City of Blaine
City Council Workshop

March 3, 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; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

3.1. 2025-66 TH65/Bunker Lake Boulevard, Segment 3
Sponsors: Daniel Schluender, Director of Engineering

Director of Engineering Schluender stated Anoka County is in the process of preparing a plan that will construct an interchange on TH 65 at Bunker Lake Boulevard (CSAH 116) that includes access closures and frontage road improvements. They are in the preliminary stages of the project and will begin to have a series of open houses to present the project to the public and receive comments and concerns. The county and their consultant, Bolton & Menk, were in attendance to share with council some of the preliminary design(s) issues/features and the proposed project schedule.

Jorge Bernal, Anoka County Highway Department, thanked the council for their time and noted he would like to review the plans for the TH65 at Bunker Lake Boulevard intersection.

Beth Engum, Bolton & Menk, further discussed the plans for TH65 at Bunker Lake Boulevard, noting this was an important intersection for Anoka County. She reviewed concepts that were brought forward from the PEL study noting one option was at grade and the others would go over Bunker Lake Boulevard. She noted a frontage road would continue from 131st to 133rd. She reported the county continues to seek additional funding sources for this project in order to include the intersection at Johnson and Lincoln. She reviewed the public invite that would be sent out prior to the open house, which will be held on March 27 at St. Paul's Church from 5:00PM to 7:00PM. She commented further on the project timeline noting this project would have a two-year construction schedule.

Councilmember Robertson requested the county forward the invitation and plans for this intersection be forwarded to the city council. She anticipated the R-cut plan would be unpopular with the public given all the negative feedback that has been received from the R-cut at Viking Boulevard. Mr. Schluender stated MNDOT now has eight R-cuts in place.

Councilmember Newland asked which option would be the most cost effective and safest. Ms. Engum reported the R-cut was the least expensive, but also operates the poorest from a traffic and safety perspective. She indicated the tight diamond with the roundabout and signal were very close in cost. She estimated the work would cost $50 million and the county had a funding shortfall of around $44 million.

Councilmember Massoglia questioned if a sound wall would be installed on the west side of TH65. Ms. Engum stated a sound wall was included and explained further analysis and discussions would be held regarding the location.

3.2. 2025-67 Minnesota Tournament Wellness Center Presentation
Sponsors: Erik Thorvig, City Manager

Community Development Director Thorvig stated in 2021, staff was approached by a group wanting to construct a private athletic facility in Blaine. The facility would be called the Minnesota Tournament Wellness Center (MNTWC) and would serve the community and region in several ways. The over 250,000 square foot facility would have the following components:

- 12 full size basketball courts that convert to 24 full size volleyball courts
- 6 professional pickleball courts
- Fitness center
- Professional training center for youth athletes
- Family and kid zone activity center
- E-sports
- Media/theater space for educational opportunities
- Classrooms/meeting rooms

- Retail space for sports-oriented products
- Food/concession areas
- Aquatics (being further analyzed due to cost)

Mr. Thorvig explained the team behind the idea consists of local residents and other partners nationally that have expertise in the construction, operation and management of sports facilities. Shawn and James O'Keefe, along with Shaun Jensen, are the creators of the vision. He provided further background information on the creative team. It was noted Sports Facilities Company (SFC) has been involved since initial discussions. SFC is located in Clearwater, Florida, opening in 2003, has become the trusted resource to plan, fund, develop and operate sports, recreation, entertainment and fitness facilities throughout the country. George Fantauzza with Populous Architects has been the lead resource on design of the facility. Mr. Fantauzza's recent experience includes work on the new stadium for the Buffalo Bills, renovation of the Toronto Blue Jays stadium, Golden State Warrior's Arena and Allegiant Stadium in Las Vegas.

Shawn O'Keefe, MNTWC, introduced himself to the council. He explained in June he would like to bring this item forward to Blaine residents for an eventual referendum vote to see if the community supported the Minnesota Tournament Wellness Center.

James O'Keefe, MNTWC, stated he was looking for a public/private partnership for this venture. He reviewed what the private side would do, noting they would fund 50% of the project as well as operate the facility. He explained he had spoken to the athletic directors from the area schools who were excited about partnering with MNTWC. He commented further on how a one-half cent local sales tax would fund the project and 25% of the funding would be provided by visitors to Blaine. He explained once the local option sales tax concluded, the facility would be fully funded and maintained by the private side. He further discussed the economic this facility would have on the community.

Shaun Jensen, MNTWC, commented on the differences between the community center that was proposed in Blaine 10 years back compared to the MNTWC. He explained community centers don't typically keep themselves up and lose money every year. He reported the MNTWC would make a profit and would be properly maintained. He explained wellness centers like this are always paid off early.

Mr. O'Keefe encouraged the council to visit the wellness center in Overland Park, Kansas in order to better understand how transformative this center has been on the business community. He stated it was his hope to partner with the city on a similar center that would truly make Blaine the sports capital of Minnesota.

Brian, Populous Architects, commented on the expertise he could bring to the community and discussed projects he has worked on in the past. He noted Populous was the architect for Target Field in 2010 and Allianz Field in 2019. He explained Populous was heavily involved in sustainability efforts, noting he just worked on a field in Seattle that was the first to be carbon neutral, which was the company's crown jewel. He reviewed two examples of projects he worked on recently that would be similar to the facility being proposed in Blaine.

Mr. O'Keefe stated he lives in Blaine and one of the sites he was looking at was right off of 109th Avenue and was 40 acres in size. He discussed how this facility would have a regional draw.

Brian discussed what could be included within the MNTWC noting this facility would support indoor tournaments, athlete training along with social and fitness spaces. He stated the facility could also have a connection with veterans or veterans programming.

Dan, Sports Facilities Companies, introduced himself and his company to the council. He explained his team was interested in being a part of the Blaine facility. He stated his organization currently manages over 50 venues and has 13 more in the development phase. He commented further on the value of outsourcing management for the proposed sports facility, noting this would assist in eliminating the learning curve. He indicated the staff working at the proposed facility would live in the community but would benefit from national experience that was customized for the local market.

Mr. O'Keefe stated he has partnered with Populous and SFC because they share his core values, which were focused on the community.

Mr. Thorvig commented further on how facilities like this were funded, noting most were assisted by a local option sales tax. He explained this was a financial tool available to cities in Minnesota, but there was currently a moratorium in place. He indicated this moratorium was set to expire at the end of May 2025. He discussed how the process for approval of a local option sales tax may change going forward, but noted a referendum vote would not change. He reported if a local option sales tax were supported by the community, a new revenue stream would be created for the city. He explained projections from the state show that 50% of the retail sales in the city come from visitors while the remaining portion comes from residents. He stated staff was seeking direction from the council on whether or not this project should move forward.

Mayor Sanders thanked staff for the detailed presentation and thanked the developers for their interest in Blaine.

Councilmember Larson asked what would happen if the money was not generated as predicted. Mr. O'Keefe stated there was always some level of risk in a new venture, but stated by partnering with SFC they bring a high level of expertise and experience in managing pro formas for these types of facilities. He explained he does not have any facilities that have failed. He reported he was confident in the numbers that were being proposed. He indicated this facility was not just 12 basketball courts, but rather would be offering a wide variety of services in order to generate a wide variety of income streams.

Councilmember Robertson questioned what the cost would be for the aquatics portion of the project. Mr. O'Keefe explained the aquatics portion has its own pro forma. He stated if aquatics were brought in, the local options sales tax would pay for the center to be constructed, and operations and maintenance would be paid for 50/50 long term. He indicated the aquatics center would cost $38 to $40 million.

Councilmember Robertson inquired what the user fees would be for the wellness facility. Mr. O'Keefe stated the goal would be to get as many families in the door as possible. He estimated the fee would be $35 per person per year for Blaine residents. He commented on how he wants this facility to be very accessible to all ages as well as for veterans.

Councilmember Robertson indicated this would be a very expensive project, especially if aquatics were included. She wished a presentation like this would have occurred six years ago prior to the 105th Redevelopment Area. She feared the timing was off and that she was feeling a heavy burden of risk with this project because now services would be overlapping. She reported she loved the idea of this project, but commented on how the city could only go to residents once for a local option sales tax.

Mr. O'Keefe thanked Councilmember Robertson for sharing her concerns. He stated he grew up in Blaine as did his children. He indicated there was a space void because the city did not have a community center. He indicated a community center could be pursued that was paid for by all residents in perpetuity or a wellness center could be considered that would only be partially funded by taxpayers and would be profitable. He reported $25 million a year in economic impact would be brought to the city of Blaine if the wellness center were pursued.

Councilmember Robertson stated she believed all the statements being made were true along with the her concerns about timing. She indicated Blaine has a master developer that was working to bring some of the amenities proposed in the wellness center to Blaine through the 105th Area Redevelopment project. She reported this developer would be investing three fourths of a billion in the community. She then commented on how the city needs a new fire station and the police department needs additional storage and equipment, which were priorities to her.

Councilmember Ford thanked the applicants for their detailed presentation. He explained he was unsure how underground parking would be completed with this project. He indicated he liked the idea of this project, but noted he had concerns regarding the proposed location. He questioned when the busy season would be for the wellness center as he feared there would be overlapping traffic concerns with the 3M Open and USA Cup. Mr. O'Keefe reported the wellness facility would be active all year round. He indicated it would be most busy on the weekends and during the week the space would be utilized by the community.

Councilmember Newland discussed how things have changed in the past two years in the city. He reported the city needs the local option sales tax as an option for the city and not the community center in order to pay for the infrastructure needs in the community. He stated he appreciated the interest the applicants had in Blaine and indicated this was a beautiful project, but he was of the opinion this was a project the city could not afford at this time.

Councilmember Massoglia stated he appreciated the vision for this project and understood the community was missing the indoor court piece. However, he was concerned about the financial request and timing of this project as well.

Councilmember Larson indicated a lot of people want a community center in Blaine as well as more basketball courts. She understood the proposed facility would fill this need. She stated she appreciated the fact this project would require a referendum and then could either move forward or not move forward based on the vote of the public. For this reason, she could support the project moving forward to a referendum vote.

Councilmember Fleming explained she appreciated the vision for this facility and agreed this project would be a great addition to Blaine. She commented the problem with letting the voters decide would be left with the city council on how to make it all work. She anticipated this would be very difficult.

Mr. O'Keefe stated the one-half percent in local option sales tax would bring in twice as much as would be needed for the wellness facility. He explained this additional funding could be used for a fire statio, lift stations, or police expenditures.

Mr. Thorvig commented he appreciated the candid feedback from the city council. He explained he could further analyze how local option sales tax dollars could be spent noting he believed the dollars had to be spent on projects that had regional significance. He asked if the council would support having further conversations regarding local options sales tax. The council was in support of this recommendation.

Finance Director Zimmerman expressed concern with the 5% increase that was included in the pro forma stating this may not be realistic.

Councilmember Massoglia questioned if the city could do a sports district sales tax and a local options sales tax. Mr. Thorvig commented he would have to look into this further.

Mayor Sanders stated prior to the moratorium, the state would have allowed for this.

Council discussed the feasibility of such a project and while they felt the vision would be good for Blaine, there were concerns about the ability to do this type of project at this time due to funding, traffic/parking impacts and potential risk factors.

The workshop meeting was recessed at 7:03PM.

3.3. 2025-68 Boards and Commissions Applicant Review - 2025
Sponsors: Cathy Sorensen, City Clerk

The workshop meeting reconvened at 8:00PM.

