City of Blaine
City Council

September 16, 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 (participating remotely from Madden's On Gull Lake - Lobby at 11266 Pine Beach Peninsula, Brainerd, MN 56401) and Lori Saroya.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Police Captain Russ Clark; Director of Administrative Services Scott Johnson; Finance Director Jason Zimmerman; Community Development Specialist Elizabeth Showalter; Assistant City Engineer Stefan Higgins; City Attorney Tom Loonan; and City Clerk Catherine Sorensen.

4. Awards - Presentations - Organizational Business

None.

5. Communications

None.

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 7:04PM.

Gary Schutta, 3801 85th Avenue NE, shared concerns regarding Old Dominion's variance request and asked the City to submit a cease and desist order for trailers if and until a variance is approved. He discussed how changes have been made to Old Dominion's parking lot and noted the shift has impacted his property. He shared concerns with noise impacts and felt the City should have taken action a long time ago.

Dr. Roger Day, 9701 Xebec Street NE, shared continued concerns with a regulatory crime being committed by the State of Minnesota that was causing his practice to be unavailable to the community and provided a handout and clip from the governor and commented on his hope to rectify the situation.

Cindy, 12506 Duke Drive NE, expressed concern with how the Emerald ash borer was destroying the community's tree canopy. She recommended the City look into obtaining grants to address the problem. She said she has three large ash trees in her front yard that need to be treated. She discussed how the lack of water pressure was a concern to her given how the community was growing. She shared concerns with the recent shooting that occurred at the Northtown Mall and the amount of crime in the area. She suggested the federal government construct a veteran's clinic in the Northtown Mall area.

Ali Sudani, MAM Smoke Shop, 11724 Ulysses Street NE, described how the street reconstruction project was adversely impacting his business.

Joseph Hafinen, Park of Four Seasons, said he and fellow residents opposed the storm shelter ordinance amendment being proposed within the mobile home park. He explained he was also concerned with the lack of notification for this proposal.

There being no further input, Mayor Sanders closed the Open Forum at 7:20PM.

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 Massoglia, that the following items on the Consent Agenda be approved.

Councilmember Newland noted he would be abstaining from the August 23, 2024, schedule of bills paid included in Item 8.1 due to a potential conflict of interest.

A roll call vote was taken. Motion adopted 6-0-1 (Councilmember Newland abstained).

8.1. 2024-416 Schedule of Bills Paid
Sponsors: Jason Zimmerman, Finance Director

8.2. 2024-423 Approval of Minutes
Sponsors: Cathy Sorensen, City Clerk

8.3. 2024-402 Repainting the Pickleball Courts at Austin Park
Sponsors: Jerome Krieger, Sr. Recreation Manager

8.4. 2024-422 Approve Temporary Road Closure for Blaine Oktober Fest
Sponsors: Jerome Krieger, Sr. Recreation Manager

8.5. RES 24-189 Approve Premise Permit for Lawful Gambling Activity for Blaine's Blazin 4th dba Blaine Festival at El Zocalco Restaurant, 12531 Central Avenue NE
Sponsors: Cathy Sorensen, City Clerk

8.6. 2024-409 Reject bids for 2024 Tree Removal Contract
Sponsors: Nick Fleischhacker, Public Works Director

8.7. RES 24-165 Resolution Authorizing the Transfer of Local Affordable Housing Aid to the Economic Development Authority
Sponsors: Elizabeth Showalter, Community Development Specialist

8.8. 2024-412 Approve Purchases Made from the Public Safety Funds Associated With Updating the Police Department Patch and Badge
Sponsors: Brian Podany, Safety Services Manager/Police Chief

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

9.1. RES 24-172 Resolution Adopting Assessment for the 2023 Northwest Area Street Reconstructions, Improvement Project No. 23-06
Sponsors: Daniel Schluender, Director of Engineering

Assistant City Engineer Higgins stated Improvement Project No. 23-06 was ordered by the City Council on January 4, 2023 with Resolution 23-04. A construction contract was awarded to Douglas-Kerr Underground, LLC by the City Council on April 17, 2023 with Resolution No. R-62-2023 and construction was completed in the Spring of 2024. The total project cost indicated in the Feasibility Report was $4,666.580. The Assessment Roll has been prepared consistent with the Feasibility Report. Of the total cost, the amount to be assessed is $656,288.21. The Public Utility Funds will contribute $324,884.41 for water and sanitary sewer improvements, and Pavement Management Program funds will contribute $2,850,941.53. Please note that the final costs came in under the estimated costs in the feasibility report and will be reflective in the final assessment amounts.

Mayor Sanders opened the public hearing at 7:23PM.

Mary Gorman, 708 131st Avenue NE, explained she understood the project was to include bituminous curb replacement as well as sod replacement. She understood she lived in a rural area but believed her area should be returned to the previous condition. She indicated she took pride in her property and asked that the City pay her the same respect. She said the project caused disruption to her irrigation system and rock was spread within her yard.

Mr. Higgins explained the rural section of 131st Avenue was not expected to have curb replaced because this is not generally used anymore because the product fails. He reported shoulders were installed instead. He commented the majority of the lawns along this section were not irrigated so the decision was made to replace the disturbed areas with seed instead of sod. He noted he could reach out to Ms. Gorman to talk about getting the sprinkler system fixed properly.

Thomas Gorman, 708 131st Avenue NE, expressed concerns with the lack of sod replacement as well as the lack of bituminous curbing. He noted he also had driveway elevation issues. He questioned why the letter that was sent from the City said one thing and then another thing was done.

Mr. Higgins reiterated there was no plan to put bituminous curbing in this area.

Mayor Sanders requested staff look at the literature that was sent to homeowners and address this matter further with the Gorman's.

Tom Porter, 12870 Polk Street NE, explained his street was widened and no speed limit signs were posted. He stated there were speeding cars in the area and requested the City post speed limit signs.

Cindy, 12506 Duke Drive NE, shared concerns regarding speeding cars in this area noting this roadway was now being used as a cut-through.

There being no additional public input, Mayor Sanders closed the public hearing at 7:34PM.

Moved by Councilmember Fleming, seconded by Councilmember Massoglia, to adopt a Resolution Adopting Assessment for the 2023 Northwest Area Street Reconstructions, Improvement Project No. 23-06.

Councilmember Massoglia thanked the residents who came out and offered feedback to the council and staff today. He stated he appreciated the fact this project came in under budget and was pleased Polk Street now had a sidewalk on one side. He recommended a speed limit sign or two be posted along Polk Street.

Councilmember Saroya indicated there was a lot of discussion about the quality of the work and this was concerning to her. She explained she would like to learn more about the selection process for the contractor. Mr. Higgins reported the City is statutorily obligated to follow a public bidding process then select the low bidder so long as they are a responsible contractor. He stated this contractor has completed up to standard work in the community previously.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

10. Development Business

10.1. RES 24-160 Resolution Granting a Variance to Store Semi-Trailers in a Portion of the Front Yard at 3701 85th Avenue NE. Old Dominion Freight Line (Case File No. 24-0046/EES)

Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated the applicant is requesting a variance from the requirement that outdoor storage be limited to side and rear yards to allow for front yard storage of semi trailers. She explained this item was tabled at the September 4 City Council to allow staff to speak with the applicant further regarding their request. Staff commented further on the neighborhood meeting that was held between Old Dominion and surrounding property owners. The applicant is requesting this item be tabled to a date uncertain, no later than November 18, 2024 to allow for additional research into the sound barrier options and effectiveness.

Moved by Mayor Sanders, seconded by Councilmember Newland, to remove the item from the table.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

Councilmember Newland spoke about the need to bring this property into compliance with regard to regulations surrounding trailer parking during the pending application. He indicated it was his understanding the sound wall would not be constructed unless Old Dominion received the variance that allowed for parking in Areas A, B and C. He asked if there was any flexibility on Old Dominion's part to not be so rigid on the three parking areas. Ms. Sellman explained Old Dominion put it in writing that they would not construct the sound wall unless the variance was approved for the entire front area.

Councilmember Newland commented if the variance were denied, Old Dominion could continue to operate out of this space and no sound wall would be constructed. Ms. Sellman reported Old Dominion could continue to operate as a truck operation under their CUP but they would not be allowed to store trucks/trailers in the front yard.

Councilmember Newland expressed frustration with the fact Old Dominion was ignoring current CUP requirements and City Code. He asked if there was a way to enforce the City's standards in order to bring their parking into compliance. Ms. Sellman reported it was City policy that when there was an open code enforcement case that they have options and one of the options was to comply with City Code or to apply for a variance. She indicated Old Dominion has opted to request a variance, which allows them to continue to operate as they are because they have an open and active variance request. She explained the City Council could direct staff to enforce City Code.

