



City of Blaine

City Council Workshop

April 6, 2026 | 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; Public Works Director Nick Fleishhacker; City Attorney Eric Larson; Communications Manager Ben Hayle; and City Clerk Cathy Sorensen.

3. New Business

- 3.1.** 2026-76 Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update
Sponsors: Scott Johnson, Director of Administrative Services

After a motion and second, the council moved into a closed session pursuant to Minnesota Statute 13D.03 Subd. (1)(b) to receive an update on labor negotiations.

3.2. 2026-77 Municipal Cannabis Partnership Update (30 Minute Discussion)
Sponsors: Ruth Tucker, Economic Development Specialist

Economic Development Specialist Ruth Tucker stated council has previously convened on multiple occasions to discuss the selection of an operating partner for the city's municipal cannabis retailer license. Following these discussions, council directed staff to continue engagement with Voyageur Cannabis as the potential operating partner. Pursuant to that direction, Voyageur Cannabis has submitted a detailed business plan and pro forma outlining the proposed structure, operations, and financial performance of the municipal cannabis retail operation. These materials have been reviewed and evaluated by Central Minnesota Development Company (CMD), with their analysis and key considerations provided here for council's review. With the benefit of CMD's evaluation and the submitted materials, council is now asked to consider whether to direct staff to proceed with contract negotiations with Voyageur Cannabis as the city's operating partner. Additional information will be handed out at the meeting.

City Manager Thorvig reported the City of Anoka recently opened the first municipal cannabis store in Minnesota in February. Anoka constructed a new store and operates the facility similar to a municipal liquor store where the city owns and operates the facility and collects 100% of the profits. The Anoka City Council recently discussed the possibility of partnering with other cities where Anoka would operate the facility on behalf of the partner city, similar to the arrangement Blaine is already exploring with private entities. Blaine staff has been working closely with Anoka staff to understand the industry, and this concept was floated to Blaine staff after the discussion occurred by the Anoka City Council. This creates another option for Blaine to consider. Details of profit sharing, etc. have not been discussed. Additionally, staff is unsure of the state cannabis laws regarding this type of relationship. If the Blaine City Council wishes to explore this option, staff would discuss a partnership arrangement, primarily around profit sharing and determine any legal hurdles around existing state laws. Additionally, Representative West introduced a bill that would change language regarding municipal partnerships. Current law prohibits private entities that hold their own license and operate a separate facility from partnering with a city. In other words, "Jim's Cannabis" can't operate their own facility in "ABC City" and also partner with a municipality using the city's license. The proposed language would allow for a private entity to operate their own facility and also partner with a municipality to operate a facility under the city license. Lastly, Blaine has until December 2026 to activate the license. As such, decisions need to be made soon on how to proceed.

Councilmember Fleming stated she toured the Anoka dispensary and greatly appreciated the amount of security that was in present the building. She supported city staff speaking further with Anoka staff regarding a dispensary partnership because they were already operational.

Councilmember Newland explained he supported the city pursuing municipal cannabis and supported the city partnering with the City of Anoka.

Councilmember Larson reported she enjoyed touring the Anoka dispensary as well and appreciated all the security measures that were in place.

Mayor Sanders requested further information regarding the upfront costs Anoka spent on their building and marketing costs.

Kevin Morelli, Enterprise Operations Director for the City of Anoka, provided the council with information regarding their municipal dispensary. He estimated the City of Anoka had spent \$2.8 million to date on the cannabis shop, which included upfront products.

Councilmember Massoglia commented he could support the city looking into a partnership with the City of Anoka but suggested a dual track be pursued in order to keep the plans with Voyageur also moving forward. He wanted to see the city taking action on the municipal dispensary sooner rather than later.

Councilmember Fleming was of the opinion the city would benefit from partnering with Anoka because they were already up and running, and Voyageur was not.

Councilmember Newland agreed with Councilmember Massoglia, noting municipal cannabis efforts had to keep moving forward.

Councilmember Larson appreciated how any gratuity and tips received at the Anoka dispensary were given back to the community through donations.

Councilmember Robertson asked how many cannabis licenses were allowed in the City of Anoka. Mr. Morelli reported Anoka had to allow for two licenses, which would allow for three licenses total including the city's.

Councilmember Robertson indicated the City of Blaine could have up to six dispensaries within 34 square miles, not including a municipal dispensary then asked where Anoka was getting its product from. Mr. Morelli stated Anoka has a good partnership with the Prairie Island community and Mille Lacs Band of Ojibew, along with relationships with three private growers.

Councilmember Robertson inquired how the Anoka dispensary was performing compared to the proformas. Mr. Morelli reported he was aligning with the numbers to date.

Councilmember Massoglia asked what Anoka City Council's interest was in partnering with the City of Blaine for another municipal dispensary. Mr. Morelli stated the interest was in additional revenues for Anoka.

Council consensus was to continue to explore a partnering with the City of Anoka and Voyageur on a dual track with the goal of making a decision in the very near future.

- 3.3.** 2026-78 Concept Plan for Viridian Central at 9436 Ulysses Street NE (30 Minute Discussion)
Sponsors: Sheila Sellman, Community Development Director

Community Development Director Sellman stated an apartment building was constructed at 9436 Ulysses Street in 2016. The building has changed names multiple times since then and

is currently called Viridian Central and includes 191 units. The adjacent Arris apartment building was constructed in 2022 and has 66 units. The buildings have always been separately owned and managed. The city has undergone several code amendments related to multifamily parking requirements. When the Viridian project was approved, 2.2 parking stalls were required per unit, resulting in 423 stalls required, and 429 were provided. Now, 1 stall is required for studio units, 1.5 for one bedroom, and 2 for all other units, which reduces the requirement to 320 stalls. Due to the reduction in parking requirement, which aligns with the actual parking demand seen by the property owner, there is excess parking space on the property, which the property owner is proposing to utilize for construction of an 84-unit apartment building.

Ms. Sellmen explained construction of a new apartment building on the site would require a comprehensive plan amendment from the current Planned Industrial/Planned Commercial/High Density Residential (PI/PC/HDR) which allows up to 25 units per acre, to High Density Residential 2 (HDR-2) which allows up to 60 units per acre. The proposed project would have an overall density (accounting for the existing Viridian building and the proposed additional building) of 29 units per acre. The neighboring Arris building has a density of 33 units per acre. The applicant contends in their narrative that the land use amendment is consistent with the goals of the comprehensive plan, the neighboring Arris apartment, which received a comprehensive plan amendment from PI/PC to HDR2, and that the land is currently underutilized, but cannot be cost effectively developed while meeting the 25 units per acre. Staff reviewed the draft site plan and building elevations. The proposed building has one story of above grade enclosed parking with four stories of residential above it. This is approximately the same height as the neighboring Viridian, and taller than Arris, which has three stories of residential above above-grade parking.

Andrew Fortunato, Setinel, and Pete Keeley, Collage Architects, provided the council with further information regarding the proposed housing project and provided information on how the Viridian project would make the site better.

Councilmember Newland asked what amenities would be included in the housing development. Mr. Fortunato reported the amenities would be similar to the existing Viridian building, noting residents can go from one building to the other.

Councilmember Newland questioned what the occupancy rate was in the current Viridian building. Mr. Fortunato indicated the occupancy rate was 95% at this time.

Councilmember Newland inquired if the developers had invested any money in the current Viridian building. Mr. Fortunato explained he had invested \$4.5 million in the Viridian building, noting the roof needed to be replaced, the outdoor spaces were enhanced and the interior common areas were refreshed.

Councilmember Newland asked what the mix of units would be in the new apartment building. Mr. Fortunato estimated 35% to 40% of the units would be two-bedroom and the remainder would be one-bedroom or alcove units.

Councilmember Ford questioned if the developers would have any affordable units within the apartment building. Mr. Fortunato reported all units would be market-rate.

Councilmember Massoglia indicated he did not typically support additional apartment buildings, but he believed this project made sense for this property.

Councilmember Larson commented she appreciated the fact the current Viridian apartment building was 95% full.

Councilmember Fleming thanked the developers for their presentation. She indicated she did not typically support additional density in the city, but appreciated how this project would be tucked in close to a current apartment building.

Councilmember Ford indicated he supported the proposed apartment building but encouraged the developers to consider where the rental rates would be as he wanted these units to be available for young professionals.

Councilmember Newland questioned if there were many police calls at the Viridian apartment building. Police Chief Podany stated there were not.

Mayor Sanders stated he appreciated the approach from the developers and how this development would turn a large parking lot into a more useful space. He agreed it would benefit the community for these units to be available to young professionals.

Council provided feedback that generally supported the concept plan.

4. Other Business

None.

5. Adjournment

The workshop adjourned at 6:50PM.