



City of Blaine

City Council Workshop

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

MINUTES

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

The meeting was called to order by Mayor Sanders at 5:15PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Leslie Larson, Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya.

ABSENT: Councilmember Terra Fleming.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; City Attorneys Tom Loonan and Kevin Sandstrom; Director of Administrative Services Scott Johnson; Public Works Director Nick Fleishhacker; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2024-347 Northtown Mall Update
Sponsors: Michelle Wolfe, City Manager

Felix Reznick, Northtown Mall representative, provided the council with an update regarding Northtown and the food court. He commented on the concerns he had with the previous lease with WPG. He explained Cloud Kitchens was in breach of its lease and charges were being pursued. He indicated his fear was that he would lose current restaurant/food

tenants. He expressed frustration with the fact the county attorney was not pursuing this matter further against Cloud Kitchens. He asked for help from the city council to ensure the county attorney and state of Minnesota was pursuing this matter.

Councilmember Saroya thanked Mr. Reznick for this information then asked what he was seeking from council. Mr. Reznick explained he wanted Cloud Kitchens to be pursued for the crime and injury that has been caused by their perjury.

Mayor Sanders thanked Mr. Reznick for his presentation and encouraged him to continue to be in communication with the city council and city staff and appreciated Mr. Reznick's efforts to resolve the situation for Northtown Mall.

- 3.2.** 2024-339 Closed Session Pursuant to MN Statute 13D.05, subd. 3(b) - Attorney Client Privileged Discussion Regarding Litigation Status, Strategy and Legal Advice with the City's Litigation Counsel on the Matter of *Blaine v. Irene Tamblyn*, Anoka County Court File No. 02-CV-22-0930
Sponsors: Michelle Wolfe, City Manager

After a motion and second the council met in closed session to discuss litigation status and strategy on the matter of Blaine v. Irene Tamblyn.

City Attorney Loonan read a statement after the council returned from meeting in closed session noting the council discussed acting and pending litigation strategies regarding the Blaine versus Irene Tamblyn matter.

- 3.3.** 2024-338 Closed Session Pursuant to Minnesota Statute 13D.05(2)(a)(2) - Active Fraud Investigation Update
Sponsors: Michelle Wolfe, City Manager

The council met in closed session to receive an update on an active fraud investigation. Upon conclusion, the council returned to open session.

City Attorney Loonan read a statement after the council returned from meeting in closed session noting the council received an active fraud investigation update. He reported no action was taken at this meeting regarding this matter.

- 3.4.** 2024-331 National Sports Center Super Rink Improvements Part 2
Sponsors: Jason Zimmerman, Finance Director, Erik Thorvig, Community Development Director

Finance Director Zimmerman stated on July 1, 2024 city staff [provided an overview](#) of proposed improvements the Minnesota Amateur Sports Commission (MASC) included in their 2023 legislative session capital budget request, which was earmarked for the National Sports Center (NSC) Campus, specifically focused on the Super Rink. Unfortunately, while committee hearings were promising, the legislative session ended without the passage of

any capital budget requests. Despite the failure to secure funding, MASC and the NSC have indicated their desire and commitment to address the backlog of deferred maintenance. As part of the overall financing model, regardless of the state's willingness to contribute, and consistent with the construction of rinks 1-4 in 1998 and rinks 5-8 in 2006, the NSC is seeking financial participation from hockey organizations to guarantee the ability to purchase prime ice time in the form of a one-time payment. The ice rights guarantee would be 20 years, starting January 1, 2024, and ending December 31, 2044. While the ice time would need to be paid for annually, this structure has provided the NSC and priority organizations with the necessary long-term commitment needed to operate. Staff commented further on the improvements that were needed for the Super Rink and stated representatives from the local youth hockey associations were in attendance and had a presentation for the council.

John Pitzl, Spring Lake Park Youth Hockey, requested the council consider making a contribution to the Spring Lake Park Youth Hockey, noting this funding (\$600,000) would assist with keeping future ice fees consistent for youth players for the next 20 years. He noted 77% of the Spring Lake Park Youth Hockey players were from Blaine. He stated hockey was an expensive sport and ice time was currently \$250 per hour. He discussed how the hockey association was working to raise funds through charitable gambling, but noted much of these proceeds go to low income families.

Jeff Meister, Blaine Youth Hockey, explained he was also requesting \$600,000 from the city for Blaine Youth Hockey. He discussed how hockey benefited the youth in the community and builds character. He discussed how the contribution from the city could be made in several payments to the youth hockey association and would not have to be made in one payment.

Mayor Sanders thanked Mr. Pitzl and Mr. Meister for their presentation.

Councilmember Larson asked if charitable gambling funds could be used to assist with payments in the future. Mr. Pitzl stated this may be the case, but noted the hockey association was just getting into charitable gambling and the organization could not sign a 30 year lease based on the proceeds the association may or may not receive. Mr. Meister discussed how a raise in hockey prices would be a big hit for families and noted the association does not want to drive families away from the sport. He stated this was the main reason the associations were seeking assistance.

Councilmember Newland questioned what the ask was for ice time for the next 20 years. Mr. Pitzl stated the ask would be for 1,800 hours of prime ice time from 3:00PM to 10:00PM Monday through Friday and 7:00AM to 10:00PM Saturdays and Sundays, September through March.

Councilmember Newland stated it would be more palatable to make payments over 20 years than for the city to be required to make a large payment up front.

Councilmember Robertson explained she understood the rising costs for youth sports. She reported she appreciated how the organization was utilizing charitable gambling proceeds to assist families in the community. She indicated her only apprehension was with the timing of the request. She stated she would need more time to dialogue how to fund this

request, given the fact it was now up to \$1.2 million and the city council was already undergoing budget discussions. She expressed frustration with the fact the city gets repeatedly asked by the NSC for assistance even though this was a state run facility.

Councilmember Massoglia asked if conduit financing were issued through a \$1.2 bond, how would the payback work. Mr. Zimmerman explained the bonds could be issued by the city and the repayment schedule would have to be assumed by the NSC. He indicated the city would have no responsibility for the bond repayment.

Councilmember Massoglia stated he could support the city issuing conduit debt for this project.

Councilmember Larson indicated she was a proponent for youth sports. She appreciated how Blaine Youth Hockey Sports worked to support the kids in the community. She explained she supported the city council further discussing how to fund this request, but understood the budget was already tight.

Councilmember Saroya questioned why the request for \$1.2 million for the ice rinks was not included in the \$12 million request from the NSC for turf fields. Mr. Zimmerman explained staff was not aware of the hockey request when the turf fields were financed. Mr. Thorvig reported these were two separate projects that required separate funding.

Council consensus was to continue to explore opportunities to assist the youth hockey associations.

4. Other Business

None.

5. Adjournment

The workshop was adjourned at 6:59PM.



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk

