



City of Blaine Anoka County, Minnesota Minutes

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

City Council Workshop

While this is a public meeting where interested persons are welcome to attend, it is a work session for City Council and staff to discuss issues before them. It is not for the purpose of receiving public input.

Monday, May 16, 2022

6:00 PM

Cloverleaf Farm Room A

NOTICE OF WORKSHOP MEETING

1 Call to Order

Mayor Pro Tem Jeppson called the meeting to order at 6:00PM.

2 Roll Call

Mayor Tim Sanders (arrived at 6:15PM), Councilmembers Julie Jeppson, Chris Massoglia, Richard Paul, and Jess Robertson. Also in attendance was Councilmember Appoint Tom Newland.

Adjunct Member Drew Brown.

ABSENT: Councilmember Wes Hovland.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; Fire Chief Dan Retka; and City Clerk Catherine Sorensen.

Present: 5 - Councilmember Robertson, Councilmember Paul, Massoglia, Sanders, and Councilmember Jeppson

Absent: 1 - Councilmember Hovland

3 New Business

3-1

Northtown Revitalization and Redevelopment Vision Plan

Community Development Director Thorvig stated the city has been working on a master plan for revitalization and redevelopment of the Northtown Area since August 2021. The city hired Damon Farber to

assist in the master planning efforts. The consultant last presented to the city council on March 7, 2022. At that meeting draft plans were shown and feedback was received. Since that meeting the project management team has met several times to address micro-level plan concerns and final public outreach efforts. He reported consultants with Damon Farber were in attendance to discuss the key takeaways from the public engagement that has occurred to date.

Tom Whitlock, Damon Farber, provided the council with an update on the progress that was being made on the Northtown District vision plan. He discussed the communications had with partners and stakeholders and commented on the plans next steps. He reported he has met with Anoka County Transportation, Washington Prime Group, Kraus Anderson and requested feedback from the community on the plan on the city's website. He explained he appreciated the robust feedback that has been received to date. He

Jeff McMenimem, Damon Farber, reviewed the updates that have been made to the plan stating the goal would be to shift this to a lifestyle center instead of a mall. He commented on the roadway network surrounding the mall noting green streets would be integrated into the plan. The new parking structure was discussed along with the mixed-use area that would have street level commercial uses and housing units above. Further discussion ensued regarding the office and high-density housing units that would be included in the vision for this area.

Mr. Whitlock discussed the Phase I key action steps within the plan for the city to advance the plan. He stated the zoning would have to be changed from commercial to mixed use. In addition, the city would have to continue to work with Washington Prime Group along with other property owners and stakeholders to advance the visions and goals for the site. He commented on the work that would have to be done with the watershed district to advance the ideas surrounding Springbrook Creek.

Councilmember Jeppson stated she was pleased to see the Washington Prime Group was willing to work with the consultants at Damon Farber.

Councilmember Robertson asked when Damon Farber met with Anoka County. Mr. Whitlock explained this occurred on April 4, noting he attended a Transportation Committee meeting.

Councilmember Robertson requested further information on how Damon Farber would define a lifestyle center. Mr. Whitlock stated this meant the Northtown Mall would now be a mixed-use center. He reported the Shoppes at Arbor Lakes and the West End in St. Louis Park would be

considered a lifestyle center.

Councilmember Robertson questioned where the transit station would be located. Mr. Whitlock explained the transit center was placed where Metro Transit would be constructing a temporary transit station.

Councilmember Robertson thanked the consultants from Damon Farber for all their work on the Northtown area vision plan.

Councilmember Paul thanked the consultants for all their work on this project. He requested further comment on the feedback that was received from the stakeholders. Mr. Whitlock commented on the feedback he received from the stakeholders, noting the three blocks that would be worked on first by the Washington Prime Group. He reported the anchors within the mall would remain in place.

Councilmember Paul questioned how many new housing units would be located in the Northtown area. Mr. Whitlock stated the plan shows between 2,500 and 3,000 new housing units. He explained these new residents would assist with supporting the adjacent retail district.

Councilmember Massoglia requested further information regarding the street level commercial with housing above. Mr. Whitlock explained this type of mixed-use was being proposed by the Washington Prime Group at this time and these plans could evolve over time. He discussed how retail was always changing or evolving.

Trevor Martinez, Sherman and Associates, stated his firm does a fair amount of vertically integrated mixed-use development as well as side by side or separated. He commented on how parking had to be addressed within housing and commercial projects and how this increases costs.