Councilmember Newland supported the City requiring compliance with City Code for this property. He indicated he could not support a variance or an extension for this property unless it was brought into compliance. He wanted to see the property meeting the City halfway on this, especially given how the City has gone above and beyond for this business. City Attorney Loonan reported the parking in the front now is prohibited and there is a pending variance. He advised it has been the City's policy that if a property is not in compliance and they submit a variance application, that code enforcement waits to proceed with strict enforcement until Council has considered the variance. He discussed how taking no action at this time was not an option for the Council given the 60 day rule. He indicated the options before the Council with respect to the variance were to approve the variance with conditions, deny the variance, or table action with a deadline extension to a date uncertain.

Councilmember Newland stated he would like to see the situation resolved, even if this meant a 60 day extension were considered in order to tie a sound wall into the project to resolve the majority of the noise complaints. He commented he could support the extension in order to learn if the sound wall would address the noise concerns.

Councilmember Saroya indicated the sound wall was a good start, but noted there were also concerns regarding vibration, smell, and structural damage to nearby properties. She supported the sound wall being pursued but noted this would not resolve all of the issues. She explained she was concerned about delaying action on this because it would only escalate the existing issues. Ms. Sellman commented that these were matters the applicant could consider if action on the item were tabled to a future meeting.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to table consideration of the Variance request from Old Dominion to Store Semi-Trailers in a Portion of the Front Yard at 3701 85th Avenue NE for sixty (60) days or no later than November 18, 2024.

Councilmember Massoglia was of the opinion the sound wall was a good start and supported letting this property owner do what they need to do on their property.

Councilmember Saroya indicated she would like to hear from the residents regarding the proposed 60 day extension.

Mayor Sanders reported he heard Councilmember Saroya's comment, but at this time he would remain with Council procedures and not allow additional public comment after the public hearing.

Councilmember Saryoa reiterated that she would like to hear from the residents.

Mayors Sanders allowed the public to come forward at this time.

Gary Schutta expressed frustrations with his property rights and the continuing noise concerns that were coming from the Old Dominion property. He stated for 20 years this business operated with no trucks and trailers in the front parking lot and now all of the sudden they have to park up front.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

10.2. ORD 24-2559 Second Reading

Ordinance Granting an Amendment to the City of Blaine Zoning Ordinance to Modify the Storm Shelter Requirement in the Manufactured Home (R-4) Zoning District to Match State Rules. Park of Four Seasons (Lakeshore Management) (Case File No. 23-0074/EES)

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the proposed code amendment would modify the storm shelter requirement for manufactured home parks from one 810 square foot shelter for every 30 homes to four square feet of shelter space per resident of the manufactured home park, to be consistent with the Minnesota Administrative Rule governing manufactured home parks. Staff reported the Planning Commission reviewed this item on August 14, held a public hearing and recommended approval.

Moved by Councilmember Fleming, seconded by Councilmember Larson, to adopt the Second Reading of Ordinance No. 24-2559, Granting an Amendment to the City of Blaine Zoning Ordinance to Modify the Storm Shelter Requirement in the Manufactured Home (R-4) Zoning District to Match State Rules.

Councilmember Larson stated she supported the proposed ordinance amendment. She spoke to the need for more shelter space as required by the State of Minnesota.

A roll call vote was taken. Motion adopted unanimously.

10.3. RES 24-162 Resolution Approving a Preliminary Manufactured Home Park Plan to Add Eight Additional Lots in an Existing Manufactured Home Park at 50 113th Avenue NE. Park of Four Seasons (Case File No. 23-0074/EES)

Sponsors: Sheila Sellman, City Planner

Community Development Specialist Showalter stated the Park of Four Seasons is requesting a park plan amendment to allow for eight additional home lots. The applicant has demonstrated preliminary compliance with the park plan requirements, including lot dimensions, storm shelters and utilities, to be further detailed in the final park plan. Staff commented on the request further and reported the Planning Commission recommends approval with conditions.

Councilmember Robertson stated she appreciated the historical context that was provided by staff for this planning case. She indicated her inclination was to deny this request to expand the lots. She explained she did not support removing the only green space left within the park.

Councilmember Larson questioned if the City could require the shelter requirement without approving the eight new lots. Ms. Showalter explained without the park expanding, there is no basis to require the park to come up to code because it is considered a legal non-conforming use at this time.

Councilmember Larson stated while she wanted this property to have the additional storm shelter space, she did not support the mobile home community having no green space.

Councilmember Saroya questioned how long it would take a child to walk to a nearby park. Ms. Sellman indicated this was not something staff could predict.

Councilmember Saroya anticipated it would take 30 minutes for a child to walk one mile. She indicated she was in support of the mobile home community retaining its green space.

Councilmember Massoglia commented he saw the pros and cons of the request, noting approval of the request would ensure the storm shelter space was updated. He asked if the $42,000 in park dedication fees would count if put towards park improvements within the mobile home community. Ms. Showalter commented there is not a lot of guidance on park dedication requirements, so there was some flexibility in what the Council could allow. She indicated the Council could approve a plan that includes an expenditure of that amount onsite.

Councilmember Massoglia stated a good compromise may be requiring the mobile home community to upgrade the shelter space and that improvements be made to the existing park on the property.

Moved by Councilmember Robertson, seconded by Councilmember Larson, to deny the preliminary manufactured home park plan with the findings that the City will not accept park dedication in lieu of providing the required park and recreation space onsite, and therefore the park and recreation requirement is not met to add Eight Additional Lots in an Existing Manufactured Home Park at 50 113th Avenue NE.

A roll call vote was taken. Motion adopted unanimously.

10.4. RES 24-171 Resolution Granting a One Year 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 one year 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 Newland, seconded by Councilmember Massoglia, to adopt a Resolution Granting a One Year 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.

Councilmember Saroya asked if this was the second extension for this project. Ms. Sellman reported this was the case.

Councilmember Saroya questioned how typical it was for developers to request two extensions for a project. Ms. Sellman commented the City has granted a couple of extensions in her time with the City.

Councilmember Saroya read an objection the City received regarding this project and the second extension request. She noted she would not be supporting this item.

Councilmember Robertson indicated she did not want to relitigate a project that was already approved. She commented the only matter before the Council to consider is the extension request, noting the delays were due to the DNR and watershed district. She explained there were rare plants in Blaine and noted different regulatory agencies move at a different pace than the City. She stated she would be supporting the extension request.

Councilmember Newland agreed the extension was merited. He noted this project was previously approved and the developer was asking to work around the unique challenges on this site with the DNR and watershed district.

Councilmember Massoglia indicated he supported the proposed extension, noting he originally supported the proposed development.

Councilmember Fleming stated she supported the extension as well, noting the DNR and watershed district were doing their job at this time.

Councilmember Larson explained she supported the proposed extension as well. She recalled only one other extension request coming before the City Council in the last year and a half. She reported the previous request was to allow the developer to have more time until interest rates to come down, while this request was to allow the developer to work through the approval process given the presence of rare species with the DNR and the watershed district. For this reason, she supported the extension.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

10.5. ORD 24-2558 Second Reading

Ordinance Approving a Rezoning from Medium Density Multifamily (R-3B) to Low Density Multi-Family (R-3A) at 10001 Polk Street NE. City of Blaine (Case File No. 24-0048/EJT)

Sponsors: Erik Thorvig, Community Development Director

Director of Community Development Thorvig requested the council consider a rezoning from Medium Density Multifamily (R-3B) to Low Density Multi-Family (R-3A) in order to be consistent with the Low Density/Medium Density (LDR/MDR) land use designation. It was noted the Planning Commission voted unanimously to approve the rezoning.

Moved by Councilmember Massoglia, seconded by Councilmember Newland, to adopt the Second Reading of Ordinance No. 24-2558, Approving a Rezoning from Medium Density Multifamily (R-3B) to Low Density Multi-Family (R-3A) at 10001 Polk Street NE.

A roll call vote was taken. Motion adopted unanimously.

10.6. ORD 24-2561 Second Reading

Ordinance Approving a Rezoning from Light Industrial (I-1) to Low Density Multi-Family (R-3A) at 10041 Polk Street NE. City of Blaine (Case File No. 24-0048/EJT)

Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig requested the council consider a rezoning from Light Industrial (I-1) to Low Density Multi-Family (R-3A) in order to be consistent with the Low Density/Medium Density (LDR/MDR) land use designation. It was noted the Planning Commission voted unanimously to approve the rezoning.

Moved by Councilmember Fleming, seconded by Councilmember Massoglia, to adopt the Second Reading of Ordinance No. 24-2561, Approving a Rezoning from Light Industrial (I-1) to Low Density Multi-Family (R-3A) at 10041 Polk Street NE.

A roll call vote was taken. Motion adopted unanimously.

10.7. ORD 24-2560 Second Reading

Ordinance Approving Amendments to Section 29.010 Farm Residential (FR) and Section 29.020 Residential Estate (RE) of the Zoning Ordinance, Adding Ground Mounted Solar Systems as Accessory Uses. City of Blaine (Case File No. 24-0047/SLK)

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the proposed ordinance amendment adds ground mounted solar systems as accessory uses in the FR (Farm Residential) and RE (Residential Estate) zoning districts. Staff noted the Planning Commission voted unanimously to approve the code amendment.

