City of Blaine

Anoka County, Minnesota

Minutes

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, April 11, 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, Julie Jeppson, Chris Massoglia, Richard Paul and Jess Robertson.

ABSENT: None.

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; Deputy Finance Director Ali Bong; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; Director of Administration Cassandra Tabor; and City Clerk Catherine Sorensen.

Present: 6 - Councilmember Robertson, Councilmember Paul, Councilmember Hovland, Massoglia, Sanders, and Councilmember Jeppson

Excused: 1 - Smith

3 New Business

3-1 Council Requested Items for Discussion

Mayor Sanders reported there were no Council requested items for discussion.

3-2 Strategic Plan Refresh

Attachments: [Staff Strategic Plan Refresh Ideas]
[Council Strategic Plan Refresh Comments]

Communications Manager Hayle stated Consultant Craig Rapp was in attendance to lead the City Council and staff through a process to refresh the City's strategic plan. The strategic plan was originally written in 2019. Staff has been working on the plan since 2020 and due to changing circumstances some of the plan elements need to be updated. After the strategic plan refresh is complete, staff will work to complete the strategic plan by the end of 2022.

Mr. Rapp reviewed the Council's six strategic priorities in detail. He provided the Council a brief history on the current strategic plan noting it would be refreshed again next year with new Councilmembers. He requested the Council take a critical look at what can be accomplished in 2022 and provide direction to staff.

Further discussion ensued regarding the strategic priorities, with the first being effective communication and how this was being measured by staff.

Mr. Rapp encouraged the City to consider completing a survey to gather information on how well the City was effectively communicating with the public. Mr. Hayle described the ways in which the City was measuring communication and its effectiveness with the public.

Councilmember Robertson stated she believed the City could always be working to improve its communication efforts, in particular with the Pioneer Park wetland bank. She anticipated communication on this topic would always remain a barrier. She discussed how communication worked hand in hand with community engagement and customer service. Mr. Rapp encouraged the Council to focus on what was useful to them and what could be measured when it came to communication.

Councilmember Paul explained he would like to see the City tracking the interactions it has with the public. Mr. Hayle commented on the manner in which the City can track the interactions and communications it has with the public.

Mr. Rapp suggested a detailed system showing what was being tracked be provided to the Council as a baseline for staff's communication efforts.

Councilmember Jeppson indicated this would be incredibly valuable to the Council. She reported it would be equally valuable to know how resident complaints are addressed by sharing all of the ways in which the

City was trying to reach out and communicate with the public.

Councilmember Hovland discussed the City newsletter and noted this was a valuable tool for communicating with the public, even though it came with an expense. He asked how much the City spent on the newsletter per year. Mr. Hayle estimated the City spent $43,000 per year to print and mail six newsletters.

Mr. Rapp requested comment from the Council on the relationship between staff and the Council. City Manager Wolfe discussed the communication model that was in place at this time. She noted she would be happy to make revisions and report back to the Council if changes were necessary. She sensed that the current system was not broken and was working well.

Councilmember Jeppson explained the troubles she was having with communication in the past was due to the large amount of turnover at both the City Council and staff levels.
Mayor Sanders thanked staff for checking in regarding this issue. He appreciated how responsive staff was to the Council.

Councilmember Hovland stated it was beneficial to keep the Council informed on what other Councilmembers were doing at the Capitol or representing the City in some other manner. Mr. Rapp encouraged the City Manager to take these comments under consideration in order to keep the team fully informed.

Mr. Rapp moved onto the financial sustainability strategic priority. Ms. Wolfe reported in her discussions with the finance director she understands the City wants to maintain its AAA bond rating, but this doesn’t measure the outcome, but was an outcome itself.

Councilmember Hovland suggested the wording of this priority be reconsidered so as to include what the City had to go through to achieve this rating.

Councilmember Paul stated the auditor validates each year that the City was doing a great job financially. Mr. Rapp concurred and recommended the City stay the course they were on with only minor adjustments needing to be made.

Assistant Finance Director Bong discussed several ideas she had regarding financial sustainability. She commented on how beneficial it would be to the City to update its financial goals on a yearly basis. She suggested the language be amended to state the Council would have a refresh of the fund balance policy on a yearly basis, along with looking at a purchasing program with a policy in place.

Mr. Rapp then discussed the growth strategic priority. Community Development Director Thorvig stated it may make sense to amend the language slightly to consider strategic growth in the City that reflects on the 2040 comprehensive plan.

Councilmember Hovland commented if the City was opened up to high density development, this would impact the Comprehensive Plan. Mr. Rapp recommended staff refresh this goal to provide language that includes the need for strategic growth as reflected within the 2040 comprehensive plan, along with the priorities surrounding 105th Avenue, I-35W and the Northtown Mall areas.

