



City of Blaine

City Council

October 7, 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 7:05PM 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, Tom Newland, Jess Robertson and Lori Saroya.

ABSENT: Councilmember Chris Massoglia.

Quorum Present.

ALSO PRESENT: Acting City Manager/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; Police Captain Russ Clark; Detective Mike Sommers; Director of Administrative Services Scott Johnson; City Attorneys Tom Loonan and Lida Bannick; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

4. Awards - Presentations - Organizational Business

- 4.1.** 2024-375 Proclamation Declaring October as National Domestic Violence Awareness Month
Sponsors: City Council

Mayor Sanders read a proclamation in full for the record declaring October as National Domestic Violence Awareness Month in the City of Blaine.

Noah Shephard, Alexandra House, introduced himself to the city council and thanked the

council for supporting their mission. He stated he appreciated the fact the city was illuminating public spaces in purple to recognize this important issue and for working to raise awareness to end domestic violence.

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 7:10PM.

Dr. Roger Day, 9701 Xebec Street, shared continued concerns regarding regulatory matters that continue to restrict him from operating his home medical practice.

Derek Lind, Anoka County Elections Integrity Team (ACEIT), provided the council with an update on the work being completed by ACEIT noting his group has visited all 21 cities in Anoka County and reported seven cities have passed resolutions to expand the post election review. He recommended the council discontinue using electronic poll pads for the benefit of Blaine voters. He requested the Council allow ACEIT an opportunity to provide the council with a presentation at a future workshop meeting.

Kathy Brodzinski, Anoka County Elections Integrity Team (ACEIT), shared comments about free and fair elections and explained she serves as an election judge and encouraged the City to learn more about election integrity.

There being no further input, Mayor Sanders closed the Open Forum at 7:18PM.

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 noted he would be abstaining from the September 13, 2024, bills paid

due to a potential conflict of interest.

Motion adopted 5-0-1 (Councilmember Newland abstained).

- 8.1.** 2024-446 Schedule of Bills Paid
Sponsors: Jason Zimmerman, Finance Director
- 8.2.** 2024-441 Approval of Minutes
Sponsors: Cathy Sorensen, City Clerk
- 8.3.** 2024-166RES 24-202 Resolution Appointing Election Judges for the 2024 General Election
Sponsors: Cathy Sorensen, City Clerk
- 8.4.** 2024-413 Motion to Approve Bids for the Repair of the Roads due to Water Main Breaks at Yalta Street, Xebec Street and Burger King Parking Lot.
Sponsors: Nick Fleischhacker, Public Works Director
- 8.5.** RES 24-195 Resolution Authorizing Interfund Transfers and Budget Amendments Related to the Facilities Project to Construct a Functional Office Space for the New Fleet Manager and Existing Fleet Staff.
Sponsors: Nick Fleischhacker, Public Works Director
- 8.6.** 2024-428 Motion to Approve Selling a Surplus of Previously Used Police Department Axon Taser Equipment
Sponsors: Brian Podany, Safety Services Manager/Police Chief
- 8.7.** RES 24-191 Resolution Adopting a Written Statement of Denial for the Preliminary Manufactured Home Park Plan for Park of Four Seasons at 50 113th Avenue NE. Park of Four Seasons (Case File No. 23-0074/EES)
Sponsors: Sheila Sellman, City Planner
- 8.8.** 2024-443 Motion to Approve the 2025 North Metro Telecommunications Commission Budget
Sponsors: Ben Hayle, Communications Manager

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

- 9.1.** RES 24-176 Resolution Granting a Conditional Use Permit to Allow Indoor Auto Sales and Minor Auto Repair in a Light Industrial (I-1) Zoning District at 9221 Davenport Street NE. Konstantine Ebralidze (Case File No. 24-0055/ACK)
Sponsors: Sheila Sellman, City Planner

City Planner Sellman stated the applicant was requesting to allow indoor auto sales and minor auto repair in a Light Industrial (I-1) zoning district.

Mayor Sanders opened the public hearing at 7:20PM.

There being no public input, Mayor Sanders closed the public hearing at 7:20PM.

Moved by Councilmember Newland, seconded by Councilmember Robertson, to adopt a Resolution Granting a Conditional Use Permit to Allow Indoor Auto Sales and Minor Auto Repair in a Light Industrial (I-1) Zoning District at 9221 Davenport Street NE.

Councilmember Newland stated this has been a fairly common request, allowing auto sales within an industrial park, and noted he supported the request.

Motion adopted unanimously.

- 9.2.** RES 24-178 Conduct Public Hearing and Adopt a Resolution to Vacate a Portion of a Drainage and Utility Easement, on the West Side, Lot 2, Block 3, Radisson Industrial Park; According to the Recorded Plat Thereof, Anoka County, Minnesota; Vacation No. V24-04
Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated the city received a petition dated August 21, 2024 from Ken Scherring representing LaMettry's Collision, Inc., requesting the vacation of a portion of a Drainage and Utility Easements, on the west side of Lot 2, Block 3, Radisson Industrial Park; according to the recorded plat thereof, Anoka County, Minnesota. It was noted the existing drainage and utility easement will be re-worked to allow for the construction of a retaining wall in the area. The retaining wall will be maintained by the property owner and therefore, the east 5-feet of existing easement will be vacated. Engineering staff has reviewed the request and is in agreement with the vacation.

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

There being no public input, Mayor Sanders closed the public hearing at 7:23PM.

Moved by Councilmember Fleming, seconded by Councilmember Newland, to Conduct Public Hearing and Adopt a Resolution to Vacate a Portion of a Drainage and Utility Easement, on the West Side, Lot 2, Block 3, Radisson Industrial Park; According to the Recorded Plat Thereof, Anoka County, Minnesota; Vacation No. V24-04.

Motion adopted unanimously.

- 9.3.** RES 24-188 Holding a Public Hearing Related to Redevelopment TIF District I-25, Business Subsidy and Approving Resolution Approving an Amendment to the Blaine Economic Development Project Plan to Establish a Redevelopment Tax Increment Financing District Therein, Approving a Tax Increment Financing Plan Therefor (105th Redevelopment Area-East District) and Authorizing the Execution of a TIF Assistance Agreement and Related Documents with Blaine Town Center East LLC
Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated in early 2021, the City Council identified the 105th Avenue/Radisson Road Industrial area as a priority location for the "Growth Management" portion of the City's strategic plan. Based on council direction, the City embarked on a visioning and design process for the area to assist in marketing and development efforts of the existing site, which consists of older industrial dwellings that are either antiquated due to their age or have excessive outdoor storage, making them inconsistent with the vision for the area. General discussions by the City Council identify this as a potential "city core" where the City should encourage walkable, entertainment-type uses that take advantage of the NSC and be an amenity to Blaine residents and visitors. In the fall of 2021, a request for proposals (RFP) was advertised seeking proposals from architects to assist the City in preparation of a master plan for the 105th Avenue Redevelopment Area. The RFP was awarded to Sperides Reiners Architects Inc., who led the City Council through several meetings in the winter of 2022 to discuss options within the site and develop a concept consistent with Council goals. The master plan was received in the summer of 2022 outlining potential uses including hotels, restaurants, residential, and retail.

Mr. Thorvig reported in order to advance redevelopment of the site, an RFP was advertised in fall 2022 seeking a qualified developer to revitalize the 105th Avenue Redevelopment Area. In the winter of 2022, the City Council selected Elevage Development Group, LLC, as the master developer for the site and charged them with undertaking the construction of a mixed-use development consistent with the concepts outlined in the master plan. Discussion began in the spring of 2023 to identify a process in which the developer could acquire rights to a portion of property that was controlled by the Minnesota Amateur Sports Commission (MASC)/National Sports Center (NSC). Based on legislation with which the property was originally acquired, MASC was allowed to lease up to 16 acres for private development. In May 2024, the City issued bonds to secure a long-term lease agreement, with the intent of financing the project with new values not currently included in the City's property tax calculation. Without the City's assistance, this property would have remained vacant. Additionally, the funding provided to MASC for access to the property was fully reinvested back in the NSC campus for capital improvements.

