to do this. She stated she does not work for the mayor but rather worked for Ward 1 residents. She questioned why the city was willing to give billions of dollars to developers but was not willing to give one million dollars to purchase this property in order to build a veterans park. She believed this was all about fairness. She understood this council was very slanted and she was in the minority then indicated the council was retaliating against her and anticipated this council would look very different in 5-10 years.

Councilmember Massoglia understood Councilmember Saroya had to say this because this was the only card she had, however the fact was staff did not make decisions without council direction. He indicated this was the lie Councilmember Saroya keeps repeating and Ward 1 residents deserve to know this was a lie. He explained planning staff does not make decisions, the council makes decisions.

Councilmember Newland stated there has been a lot of insinuations and accusations directed at him that he takes exception to and chooses not to listen to. He indicated he does support the motion that has been made. He reiterated that this was a non-partisan body.

Councilmember Fleming explained she has respected how Councilmember Saroya advocated for Ward 1 residents. However, she does not respect the false allegations, accusations and assumptions that Councilmember Saroya slings at the Council stating it was retaliatory. She reported only Councilmember Saroya was acting in a retaliatory nature as the remainder of the Council was not making false statements about Councilmember Saroya. She indicated she waned Councilmember Saroya to advocate on behalf of her Ward 1 constituents but recommended this be done in a respectful manner.

Councilmember Saroya read a text message she recently received from a Blaine resident who thanked her for the work she was doing and noted Councilmember Fleming was at a local bar blasting Councilmember Saroya and say she was making this about race and encouraged Councilmember Saroya to keep fighting the good fight. She stated the community was watching and she trusted this community. She encouraged the council to pass whatever they liked because they were embarrassing themselves.

Councilmember Fleming stated she does not blast but rather speaks and rectifies the truth. She reported she was married to a man of color and took great offense to Councilmember Saroya's comments, adding she was the farthest thing from racist.

Motion adopted 6-1 (Councilmember Saroya opposed).

13. Adjournment

Signed by ______________________________
Tim Sanders, Mayor

Signed by ______________________________

Catherine M. Sorensen, CMC, City Clerk

Moved by Councilmember Robertson, seconded by Councilmember Massoglia, to adjourn the meeting at 10:05PM.

Motion adopted unanimously.