



City of Blaine

City Council

August 5, 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; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; City Attorney Tom Loonan; Director of Administrative Services Scott Johnson; Public Works Director Nick Fleishhacker; and City Clerk Catherine Sorensen.

4. Awards - Presentations - Organizational Business

None.

5. Communications

Mayor Sanders explained the city was recently awarded the 2024 Sons of Norway Founder's Award in recognition of the strategic partnership the city has with the USA Cup.

Chief Podany encouraged all residents to consider attending a neighborhood party for Night to Unite, which would be held on Tuesday, August 6.

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 7:09PM.

Dr. Jerome Day, 9701 Xebec Street NE, explained he has a medical practice that he operates out of his home in Blaine. He explained he was bringing fraud allegations against the state. He shared further concerns about his appeal of determination against the Minnesota Board of Medical Practice and provided the council with a handout. He hoped to work with the Blaine Police Department to stop the crime that was being committed by the state.

Bertrand Kuver, Otsego, discussed an upcoming National Veterans Soccer Tournament and Cultural Event that would showcase Cameroon Africa and would be held at the National Sports Center from August 29 through September 2. He stated this event would bring 5,000 to 6,000 people to Blaine. He invited the city council to attend this special event and asked that the city council approve the permits for this event.

There being no further input, Mayor Sanders closed the Open Forum at 7:16PM.

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.

Moved by Councilmember Newland, seconded by Councilmember Robertson, that the following items on the Consent Agenda be approved.

Councilmember Newland said he would be abstaining from approval of Item 8.2 due to a potential conflict of interest.

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

8.1. 2024-313 Approval of Minutes
 Sponsors: Cathy Sorensen, City Clerk

8.2. 2024-335 Schedule of Bills Paid
 Sponsors: Jason Zimmerman, Finance Director

- 8.3.** 2024-321 Consider a Special Event to Allow for Live Music at the National Veterans Soccer Tournament Located at the National Sports Center August 29 through September 2, 2024
Sponsors: Cathy Sorensen, City Clerk
- 8.4.** 2024-327 Approve Temporary Liquor License for the National Veterans Soccer Tournament
Sponsors: Cathy Sorensen, City Clerk
- 8.5.** 2024-332 Approve a Temporary On-Sale Intoxicating Liquor License for St. Timothy's Annual Carnival, 707 89th Avenue NE
Sponsors: Cathy Sorensen, City Clerk
- 8.6.** RES 24-150 Resolution Granting Final Plat Approval to Subdivide 4.84 Acres into 11 Single Family Lots and One Common Lot for Wetlands and Storm Ponding to be Known as Boulder Villas at 9240 W 35W Service Drive NE. Boulder Contracting (Case File No. 24-0049/SLK)
Sponsors: Sheila Sellman, City Planner
- 8.7.** RES 24-161 Resolution Authorizing Interfund Transfers and Associated Budget Amendments related to the Purchase of a New Printer/Copier to be Located Within the Finance Department
Sponsors: Jason Zimmerman, Finance Director
- 8.8.** 2024-312 Motion to Approve Contract Amendment with Bolton & Menk, Inc. for Professional Services for Engineering Design Services for Lift Station 13 Force Main - Phase 2, Improvement Project No. 23-30
Sponsors: Nick Fleischhacker, Public Works Director
- 8.9.** RES 24-156 Resolution to Declare Cost to be Assessed, Order Preparation and Call for Hearing on Proposed Assessment for 2023 Southeast Area Street Reconstructions, Improvement Project No. 23-08.
Sponsors: Daniel Schluender, Director of Engineering
- 8.10.** 2024-330 Motion to Approve a Contract With Electric Pump for Lift Station #24 Rehabilitation

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

- 9.1.** RES 24-133 Resolution Granting a Conditional Use Permit to Allow Truck Sales in the Heavy Industrial (I-2A) Zoning District at 10070 Davenport Street NE. JD Trailers Properties LLC (Capacity Spotter Trucks) (Case File No. 24-0045/SLK)

Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated the applicant is requesting a Conditional Use Permit (CUP) to allow truck sales at their existing truck repair business. Staff commented further on the request and reported the planning commission recommended approval.

Mayor Sanders opened the public hearing at 7:19PM.

There being no public input, Mayor Sanders closed the public hearing at 7:19PM.

Moved by Councilmember Newland, seconded by Councilmember Robertson, to adopt a Resolution Granting a Conditional Use Permit to Allow Truck Sales in the Heavy Industrial (I-2A) Zoning District at 10070 Davenport Street NE.

Motion adopted unanimously.

