# City of Blaine
# City Council Workshop

December 1, 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 Erik Thorvig; 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; Parks and Recreation Director Jerome Krieger; Economic Development Specialist Ruth Tucker; City Attorney Eric Larson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

### 3. New Business

**3.1.** 2025-261 Municipal Cannabis III
*Sponsors: Ruth Tucker, Economic Development Specialist*

Economic Development Specialist Tucker stated based on council direction, staff submitted an application for a municipal cannabis retailer license to the Office of Cannabis Management (OCM) during the application period in March. Although the state has not yet issued the municipal license, the city has received preliminary approval from OCM and is on track to receive the license within the 18-month timeframe allowed by statute. In anticipation of the license award, the city issued a Request for Professional Services (RFP) – Municipal Cannabis Store Operator in early June to organizations that had previously expressed interest in partnering with the City. Proposals were due June 27, 2025.

Ms. Tucker explained the city received three submissions, which council reviewed and interviewed on August 25. Following those interviews, council selected Voyageurs Cannabis to advance to a second round while staff continued outreach to additional potential partners. Twisted Hat Cannabis subsequently submitted a proposal and was interviewed along with Voyageurs on November 10. At the conclusion of the November 10 interviews, council directed staff to obtain clarification from each applicant on several items discussed during the meeting. Staff also contacted other Minnesota cities that have worked with or conducted due diligence on the applicants to gather additional feedback regarding performance, responsiveness, and overall experience. With the additional information collected, council is now asked to review and discuss the proposals and determine whether to move forward with one of the applicants. This meeting is intended solely for council deliberation; the applicants were not in attendance. Following discussion, council may provide direction on whether—and with whom—to continue negotiations. If council chooses to proceed with a partner, staff will begin drafting the necessary agreements. This work would begin immediately and is anticipated to be completed prior to the end of Q1 2026.

Mayor Sanders thanked staff for all of their background work on this topic then asked how the council wanted to proceed.

Councilmember Newland indicated he would like to rule out Twisted Hat as a potential partner. He was of the opinion Voyageur would be a more flexible partner with the city. He commented on how time was on the city's side given the supply chain concerns facing the cannabis market and recommended the city proceed slowly on this new venture.

Councilmember Robertson stated she leaned towards two options. She understood the council has been discussing this topic for a long time but explained the council would have to consider how to fund a building. She noted the Voyageur representative stated the city would have one chance to get this right and if this were the case, she wanted to be sure the city had done things right. She indicated she supported the council having more conversations to ensure the municipal cannabis shop was premier.

Councilmember Massoglia explained he did not disagree with Councilmembers Newland or Robertson but supported city staff having conversations with Voyageur to further explore what the experts are seeing. He indicated the city would not be first to market in Blaine. He supported the city having conversations on what spot would work for a municipal cannabis retail shop.

Councilmember Larson questioned how the Anoka municipal dispensary compared to the projections for Blaine. Ms. Tucker reported the projections for Anoka were pretty on par when compared to the projections from Voyageur. Mr. Thorvig indicated the projection sheet was provided mostly to compare revenues. He stated Anoka was unique in that they were funding the entire build and would be staffing the municipal cannabis shop with city employees, similar to a municipal liquor shop.

Councilmember Fleming stated she did not want to lead Voyageur down a path if the city was also pursuing alternative options.

Councilmember Larson inquired which option would make the city the most money. Ms. Tucker stated this would depend on how well the store did. City Attorney Larson explained under the Voyageur option, there would be a three-year operating agreement. He indicated with Twisted Hat the city would be in a partnership with three or four other entities and a nexus would have to be negotiated.

Councilmember Larson questioned if changes could be made to the Voyageur agreement after three years. Mr. Larson stated this would be allowed if the city decided to make changes to operations. He indicated there would be more flexibility working with Voyageur than with Twisted Hat.

Councilmember Larson supported the city moving forward with Voyageur.

Councilmember Ford indicated the Twisted Hat proposal was very narrow in scope. He supported the city pursuing discussions with Voyageur.

Mayor Sanders explained he believed discussions should be pursued with Voyageur letting them know they would be moving on to the next round and if terms could not be reached, the city could then pursue other alternatives.

Councilmember Robertson reiterated that at some point in time, dollars would need to come from the city and the council would have to consider where these dollars would come from.

Council consensus was to begin work on a potential agreement with Voyageur Cannabis letting them know they have moved onto the next round, while staff continues to explore city costs.

**3.2.** 2025-262 Broadband Franchise Fees
*Sponsors: Erik Thorvig, City Manager*

City Manager Thorvig stated at the November 10, 2025, city council workshop, the council discussed potential broadband franchise fee options. The council directed North Metro Television (NMTV) staff to prepare a proposal and present it to the city council to discuss and consider. NMTV staff and the NMTV cable commission have discussed franchise fees. NMTV will continue to experience a reduction in revenue due to declining PEG and cable franchise fee collection. Broadband franchise fees, running through NMTV would provide an additional revenue stream to support NMTV operations. If franchise fees are explored, they can either be managed and run through NMTV or done by the city independently. If they are managed by NMTV, NMTV would collect a portion of the revenue and distribute the remainder to member cities. Further discussion would need to occur about financial equitability. For example, currently, PEG and cable franchise fees are collected by NMTV and funds are distributed to all member cities based on subscriber numbers. In 2024, NMTV collected $1,774,95 in PEG and cable franchise fees and distributed $82,257 to the city of

Blaine from PEG and cable franchise fee revenue. Discussion would need to occur on the distribution of broadband franchise fees, including how much would be retained by NMTV and how fees would be disbursed amongst member cities. Alternatively, the city could explore broadband franchising on their own and retain 100% of the proceeds. City Attorney, Eric Larson will be providing information to council separately weighing the pros and cons to both approaches. Given ongoing discussions by NMTV on exploring franchise fees and the desire to have more control over broadband companies entering the 2026 construction season, staff is seeking feedback from the city council whether to A.) consider broadband franchise fees and B.) whether to work jointly with NMTV or explore the endeavor on our own.

Eric Houston, Co-Executive Director at NMTV, provided the council with a presentation on a potential broadband franchise, then shared that Mike Bradley, attorney for NMTV in attendance, recently negotiated the very first broadband franchise in the state of Minnesota.

Mike Bradley, attorney for NMTV, introduced himself and thanked the council for their time. He discussed his experience with the City of Woodbury and the South Washington County Telecommunications Commission while working on the first broadband franchise in the state of Minnesota. He stated this was an exciting development for local governments across the metro area. He indicated the law had changed slightly, which now allows cities to consider whether broadband was a telecommunication or cable service. He reported Woodbury determined broadband to be a cable service and delegated its cable commission to pursue a franchise fee. He indicated the same authority could be given to NMTV on behalf of the City of Blaine. He commented on the benefits of pursuing franchise fees versus permitting. He reported NMTV was prepared to work with the city and its other member cities to franchise broadband.

Mr. Houston stated NMTV was ready to work on a broadband franchise for Blaine and that NMTV would be honored to administer this franchise.

Mr. Thorvig stated if the city were to take on the franchise on its own, he was concerned about the upfront workload and ongoing management. He explained he liked the proposal from NMTV noting this organization was fully capable of pursuing and administering the broadband franchise.

Councilmember Massoglia indicated there were a lot of benefits to having NMTV administer the broadband franchise. He explained he did not mind having NMTV do the administrative work but noted he did not support the revenue split with the fee-based structure. He proposed a flat fee structure be considered with the fee being $50,000 to begin with. He was of the opinion timing was important and recommended this matter move forward to the NMTV board in December.

Councilmember Newland asked where the broadband franchise fee would come from. Mr. Bradley explained a fee would be negotiated with the broadband provider. He hoped the fee would be 5% but this was not guaranteed. He further discussed the potential revenues that could be collected by the city if broadband franchise fees were pursued.

Councilmember Ford indicated he could support NMTV administering the broadband franchise. He explained he did not support the city hiring more staff and managing the franchise.

Councilmember Robertson stated she did not want to bring additional costs to city staff. She said she understood NMTV was looking for new revenue streams as was the city. She indicated she could support the proposed legal fees but did have concerns with the fee structure and other extra fees.

Danika Petreson, Co-Executive Director at NMTV, commented on how legal fees and staff time would go up tremendously if the City of Blaine were to pursue a broadband franchise with seven different companies.

Councilmember Fleming was of the opinion the percentage split was off. She supported the city helping NMTV through the broadband franchise, but recommended the percentage be lowered to 25%. Mr. Houston encouraged the council to not get caught up on the proposed percentages noting these numbers were a starting point that could be negotiated.

Mayor Sanders supported the city working with NMTV on a broadband franchise.

Councilmember Massoglia reiterated that he would like to see the city pursue a flat fee versus a percentage for NMTV that can be reevaluated annually or every few years. He asked if this item would be able to go before the cable commission in December. Mr. Bradley indicated he did not believe there was enough time to negotiate terms on the broadband franchise before the December 17 cable commission meeting.

Councilmember Massoglia inquired if the broadband franchise could be pursued in the spring of 2026. Mr. Bradley believed this could be accomplished.

Council consensus was to move forward with negotiating a broadband franchise with NMTV with a parallel path towards funding.

**3.3.** 2025-263 Paul Parkway Park and Ride
*Sponsors: Sheila Sellman, Community Development Director*

Community Development Director Sellman stated a park and ride facility was operated by Metro Transit at Paul Parkway and Ulysses Street from 2014 to 2020. The route serving that park and ride was suspended starting in 2020 with the numerous suspensions of commuter routes related to the COVID-19 pandemic. In 2025, Metro Transit completed Network Now, a comprehensive study of the transit system, which resulted in numerous changes to routes and resulted in the permanent closure of several routes that were initially suspended in 2020. The route serving the Paul Parkway park and ride was permanently closed earlier this year. This facility is one of numerous throughout the metro area that Metro Transit is working through the disposition process on. The construction of the park and ride was partially funded by Anoka County and the Federal Highway Administration (FHWA). Set procedures must be followed for disposition of assets funded by FHWA and Metro Transit is currently working through that process. The property is expected to be advertised for sale in 2026. Staff is seeking feedback from the City Council on the zoning and land use classifications for the property and if the City is interested in purchasing a portion of the property for overflow parking at Blaine Baseball Complex.

Parks and Recreation Director Krieger further discussed how there was a need for additional parking at the Blaine Baseball Complex. He explained that this complex had 262 parking spaces for eight fields, six baseball fields, the miracle field and a lacrosse/foodball field. He stated the city receives complaints about parking at this complex, noting there were 133 less parking spaces at the Blaine Baseball Complex versus the Lexington Baseball Complex. He indicated he was in contact with the Met Council to see what their plans were for the park and ride and negotiated the use of the park and ride June through September for $1,000. He reported if the city was interested in developing the first two parcels, he encouraged the council to consider retaining the western parcel for parking. He commented further on the cost to build a new parking lot.

Councilmember Massoglia stated he supported keeping the existing land use designation for this property because the council did not want an apartment building on this property. Councilmember Fleming agreed.

Councilmember Ford indicated the city needed more apartments in this city and the lack of affordable housing was a concern.

Councilmember Robertson inquired if there was an opportunity to pursue PBD or high density zoning instead of having multi-family on this property. Ms. Sellman explained the PBD designation would allow for a multi-family apartment building on this site. She commented she did not believe the city had $500,000 to $700,000 for a new parking lot for the baseball complex. She stated the city may benefit from pursuing a mix-used development on this corner because the surrounding commercial was doing well.

Councilmember Massoglia agreed, stating all the new businesses in this area were doing well.

Councilmember Newland indicated he did not believe there was an immediate need to change the zoning. He suggested this be done once there was interest in the site. He anticipated this parcel would become more valuable once the TH65 project was complete. He stated he understood there was a need for more parking at the baseball complex then asked when the Met Council would be putting this property on the market. Ms. Sellman reported this parcel would be going on the market in 2026.

Mayor Sanders stated there had to be places in the city where HDR fit and noted this may not be a terrible location for HDR.

Council consensus was to retain the existing land use and not pursue purchase of the site for parking at this time, but supported negotiating possible acreage dedication at the time of sale for some parking options.

## 4. Other Business

Mr. Thorvig shared that the sidewalk snow plowing topic had been pulled from the agenda this evening to be part of a larger discussion at the upcoming council retreat.

## 5. Adjournment

The workshop adjourned at 7:04PM.

**Signed by** ______________________________

Tim Sanders, Mayor

**Signed by** ______________________________

Catherine M. Sorensen, City Clerk