Mr. Thorvig explained as the redevelopment concept for this site has advanced, the City Council has been informed of financing considerations and requests from the developer. While the overall financial structure has evolved along with the development concept, the

fundamental premises included establishment of a Tax Increment Financing Redevelopment (TIF) District to facilitate financing for redevelopment of the 105th Avenue Redevelopment Area with significant infrastructure and site development required, and construction of a mixed-use development that will include event stadium, foodhall, fieldhouse, hotels, apartments and medical office space. Recent discussions regarding the financial structure of the redevelopment site with the Council have occurred on:

- [105th Redevelopment Area Schedule of Events - September 9](#)
- [105th Redevelopment Updates/Discussion - August 19](#)
- [105th Redevelopment District Updates/Project Discussion - July 8](#)
- [Stadium Event Financing Requirements - May 20](#)
- [105th Redevelopment Project Financing Discussion - May 13](#)

Mr. Thorvig commented on September 16, 2024, the City Council adopted a parameters resolution related to the sale of General Obligation Temporary Taxable Tax Increment Revenue bonds that, subject to certain parameters, will be issued to finance infrastructure improvements for the overall development, land acquisition, demolition and other TIF eligible redevelopment expenses. The authority to issue Tax Increment Revenue Bonds is subject to the establishment of TIF district. The parameters resolution identified a principal amount not to exceed \$29,700,000. The Temporary TIF Bonds are expected to be refinanced by permanent financing within 3 years of issuance (by August 1, 2027). The debt service due on the permanent financing issued will be repaid by new property taxes generated from new development within the TIF district. Minimum assessment agreements will be entered into by the developer to ensure the taxable value of the properties matches the necessary value needed to create sufficient property tax revenue to cover debt service. A separate TIF development agreement is standard when a TIF district is created and funds are provided to a developer. There is a separate action item on the October 7 agenda related to approval of the TIF agreement and related minimum assessment agreement.

Mr. Thorvig stated Tax Increment Financing is a financing tool meant to support local economic development, redevelopment and housing development that would not otherwise occur without assistance. As its name suggests, TIF uses the incremental property taxes, or "tax increments" generated by the increased taxable value of a new development to help finance qualifying costs. TIF is not a tax reduction, taxes are paid on the full taxable value. The original taxable value continues to be part of the tax base that supports the tax levies of the city, county and school district, and other taxing jurisdictions. The new, additional value from development activity is "captured" from the tax base for the duration of a TIF district. After the TIF district is terminated, the captured value becomes part of the tax base. Minnesota State Law allows for various types of TIF districts to be established. The most common types of TIF districts are redevelopment districts, economic development districts and housing districts. It was noted the City of Blaine currently has six TIF districts.

Mr. Thorvig explained each district has different requirements for how it can be established, what are eligible uses and the maximum duration. In this instance, a redevelopment TIF district is being proposed. For redevelopment districts, allowed activities for which TIF can be used include public improvements (roads, utilities, etc.), site preparation, demolition, cleanup of hazardous substances, property acquisition and parking facilities. The law permits increments for a district to be collected for 25 years after the receipt of the first

increment. Since the first year of increment is not counted, 26 years of increment may be collected in total. Traditionally, redevelopment districts have been considered mechanisms to aid the development of "blighted areas", which are sites occupied by dilapidated or rundown buildings or obsolete uses. In order for a TIF district to qualify under the blight test, 70 percent of the district must be occupied by buildings, streets, utilities or other similar structures and more than 50 percent of the buildings must be structurally substandard.

Mr. Thorvig reported the meaning of "structurally substandard" is crucial since it's the litmus test of blight. A building is not structurally substandard if it's in compliance with the building code for new buildings or could be brought into compliance for less than 15 percent of the cost of building a new building of the same type. In order to complete this analysis, a third-party architect has been hired. Inspections of the buildings to be included within the TIF district have occurred, and it has been determined that the structurally substandard requirement has been met in order to establish a Redevelopment TIF district. A public hearing is required to be held by the City Council, and a subsequent action to authorize the TIF district by the City Council. These actions are scheduled for the October 7 meeting. However, the TIF district will ultimately be created by the EDA. All other agreements related to the project will be between the developer and City. Staff commented further on the sources and uses for the horizontal development, noting all vertical development expenditures would be the responsibility of the developer.

Mayor Sanders thanked staff and bond counsel for all of their work on this item.

Mayor Sanders opened the public hearing at 7:38PM.

There being no public input, Mayor Sanders closed the public hearing at 7:38PM.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution Approving an Amendment to the Blaine Economic Development Project Plan to Establish a Redevelopment Tax Increment Financing District Therein, Approving a Tax Increment Financing Plan Therefor (105th Redevelopment Area-East District) and Authorizing the Execution of a TIF Assistance Agreement and Related Documents with Blaine Town Center East LLC.