- 9.2.** RES 24-145 Conduct Public Hearing and Adopt a Resolution to vacate Drainage and Utility Easements, Along With Restricted Access Lying Over, Under and Across Part of Lot 2, Block 1, Aspen Ridge Second Addition; According to the Recorded Plat Thereof, Anoka County, Minnesota; Vacation No. V24-03

Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated the city received a petition dated June 25, 2024 from Brian Johnson representing Boulder Contracting, LLC requesting the vacation of the Drainage and Utility Easements, along with restricted access lying over, under and across part of Lot 2, Block 1, Aspen Ridge Second Addition; according to the recorded plat thereof, Anoka County, Minnesota. Staff commented further on the request and recommended approval.

Mayor Sanders opened the public hearing at 7:21PM.

There being no additional public input, Mayor Sanders closed the public hearing at 7:21PM.

Moved by Councilmember Newland, seconded by Councilmember Robertson, to adopt a Resolution to vacate Drainage and Utility Easements, Along With Restricted Access Lying Over, Under and Across Part of Lot 2, Block 1, Aspen Ridge Second Addition; According to

the Recorded Plat Thereof, Anoka County, Minnesota; Vacation No. V24-03.

Motion adopted unanimously.

10. Development Business

- 10.1.** RES 24-129 Resolution Granting a Conditional Use Permit to Allow a Total of 2,008 Square Feet of Accessory Building Space in the Farm Residential (FR) Zoning District at 11704 Meadow Lane NE. Marla Figueroa (Case File No. 24-0039/SLK)
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting a Conditional Use Permit (CUP) to construct a 1,360 square foot garage addition to an existing 528 square foot attached garage for personal storage. The lot also has an existing 120 square foot shed and the parcel will have a total of 2,008 square feet of accessory building space. Staff commented further on the request and reported the planning commission recommended approval.

Moved by Councilmember Massoglia, seconded by Councilmember Robertson, to adopt a Resolution Granting a Conditional Use Permit to Allow a Total of 2,008 Square Feet of Accessory Building Space in the Farm Residential (FR) Zoning District at 11704 Meadow Lane NE.

Motion adopted unanimously.

- 10.2.** RES 24-146 Resolution Granting a Conditional Use Permit to Construct a 1,280 Square Foot Detached Accessory Structure in a Corner Side Yard in the Farm Residential (FR) Zoning District at 3850 128th Avenue NE. Dan Breske. (Case File No. 24-0035/ACK)
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting a Conditional Use Permit (CUP) to construct a 1,280 square-foot detached accessory building for personal storage in the corner side yard. Staff commented further on the request and reported the planning commission recommended approval with conditions.

Moved by Councilmember Massoglia, seconded by Councilmember Robertson, to adopt a Resolution Granting a Conditional Use Permit to Construct a 1,280 Square Foot Detached Accessory Structure in a Corner Side Yard in the Farm Residential (FR) Zoning District at 3850 128th Avenue NE.

Motion adopted unanimously.

- 10.3.** RES 24-147 Resolution Granting a Conditional Use Permit to Allow for Freestanding Lighting up to 100 Feet in the Regional Recreation (RR) Zoning District at 1700 105th Avenue NE. National Sports Center (Case File No. 24-0038/EES)
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the National Sports Center is requesting a Conditional Use Permit (CUP) for lighting up to 100 feet tall. The light intensity meets city requirements for both residential property lines and roadway edges. Staff commented further on the request and recommended approval.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution Granting a Conditional Use Permit to Allow for Freestanding Lighting up to 100 Feet in the Regional Recreation (RR) Zoning District at 1700 105th Avenue NE.

Councilmember Larson stated her children love to play under the lights and she was pleased to see the NSC was adding lights to the turf fields.

Motion adopted unanimously.

11. Administration

- 11.1.** RES 24-144 Resolution Approving Building Inspections Service Contract with Rum River Inspections
Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated the Building Inspections Department is responsible for completing the plan review and completing inspections for all activity within the city that requires a building permit. The department consists of the chief building official, three commercial inspectors, a plumbing inspector, five residential inspectors and five permit technicians. According to Keystone Reports, the City of Blaine currently ranks sixth for suburbs in new home construction to date in 2024 (149 permits issued). Blaine has historically been in the top 10 for new residential permits for suburban communities for the last 20 years. In 2023, the total residential and commercial value for permits issued was \$294,441,138. This was the fourth-highest amount dating back to 2007. In 2022, Blaine experienced the highest overall value ever, exceeding \$300,000,000. In 2023, there were 4,692 permits issued by the department and over 20,000 inspections completed. This data shows the high level of construction activity the building inspections department manages.

