

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, March 13, 2023

5:30PM
Cloverleaf Farm Room A
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Pro Tem Robertson at 5:30PM.

ROLL CALL

PRESENT: Councilmembers Terra Fleming (arrived at 5:55PM), Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya

ABSENT: Mayor Tim Sanders

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Eric Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Joe Huss; Deputy Finance Director Alison Bong; City Engineer Dan Schluender; Director of Public Works Nick Fleischhacker; and City Clerk Catherine Sorensen

3.1 Minnesota Training and Wellness Center Concept (MNTWC).

Community Development Director Thorvig stated City staff has been approached by a group that is interested in constructing a privately owned and operated training and wellness center with the primary focus being basketball. Initial concepts show a 225,000 square-foot facility with 12 basketball courts/24 volleyball courts, training/fitness and wellness center and other community facilities including meeting rooms, family entertainment, etc. The group has identified the northeast corner of the National Sports Center (NSC) campus as a preferred location for this project given the potential synergies with the NSC and future redevelopment of the 105th and Nassau Street area. There are approximately 20 acres of land north on the NSC campus not identified as part of the 105th Avenue redevelopment plan that is available. It was noted the land is currently owned by the Minnesota Amateur Sports Commission. Staff commented further on the concept and requested feedback from the Council.

Shawn O'Keefe, MNTWC, introduced himself to the Council and thanked them for their time. He thanked staff for their time and patience while working through this process. He further

discussed the Minnesota Training and Wellness Center. He commented on how this project would be a game changing indoor facility. He indicated he appreciated the direction the City was taking to create a city center surrounding the NSC and he believed this project was in line with the City's vision. He reported this facility would be the only dedicated tournament center in Minnesota and would be one of the largest court-based tournament centers in the nation with over 270,000 indoor spaces. He stated this facility could be used year-round for basketball, volleyball, pickleball, cheer, soccer, baseball, la crosse, futsal and more. He indicated the site would also have a full-sized fitness center, dining options, a family friendly kid zone and theater room. He discussed the work he has been doing over the past 18 months on this project. He screened a video of a facility in Pennsylvania that would be like the facility he was proposing to construct.

Jim O'Keefe, MNTWC, discussed how supporting businesses would pop up to support the wellness center. He reported this would fit in well with the plans Blaine had for the 105th rehabilitation area.

Mr. O'Keefe introduced his team members to the Council. He explained he was a resident of Blaine and discussed how this project was his passion. He described the volunteer work he does in the community and stated he understood there was a growing need for volunteers. He commented on the diverse level of programming that would be held in the wellness center to draw people into the facility. He noted he would love to hold senior games and special Olympics, along with real world programming (Life University classes) that would positively impact youth. He stated it was only a matter of time before the state of Minnesota had a facility of this type and he wanted Blaine to be its home.

Shawn Jensen, Asset Manager, introduced himself to the Council. He commented on how this project would be self-sustaining. He noted he grew up in north Minneapolis and moved to Blaine as a kid. He discussed how he began training young athletes and commented on how this shaped his purpose. He stated he has a passion for helping for helping youth, especially those who were struggling to find their place. He commented further on how this facility would provide a venue to build community in Blaine. He discussed his history as a competitive basketball player. He explained currently, all competitive basketball tournaments were held in the south metro and he wanted to see Blaine offering a space for these types of events. He believed Blaine could outdo Maple Grove and appreciated Blaine's forward thinking for their City Center space.

Jim O'Keefe, MNTWC, explained he has spent 37 years in the military and was nearing retirement. He discussed how he wanted to this space to also be a healing and wellness place for veterans in the community. He commented further on the numbers for this project and indicated there was great value in the partnership this facility would have with Sports Facilities Company. He discussed how this facility would have several unique amenities to entertain the entire family and would not just serve a single athlete. He reported the facility was

considering underground parking which would provide 500 parking spaces. It was his hope that the City could partner with this facility to provide this amenity and parking for the community. The economic impact of the project was further reviewed. He indicated there would be a \$20 million economic impact to the community by year three. The timeline for the project was discussed and it was noted the project was slated to have its doors open in the summer of 2025.

Eric Sullivan, Sports Facilities Company (SFC), stated he was thrilled about this opportunity for Blaine. He discussed the power of sports tourism and noted the Minnesota Wellness Center would have both a great economic and social impact on the community. He reported SFC exists to improve the health and economic vitality of the communities it serves. He stated this work is varied between sports tourism, entertainment, along with health and wellness pursuits. He discussed how no two projects were alike, but rather varied to meet the needs of the community. He commented on the market opportunity and discussed how SFC would utilize their employees and best in class results to optimize this project. He explained he would leverage partnerships to draw in tourists. He stated to be successful the facility would have to be built on time and within budget. His expertise in the venue planning process was further discussed, along with how important local programming would be to the success of this facility.

Doug Green, Baker Tilly, stated this was not a typical development. He reported this project would require some level of partnership from the City. He discussed the tools the City had available to assist with this project which included tax abatement, infrastructure bonds, a local option sales tax (would need state approval), state bonding dollars, and a special service district. He explained if the Council wanted to move forward this project, he could further explore these options and could report back to the Council at a future meeting.

Michaela Huot, Baker Tilly, indicated the framework of this project was unique because it would be a public/private partnership that would create a \$60 to \$70 million facility. She reported the developer would be bringing private financing to assist with lessening the City's participation.

Mr. Thorvig questioned if the Council was interested in this type of project in the community and is there an interest to continue conversations on the financing options discussed by Baker Tilly.

Mayor Pro Tem Robertson thanked the developers for coming forward and for seeing the value of investing in Blaine. She appreciated the servant leadership and commitment the developers had to improving the quality of life for young people. She asked if the Council had comments or questions at this time.

Councilmember Newland asked where the money would come from to make this project feasible. Mr. O'Keefe explained revenue would come from the fitness center memberships, the family entertainment center, from offering training, concessions, and hosting tournaments. He reported e-sports would be another revenue stream. He stated he had provided staff with a proforma and noted by year five the facility was estimated to have a profit of \$1.5 million in net revenues. Mr. Sullivan commented further on the revenue per square foot for the space along with the revenue forecasted for local programs. He estimated revenues for the facility would stabilize in year five.

Councilmember Massoglia thanked the developers for their thoughtful presentation. He stated he appreciated the vision and heart the developers had for the community then asked if the developers had considered sponsorships for the facility. Mr. O'Keefe indicated naming rights and partnerships within the venue were being considered.

Councilmember Massoglia questioned if Blaine residents would be able to have access to the fitness center. Mr. O'Keefe reported residents would have access to the facility, but would not be free. He indicated Blaine residents would receive a large discount. He stated the facility would be open to police and fire personnel at little to no cost as well. He commented on how beneficial this facility would be to City employees as well, in helping to reduce health care expenses over time.

Mr. O'Keefe explained he had reached out to the Minnesota United and Wolves. He stated the feedback he has received was for him to speak with them again after the idea was brought to the City of Blaine. He indicated there was a much interest but this could not move forward without receiving interest and investment from the City. He commented further on how this facility would be a huge draw for the region.

Councilmember Saroya stated she did not have a sports background but believed this facility sounded exciting. She questioned how SFC would balance the facilities use between community use and tournament use. Mr. O'Keefe reported this would be a 12-court facility and noted two of these courts would be dedicated to fitness members and the community.

Councilmember Fleming explained she believed this was an amazing opportunity for Blaine. She indicated Blaine wanted a community center and this was much more than a community center. She indicated she was a competitive volleyball player her entire adult life. She noted the tournaments she attended as a youth were held down in Burnsville which was a 45-minute drive and she had to be there at 8AM. She agreed it would be great to have this type of facility in the north metro for both basketball and volleyball.

Councilmember Newland asked if the City had the capacity to take this type of project on, considering the other projects being considered. City Manager Wolfe stated this depends on

the timing of the project. She indicated contractors may need to be brought in if TH65 were to move forward at the same time.

Finance Director Huss discussed how this project would have an impact on the daytime population of the City, which would have an impact on public safety. He reported the additional tax base for this project would have to be considered long term.

George Fantauzza, architect, discussed his involvement with the Twins stadium and described what his role would be as the architect for this project. He commented on how important fitness was to him. He stated he appreciated how passionate these developers were about this project and how deeply they cared for the youth in this community. He indicated it was crucial for this project to have Sports Facilities Company involved in this process.

Mayor Pro Tem Robertson stated she was interested in this type of use. She indicated her only apprehension was with the timing. She commented she did not want to disrespect the master developer the City was working with and understood the NSC has had several requests for this property. She explained she greatly appreciated the time and effort the developers had put into this project. She supported the City having more dialogue regarding this project. She noted the City was looking to have over \$1 billion invested in the community between TH65 and the 105th rehabilitation area.

Councilmember Saroya indicated she believed this would be a great addition to Blaine and wanted to further investigate how to move this project forward.

Councilmember Massoglia explained he did not believe he could support the City providing the developers with \$30 million. He discussed the previous vote the City had for a community center and noted it was voted down in 2016.