Councilmember Saroya shared continued concerns not with the project but with the City's role in financing this project for a private entity. She reported she was not on the council when this RFP process began and the developer was selected. She inquired if TIF was part of the RFP process originally and asked more questions regarding the TIF financing and how this project would impact taxpayers.

Mr. Thorvig reported of the four developers that responded to the RFP, each was required to put together a financial proforma. He explained it was challenging for each of the developers to complete this task given the fact this project was based on a concept. He indicated after reviewing the RFPs, all four developers showed some type of need for city assistance.

Councilmember Saroya discussed how TIF funding comes from taxpayers. She reported the preliminary levy for 2025 had a proposed increase of 15% to 17%. She questioned if the TIF

financing needed for this project would increase taxes for Blaine residents. Mr. Thorvig commented the proposed TIF district was just for the east portion of the overall redevelopment district. He indicated there would be three apartment buildings and an office building. He estimated these buildings would have a value of \$240 million, which meant there would be enough new taxes from these four buildings to cover the debt service.

Mikaela Huot, Baker Tilly, spoke to the but/for finding that the project explaining this project would not occur without the TIF financing and shared further comments regarding debt service safeguards that were in place reporting this project would not be the responsibility of general city taxpayers.

Councilmember Saroya explained a resident asked her if the City was spending \$28 million on apartments that would benefit a private developer. Mr. Thorvig reported the \$28 million would be spent on infrastructure and horizontal development, not on apartment buildings, which was considered vertical development and would be funded by the developer.

Councilmember Saroya questioned what are other uses for TIF funding. She explained she had concerns with how the schools and water treatment plant would be impacted by the additional apartment units. She inquired if there were better uses for the city's TIF funding. Mr. Thorvig described the costs that were eligible for TIF funding, noting this included public improvements, utilities, site preparation, demolition, cleanup of hazardous substances, property acquisition and structured parking facilities. Ms. Huot further described how TIF funds can be used within a TIF District. She reported all revenues generated within the district can only be spent within the geographic boundaries of the district. She commented pooling does allow for funding to be spent outside the district and come with restrictions on the use of the funds.

Motion adopted 5-1 (Councilmember Saroya opposed).

- 9.4.** RES 24-192 Public Hearing Related to and Approving Property Tax Abatements Authorizing the Execution of an Abatement Assistance Agreement and Related Documents with Blaine Town Center West LLC
Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig explained the staff report for this item was presented under Item 9.3. He provided a brief description on how tax abatement differed from TIF financing. He reported the City was proposing to issue tax abatement bonds to finance west infrastructure improvements not to exceed \$9 million. He commented on how an agreement would have to be entered into with the developer that outlines the roles and responsibilities of both the city and the developer related to the project, disbursement of funds and project timelines. He requested the council hold a public hearing and approve the property tax abatement authorizing the execution of an abatement assistance agreement with Blaine Town Center West.

Mayor Sanders opened the public hearing at 7:55PM.

There being no public input, Mayor Sanders closed the public hearing at 7:55PM.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt a Resolution establishing the tax abatement district and approving Property Tax Abatements Authorizing the Execution of an Abatement Assistance Agreement and Related Documents with Blaine Town Center West LLC.

Motion adopted 5-1 (Councilmember Saroya opposed).

10. Development Business

- 10.1.** RES 24-175 Resolution Granting a Conditional Use Permit for a Specialized Youth Training Facility (Fitness Center) in the Planned Business District (PBD) Zoning District at 11820 Ulysses Street NE. Next Level Athletes (Case File No. 24-0053/SLK)
Sponsors: Sheila Sellman, City Planner

Ms. Sellman stated the applicant is requesting a Conditional Use Permit (CUP) to open a specialized youth training facility. It was noted the applicant is requesting a conditional use permit for a specialized youth athletic training facility. The facility will provide a training environment that emphasizes proper technique, physical development, and sportsmanship for young people. The facility will include areas dedicated to various forms of training, such as strength training, speed and agility drills, and sport-specific skill development. The business proposes to operate Monday-Saturday from 7AM-7PM.

Moved by Councilmember Larson, seconded by Councilmember Robertson, to adopt a Resolution Granting a Conditional Use Permit for a Specialized Youth Training Facility (Fitness Center) in the Planned Business District (PBD) Zoning District at 11820 Ulysses Street NE.

