City of Blaine
City Council Workshop

May 5, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

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

1. Call to Order

The meeting was called to order by Mayor Sanders at 5:30PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; City Attorney Tom Loonan; Deputy Fire Marshal/Facilities Manager Todd Miller; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-99 Pulte Residential Concept for Property South of 125th Avenue and West of Zest Street
Sponsors: Sheila Sellman, Assistant Community Development Director

Assistant Community Development Director Sellman stated a concept plan application has been made for properties located at 3900 125th Avenue (two parcels) and 3700 125th

Avenue. The three subject properties are a total of approximately 83 acres and have an existing single-family home with accessory buildings on the two western parcels. The larger eastern parcel has accessory buildings located on the parcel. The properties are zoned Farm Residential (FR) and guided for Low Density Residential (LDR) development at a density of 2.5-6 units per acre. The applicant's concept plan is for 83 single-family homes and 91 townhomes, which would be 3.5 units/acre for density. The parcels to the west and south are zoned Farm Residential (FR) and guided Low Density Residential (LDR) and are vacant. The parcels to the east are zoned Town Commercial (B-5) and are guided Planned Commercial (PC) except for the City water tower site which is zoned Planned Business District (PBD). The parcels to the east include an existing single-family home, water tower and a vacant parcel. Staff reviewed the proposed concept plan in further detail with the council and requested feedback.

Director of Engineering Schluender discussed how transportation in this area would look as the area continues to develop. He noted the city was developing plans for the intersection at 122nd Avenue and Zest Street. He commented the two proposed parcels do not meet Anoka County spacing guidelines for access to 125th Avenue, which meant Street C would have to be extended to Zest. He noted Street A would be extended west to Lakes Parkway. He reported sewer and water would have to come from the east or south.

Dean Lotter, Pulte Homes, commented on the proposed subdivision, noting the homes would have three to six bedrooms and a three car garage. He explained Pulte was finding their buyers were in need of this size home but were not looking for a large lot. For this reason, he was proposing a 60 to 65 foot wide lot. He reported Pulte was also seeing a great response for townhomes as well.

Ryan Kristopik, Carlson Engineering, shared further information with the council regarding the proposed project.

Ms. Sellman asked if the council supported a land use change from LDR to MDR on a portion of the site to allow for townhomes.

Councilmember Robertson indicated the council has tried to envision what this area looks like 20 to 30 years in the future and noted this area was supposed to be an extension of The Lakes. She reported the community was looking for something different on this property versus a typical development. She explained she supported keeping this land lower density.

Councilmember Larson agreed, stating this was one of the last large developments in Blaine and she wanted to see something different.

Councilmember Ford commented he was not against this development, and he understood there was a need for homes for empty nesters that were low maintenance. He indicated he could support the townhomes moving forward.

Councilmember Newland stated not every home in The Lakes was custom. He noted there were townhomes within this development and he believed it made sense to have additional townhomes in the surrounding commercial areas as proposed. He believed this would be a continuation of The Lakes. He also understood the proposed smaller lots fit with current market demands.

Councilmember Massoglia reported he did not support the land use change.

Councilmember Fleming stated she appreciated everyone's opinion. She indicated she did not support changing the vision for this area and would not support a land use change. She explained she would like to see larger unique homes in this area with larger lots.

Mayor Sanders commented The Lakes neighborhood was very well designed and executed. He believed the look and feel of The Lakes neighborhood should continue on this property.

Mr. Lotter asked if the plans were reevaluated and amended to have larger single family homes and some townhomes would this be considered by the city council.

Councilmember Massoglia stated he would like to see 75 to 80-foot-wide lots throughout this development. Councilmember Larson agreed.

Further discussion ensued regarding other housing developments that have been approved recently and staff noted the majority have been smaller lots sizes.

Councilmember Ford stated that for the people looking for larger houses and lots sizes, he anticipated these individuals would want to design their own homes. He questioned how many people in the community could afford a $1 to $2 million custom built home.

Councilmember Larson commented the city of Blaine may be losing these individuals to Ham Lake where larger lots were available.

Councilmember Robertson stated she liked the mix of housing within The Lakes and believed there was merit to having a variety of housing. She explained she wanted to be sensitive to the developers' time and resources. She understood this property would be difficult to develop due to the wetlands and endangered plant species. However, she did not want to give up on the vision the city had for this property.

Council consensus was not to support a land use change to allow townhomes.

Councilmember Newland asked if 75-foot-wide lots would require a zoning change. Ms. Sellman reported this was the case because the minimum lot width in the R-1 zoning district was 80 feet.

Ms. Sellman requested feedback on the proposed building elevations.

Councilmember Massoglia supported the lots being 75 to 80 feet wide and noted this would provide for beautiful homes throughout the development.

Councilmember Newland stated he believed the home elevations provided by Pulte were beautiful.

Councilmember Larson recommended the project have 80-foot-wide lots as well.

Mayor Sanders said the council would review a modified plan should Pulte wish to return for feedback.

Council supported lots being 75 to 80 feet wide throughout, which would then result in appropriate house elevations.

3.2. 2025-100 Development Proposal for EDA Owned Property at 90th Lane and University Avenue

Sponsors: Sheila Sellman, Assistant Community Development Director

Ms. Sellman stated the developer is proposing a 10-unit detached townhome development. Each unit will be a slab on grade with a two-car garage. The developer has indicated this type of development attracts an older demographic that prefers privacy and low maintenance living. The detached development will align well with the surrounding single-family neighborhood. Land will need to be dedicated for a right turn lane on University Avenue, this is reflected on the concept plan.

Ms. Sellman explained the developer has offered $260,000 for the property. A residential developer looks at a price/unit when determining land value versus a price/acre. This equates to $26,000/unit. This is a market-rate price for this type of transaction. If the EDA were to market the property for commercial use, the value would be approximately $700,000-$800,000. While the EDA paid $1,280,000 for the property 13+ years ago, the EDA is reminded that this transaction included buying property with existing buildings. It's not uncommon for cities to sell land for less than they purchased in redevelopment scenarios such as this. The EDA/Council can go into closed session to discuss the land offer.Staff commented further on proposed plans for this property and requested feedback from the Council.

Councilmember Ford stated he fully supported the proposed development.

Councilmember Newland agreed noting this would be a great upgrade for this area of Northtown.

Councilmember Robertson thanked staff for holding open houses to gain feedback from the residents. She indicated she supported the development as proposed.

Councilmember Fleming supported the plan as well.

Council supported the proposal as presented for 10 detached units, noting this project was based on feedback from the neighborhood meetings.

3.3. 2025-101 Closed Session Pursuant to MN Statute 13D.05(3)(c)(3) Consider Offer for EDA-Owned Property at 90th Lane and University Avenue

Sponsors: Erik Thorvig, Community Development Director

After a motion and second, the council moved into a closed session pursuant to Minnesota Statute 13D.05(3)(c)(3) to consider an offer for EDA-owned property at 90th Lane and

University Avenue.

3.4. 2025-102 City of Blaine Utility Cost Savings Project
Sponsors: Scott Johnson, Director of Administrative Services

Director of Administrative Services Johnson stated staff is requesting further discussion from the city council to receive direction on the potential utility cost-saving project for the city of Blaine. McKinstry presented their findings to the city council at the March 10, 2025, Workshop on potential utility cost-saving projects for the city of Blaine through guaranteed utility savings contracts and tax credits. They presented information on how the proposed improvements to our facilities will help save general fund, facilities fund and utility fund dollars. Staff noted timing is important on this project. We do not know if the tax credits and other funding sources proposed used for financing these projects will be available in 2026 (the proposed project follows the 2025 Federal Tax Code). The proposed project will help the city of Blaine save future energy costs, lighting costs, and save money with updated operations and maintenance systems. The next step in the process is the investment grade audit. The investment grade audit is a comprehensive and detailed energy audit that focuses on the financial aspects of the energy efficiency improvements. It analyzes potential energy savings and the return on investment (ROI) from the proposed changes or upgrades. The results of the audit provide the final guaranteed savings and project price.

Councilmember Massoglia thanked staff for the detailed presentation on this item. He explained if the council had a big priority to do solar on the water treatment plant that could be considered but noted this project was not within the city's CIP.

John Neville, McKinstry, shared more about solar panels life expectancy and payback. He reported when the water treatment plant was constructed it did not make sense to install the solar, but with the new rates and tax credits on the solar panels it did.

City Manager Wolfe indicated the solar panels were not in the CIP because staff did not believe it was a good idea to propose to the council unless there was a payback and the last time the analysis was completed, the payback would have been 30 years. She indicated the numbers were different at this time.

Councilmember Massoglia asked what would happen in 20 years when the solar panels needed to be replaced. He commented at this time he did not support the city pursuing solar.

Adam Seidel, McKinstry, reported the solar panels were rated to last 25 to 30 years and would bring cost savings to the city over the lifetime of the panels.

Councilmember Newland explained he agreed with Councilmember Massoglia that the city should not move forward with the solar panels given the future replacement costs.

Councilmember Robertson indicated many of the items within the plan would require long-term or ongoing maintenance which would be a cost to the city going forward. She did support the council having further discussions on how to systematically incorporate some of these items into the city over time for cost-saving purposes. She explained she was not willing to commit to $1.6 million in order to receive some cost savings over the next 20 years.

