



City of Blaine

City Council Workshop

June 2, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

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

2. Roll Call

3. New Business

3.1. 2025-125 Closed Session Pursuant to Minnesota Statute 13D.05 Subd (3)(c) to Consider Acquisition of Property within the 105th Redevelopment Project
Sponsors: Erik Thorvig, Community Development Director

3.2. 2025-126 Well Interference Update
Sponsors: Nick Fleischhacker, Public Works Director

3.3. 2025-124 105th Avenue/Nassau Street Industrial Park Rezoning Discussion
Sponsors: Sheila Sellman, Assistant Community Development Director

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2025-125

Agenda Date	Status
June 2, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, Community Development Director

Agenda Item # 3.1

Closed Session Pursuant to Minnesota Statute 13D.05 Subd (3)(c) to Consider Acquisition of Property within the 105th Redevelopment Project

Background

Closed Session Pursuant to Minnesota Statute 13D.05 Subd (3)(c) to Consider Acquisition of Property within the 105th Redevelopment Project

Staff Recommendation

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2025-126

Agenda Date

June 2, 2025

Status

In Control

City Council

File Type

Workshop Item

New Business - Nick Fleischhacker, Public Works Director

Agenda Item # 3.2

Well Interference Update

Background

Staff will provide council with an update on the well interference work with the DNR. Meetings and discussions with the DNR have taken place, proposals and model agreements have been provided to the city, and additional modeling has been prepared to measure the potential impact of the city wells. Staff has received feedback on an early draft for handling well interference complaints.

Staff Recommendation

Questions for Council

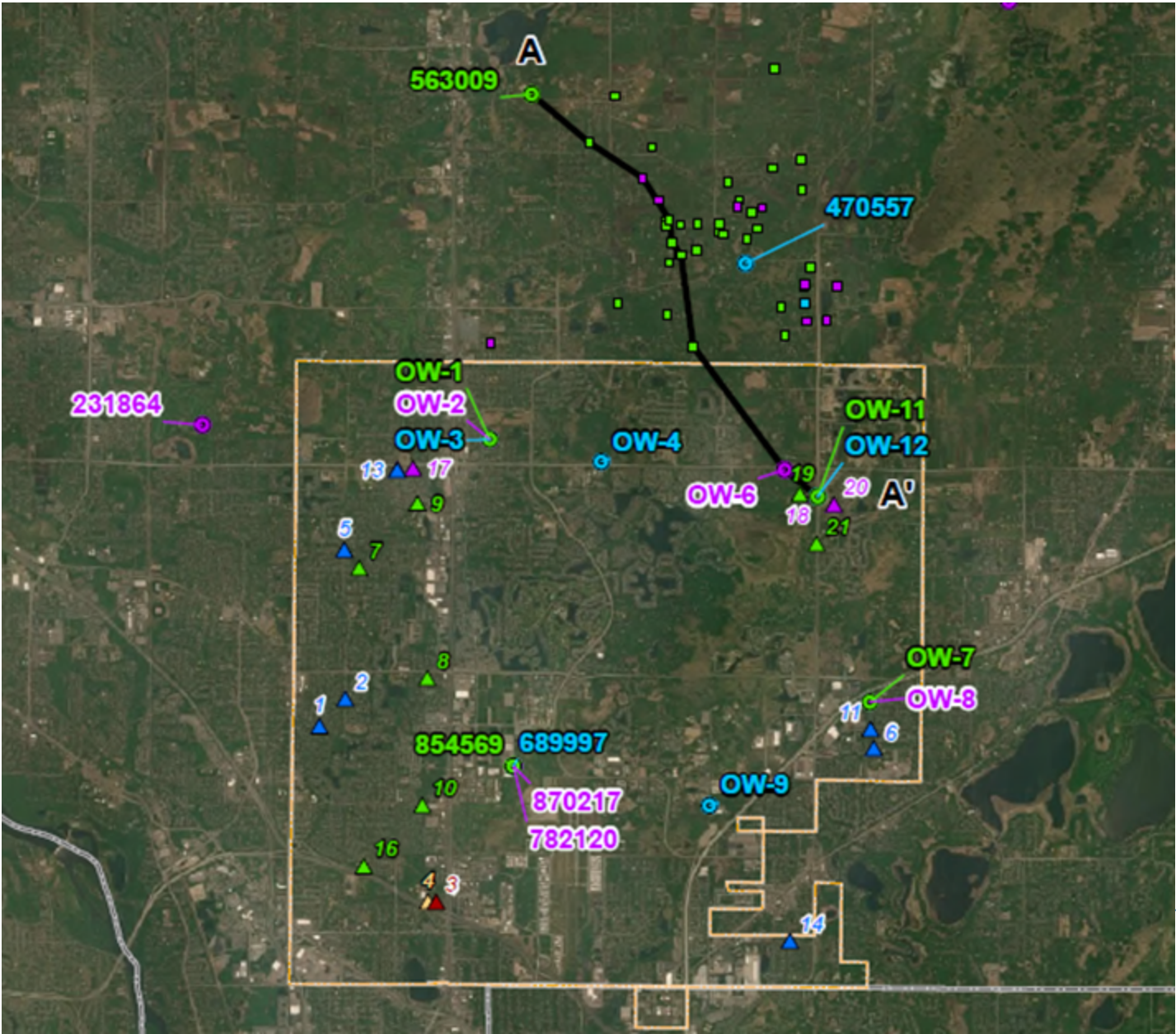
Attachment List

1. Well Interference Update
2. Update Memo



Well Interference Update

Overview map



Progress since last update December 2024



- ◆ Barr updated the groundwater model to address DNR requirements
- ◆ Staff and DNR have been meeting roughly every two weeks since March
- ◆ DNR has now provided guidance on actions needed to permit pumping of the NE Wellfield
 - ◆ Install nest of two monitoring wells into two aquifers (in location approved by DNR)
 - ◆ Communication plan
 - ◆ Well interference mitigation plan
 - ◆ Limit of 135 MG per month pumping from NE Wellfield
- ◆ Staff has started to create a well interference mitigation plan and has received initial feedback from the DNR.

Questions for Council



- ◆ Is the council supportive of pursuing installation of observation wells?
 - ◆ Estimated costs for observation wells is \$100,000 - \$200,000. \$500,000 in funding was allocated in the 2024 CIP for well interference. Zero dollars have been spent to date.
 - ◆ A contract amendment with Barr Engineering will be required to prepare plans and specifications.



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MEMO

CITY OF BLAINE ■ ENGINEERING ■ 763-785-6172

DATE: May 30, 2025

TO: Michelle Wolfe, City Manager

FROM: Stefan Higgins, Assistant City Engineer

SUBJECT: Northeast Well Field timeline of events since last City Council update

December 2024 - Barr Engineering revised the groundwater model based on the DNR technical staff's specifications and submitted the model to the DNR. The groundwater model reasonably matched field data obtained on well drawdowns near the Northeast Well Field (Wells 18, 19, 20 and 21) and in an observation well northwest of the cluster of complaints in Ham Lake. The model did not match data observed in the cluster of complaints in Ham Lake, the actual drawdowns in the private wells that suffered interference in this area were approximately 10 to 50 feet greater than the model predicted. Barr postulated that the observed conditions suggest that there were additional unknown groundwater withdrawals from the aquifers in the vicinity of the interference complaints. Barr indicated two possible sources of additional withdrawals could be unpermitted deep irrigation wells (multiple sod farms are in the area) or cumulative domestic well pumping by the properties in the area.

January 2025 - The DNR technical staff requested that Barr update the model to include domestic well pumping. Barr resubmitted the model at the end of January. The model showed that domestic well pumping did reduce the simulated water levels in the area around the well interference complaints by approximately 5 feet, which was still not enough to compensate for the large difference between the model and the observed conditions, suggesting there are still likely additional significant unknown groundwater withdrawals occurring. The DNR technical staff stated they would be reviewing the updated model and get back to Barr in the next few weeks.

February 2025 - On February 19, Barr contacted the DNR technical staff to inquire as to the status of the model review and potential to schedule a meeting to discuss. On February 24, the DNR responded that they were still discussing internally and would not be able to give any more substantial updates until early April.

On February 27, a DNR management official contacted the City Manager to set up a time for the two of them to meet and discuss the current backdrop of the City's water use permit, well interference and opening a discussion between the City and DNR.



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MEMO

CITY OF BLAINE ■ ENGINEERING ■ 763-785-6172

March 2025 – On March 6, The City Manager and the DNR official held a meeting to discuss the well interference issue. Another meeting was held on March 25. At the meetings an initial framework for a path forward for the City to be able to use its wells is discussed. The DNR official stated that the Barr groundwater model does not match what was observed in the field around the well interference complaints. Therefore, the model is currently not useful for predicting future well interference complaints. The DNR groundwater model is also showing the same discrepancies as the Barr model, and they don't know why. Installation of monitoring wells, development of a communication plan and a well interference response plan will be a part of the required path forward before the City will be allowed to use Wells 19, 20 and 21.

On March 21, Barr reached out to the DNR technical staff to inquire as to the status of the model review and potential to set up a meeting for early April. DNR responds that they are still discussing the next steps and will know more in the next couple of weeks.

April 2025 – On April 3, Barr reached out to the DNR technical staff to inquire as to the status of the model review. The DNR responds on April 8 that they still are discussing internally and someone from the DNR will be in touch with the City when they know more.

City staff and DNR management staff continue to meet on working on the framework for a path forward.

May 2025 – Meetings between DNR staff and City staff continue with the discussions centered around finding a path forward to get the City a limited permit to operate Wells 19, 20 and 21 in 2025. On May 21, the DNR provided the City with a Groundwater Technical Review memo which summarizes all events to date regarding the Northeast Well Field and identifies some technical recommendations to be completed prior to the issuance of a limited permit. The limited permit would be reviewed after two years to determine if monitoring should continue. The main recommendations are:

- Develop a well interference plan
- A limit to the pumping volume out of the Northeast Well Field of 135 million gallons per month
- Accurate water use tracking for all permitted groundwater users in the well interference investigation area
- The City of Blaine installs a nest of two monitoring wells (one into each of the aquifers) in the area of the cluster of well interferences



City of Blaine Staff Report

File Number: 2025-124

Agenda Date	Status
June 2, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Sheila Sellman, Assistant Community Development Director

Agenda Item # 3.3

105th Avenue/Nassau Street Industrial Park Rezoning Discussion

Background

In 2022, the City adopted a master redevelopment plan for the 105th Redevelopment Area. The 105th Avenue Redevelopment (RD) zoning district was created and parcels included in the redevelopment area were rezoned to RD. The properties adjacent to the redevelopment area were not rezoned and remain Heavy Industrial (I-2).

The purpose of the I-2 district is to allow light industrial uses ranging from small to large-scale industry and related services, including limited outside storage. Uses shall be compatible with neighboring nonindustrial uses through architectural standards, intensity of uses and screening of limited outside storage. This district may be located adjacent to residential, commercial, and industrial districts and shall have access to collector or arterial roads without passing through residential districts.

The purpose of the Light Industrial (I-1) district is to allow light industrial uses ranging from small to large scale industry and related services. Uses shall be compatible with neighboring nonindustrial uses through architectural standards and intensity of uses. This district may be located adjacent to residential, commercial, and industrial districts and shall have access to collector or arterial roads without passing through residential districts.

There are 12 parcels adjacent to the redevelopment area along Nassau Street, 107th Lane and 106th Lane that are zoned I-2. Staff would like to discuss with council if these parcels should be rezoned to I-1 to be more compatible with the redevelopment area. As shown on the approved master plan, the apartments and hotel will be across the street from these industrial users.

The uses and breakdowns of each parcel are below. Conditional Use Permits (CUPs) run with the land (unless the use is abandoned for one year) so uses that have current CUPs can remain operating within those CUPs, regardless of a rezoning.

Address	Current Tenant	Current CUP	I-1 Zoning Requirements	Other
2100 107th Lane	Classic Auto Repair, Inc Classic car/hobby warehouse	Outdoor storage limited to 10x59 area in SW corner of site, screened with 7' fence	Complies - no additional approvals	
2130 107th Lane	IQa Engineering (manufacturing)	N/A	Permitted - no additional approvals	
2190 107th Lane	Diesel Cast Welding (manufacturing, assembly of products, machine shop)	N/A	Permitted - no additional approvals	Currently has outdoor storage that is not permitted
2191 106th L ane	Pinnacle Pool and More	N/A	Permitted - no additional approvals	
2171 106th Lane	ASAP Packaging Inc (mailing service)	N/A	Permitted - no additional approvals	
2151 106th Lane	Ultra Clean Service Corp (water damage restoration)	Shared Access	Permitted - no additional approvals	
10661 Nassau	Optimize Physical Therapy. General Sprinkler Corp.	Physical therapy and fitness	Permitted - no additional approvals	Sprinkler Corp - permitted use
1021 Nassau	Bioclean Systems and Supply, Inc. (wholesale)	N/A	Permitted - no additional approvals	
10720 Mankato	Gary Carlson Equipment (equipment rental)	outdoor storage of metal racking and construction-related materials in I-2	Property has a current CUP for outdoor storage. CUP remains in place if rezoned and will be allowed to continue this use as long as CUP is valid. If abandoned, this use will no longer be allowed if rezoned.	
10700 Nassau	Rich's Cabinets (manufacturing)		Complies -no additional approvals	

10630 Nassau	Gary Carlson Equipment (equipment rental)	Outdoor storage of construction- related materials, equipment rental, outdoor storage propane tanks	The property has a current CUP for outdoor storage. The CUP remains in place if rezoned and will be allowed to continue this use as long as CUP is valid. If abandoned, this use will no longer be allowed if rezoned.	
10620 Nassau	SureCast Foundry, Inc. (manufacturing)	Outdoor storage as shown on site plan, limited to materials, trailers limited to # dock doors	Property has a current CUP. CUP remains in place if rezoned and will be allowed to continue this use as long as CUP is valid. If abandoned, this use will no longer be allowed if rezoned.	Manufacturing permitted

Staff Recommendation

Provide feedback and direction on rezoning.

Questions for Council

Is council supportive in changing the zoning for properties surrounding the 105th Redevelopment Project from I-2 to I-1?

Attachment List

None