Mr. Thorvig reported with residential activity expected to continue at consistent levels and current and anticipated demand in commercial construction in 2024 and beyond, the department analyzed the needs to ensure high levels of customer service can be accomplished. Timely plan review and inspections are critical for residents, business owners, contractors and home builders. The department experienced the retirement of a residential inspector on August 1, 2024. Instead of hiring another residential inspector, the plan is to replace this position with a commercial inspector given the current and anticipated commercial construction demand. This will leave the residential inspections side

of the department with one less inspector. A residential building inspector has been requested in the 2025 budget.

Mr. Thorvig explained in 2022, the City of Blaine utilized Rum River Inspection Services to assist the department with inspections. This service worked well and therefore, staff have researched hiring a building inspection consulting firm to assist with residential inspections for the remainder of 2024. Quotes were requested from various companies for a full-time inspector during the months of August, September and October and half-time in November and December. Seven companies were contacted. However, given the specialized nature of this service, only one company responded, Rum River Inspection Services.

The rates proposed are \$95/hour. This equates to:

August 6 - November 1: 504 hours @ \$95/hour = \$47,880

November 4 - December 23: 132 hours @ \$95/hour = \$12,540

TOTAL: \$60,420

Mr. Thorvig indicated the department has had a vacancy for the budgeted plumbing inspector position since January 1, 2024. This position is anticipated to be filled in September. The vacancy savings from January 1, 2024 to August 1, 2024 is \$70,784. Therefore, there are sufficient funds available in the building inspections budget to pay for the inspection services.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution Approving Building Inspections Service Contract with Rum River Inspections.

Motion adopted unanimously.

- 11.2.** RES 24-151 Resolution Accepting a Bid from Veit & Company, Inc. in the Amount of \$126,610.00 for the 2024 Storm Sewer Lining Project, Project No. 24-51
Sponsors: Daniel Schluender, Director of Engineering

Mr. Schluender requested the council accept a bid and approve a contract with Veit & Company, Inc. for the 2024 Storm Sewer Lining Project, Project No. 24-51. This project was approved in the 2023 Budget. The project consists of the rehabilitation of existing storm sewer pipelines by the installation of a 'cured in-place pipe' (CIPP) lining for various storm pipes throughout the City. Bids were received electronically at 10:00 AM, July 23, 2024, for Project No. 24-51. A total of two bids were received, ranging from \$126,610.00 to \$187,613.04. Bids have been checked and tabulated, and it has been determined that Veit & Company, Inc. of Rogers, Minnesota is the lowest bidder. The Engineering Department has worked with Veit & Company, Inc. on previous contracts and recommends that the low bid be accepted, and a contract entered into with Veit & Company, Inc. City Council is also asked to approve a 10% contingency to bring the total project budget to \$139,271.00. The funding source for this project is the Storm Water Capital Fund and there are sufficient funds budgeted to cover these costs.

Moved by Councilmember Newland, seconded by Councilmember Larson, to adopt a Resolution Accepting a Bid from Veit & Company, Inc. in the Amount of \$126,610.00 for the

Motion adopted unanimously.

- 11.3.** RES 24-159 Resolution Authorizing an Interfund Loan Utilizing the Strategic Priorities and Closed Bond Funds to Support the Acquisition of Property Located at 2043 105th Avenue
Sponsors: Jason Zimmerman, Finance Director, Erik Thorvig, Community Development Director

Mr. Thorvig requested the council consider approving an interfund loan utilizing the Strategic Priorities and Closed Bond Funds to support the purchase agreement for 2043 105th Avenue. In connection with the proposed purchase agreement for the property located at 2043 105th Avenue, internal funding should be identified, as well as the terms and conditions of the interfund loan. While the intent is for the City to reimburse itself from the sale of Tax Increment Financing (TIF) Bonds, should the Council support the establishment of a TIF district and associated agreements, the Strategic Priorities and Closed Bond Funds have been identified by staff to serve as an interim financing mechanism. Staff commented further on the proposed purchase price and rental income the city would be receiving from existing tenants until the building is demolished.

Finance Director Zimmerman explained city staff, along with representatives from Baker Tilley and Eckberg Lammers, have been in discussions with the 105th Avenue development team regarding the permanent financing to facilitate eligible TIF costs, subject to the proposed TIF district's fiscal capacity. While several documents, including a minimum assessment agreement, TIF Plan, and formal creation of the new district need to occur before bonds can be sold, current estimates indicate all actionable items coming before the Council for approval in approximately the next 90 days to allow for bond proceeds to be receipted before 2024 year-end. Staff commented further on the proposed purchase and recommended authorization of the interfund loan utilizing the strategic priorities and closed bond funds.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution Authorizing an Interfund Loan Utilizing the Strategic Priorities and Closed Bond Funds to Support the Acquisition of Property Located at 2043 105th Avenue.

Councilmember Massoglia stated if this property was purchased by the city instead of the EDA, would the developer then be purchasing the property from the city in the future. Mr. Thorvig explained if the city or EDA sells TIF bonds the revenues could be used to pay back this loan, as could future land sale proceeds.

Councilmember Saroya asked who would be owning the property. Mr. Thorvig explained the city of Blaine would be the owner of the property.

Councilmember Saroya questioned if the property would then be sold to the developer. Mr. Thorvig indicated the majority of the land in the redevelopment area was owned by the EDA

and if this purchase goes through it would be owned by the city. He discussed how the master development agreement would address land transactions in the future and the goal would be to sell the land to the master developer.

Councilmember Saroya commented on the purchase price and inquired what the value of this property would be worth once the redevelopment was completed. Mr. Thorvig explained the ideal scenario would be to work with the remaining four tenants to locate them elsewhere in Blaine. He reported the city was getting an appraisal on this property to better understand the value of the property for when it is sold to the developer, which will be based on a commercial vacant land square footage.

Councilmember Saroya asked if this property value will go up once the development was completed. Mr. Thorvig indicated without having the appraisal, he could not make a determination on the commercial land value for this specific piece of property.

Councilmember Saroya inquired if the existing tenants could be incorporated into the 105th Area Redevelopment project. She questioned if the tenants felt like they were being forced out.

Councilmember Massoglia called for a point of order. He reported the building owner was willing to sell the building to the city and he did not understand how the tenants in the building related to this item. He requested this item move along.

Mayor Sanders recommended the questions be pointed towards the agenda item at hand.

City Attorney Loonan advised this negotiation has been going on for quite some time. He reported each of the tenants have voluntarily not renewed their lease and were on a month to month lease, which was a much more flexible model and meant the tenants were ready to move on. He reviewed of the remaining tenants, some have already vacated the building and the others were looking to relocate.

Councilmember Saroya asked how many years it would take to reimburse the city for the bonds. Mr. Thorvig explained the city would issue TIF bonds before the end of 2024 and those proceeds would be used to reimburse the purchase price for this property. Mr. Zimmerman commented further on how the city would be the issuer of the bonds for the TIF district, noting this would streamline the process.

Motion adopted 6-1 (Councilmember Saroya opposed).

11.4. RES 24-138 Resolution Authorizing a Purchase Agreement for 2043 105th Avenue NE.
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated the city of Blaine has identified the 105th Redevelopment Area as a priority redevelopment area in the 2030 and 2040 comprehensive plans. The comprehensive plan states that the "EDA/City should continue to explore land assembly options with willing sellers as they come up". The EDA/City has been active in acquiring property within the 105th Redevelopment District since 2016. A master developer was

selected for the project in 2022 and significant work has occurred over the last 18 months to advance the redevelopment project. Property acquisition has continued to occur after the master developer was selected to secure property to complete the overall redevelopment project. The EDA has been the purchaser of other properties within the redevelopment area. However, due to the funding source for the purchase, the City will act as the buyer.

Mr. Thorvig reported city staff have been in communication with the property owner of 2043 105th Avenue NE for several years attempting to negotiate a purchase price. Several closed sessions have been held to discuss acquisition strategy. At a closed session on August 17, 2023, direction was provided by the City Council regarding a purchase price. Over the last year, the City Attorney has been working directly with the property owner and their attorney to finalize a purchase price, agreement and closing date for the property. A purchase agreement has been agreed upon by both parties.

Mr. Thorvig explained the purchase price is \$3,988,200, which is consistent with the direction given by the City Council at the August 17, 2023, workshop. This equates to \$171/sf based on building square footage. This is consistent with other recent purchases in the 105th Avenue Redevelopment area. Closing will occur in August. There are four existing tenants within the building. The original leases have expired, and all tenants are on month-to-month leases and will be assumed by the City after purchase. The tenants are aware of the purchase and the City's plan for the property. Demolition of buildings within the redevelopment area is planned in 2024/2025. The City will work with existing tenants on relocation to another space prior to demolition.

Mr. Loonan clarified for the record the city of Blaine would be purchasing this property and not the EDA.

Moved by Councilmember Massoglia, seconded by Councilmember Robertson, to adopt a Resolution Authorizing a Purchase Agreement for 2043 105th Avenue NE.

Motion adopted 6-1 (Councilmember Saroya opposed).

12. Other Business

None.

13. Adjournment

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adjourn the meeting at 7:54PM.

Motion adopted unanimously.

Signed by _____





Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk