



City of Blaine
Anoka County, Minnesota
Minutes
City Council Workshop

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Thursday, March 14, 2019

5:30 PM

Cloverleaf Farm Room A

NOTICE OF WORKSHOP MEETING

1 Call to Order

The meeting was called to order by Mayor Ryan at 5:30 p.m.

2 Roll Call

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Fire Chief Charlie Smith; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; City Engineer Dan Schluender; Acting Human Resources Director Sheri Chesness; Communications Coordinator Ben Hayle; Administration Technician Lisa Derr; and City Clerk Catherine Sorensen.

Present: 7 - Councilmember Garvais, Councilmember Jeppson, Mayor Ryan, Councilmember Swanson, Councilmember Robertson, Councilmember Paul, and Councilmember Hovland

3 New Business

3-1

**CONSIDER FINANCIAL ASSISTANCE REQUEST FOR
DEMOLITION OF STRUCTURES FOR THE
SOUTHEAST CORNER OF LEXINGTON AVENUE AND
MAIN STREET (SHELL GAS STATION)**

Attachments: [Site Location](#)
 [Sample Buildings](#)

Economic Development Coordinator Erik Thorvig stated the property at 12475 Lexington Ave has been used as a gas/convenience store since the building was built in 1988. The business/property owner has had the property for sale off and on for several years however has not found a buyer. With the new Kwik Trip opening to the south, the owner is looking at redevelopment options for the site and changing the use to retail/restaurant. The site is 1.39 acres and the owner wants to purchase

the vacant lot to the east which would create a 2.31 acre site. The existing building is approximately 3,500 sf. and redevelopment of the site would allow for a building to be better oriented and positioned on the site to maximize parking, exposure, building square footage and site access. The owner would act as the developer and landlord for a future project. He stated the owner was currently in negotiations with several potential tenants and the financial pro-forma for the project and finish of the building dictates potential rent and the quality of tenant the owner can attract and was requesting EDA financial assistance for the building demolition, tank removal and acquisition of the site to the east. The owner has indicated a desire to have a higher finish building and financial assistance will help the owner use dollars that otherwise would have been spent on demolition towards the quality of the building. He reviewed quotes for demolition, tank removal and acquisition of the adjacent parcel and said staff would be comfortable providing \$51,008 towards demolition. Funds would come from the EDA general redevelopment fund for this project. Staff believes the benefit to the City is a new building and not just demolition of the existing building. He explained that if Council was supportive staff would propose entering into a development agreement with the developer that outlines payment occurring only when a building permit is obtained for a new building, adding the EDA would not be responsible for any contamination found with the tank removal.

Lenny Leezer, property owner, shared photos of similar projects and explained his reasons for the request, stating he would like to see the property be redeveloped to include tenants such as a restaurant.

Council asked questions regarding possibility of creating a TIF District and remediation costs associated with tank removal. Mr. Thorvig said funds were available from the MPCA that reimburses up to 90% of any contamination remediation costs.

Council consensus was that they were fully supportive of the financial request for site demolition. Mr. Thorvig said the item would come forward for formal consideration in April.

3-2 Team Building - Strategic Planning

Craig Rapp, President of Rapp Consulting Group/Craig Rapp, LLC, conducted a City Council-senior staff team building and training session. Consensus was that this was a worthwhile exercise and that a follow-up session will be scheduled in the near future.

Other Business

None.

None.

ADJOURN

The Workshop was adjourned at 8:30 p.m.