Mr. Neville discussed how the city needed to install new LED lights throughout all city buildings because florescent light bulbs were going away in 2026 and by doing this project now, this project would be not have to be done within the CIP.

Councilmember Robertson stated she was willing to have a conversation around this item, but indicated she could not support moving forward with the entire project at this time.

Councilmember Ford commented he supported the city pursuing this project. He understood money would have to be spent, but he believed the money spent would lead to future savings. He was of the opinion this project was the best way for the city to complete much needed improvements and enhancements while assisting with cost savings.

Councilmember Larson stated there was so much she didn't know about this project and that new information was being presented to the council regarding CIP maintenance costs. Mr. Johnson reported through this utility savings project, staff worked to create a comprehensive list of upcoming costs for the council to consider.

Councilmember Fleming commented she did not know where she stood on this topic yet. She asked if solar could be removed given the concerns that have been raised. She indicated she was not fully supportive on solar because she did not understand the future expense. John Seidel, McKinstry, explained the solar panels could be removed and the project could still move forward.

Councilmember Massoglia commented that he felt McKinstry was not being honest because when he had asked if the solar component could be removed and he was told the solar portion was over 70% of the project and without solar the project could not move forward. He questioned if the consultants were trying to lead the city into this project without all the proper information. Mr. Seidel apologized if this was Councilmember Massoglia's understanding but noted he was presenting all of the savings options to the city and explained the solar portion of the project could be removed and the project could still go forward.

Councilmember Ford questioned the lifespan of a solar panel and inquired if they could be useful in 30 to 40 years. Mr. Seidel reported solar panels were warrantied for 25 years. He explained he does not install solar onto roofs unless they were three years old or newer and the systems typically lasted for around 30 years. He commented he was uncertain what the technology would look like 30 years from now.

Councilmember Newland asked what the cost was to move forward with the investment grade audit. Mr. Johnson stated the cost was $82,775. Mr. Seidel discussed how the cost for the study would be built into the project that moves forward.

Ms. Wolfe explained she was hesitant to bring this item to the council because the city did not have dollars set aside for sustainability and it appeared this contract may be too good to be true. However, after completing the reference checks, she believed the project was worthwhile. She commented further on why staff put their time and effort into this contract because it would assist the city would cost savings.

Mayor Sanders asked if there were four members that supported the city moving forward with the audit.

Councilmember Larson inquired what staff recommended. Ms. Wolfe recommended the contract move forward.

Councilmember Larson stated she supported moving forward.

Councilmember Ford also supported moving the audit forward.

Councilmember Newland indicated he could support moving the audit forward.

Councilmember Robertson did not support moving forward with the audit because there would be a cost to the city and the city may not be able to pick and choose what could move forward.

Councilmember Fleming asked how the study would be paid for. Mr. Seidel explained there would be no up front fee, rather the fee would be built into whatever option or project the city moves forward with. He reiterated that McKinstry had built in savings in this project and these savings dollars will cover the cost for the audit. He indicated the $80,000 audit fee would have to be paid if the city were to back out of the project.

Councilmember Fleming stated she would support staff and staff's recommendation by recommending the audit move forward.

Councilmember Massoglia indicated he did not feel good about this contract at all. He commented on how the numbers are going to look very different if the solar portion were removed. He recommended the numbers be reworked by McKinstry without the solar component and that this be considered by the council prior to moving forward with the audit.

Councilmember Newland asked if McKinstry could provide this information to the council. Mr. Seidel stated he could sort through the data in order to provide the council with this information.

Councilmember Newland supported the council being able to look at the plans without solar before moving the audit forward.

Mayor Sanders requested McKinstry bring the plans back to the council without a solar component for further consideration.

3.5. 2025-107 Closed Session Pursuant to MN Statute 13D.05(3)(c)(3) Consider Offer for EDA-Owned Property at 10500 Nassau Street NE

Sponsors: Erik Thorvig, Community Development Director

After a motion and second, the council moved into a closed session pursuant to Minnesota Statute 13D.05(3)(c)(3) to consider an offer for EDA-owned property at 10500 Nassau Street NE.

4. Other Business

Mr. Thorvig shared an update on the traffic challenges around the NSC this past weekend during activities and the creation of the resulting temporary road. He said staff will be meeting this week with public safety and NSC staff members to address this concern.

5. Adjournment

The workshop was recessed at 6:55 PM and reconvened at 8:45PM to complete the two closed session items.

The meeting was adjourned at 9:30PM.

Signed by ______________________________
Tim Sanders, Mayor

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