Moved by Councilmember Larson, seconded by Councilmember Massoglia, to adopt the Second Reading of Ordinance No. 24-2560, Approving Amendments to Section 29.010 Farm Residential (FR) and Section 29.020 Residential Estate (RE) of the Zoning Ordinance, Adding Ground Mounted Solar Systems as Accessory Uses.

Councilmember Larson noted she brought this item to the city council at a workshop originally. She supported residents with farm residential property to have ground mounted solar.

A roll call vote was taken. Motion adopted unanimously.

10.8. RES 24-177 Resolution Amending the 105th Redevelopment Area Master Plan, Exhibit A.

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting to amend the Master Plan, Exhibit A, to add commercial to the approved multi-family sites. Staff commented on the proposed changes in further detail with the Council and recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Amending the 105th Redevelopment Area Master Plan, Exhibit A.

A roll call vote was taken. Motion adopted 6-0-1 (Councilmember Saroya was absent for the vote).

10.9. ORD 24-2566 First Reading

Ordinance Approving Amendments to the City of Blaine Zoning Code Section 30.90 - 105th Avenue Redevelopment District (RD). EB Blaine Development LLC (Case File No. 24-0054/SAS)

Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the developer is proposing ordinance amendments to reflect the approved master plan. The Planning Commission voted unanimously to approve the code amendments, with changes. The Planning Commission recommends keeping buildings over 50 feet as a conditional use, lighting over 20 feet as a conditional use, and parking ramp as a conditional use. One person spoke at the public hearing urging the Commission to keep requirements the same.

Declared by Mayor Sanders that Ordinance No. 24-2566, “Ordinance Approving Amendments to the City of Blaine Zoning Code Section 30.90 - 105th Avenue

Redevelopment District (RD)," be introduced and placed on file for second reading at the October 7, 2024 Council meeting.

11. Administration

11.1. ORD 24-2563 Second Reading
Amending Chapter 42 - Health and Sanitation, Article II. - Tobacco, Division 2. - License, Sec. 42-61. Generally.
Sponsors: Cathy Sorensen, City Clerk

City Clerk Sorensen stated council is asked to hold a second reading of an ordinance amending tobacco license types.

Moved by Councilmember Fleming, seconded by Councilmember Massoglia, to adopt the Second Reading of Ordinance No. 24-2563, Amending Chapter 42 - Health and Sanitation, Article II. - Tobacco, Division 2. - License, Sec. 42-61. Generally.

A roll call vote was taken. Motion adopted 6-0-1 (Councilmember Saroya was absent for the vote).

11.2. ORD 24-2564 Second Reading
Article II. Intoxicating Liquor and 3.2 Percent Malt Liquor, Sec. 6-33. Definitions, Sec. 6-36. License Required; Number of Licenses, and Sec. 6-38. Kinds of Liquor Licenses.
Sponsors: Cathy Sorensen, City Clerk

Ms. Sorensen stated council is asked to hold a second reading and adopt an ordinance amending off-sale liquor licenses to provide more flexibility for off-sale licenses in conjunction with grocery stores.

Moved by Councilmember Newland, seconded by Councilmember Larsson, to adopt the Second Reading of Ordinance No. 24-2562, Amending Article II. Intoxicating Liquor and 3.2 Percent Malt Liquor, Sec. 6-33. Definitions, Sec. 6-36. License Required; Number of Licenses, and Sec. 6-38. Kinds of Liquor Licenses.

A roll call vote was taken. Motion adopted unanimously.

11.3. ORD 24-2556 Second Reading
Amending Chapter 82 - Traffic and Vehicles, Article I. - In General, Article IV. - Stopping, Standing, and Parking, Adding Sec. 82-157 Median Safety
Sponsors: Brian Podany, Safety Services Manager/Police Chief

Police Captain Russ Clark stated first reading of this proposed ordinance was held on September 4. After discussion at the June workshop, council directed staff to bring forward the median safety ordinance for formal consideration. The ordinance is being proposed due to concerns with pedestrians standing for long periods of time in the median of high traffic intersections within the city. The ordinance still allows for safe crossing of roadways but prohibits standing in the median for multiple light cycles. The proposed median safety ordinance arose out of police and resident concerns about pedestrians standing for long periods of time in the median of certain high-traffic intersections in the City of Blaine. There are several high-traffic, high-speed arterial roadways within the City that have been identified as potentially dangerous for pedestrians. Both residents and police have identified multiple intersections where this has been a problem and there have been repeated incidents at those locations. Pedestrians standing in high traffic roadway medians present an increased risk of being struck by a vehicle and impeding traffic flow. Feedback from officers who have responded to complaints about this problem note that those who partake in the action that have been requested to move to a position of greater safety have refused to do so as it is not prohibited by law.

Captain Clark explained the proposed median safety ordinance prohibits pedestrians from standing within the intersections identified in the ordinance for a duration longer than two crosswalk signals. It does not prohibit crossing as directed by traffic signals. It additionally prohibits motorists from stopping or standing in their vehicles to address pedestrians who are standing in medians. Concerns regarding targeting of certain activities such as panhandling have been raised. This ordinance does not restrict that or any other specific activity from occurring in other locations but does prohibit any activities in the center median in order to ensure safety and promote traffic flow and safety. This helps to ensure safety in preventing crashes and promoting efficient traffic movement consistent with semaphore cycles. Enforcement of the ordinance will begin with education and requests for movement from the prohibited activity. For continued or repeated violations, enforcement action will be an option. This item came before council in 2021 and summary information from the city attorney at that time regarding legal considerations of adopting a median safety ordinance. After review with the Director of Engineering the proposed ordinance has been revised from the version shared with council at the June workshop to include all arterial, reliever, and expander roads at intersections to better define the areas.

Moved by Councilmember Newland, seconded by Councilmember Larson, to adopt the Second Reading of Ordinance No. 24-2556, Amending Chapter 82 - Traffic and Vehicles, Article I. - In General, Article IV. - Stopping, Standing, and Parking, Adding Sec. 82-157 Median Safety.

A roll call vote was taken. Motion adopted unanimously.

11.4. RES 24-173 Resolution Approving the 105th Avenue Master Development Agreement
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated in December 2022, the Blaine Economic Development Authority entered into a pre-development agreement with the 105th master developer, EB Blaine, LLC. The agreement identified three different pre-development phases and identified the need for a master development agreement to be entered into at some point in the future. The developer is anticipating beginning work on the overall project this fall, starting with infrastructure. Therefore, a master development agreement is necessary to be executed. The master development agreement replaces the pre-development agreement. A master development agreement is intended to identify the roles and responsibilities of the city and developer and specific requirements related to the development, financing and property acquisition. Staff commented further on the articles within the Master Development Agreement and recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Approving the 105th Avenue Master Development Agreement.

Councilmember Saroya asked questions regarding park dedication fees, which totaled $2.2 million, private investment, and the total project cost. Mikaela Huot, Baker Tilly, discussed the funding sources for this project in detail, noting the sources would total approximately $36 million for the infrastructure, acquisition and demolition needed on the east and west side.

Councilmember Saroya requested further information on how the $36 million would be broken down into expenditures. Ms. Huot reported this would provide $2.2 million in park dedication, $7 million in tax abatement, and up to $29 million for tax increment and developer funding of $11 million. She commented further on the actual developer costs noting there was also an interest carrying cost related to the financing.

Councilmember Saroya inquired if these numbers include the baseball stadium. Ms. Huot indicated the estimated project costs for acquisition, demolition and infrastructure for the entire site, with the stadium property included, but did not include the vertical development.

Councilmember Massoglia stated this was a momentous occasion. He thanked everyone who has been involved in bringing this creative project together in the City of Blaine.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

11.5. ORD 24-2565 First Reading
Ordinance Approving the Sale of 2043 105th Avenue NE
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated the City of Blaine acquired the property at 2043 105th Avenue on August 9, 2024. The Blaine Economic Development Authority (EDA) has acquired property within the 105th Redevelopment Area dating back to 2016. However, due to the funding source, this purchase was made by the City of Blaine. The developer is seeking to acquire all property within the 105th Redevelopment Area owned by the City and EDA in October 2024 to facilitate private bank financing for infrastructure related to the redevelopment. The City of Blaine acquired the subject property for $3,988,200. The methodology used to determine a purchase price was based on the price per square foot for existing industrial buildings/property. An appraisal, paid for by the City, was completed for the entire area to be acquired by the developer, including City and EDA property. The appraisal valued the land as vacant, commercial value. The appraisal identified a value of $11 per square foot of land. The developer will be acquiring a total of 973,130 square feet of land. This equates to an overall purchase price of $10,704,430.

Mr. Thorvig reported a purchase agreement is currently being drafted that encompasses both the City and EDA owned property. The purchase agreement identifies a targeted closing date for the week of October 7, 2024. The buyer is Blaine Town Center East, LLC, which is the master developer. The total purchase price is $10,704,430. The purchase price allows for the City to be reimbursed for the $3,988,200 expenditure. Based on the closed session discussion by the City Council on September 9, 2024, certain components of the purchase agreement are being finalized. The City Charter identifies the process for the City to sell property. It states that city property shall only be sold by ordinance. As such, two readings are required. It was noted the EDA is scheduled to hold a public hearing and consider a resolution to sell property on September 16, 2024.

Declared by Mayor Sanders that Ordinance No. 24-2565, "Ordinance Approving the Sale of 2043 105th Avenue NE," be introduced and placed on file for second reading at the October 7, 2024 Council meeting.

11.6. RES 24-180 Resolution Authorizing the Sale of General Obligation Improvement and Equipment Bonds, Series 2024B, Subject to Certain Parameters
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated Council is requested to authorize the competitive negotiated sale of General Obligation Improvement and Equipment Bonds in order to finance various utility infrastructure activities, pavement management projects, and the acquisition of capital equipment, consistent with the 2024-2028 Capital Improvement Plan. It was noted the maximum par amount would be $32,035,000 and would have a maximum interest rate of 4% with the final maturity date of February 1, 2040.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution Authorizing the Sale of General Obligation Improvement and Equipment Bonds, Series 2024B, Subject to Certain Parameters.

Councilmember Massoglia asked what this bond sale was for. Mr. Zimmerman explained this bond sale was for existing City infrastructure, utility projects and equipment.

Councilmember Massoglia stated he was unaware of the fact the City was using this unique bonding strategy for both the 105th Avenue project and for the City's infrastructure, utility projects and equipment.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Massoglia opposed).

11.7. RES 24-181 Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Increment Bonds, Series 2024C, Subject to Certain Parameters
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated council is requested to authorize the competitive negotiated sale of Taxable General Obligation Temporary Tax Increment Bonds, Series 2024C, in order to assist with financing eligible expenditures within the 105th Avenue Redevelopment Area. He explained temporary bonds are authorized by State law for a period of up to three years. It was noted the max par amount for this bond issuance is $29,700,000 with a maximum interest rate of 4.75% and a final maturity date no later than three years from the date of issuance.

Mr. Thorvig provided further information regarding the history and vision for the 105th Avenue Redevelopment Project. He reviewed the properties that were included within the redevelopment project, noting the project was broken into an east and west side. He explained the Resolution before the Council was to issue bonds if and when certain parameters are met.

Mayor Sanders thanked staff for the thorough presentation on this item.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Increment Bonds, Series 2024C, Subject to Certain Parameters.

Councilmember Saroya asked why there were two separate bond issuances for the same project. Mr. Thorvig explained the west side of the project had an abatement area and the east side had a TIF area, which then allows for the issuance of the two different kinds of bonds.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

11.8. RES 24-182 Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024D, Subject to Certain Parameters
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated council is requested to authorize the competitive negotiated sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024D, in order to assist with financing various infrastructure improvements within the West District of the 105th Avenue Redevelopment Area. It was noted the max par amount for this bond issuance is $9,000,000 with a maximum interest rate of 4.75% and a final maturity date no later than three years from the date of issuance.

Moved by Councilmember Newland, seconded by Councilmember Massoglia, to adopt a Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024D, Subject to Certain Parameters.

Councilmember Massoglia stated it was his understanding the abatement area had not been selected for this bond issuance. He asked if the selection committee would be completing this task. Mr. Thorvig explained an action item would come before the City Council at the October 7th meeting addressing this matter.

Councilmember Saroya requested further information regarding the City's liability when it came to these bonds. Mr. Thorvig reported all of these are General Obligation Bonds so if the structured funding sources do not come to fruition, then a levy would be placed on taxpayers. Mr. Zimmerman explained if the developer fails to fulfill their end of the bargain, the City would use the proceeds in hand to pay off the bond at the three year window. He commented further on how the temporary nature of this bond issuance protects the City.

Councilmember Saroya questioned if it would be better for the City to work with a developer that has done a project of this size before and could self-fund the expenditures. Mr. Thorvig stated this was a policy decision for the Council. However, he noted a project of this scale would require some level of City assistance.

Councilmember Saroya believed that the City was doing a lot of handholding when it came to this project. She commented she was not against the sports entertainment district because she believed it could be good for Blaine, but she had concerns with the amount of assistance that was being provided to the developer. She expressed further concerns with the RFP process, potential conflicts of interest, and concerns with the developer completing the project. She indicated she would be voting against this project.

