# City of Blaine
# Anoka County, Minnesota
## Minutes
## City Council Workshop

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

***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 9, 2022** | **6:00 PM** | **Cloverleaf Farm Room A**

**NOTICE OF WORKSHOP MEETING**

**1 Call to Order**

The meeting was called to order by Mayor Sanders at 6:00PM.

**2 Roll Call**

**PRESENT**: Mayor Tim Sanders, Councilmembers Wes Hovland, Chris Massoglia, and Richard Paul. Also in attendance was Councilmember Appointee Tom Newland.

Adjunct Member Drew Brown.

**ABSENT**: Councilmembers Julie Jeppson and Jess Robertson.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Community Development Specialist Elizabeth Showalter; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Asset Manager Project Coordinator Shawn Smith; Sergeant Zach Johnson; and City Clerk Catherine Sorensen.

**Present:** 4 - Councilmember Paul, Councilmember Hovland, Massoglia, and Sanders

**Absent:** 2 - Councilmember Robertson, and Councilmember Jeppson

**3 New Business**

**3-1 Council Requested Items for Discussion**

***Attachments:*** 11-01-2021 Workshop Memo
11-01-2021 Workshop Minutes

Councilmember Massoglia stated he would like the council to discuss earmarking TIF money to incentivize a high-end grocer in light of Hy-Vee not coming to the community. He believed this would signal to the community that the council was hearing the voices of residents.

Councilmember Hovland indicated he did not support this action because the city council has never incentivized a business into the community.

Tom Newland stated when the Blaine business council started several years ago, a high-end grocer was always brought up. He reported Rob Kowalski attended a business council meeting and told the group what they were looking for. He believed marketing Blaine would help and with Hy-Vee leaving there was a gap that needed to be filled. He supported staff updating the council on a quarterly basis to see where this issue stands.

Councilmember Paul stated he was of the opinion it was a good idea for the council to discuss this issue further.

Mayor Sanders commented there was no question the council supported the city having a high-end grocer and he understood this was a priority for Councilmember Massoglia. He did not believe the council should spend an entire workshop meeting on this topic but rather work with Councilmember Massoglia and Community Development Director Thorvig on this topic directly.

Councilmember Massoglia asked if the council would like to further discuss short-term rentals or AirBNBs. He reported he has heard from several members in the community that feel like they were living next to a hotel and were experiencing parking concerns due to properties being frequently rented. He supported the city having some parameters in place to address short-term rentals.

Councilmember Hovland, Councilmember Paul, and Mayor Sanders supported the council discussing this topic further.

***10 Minute Discussion***

**3-2** **Fleet Rightsizing Overview**

***Attachments:*** April 25, 2022 Blaine Fleet Rightsizing Report

City Manager Wolfe stated staff has had several discussions with the council about the value of conducting a fleet rightsizing study. A fleet rightsizing team composed of staff representing Finance, Public Works, and Safety Services developed a request-for-proposals and received several responses. In November 2021, a consulting contract was awarded to Management Partners. Work began on the study shortly thereafter. In mid-March, Management Partners provided a draft report. Members of the management and fleet rightsizing team reviewed the draft and asked many questions for clarification and further understanding. A revised report was received April 24. Staff noted consultants were in attendance to discuss the results of the report.

Asset Manager Smith commented on his involvement with the fleet rightsizing study and discussed how a committee of staff members worked together to draft an RFP and analyze the study results. He described the amount of work staff has been doing on the fleet study and introduced Amy Paul and Greg Fassler from Management Partners to the council.

Councilmember Hovland stated he recalled the city purchased a software program 15 years ago that was supposed to assist the city with its fleet. Mr. Smith explained the program was called Dossier, which was a fleet management software. He noted the city was still using this program. Amy Paul, Management Partners, thanked the council for their time and commented on the work Management Partners does for municipalities. She discussed the purpose of the fleet study noting the study was broken into two parts: vehicle maintenance assessment and fleet rightsizing. She reported the city had a good sound fleet operation and she was simply offering suggestions for improvements. She reported documents from Dossier were reviewed for the study and interviews were conducted.

Greg Fassler, Management Partners, stated it was a pleasure to work with Mr. Smith and the maintenance staff on this project. He discussed what was working well for the city noting the fleet facility was more than adequate, was well organized and had plenty of room for both staff and vehicles. He reported the city was using one of the leading fleet software's in the fleet industry. He was encouraged by the fact the city was following all requirements when acquiring and selling off vehicles. He noted his primary concerns were with the lack of performance measures and the absence of an accountable charge back system. The key take aways from the vehicle maintenance operations were reviewed. He indicated the creation of a fleet committee was discussed, noting the purpose of this committee would be to discuss fleet issues and vehicle replacements. He commented further on the importance of capturing performance measures. He recommended the city set aside a training budget for the city's mechanics each year. He discussed staffing levels noting he found the city was understaffed at this time and detailed the recommended staffing changes.

Mr. Fassler further discussed the assessment he did on the city's fleet and noted 115 units required immediate consideration for replacement, with 93 of the units being 10 to 36 years old with three units over 45 years old. He discussed how an older fleet requires more service and mechanics in order to keep vehicles in service. He believed the city's replacement intervals were too long and commented on the replacement plan followed by other municipalities. He then turned the presentation to the rightsizing for the fleet, noting there were 21 vehicles that could be removed from the fleet. He described how a centralized motor pool at city hall would greatly benefit staff.

Councilmember Hovland questioned if the city had mechanics on staff that were able to deal with small engines all the way up to snow plows. Public Works Director Haukaas reported the city's mechanics were all certified and there were specialties within the group.

Mr. Newland stated the number of vehicles the city has was staggering. He indicated the age of the vehicles was a testament to the city's mechanics and that they were able to keep them operational. He was of the opinion the city did not need to add three additional staff members to the vehicle maintenance crew. Mr. Haukaas stated it was a testament to the city's mechanics. He reported this study brought to light the lack of oversight and resulting data. He commented on how the cost of repairs and the run to failure model was impacting the city.

Ms. Wolfe discussed the point system that was proposed for replacing vehicles noting there were multiple ways to filter through which vehicles need to actually be replaced. She indicated this system would have to be reviewed and adjusted on an annual basis. Mr. Fassler noted he was proposing 15 years for sedans, which could be put into the system and staff can then evaluate vehicles based on the point system.

Councilmember Hovland stated he appreciated the proposed point system. He was of the opinion the age of vehicles should not be taken into consideration as much as the hours of use, noting the street sweepers are only used once or twice a year. Mr. Smith agreed the point system would be valuable, along with further evaluating maintenance costs.

Councilmember Paul commented on a previous discussion the council had regarding the fleet and stated he was pleased with the results of this study. He believed the study would greatly benefit the public works and maintenance staff.

Mr. Newland asked if staff had a value replacement cost for each of the city's vehicles. He estimated the fleet was valued at over $10 million. Finance Director Huss explained if the service fund was established this would give the city a good idea as to what this number would be. He stated at this time he does not maintain this number.

Mayor Sanders thanked the team for their work and looked forward to hearing more on the topic in the future.

***60 Minute Discussion***

**3-3 MWF Apartment Proposal for 3795 Restwood Road**

***Attachments:*** Attachments

Powerpoint Slides

Community Development Specialist Showalter stated MWF Properties is proposing construction of a 60-unit affordable apartment building at 3795 Restwood Road. The 4.3-acre parcel is adjacent to two manufactured home parks, commercial uses in the city of Lexington, and two nonconforming single-family homes. The project details are still being refined which meant some details may change as the project progresses. Staff commented further on the proposed affordable housing project and requested feedback from the council.

Matt Yetzer, MWF Properties, discussed why an affordable housing project would be great for this site. He explained he was drawn to the site due to its access and visibility. He reported this site would be competitive for Minnesota Housing grants. He commented on the proposed finishes for the units and stated he believed this was a unique project that would meet the needs of the community. He discussed the comprehensive plan amendment change to high density, noting this project would be on the low end of high density.

Councilmember Hovland questioned what the price point would be for a two bedroom unit. Mr. Yetzer stated this would depend on the area median income (AMI) structure. He estimated the unit would be $1,200-1,300 per month.
Mayor Sanders thanked Mr. Yetzer for coming back to the council. He asked for further information regarding the exterior materials that would be used on the building and questioned if MWF had any other structures completed in the metro area. Mr. Yetzer commented the exterior building materials would be driven by the city and feedback received from the neighbors. He anticipated the building would have cement fiber board and stone. He stated MWF has over 2,200 units across the metro area

and encouraged the council to visit the Boulevard apartment complex in Mounds View.

Mr. Newland stated he knew this area and he supported the proposed affordable housing project.

Councilmember Paul indicated he was impressed by the proposed project and supported it moving forward. He appreciated the fact that the affordability factor would have a range, which would meet the needs of numerous families in the community.

Mayor Sanders asked if anyone opposed the comprehensive plan amendment from medium density to high density.

Councilmember Massoglia stated this would depend on the financials for the project. He believed this was a good spot for high density, but he had concerns regarding the financials of the project. He indicated 12 units at 50% AMI was not a lot of units. He supported the city pursuing owner occupied units versus rental. He explained he would rather see the city using its pooled TIF dollars for a high end grocer or other commercial users. He believed 10 years was a long time to offer TIF dollars considering all of the other projects the city was working on. Ms. Showalter stated staff could further investigate owner occupied housing noting there were dollars available to address racial homeowner gaps. She commented the council adopted a down payment assistant program and noted three successful applications have been completed to date.

Mayor Sanders questioned if these specific TIF funds could be used for the 105th Avenue redevelopment area. Ms. Showalter reported these specific funds could only be used for pooled housing TIF districts. She commented further on the opportunity cost of using TIF and noted the Northtown area would have a separate TIF district.

Mayor Sanders asked how much TIF was available at this time. Ms. Showalter stated the city had $1.1 million available. Community Development Director Thorvig explained other funding would have to be pursued in order to complete multiple affordable housing projects in the city. Mr. Huss commented the path to using these funds would be easier for this project than for a mixed housing project.

Mayor Sanders recommended the applicant speak with Councilmember Robertson and Councilmember Jeppson regarding this project. He stated he appreciated the creativity being used on this project and noted he would support it moving forward with Option A for funding.

Mr. Thorvig indicated timing was important for this project. He asked when the applicant had to submit applications for other funding sources. Mr. Yetzer stated the applications for Minnesota tax credits was due in mid-July. He hoped to have an official decision from the council before this time.

***30 Minute Discussion***

**3-4 TH 65 Improvement Project Update**

Mayor Sanders stated two members of the council were sitting at MSP in hopes of getting to Washington DC yet tonight. He explained the federal team and the city were working with both US Senators and Representative Ehmer on getting the TH65 project on the federal funding list. He commented from the state, the senate was proposing $15 million in the transportation bill and $10 million in the general obligation bill for TH65. However, he indicated he was uncertain if a bonding bill would be approved. He reported he has greatly appreciated the efforts of the city's lobbyists.

Ms. Wolfe discussed the contract the council had approved with the Ferguson Group for federal lobbying. She commented on the work that was being done by these individuals and noted the council would be receiving from both the federal and local lobbyists in June. She noted a second group of lobbyists, the Jacobson team, was working to obtain funding for additional city projects.

Councilmember Hovland stated he appreciated the work that was being done on behalf of the city. However, he also wanted people to understand that when state and federal funds were requested the criteria or standards for the project may go up. Ms. Wolfe reported this had been considered within the PEL study.

Mr. Haukaas invited the council to attend an open house at the NSC which would be held on May 24. He explained another presentation would be made to the Blaine International Village on May 17. He then provided the council with an update on the Alternative 1A concept design layout for the TH65 improvement project. The funding estimate for the project was reviewed and it was noted the project would cost $166 million. It was noted staff was seeking numerous funding sources for this project.

Councilmember Massoglia asked if Alternative 1A was the final option. Mr. Haukaas stated this was the best option that would be recommended to move forward.

Councilmember Massoglia recommended 117th Avenue and Ulysses Street be seen as a higher priority intersection. Mr. Haukaas noted these were both MSA roadways and were in the city's five year plan.

Mr. Newland questioned what the timeframe was for the TH65 project. Mr. Haukaas commented this project was moving forward at a fast pace and the best case scenario would have construction starting on 99th Avenue in 2024. He explained if not all of the funding comes through the project would begin in 2025 and would take six to eight years to complete.

Mayor Sanders thanked staff for the update and for all of their work on this project.

***30 Minute Discussion***

**3-5 105th Avenue Ordinance Discussion**

***Attachments:*** Map of Rezoning Area
Draft Ordinance

City Planner Sellman stated the 105th Avenue/Radisson Road industrial area has been identified in the 2040 Comprehensive Plan as a priority redevelopment area. It has also been identified as one of the four priority areas by the city council through the visioning process that occurred in early 2021, and in the "Growth Management" portion of the city's strategic plan. Based on direction from the city council, the city will embark on a visioning/design process for this area to assist in future marketing and development efforts. The industrial area consists of older industrial buildings that have either become antiquated due to their age or have excessive outdoor storage which is not consistent with the vision for the area. The EDA has been active in purchasing property over the last five years and continues to discuss further acquisitions as properties become available. The National Sports Center (NSC) and Metropolitan Airports Commission (MAC) are also key property owners in this area.

Ms. Sellman reported general discussions by the city council identify this as a potential "city core" where the city should encourage walkable, entertainment type of uses that take advantage of the NSC and be an amenity to Blaine residents and visitors. Staff is suggesting a planning/design process that includes key stakeholders (city staff, boards/commissions, city council, property owners, NSC and MAC) to establish the vision for this area both visually and descriptively. An important aspect is an architect assisting in creating the visual plan for the area. Concept plans have been reviewed at recent workshop sessions. The workshop on March 21, 2022, was the last opportunity to refine the plan prior to completion. After completion of the plan in April, the first step is to establish a zoning district with standards and design guidelines that will dictate development moving forward. The first discussion on district uses took place at the April 11 workshop. Staff anticipates finishing the discussion at the May 9 workshop with formal actions occurring in June/July. The moratorium expires in August, however, can be extended for an additional six months if needed to complete the rezoning. Staff commented further regarding the plans for the 105th Avenue area and requested feedback from the council on the uses, parking and architectural requirements.

Mayor Sanders stated he supported the proposed general uses for the 105th Avenue area. He indicated he would like additional attractions to be considered.

Councilmember Hovland suggested spas be an allowed use.

Mayor Sanders recommended spas remain an unpermitted use and suggested if a great spa were to come forward the council could consider this request separately. He stated he would rather see a large project brought forward than to see a national fast food chain in this area. Mr. Thorvig commented a national chain coffee shop may be interested in this area.

Councilmember Paul asked what the association would be for. Ms. Sellman stated there would be two separate associations, one for the businesses and another for the homes. She explained the businesses would pay dues that would assist in covering the maintenance of the business district.

Mayor Sanders suggested fast casual restaurants be at least 2,000 square feet. Mr. Thorvig cautioned the council from taking this action because there may be some fast casual restaurants that the city does want that are only 1,000 square feet.

Mayor Sanders stated it would be critical for the council to be on the same page with the developer in order to make this a unique area. Mr. Thorvig explained that by not allowing drive-thrus many fast food restaurants would be eliminated from this area.

Mayor Sanders indicated he was in favor of allowing flat roofs within the residential area.

Mr. Newland recommended the housing has a mix of flat and peaked roofs.

Further discussion ensued regarding guest parking and the overall parking needs for this area. It was noted parking was a moving target and the architect was still working on this item.

Ms. Sellman asked if the council supported the use of neon and roof signs.

Mayor Sanders indicated he supported the use of neon signs in this area.

Councilmember Hovland and Mr. Newland agreed.

Councilmember Hovland explained he did not like the idea of roof signs. He feared rooftop signage would be confusing to passersby.

Mayor Sanders stated he was not opposed to roof signs. Mr. Thorvig stated roof signs could be very interesting if done well.
Mayor Sanders supported the city pursuing signage that had staying power, was high end and cutting edge.

Mr. Newland asked if there was a development in the country that this language was drawn from. Ms. Sellman stated the language comes from Stillwater, Anoka, St. Louis Park, Dallas, Phoenix, and Nashville.

Councilmember Massoglia questioned if a cigar lounge should be allowed.

Mayor Sanders suggested this use be considered on a case by case basis.

***30 Minute Discussion***

**4 Other Business**

Councilmember Paul stated he has received calls from residents complaining about pedestrians trying to cross Ulysses Street to access Carol's Restaurant.

Mayor Sanders reported he received several complaints as well and noted he spoke to the Police Chief regarding this concern. He recommended the complaints be forwarded to the City Engineer.

**ADJOURN**

The Workshop was adjourned at 8:56PM.