Councilmember Appoint Newland discussed the traffic along County Highway 10 and questioned what this roadway would be able to handle after the roundabouts are installed. Mr. Martinez he was uncertain but noted a study would be completed to investigate this further. He discussed how a more disbursed roadway network in this area, while encouraging more pedestrian use, traffic in the area should improve. He indicated Anoka County has concerns about the traffic in this area and noted the study would assist with planning for the future.

Councilmember Massoglia asked if the Washington Prime Group had a set of plans or designs separate from the city's plans. Mr. Martinez indicated they do have separate plans that were close to the city's plans. He anticipated they would come to the city with more detailed plans

soon. Further discussion ensued regarding the benefits of a public/private partnership for this project.

Councilmember Jeppson indicated the next step for the council would be to change the zoning for this project. After this, developers and the banks could begin working on the project. Mr. Thorvig stated this was correct, noting the formal plan would be adopted by the council in June. He commented the regulatory, finance and infrastructure pieces would still have to be addressed to spur development activity.

Discussed

3-2

Blaine Town Square Residential Site Discussion

Attachments: [Attachments](#)

City Planner Sellman stated in 2003, a conditional use permit was approved for Sherman and Associates for the development of 86 townhome units (condominiums) in six separate buildings at 108th Lane and Town Square Drive near Blaine City Hall. One building with 12 units was completed in 2005. The remainder of the project was never completed due to the 2008 economic recession. Sherman and Associates still owns the remaining vacant land. Sherman and Associates also completed the senior apartment building and worked with other developers to complete the commercial properties along Radisson Road and 109th Avenue. Recently, Sherman and Associates and another residential developer have determined that the site is economically challenging to build townhomes. The HOA of the current townhomes owns the drainage pond and is not interested in giving an easement over the pond for remaining development; therefore, the ponding will need to take place on site. The shape of the lot hinders the ability to create a pond and build the remaining townhomes. More in-depth analysis of other ponding options has not been completed and it is possible that ponding could occur off-site on city-owned land and/or underground.

Ms. Sellman explained staff would like to have a dialogue with council about future land use of the site. Sherman and Associates also completed a high-level development analysis of constructing a market rate apartment building and determined this was also economically challenging due to the number of units the site could accommodate and current construction costs. The site is zoned DF (Development Flex) and has a comprehensive land use designation of HDR/PC (High Density Residential/Planned Commercial). It was noted staff is seeking direction from council regarding appropriate land use for the site so direction can be given to the landowner and other development interest. Options could include townhomes, apartments or commercial. The City Council should

be aware that any type of residential development under current economic conditions is challenging, and that any developer may need financial assistance from the City. This isn't ideal as the site is essentially shovel ready and the city doesn't typically provide financial assistance for residential projects on land that is shovel ready, unless they have an affordability component. Alternatively, a developer may need to wait until the site becomes economically feasible if there is not an interest by the city to assist financially with a project.

Mr. Martinez, Sherman and Associates, explained the site was suited for a three-story apartment complex and could be geared towards seniors. He stated he has struggled to develop this site due to scale efficiencies. He noted he was interested in developing the site and questioned what type of developments the council would support.

Councilmember Jeppson questioned why the HOA had control over the holding pond. Mr. Martinez explained the HOA owns this parcel and the easements.

Councilmember Jeppson stated this was a unique opportunity for the city to move forward with a project that the council would like to see on this site. She noted this would be a very dynamic area and she wanted a unique housing opportunity to be on this property.

Councilmember Robertson commented this property was part of the 105th Avenue project area. She indicated she did not have a strong opinion one way or the other for this site but would like to see a smaller apartment complex that was catered to seniors or a mixed use with retail that compliments the surrounding uses. She recommended this property be taken into consideration with the entire 105th area.

Mayor Sanders agreed noting the property across the street that the city owns should also be taken into consideration to create cohesion. He asked what real options were available for this site. Ms. Sellman discussed the options for the site in further detail with the council.

Councilmember Jeppson indicated she was concerned with the fact there needs to be a bicycle/pedestrian connection in this area if apartments or additional housing was constructed. She suggested the roundabout be put at Town Square Drive to improve pedestrian safety. Mr. Thorvig reported staff has a meeting scheduled with Anoka County to discuss the proposed plans for this area.

Mr. Thorvig asked Mr. Martinez to speak further on why townhomes would not work in this area. Mr. Martinez explained condos and townhomes

have not been pursued by Sherman and Associates since the recession. He discussed how it would be difficult to amend the HOA documents to include additional townhomes and detailed the constraints on the site. He reported there was a high demand for apartments in Blaine.

Councilmember Appoint Newland asked if the existing townhomes were rental. Mr. Martinez reported the townhomes were owner-occupied.

Councilmember Paul questioned how eager the developer was to develop this property. Mr. Martinez explained Sherman and Associates was very eager to develop this site with apartments.

Councilmember Paul requested further comment on the challenges on this property. Mr. Thorvig discussed the challenges noting visibility for commercial would be a concern. He stated there were physical and economical challenges if the site were to develop into apartments. He indicated the other option would be to wait and see how the 105th area develops.

Councilmember Massoglia explained he was not opposed to apartments on this property. He commented he would not support a four or five story building and stated he would not be willing to support financial assistance for an apartment project.

Mayor Sanders stated the council was open to suggestions for this property and encouraged the developer to consider how the project would tie into the surrounding properties to ensure there was cohesion.

Discussed

3-3

American Rescue Plan (ARP) Funding Discussion

Finance Director Huss stated at the spring council retreat, staff will present the current schedule of potential ARP uses for council review and discussion. To date, the city has received one-half of its total ARP allocation of \$6,793,793, with the second distribution scheduled for mid-year 2022. Currently, identified projects total \$9,550,000 and exceed the city's ARP allocation by \$2.76 million. Categorically, the projects break down as \$2.3 million for water utility projects; \$4.7 million for sanitary sewer projects; \$2 million for assistance to the National Sports Center; and \$500,000 for small business assistance. Staff commented further on the proposed allocations and requested feedback from the council.

Councilmember Massoglia stated he supported the city funding the rehabilitation of the sanitary sewer lift station and force main. He believed this infrastructure improvement should be a priority for the council to

assist in keeping utility rates flat.

Councilmember Appoint Newland requested further information regarding the funding that would be allocated for the NSC.

Mayor Sanders explained the city has been working well with the NSC the last few years and appreciated the partnership the city had with them. He discussed how the NSC was interested in installing more turf fields to attract additional tournaments. At this time the city was proposing to allocate \$2 million to the NSC, which would assist in funding two turf fields. He stated in return for this assistance the city would gain the NSC land on the north side of 105th Avenue adjacent to Invictus Brewing. Mr. Huss indicated staff has had positive discussions regarding the use of ARP funds and noted turf fields could be funded.

Mayor Sanders discussed the urgency behind funding the turf fields noting there was only so much high-end turf available each year and the NSC wanted to ensure this project was completed in 2022. Mr. Thorvig stated if the city would be able to work out a deal with the NSC to assist with turf fields in return for the land then the city does not have to use EDA funds to purchase the land in the future.

Councilmember Robertson commented her issue was with the fact these funds should be centered on the community and the city's growth centers. She explained she would like to see more dollars set aside to assist small businesses that were struggling due to the pandemic. She understood the importance of city infrastructure but supported more funding be set aside for small businesses. She asked if ARP funds could be put into pooled TIF. Mr. Huss stated this could not occur.

Councilmember Robertson indicated she supported the city providing \$2 million in ARP funds to the NSC to keep this amenity thriving in the community. She also believed it was important for the city to set aside funds for TH65.

Councilmember Paul stated he believed the city's priority for these funds should be infrastructure and the NSC. He indicated the NSC was key to the community's success. He explained he also supported the city helping its small businesses.

Councilmember Jeppson supported the investment in the NSC in return for the land. She noted she would be speaking with staff further regarding the proposed public works projects. She suggested the city council speak to local legislators to make them aware of how important the NSC was to the city and the entire region.

Mayor Sanders indicated his strategy or philosophy was not to confuse state legislators now as it can be difficult to differentiate between the needs of the city to complete TH65 versus the state's needs to fund deferred maintenance at the NSC. He stated the city has kept its lobbyists working on funding for TH65 and \$25 million has been requested from the state for this project.

Councilmember Jeppson recommended legislators be made aware that Blaine and the NSC was not one in the same, but rather that the city council supported the NSC and the NSC was in dire need of additional funding. Mr. Huss thanked the council for their feedback. He noted he would adjust the plan and would report back to the council at a future meeting for the council to approve the ARP funding plan.

Discussed

4 Other Business

City Manager Wolfe discussed the joint planning commission meeting that would be held on Tuesday, June 14.

ADJOURN

The Workshop was adjourned at 7:27PM.

Adjourned