Mayor Sanders recalled that each of the RFPs that were presented to the City Council included TIF requests. Mr. Thorvig reported this was the case. He reiterated that a project of this scope and scale would require developers to work with the City on some type of financing package.

Councilmember Massoglia indicated the City was working with a reputable developer and development team that have completed extremely large developments throughout the State and in metro area. He stated it was unfortunate that the comments made by Councilmember Saroya were false and noted there were no conflicts of interest. He explained he was discouraged by the fact Councilmember Saroya continues to spread misinformation.

Councilmember Larson stated she was not on the Council during the RFP process. She explained she was fortunate to come in during an exciting time and noted she trusted that the City Council and staff had done their due diligence when pursuing a development project with this developer.

Councilmember Newland reported looking over the past two years on how this project started from its concept to the plans that were now being approved, he believed it was remarkable to see how far the City has come. He stated he appreciated all the efforts of the developer and staff. He indicated he fully supported the requests before the Council.

Councilmember Saroya stated on May 20, 2024, the City Council received an email from an individual who asked questions about the developer. She was of the opinion that the City Council did not do their due diligence when it came to the developer. She reported this person expressed concerns about what would happen if this developer were to fail on this project, noting the financial burden would fall to the taxpayers. She indicated there were allegations that this developer had conducted Paycheck Protection Program (PPP) fraud during the pandemic.

Councilmember Massoglia called for a point of order. He explained these comments have been brought up at previous meetings and did not have to do with the temporary tax abatement bonds that were being considered at this time. He indicated Councilmember Saroya was continuing to disparage and speak negatively about the developer, who has been a great partner to the City for this project. He encouraged Councilmember Saroya to stay on topic and not disparage great City partners.

Councilmember Saroya believed it was relevant to bring the PPP fraud up at this time.

Mayor Sanders recommended accusations like this be brought to the developer directly and that they not be asked flagrantly at City meetings, given the fact the person who raised this concern may or may not have factual information.

Councilmember Saroya indicated she would be voting against this item.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

11.9. RES 24-183 Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024E, Subject to Certain Parameters
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated Council is requested to authorize the competitive negotiated sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024E, in order to assist with financing the construction of a multipurpose event stadium within the 105th Avenue Redevelopment Area. It was noted the max par amount for this bond issuance is $38,500,000 with a maximum interest rate of 4.75% and a final maturity date no later than three years from the date of issuance.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution Authorizing the Sale of Taxable General Obligation Temporary Tax Abatement Bonds, Series 2024E, Subject to Certain Parameters.

A roll call vote was taken. Motion adopted 6-1 (Councilmember Saroya opposed).

11.10. RES 24-184 Resolution Adopting the Proposed 2025 City Property Tax Levy and Establishing the Date for the Truth-in-Taxation Meeting
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated Minnesota Statute 275.065 requires the City to certify to the County Auditor the proposed property tax levy for taxes payable in the following year and establish the date for the Truth-in-Taxation meeting by September 30. He described how the median value homeowner would be impacted by the proposed property tax increase. Staff reviewed the budget highlights along with the proposed 2025 property tax levy in further detail with the Council and recommended approval.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt a Resolution Adopting the Proposed 2025 City Property Tax Levy and Establishing the Date for the Truth-in-Taxation Meeting.

Councilmember Massoglia stated he would be voting against the preliminary levy due to the fact the City had a 14% increase last year and was proposing a 15% increase for this year. He was of the opinion there were other ways to level out spending. He indicated this would be the highest tax rate the City has ever had. He feared how Blaine taxpayers would be impacted, especially because Anoka County would be having increases as well.

Councilmember Saroya explained she would be voting against the preliminary tax levy as well because it is not the taxpayers' responsibility to deal with alleged mismanagement.

Councilmember Robertson reiterated that the preliminary tax levy was a starting point and the Council could continue to work to make cuts between through the end of the year. She indicated the proposed increases were due to public works and public safety expenditures. She understood that none of the Council were fans of increases but rather the entire Council was looking for ways to trim the budget. She believed it was defamatory to allege this budget and the proposed tax levy increase was due to mismanagement at City Hall.

A roll call vote was taken. Motion adopted 5-2 (Councilmembers Massoglia and Saroya opposed).

12. Other Business

None.

13. Adjournment

Moved by Councilmember Newland, seconded by Councilmember Larson, to adjourn the meeting at 9:52PM.

A roll call vote was taken. Motion adopted unanimously.

Signed by ______________________
Tim Sanders, Mayor

Signed by ______________________
Catherine M. Sorensen, CMC, City Clerk