Councilmember Larson commented there is nothing like this close by and she was excited to see this new business coming to the city of Blaine.

John Merry, Next Level Athletes, thanked the city for considering his request.

Councilmember Saroya agreed this was a great opportunity for the community then asked if the applicant wanted to have longer hours of operation. Mr. Merry reported he would be open from 7AM to 7PM because his primary focus would be on youth athletes with workouts before and after school.

Motion adopted unanimously.

- 10.2.** ORD 24-2566 Second 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)

Ms. Sellman stated the development team for the 105th Redevelopment Project is requesting ordinance amendments to the 105th Avenue Redevelopment District (RD) to reflect the current approved master plan. The proposed amendments include additions of permitted uses, reduction in conditional uses and some modifications to development standards based on the approved master plan. Some modifications for consistency within the ordinance. Staff summarized the proposed amendments in further detail and reviewed the Planning Commission's recommendation.

Moved by Councilmember Newland, seconded by Councilmember Fleming, to adopt the Second Reading of Ordinance No. 24-2566, Approving Amendments to the City of Blaine Zoning Code Section 30.90 - 105th Avenue Redevelopment District (RD) as recommended by the Planning Commission with regard to buildings 50 feet as a conditional use, lighting over 20 feet as a conditional use, and parking ramp as a conditional use.

Councilmember Saroya asked about the person who spoke against the proposed changes at the planning commission meeting. Ms. Sellman indicated this individual supported the master plan as presented and recommended the planning commission not make any changes.

Councilmember Saroya reviewed the concern that was expressed at the planning commission, noting the proposed development could have three 100-foot parking structures and 100-foot lights throughout the district. She asked if this was a valid concern. Ms. Sellman reported the development is approved for the site plan, noting the developer would have to build to this standard. She indicated if the developer wanted to build three 100-foot parking structures, this would have to come before the city council for site plan approval.

Councilmember Robertson noted the proposed amendments from the developer would provide for greater efficiencies during development. Ms. Sellman reported this was the rationale behind the requested changes to the ordinance.

Councilmember Robertson explained she did not fully support the planning commission's recommendations. She explained the city had a good relationship with the developer and she did not want to make the project more difficult. She indicated she would be voting against the current motion on the table.

Councilmember Larson supported the planning commission's recommendation and stated she appreciated the city having the ability to maintain control over light and building height.

Councilmember Newland asked questions regarding the Class I and Class II restaurants. Ms. Sellman reported right now the developer would be limited to a 3,000-square foot restaurant. She indicated the developer was requesting this be changed to 20,000 square feet to allow for larger restaurants.

Will O'Keefe, Bader Development, explained the reason the changes were requested was to better align and address some conflicts that exist within the code. He clarified there would

be structures and ramps taller than 50 feet throughout the development. He indicated the planning commission's language creates some doubt with financing and could create additional layers for risk. He requested the council approve the ordinance amendments as presented by the developer.

Councilmember Robertson stated she was not a developer, but noted she supported the council moving forward with the amendments as proposed by the developer versus the recommendations from the planning commission. She recommended the motion on the floor be amended to approve the amendments as proposed by the developer.

Amended motion moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt Second Reading of Ordinance No. 24-2566, Approving Amendments to the City of Blaine Zoning Code Section 30.90 - 105th Avenue Redevelopment District (RD) as proposed by the developer.

Councilmember Larson indicated she could support this motion, if buildings over 50 feet remained a conditional use.

Councilmember Robertson stated she would be keeping her motion as is, noting she was not a developer and explained she would like the city to act in good faith as a partner to the developer.

Councilmember Larson explained she believed the city was acting as a good partner by supporting 99% of the proposed amendments and asked that just one item be removed.

Corey Burstad, Elevage Development, shared further reasons for the ordinance amendments, noting this fits with the development and concept plan as originally presented. He commented on how water was seven feet down which meant parking could not be constructed underground. For this reason, buildings would have to be parked two stories above ground with apartments or other uses four or five stories above the parking. He reported the light heights would match what was already there at the soccer fields. He explained the food hall was designed to be part of the stadium.

Councilmember Larson thanked the developer for providing the council with this information. She asked what would keep the developer from building a 400-foot structure. Ms. Sellman stated the ordinance is capped at 150 feet and the site plan was approved with a seven-story apartment building.