City Manager Wolfe stated council has been reviewing and ranking applications received for the 2025 board and commission vacancies then noted council had appointed Paul Edgett to the SBM Fire Board and Kelli Goodrich to the Twin Cities Gateway Board of Directors during the regular meeting and that the remaining appointments would be considered at the March 17 meeting.

Councilmember Massoglia stated Blaine was carrying 76% of the costs for the SBM Fire Department and indicated he would like to have better communication with members on the fire board versus being reactive to what was occurring on the board.

Mayor Sanders stated this was a valid concern and indicated the council could discuss restructuring the fire board given the economic impact this organization has on Blaine.

Councilmember Larson asked if a councilmember currently attended the fire board meetings.

Mayor Sanders reported councilmembers do not attend fire board meetings. Ms. Wolfe commented on how the Lake Johanna Fire Board was structured.

Councilmember Newland supported the council further discuss the structure of the fire board at a future workshop meeting given all the transitions that were occurring within the fire department.

3.4. 2025-69 Blaine City Manager Recruitment Process
Sponsors: Scott Johnson, Director of Administrative Services

Director of Administrative Services Johnson stated staff will provide an update on the upcoming city manager opening recruitment at the workshop. On February, 21, 2025, staff received three responses expressing interest in conducting the recruitment for the upcoming city manager opening. Staff emailed out a summary of the three responses to the city council. Staff requested the city council review and rank the three firms and now decide on a top firm at workshop and direct the mayor and city manager to enter into a contract. The top firm will then be invited to the March 10, 2025, workshop to meet with the city council. This will give the city council the opportunity to discuss the process, timelines, and the type of candidates for the position the city council would like to attract. The firm reports to the city council on milestones for the recruitment. Staff is requesting the city council decide on a top form at the Workshop and direct the mayor and city manager to enter into a contract.

Mayor Sanders reported SGR has done a great job for the city in the past and he supported the city working with SGR again for the city manager position.

Councilmember Robertson reported a subcommittee of the city council worked with SGR during the last city manager recruitment process. Mr. Johnson stated this same process could be followed.

Councilmember Robertson recommended City Attorney Loonan review the process within the city charter for the council to consider when recruiting a new city manager.

Ms. Wolfe reported she was considering a future conversation on council/city manager roles so the information requested from the city attorney would tie into this very well. She commented during the March 10 workshop SGR would be requesting input from the council regarding priorities and skill sets for the next city manager.

City Attorney Loonan explained the city manager was the only employee the council had authority over and how the city manager was then tasked with carrying out the council's policies. He stated he could report back to the council with further information on what the role of the city manager was per the charter.

Council consensus was to select SGR for the city manager recruitment process.

3.5. 2025-70 Closed Session Pursuant to MN Statute 13D.05(3)(c)(3) - Discuss Acquisition of Property for 2170 106th Lane and 10500 Nassau Street
Sponsors: Erik Thorvig, City Manager

After a motion and second, the council moved into a closed meeting pursuant to MN Statute 13D.05 (3)(c)(3) to discuss the acquisition of property at 2170 106th Lane and 10500 Nassau Street.

4. Other Business

Councilmember Massoglia indicated he would like to see more information included within the bills paid on the agenda for both credit card statements and employee reimbursements. He said he reviewed the materials provided by staff and that while he intends to review them further with the finance director and city manager he would like to see more detail included going forward for council review.

City Manager Wolfe said she believed this topic should be included as a larger discussion with the city attorney as the level of detail may be beyond the role of council outlined in city charter.

City Attorney Loonan agreed, stating staff had already been discussing whether to continue to include bills paid on council agendas as that action is not required by charter. He said the charter is the governing document for the city and quite clear on the council's role and depending on the level Councilmember Massolgia is requesting it may involve a charter amendment.

5. Adjournment

The workshop was adjourned at 8:30PM.

Signed by ______________________________

Tim Sanders, Mayor

Signed by ______________________________

Catherine M. Sorensen, CMC, City Clerk