Councilmember Jeppson suggested not only strategic growth be pursued but mindful growth.

Councilmember Hovland indicated the role of the EDA in growth management should be considered within this.

Councilmember Robertson encouraged the Council and staff to make sure growth was being considered for the entire community and not just specific areas of the City.
Councilmember Hovland stated looking at the City globally would provide different outcomes when considering redevelopment. Mr. Rapp encouraged the Council to stay focused on what would be done in 2022.

Mr. Rapp then discussed the organizational growth strategic priority. Further discussion ensued regarding customer service and how the staffing model would be changing at City Hall.

Mr. Rapp then discussed the TH65 strategic priority. Mr. Hayle recommended the timeline be clarified for this strategic priority noting this could be a five-to-ten-year project. Mr. Rapp suggested this language be updated to reflect this.

Mr. Rapp then discussed the well-maintained strategic priority. Public Works Director Haukaas commented staff would be gathering data on pavement conditions and this information could be used going forward when making determinations regarding street and trail projects.

Mr. Rapp then discussed the meeting industry standards strategic priority. Police Chief Podany commented on how staff was working to be more proactive than reactive when it came to reviewing and maintaining

City equipment.

Councilmember Hovland recommended the milestones and improvements to the water system be celebrated.

Mr. Rapp summarized the comments made by the Council at this meeting. He noted the strategic priorities would be updated in 2022 and again in 2023 to serve the needs of the Council. He commended the City on their efforts over the past three years given the hurdles the City faced with changing Councilmembers, staff members and a global pandemic. He reported this last year of the plan would allow the Council to reframe and refresh its priorities.

Mr. Hayle reviewed the next steps for the strategic plan noting staff would have a refreshed document for the Council to review in May.

3-3 MWF Apartment Proposal for 3795 Restwood Road

Attachments: Attachments

PowerPoint

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, so some details may change as the project progresses. Staff commented further on the proposed project, the projected financing and requested feedback from the Council.
Matt Yetzer, MWF Properties, introduced himself to the Council and noted he was available to answer questions.

Mayor Sanders asked if the Council supported the proposed density change on this property.

Councilmember Hovland explained he was not opposed to high density housing on this property.

Councilmember Jeppson indicated when medium density was put into the Comprehensive Plan things were different and that she would support a density change.

Councilmember Robertson commented she was not sure how she felt about a change in the density for this property. She reported she would like to know more about the housing metrics and where the City was supposed to be at. She questioned what the timeline was for this project.

Ms. Showalter explained the developer would be applying for housing credits and the applications for this process was in July.

Councilmember Massoglia stated he was not supportive about high density residential on this property.

Councilmember Robertson requested staff provide her with a map of the area showing the zoning for this property and the surrounding properties. Ms. Showalter reminded the Council that this property is surrounded by the City of Lexington and would be served by water from Lexington.

Councilmember Paul requested further information on what would be allowed on the property if the zoning were changed to high density. Ms. Showalter stated apartments would be allowed with up to 25 units per acre. She noted currently the site was zoned medium density residential and would allow for six to eight townhomes per acre.

Councilmember Paul expressed concern with how the property would be managed and maintained. Mr. Yetzer explained the property would be managed in-house. He commented on how management of this property would be key. He discussed how he wanted his developments to be focused on being a good neighbor.

Ms. Showalter stated the developer was interested in receiving feedback on how to develop the open space on the property.

Councilmember Paul questioned how the rent was set for these units. Ms. Showalter reported the rental rates would be set on a yearly basis by the US Department of Housing and Urban Development. She anticipated only minor increases would occur each year due to inflation.

Mayor Sanders requested the Council focus their comments on the financing of this project.

Councilmember Hovland discussed the differences between affordable and low-income housing. He believed the developer was proposing low-income housing and not affordable. He questioned what classified affordable housing versus low-income housing. Ms. Showalter stated there was no formal distinction between low-income and affordable housing. Rather, she reported there are income levels that are used to distinguish AMI for the housing developments.

Councilmember Hovland stated he would like the Council to have a more global discussion on housing for the City. He explained he wanted to elevate the City from being more than sod fields. He indicated he did have some concerns about this project being low-income versus affordable housing.

Councilmember Paul commented on how housing units were affordable based on income levels. Mr. Thorvig reported this project would support both low- and moderate-income levels. He discussed the housing section of the comp plan noting there were allocations that have to be identified for the Met Council.

Councilmember Robertson indicated she looked forward to the Council further discussing housing overall. She anticipated the City would be receiving a lot more requests from developers seeking workforce housing in the community and wanted to better understand what projects should and should not be moving forward.

Mayor Sanders requested further information from staff regarding the TIF request. Ms. Showalter explained the developer was requesting $780,000 in TIF. She noted TIF was typically provided upon project completion and could be structured as a forgivable loan or could be partially repaid. She stated another manner in which the Council could proceed would be to reduce park dedication fees for the project.

Mayor Sanders asked if the $1.1 million in pooled TIF dollars the City had available could only be used for affordable housing. Ms. Showalter reported this was the case.

Councilmember Massoglia indicated pooled TIF funds could be used for condos or townhouses, or for road and infrastructure improvements. He noted the City had other options than providing low income housing.

Councilmember Hovland stated he had concerns with waiving the park dedication fees because this fund would run out once the City was fully built out. Ms. Showalter indicated this was just a potential financial tool for the Council to consider.

Councilmember Robertson stated she needed to wrap up the housing conversation at the Council level prior to considering this project. She indicated she could not green light this project without better understanding the housing goals for the City overall.

Mayor Sanders reported if $800,000 of pooled TIF was used for this project, what would the City have left for the Northtown area. Mr. Thorvig explained the Council would be holding another planning session in May where housing would be discussed, along with all EDA fund balances. He indicated there would be more housing projects that would be completed in the City, whether this was along 105th Avenue or in the Northtown area and there would not be enough pooled TIF dollars available for all of them. He commented on the other funding sources that were available to assist with future housing projects.

Councilmember Massoglia stated he was not super excited about spending $800,000 in TIF for this project. He indicated he could support a three-story apartment complex on this property, but did not believe the City needed to incentivize housing in Blaine. He reported this project would only have eight affordable units. He suggested this property have owner occupied townhomes or condos versus an apartment complex.

Councilmember Jeppson indicated she liked the idea of using the pooled TIF because these dollars could be used to support affordable housing in the City. She noted she would need to have a lot more questions answered before she could fully support this project. She stated the cost of construction was very high at this time and noted this may make affordable housing cost prohibitive. She suggested a more unique development be considered for this site. She commented she could support ongoing conversations for this development and did not rule out the use of TIF, even if this was only for eight more units. She reported affordable units were only made possible through government assistance. Ms. Showalter clarified that more than eight units would be affordable within the development.

Mayor Sanders stated he believed it was worth considering a conversation. He questioned the timeline for this project. Mr. Yetzer indicated he would like more clarity from the Council by June prior to him applying for credits from the state in July.

Ms. Showalter asked if there were any ways in which the project should change prior to coming back to the Council for consideration.

Councilmember Robertson reported she would be providing staff with questions she would like answered regarding this project.

Mayor Sanders commented he would like to know more about the finances for this project, along with the City's TIF fund balances.

Mayor Sanders requested item 3.5 be discussed prior to item 3.4.

3-5 Proposed Definition Amendment - Restaurant

Attachments: Ipourlt Demonstration Video

City Clerk Sorensen stated Council is asked to consider a proposed amendment to the definition of a restaurant in Chapter 6, Sec. 6-33, to allow for more limited food options in conjunction with a new on-sale wine/strong beer license. Staff has been approached by a group who would like to open a self-serve "tap house" for beer and wine. Their business will partner with IpourIt to provide technology to self-pour a variety of craft beer, hard seltzers, and wine. Their business model caters to customers interested in sampling many different varieties of beer and wine. Staff described the technology that would be used for the "tap house" and requested comment from the Council on how to proceed.

Jeremy Krog, applicant, introduced himself to the Council and noted he was proposing to bring a self-pour tap room or tasting room to the City of Blaine. He commented further on the technology that would be in place that would allow patrons to pour their own craft beer, mixed drinks, wine and seltzers. He indicated limits would be set on each pour and staff would be onsite to assist. He stated he was hoping to keep this business simple and was not proposing to have a full kitchen because the site was surrounded by restaurants. He was hoping to partner with these restaurants and would allow patrons to bring food into the tasting room. He explained he would have ice cream, frozen pizzas and pretzels available to customers. He reported non-alcoholic beverages would also be offered and children would be allowed in the establishment. He stated he would be looking to install 60 taps for alcoholic and non-alcoholic beverages.

Mayor Sanders thanked the applicant for being in attendance. He stated he supported the concept noting it was right in line with the unique amenities Blaine was trying to bring to its residents. He asked if the Police Chief supported this use and questioned what would happen if people were overserved at this self-serve taproom. He indicated he would like to speak with Invictus about the proposed use in order to assist in building a relationship with this business.

Councilmember Hovland asked how many employees the taproom would have. Mr. Krog reported the taproom would have three employees onsite at all times. He stated one employee would be checking in patrons, one would be monitoring the beverage wall, and the last employee would be managing food orders. He estimated he would have 10 employees overall. He commented further on the wages that would be provided to these employees, which would be around $15 per hour plus tips.

Councilmember Robertson thanked Mr. Krog for bringing this project to the City of Blaine. She agreed the unintended consequences should be further considered. However, she appreciated how the food and beverage industry has adjusted over the past two years due to COVID.

Police Chief Podany stated he would like to learn more about the ID/purchasing system that would be in place. He wanted to better understand what safety measures were in place to ensure cards were not swapped between patrons. Mr. Krog explained like any other liquor establishment she would have someone on the beverage wall monitoring patrons at all times.

Councilmember Robertson noted this was a tasting facility that would be only 1,700 square feet in size. She reported she didn't typically support changing the rules for just one business, but in this instance she could support the proposed language change in order to attract new businesses in the City of Blaine. She thanked staff for bringing this code amendment before the Council.

Mayor Sanders encouraged staff to lean on the communities that already have this type of tasting room in place.

Councilmember Paul questioned how patrons would be charged in the taproom. Mr. Krog explained patrons would be charged by the ounce.

Council consensus was to support the proposed restaurant definition amendment.

3-4 105th Avenue Ordinance Discussion

Attachments: Ordinance Outline

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 property becomes available. The National Sports Center (NSC) and Metropolitan Airports Commission (MAC) are also key property owners in this area. 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.

Ms. Sellman explained 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. Staff anticipates discussing zoning at the April 11 and May 9 workshops with formal actions occurring in June/July. The moratorium expires in August, however, can be extended an additional six months if needed to complete the rezoning. At this workshop staff would like to focus on the permitted uses, accessory uses, conditional uses and prohibited uses, and receive Council feedback.

Staff reviewed the proposed uses for the 105th Avenue area and the Council provided their feedback offering support and making recommendations. The Council did not support medical/dental uses in this area but did support professional offices.

Councilmember Hovland suggested medical/dental uses be considered on the property near City Hall.

Councilmember Robertson stated she would like to see the language be very specific for this area to ensure this area had the look and feel the Council is seeking.

Mr. Thorvig discussed how City staff would be meeting with the businesses within the 105th Avenue area in order to make them aware of the new ordinance language. He understood these businesses may not be all that enthused about the proposed changes.

Ms. Sellman requested the Council consider if an owner’s association of some sort should be put in place to maintain the district.

Mayor Sanders supported an association of some sort being put in place to assist with the maintenance of this area.

Councilmember Robertson asked when this ordinance would be coming back to the Council for consideration. Ms. Sellman reported this would be coming back to the Council in May.

Councilmember Robertson recommended staff document the changes to the 105th Avenue area so that before and after pictures can be posted on the City’s website as this area redevelops.

Councilmember Paul excused himself from the meeting.

Council consensus was to direct staff to proceed with the 105th Avenue ordinance.

4 Other Business

The Council discussed how to proceed with appointment to the current Ward 1 vacancy.

Councilmember Hovland stated he did not believe the seat should remain open until January 1, 2023. He suggested the Council work to put a formal and transparent process in place and stated he had two names in mind to serve as an interim Councilmember.

Mayor Sanders reviewed the processes available to the Council noting the Council had choices.

Councilmember Hovland supported the Council holding an interview process for the open seat.

Councilmember Robertson stated she wanted to see the Council have discretion depending on the seat that has been vacated. She did not want the Council locked into a specific process.

Mayor Sanders agreed and requested staff provide the Council with further information on the timeline for the appointment process. Ms. Sorensen reported the Council had until May 20 to make an appointment but noted this could be done by May 2 to allow the appointee to file for candidacy yet this fall should they so choose.

Councilmember Robertson encouraged the individuals to apply for the open seat in order to be interviewed for the appointment. She supported the Council holding interviews for top candidates but not all applicants and recommended the appointee have an understanding of City business and processes.

Mayor Sanders stated his preference would be to set application dates and that a subcommittee of the Council be formed to review applications and that interviews then be held.

Councilmember Hovland was concerned an open process like this would be time consuming.

Councilmember Robertson asked if there were set timelines the Council had to follow for the application and interview process. Ms. Sorensen noted the Council could set these deadlines. She suggested applications be taken through April 20. The Council supported this recommendation.

Councilmember Massoglia suggested the application state the Council was seeking experienced candidates for this open seat, for transparency purposes.

Councilmember Robertson suggested an interview question be asked to see if the candidates would be interested in filing for candidacy.

Councilmember Hovland asked if candidates would be able to apply for the position online. Ms. Sorensen stated this would be an option for candidates.
Mayor Sanders indicated candidate interviews could be held April 26 or April 28 with announcement of the appointment on May 2 and oath of office issued May 16.

ADJOURN

The Workshop was adjourned at 9:14PM.