Councilmember Saroya was of the opinion that there were benefits to having certain elements coming back before council for final approval through a conditional use permit in order for the City to retain control. She supported proper checks and balances remaining in place, while also providing residents an opportunity to provide feedback on proposed future buildings within this development.

Mr. Burstad explained this was an Elevage and Bader development and reported Elevage and Bader have experience with large multi-family developments.

Amended motion adopted 5-1 (Councilmember Saroya opposed).

City Attorney Tom Loonan clarified that since the ordinance was substantially different from the first reading, council should consider this the first reading of the amended ordinance and the second reading and adoption would be held at the October 21, 2024, Council meeting to ensure conformance with the City Charter.

Declared by Mayor Sanders that Ordinance No. 24-2566, "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 21, 2024 Council meeting.

11. Administration

11.1. ORD 24-2565 Second 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 NE 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. 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. The EDA approved the sale of property at their meeting on Monday, September 16.

Moved by Councilmember Robertson, seconded by Councilmember Newland, to adopt the Second Reading of Ordinance No. 24-2565, Approving the Sale of 2043 105th Avenue NE.

Motion adopted 5-1 (Councilmember Saroya opposed).

12. Other Business

Moved by Councilmember Fleming, seconded by Councilmember Robertson, to suspend the rules to make a motion.

Motion adopted unanimously.

Moved by Councilmember Fleming, seconded by Councilmember Newland, to adopt a resolution censuring Councilmember Saroya.

Councilmember Saroya left the dais at 8:33PM.

Councilmember Robertson asked if the resolution and summary report will be made available publicly and noted the Council had no participation in this investigation and a third-party investigation was conducted at Councilmember Saroya's request. City Attorney Lida Bannick said the materials would be made available to the public.

Motion adopted unanimously; Councilmember Saroya absent for the vote.

12.1. RES 24-201 Resolution Censuring Councilmember Saroya
Sponsors: Attorney Lida Bannick

Motion by Councilmember Fleming, seconded by Councilmember Robertson to suspend the rules.

Motion adopted unanimously.

Councilmember Fleming stated based on a third-party report the city council received this evening in workshop, she would like to make a recommendation that the city council adopt a resolution of censure.

Motion by Councilmember Fleming, seconded by Councilmember Newland to adopt a resolution of censure.

Councilmember Saroya left the council chambers.

City Attorney Loonan explained earlier this evening the city council received a redacted report of an independent investigation that was provided to his office on September 11, 2024, relating to certain employee complaints against Councilmember Saroya. He reported at this meeting, the council reviewed the report and was asked to consider a course of action. He stated at this meeting, the council determined they wished to move forward with a formal resolution of censure against Councilmember Saroya, adopting the findings within the independent investigation report. He requested City Attorney Bannick come forward at this time to speak further to the resolution of censure.

City Attorney Attorney Bannick presented the resolution of censure to the city council. She explained there is a factual basis contained in the first portion. She reviewed the three

findings from the third party investigation, noting each were included in the resolution for censure. She reported the city council has concluded that a censure of Councilmember Lori Saroya was warranted and that appropriate measures should be put in place to limit to restrict her interaction with city staff and attempts to use her position as an elected official to influence autonomous decision-making of the city's commissions and boards. She commented further on the provisions within the resolution for Censure and advised if adopted this resolution does not restrict freedom of speech rights.

Councilmember Robertson questioned if this resolution would be made available to the public. She indicated she would also like the third-party report summary was also made available to the public. Attorney Bannick explained both documents would be made available to the public.

Councilmember Robertson reported since the public has not read the resolution in full, she wanted to make it clear that this resolution of censure was a matter of policy and a code of conduct the city council agrees to annually. She indicated it makes her sad the council had to get to this point, but the nature of this study subsequent resolution, was to address the inappropriate nature of how staff has been treated. She indicated two formal complaints had been filed against Councilmember Saroya and commented the mistreatment of staff was unacceptable. She stated as leaders in the community, she did not believe this was how the councilmembers should be conducting themselves. She reported this study was not targeted, but rather was brought about by city staff.

Motion adopted 5-0-1 (Councilmember Saroya was not present for the vote).

13. Adjournment

Moved by Councilmember Robertson, seconded by Councilmember Larson, to adjourn the meeting at 8:40PM.

Motion adopted unanimously.



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, CMC, City Clerk