Councilmember Fleming discussed how the community has grown over the past six or seven years and noted there was a growing number of families with children who were looking for community centered activities. She anticipated if the community were to vote again on a community center, the vote may be different in 2023.

Councilmember Saroya questioned how firm the \$30 million figure was for the City. Mr. O'Keefe indicated he was looking for a 50/50 partnership with the City and noted the \$30 million was based on a \$60 million total project cost for the facility. He discussed how this facility had to be different because community centers do not generate income. He commented further on how the proposed facility would positively impact the community.

Council consensus was to direct staff to continue discussions with Baker Tilly and the developers on the feasibility of the proposed Minnesota Training and Wellness Center concept.

3.2 Land Use Discuss for Property located at 8634/8628 Central Avenue.

City Planner Sellman stated the subject site is a collection of three odd-shaped parcels that contain a commercial building (Uram Insurance) and approximately 2.5 acres of vacant land. The three properties are under the same ownership. One property (8628 Central Avenue) is zoned R-1 (Single Family Residential) and guided Low Density Residential in the Comprehensive Plan. The property at 8634 Central Avenue is split with two zoning classifications, B-2 (Community Commercial) and R-1, however, is entirely guided Community Commercial. The third property abuts the Central Avenue frontage road and is zoned B-2 and guided Community Commercial. Staff commented on the status of the surrounding properties. It was noted staff has received numerous inquiries about developing this site with multi-family residential development. Staff provides the zoning and land use designation but often is asked if Council would consider an amendment. Staff would like guidance from the City Council on the preferred future land use of the properties to clearly communicate with the landowner, broker, and developer inquiries.

Councilmember Newland indicated he believed this was not the right location for an apartment complex given the number of businesses surrounding these parcels. He understood these were oddly shaped lots, but he was of the opinion it made sense to keep the lots zoned commercial.

Councilmember Saroya agreed stating she wanted to see the lots remain commercial.

Council consensus was for these lots to remain commercial.

Further discussion ensued regarding allowed and conditional uses in the City. Staff suggested the Council have a further discussion regarding the zoning districts and vision for the TH65 corridor.

Other Business

4.1 Board/Commission Minutes.

City Manager Wolfe stated to provide Council ease of access to City board and commission meeting information, staff would be providing the link to Blaine's Legislative Information Center monthly.

4.2 Northern Long-Eared Bats.

City Engineer Schluender presented the Council with the latest update on the Northern Long-Eared Bat and its impacts to development, street projects and Emerald Ash Borer. He

commented further on how this would impact tree contractors and questioned if the Council was comfortable with removing trees prior to awarding projects to a contractor.

Councilmember Newland asked if it was realistic that all of trees that must be removed for the street projects could be removed before March 31. Mr. Schluender stated staff had the opportunity to complete this work.

Councilmember Newland expressed concern with how the City would educate residents in such a short timeframe to let them know the trees were coming down. Mr. Schluender reported the City would let the neighbors know the City was removing the trees now in advance of the street project.

Councilmember Newland indicated he could support the City removing the trees in advance of awarding a bid.

Councilmember Saroya reported she read an article in the *Star & Tribune* regarding the long-eared bats. She explained she was concerned with how the City would look if a large number of trees were removed. She stated did not support the trees being removed in a rush.

Mr. Schluender explained it was safe to remove the trees through March 31 and after that time the bats would be roosting and mating in the trees.

Councilmember Fleming clarified that if the trees were not removed, these projects would be pushed back to 2024. Mr. Schluender stated staff would have to consider how to continue these projects with the trees standing, which may become a safety issue for the contractors.

Mayor Pro Tem Robertson asked if the cost for the tree removal was written into the street improvement contracts. Finance Director Huss reported this was the case.

Councilmember Massoglia inquired if the removed trees would be replaced with new trees. Mr. Schluender stated the City would be replacing trees.

Mayor Pro Tem Robertson questioned if City staff had the capacity to complete this work and to properly inform the public of this work. She did not want this work to be conducted and for the City to be viewed in an unsavory light. Mr. Schluender reported staff could complete a mailing in a timely manner to inform them of the work that would be done to remove the trees.

Councilmember Massoglia stated he too was concerned about the best way to communicate this information with the public. He asked if the northwest project would have sidewalks on both sides of the street. Mr. Schluender reported this project was approved by the Council

last week with sidewalks on both sides of the street. He noted the City does not assess sidewalks to those parcels.

Ms. Wolfe said she understood the concerns of the Council and stated this change was not unique to Blaine, but rather was impacting the entire state of Minnesota and 36 other states. She understood that trees are precious, but explained this was a federal mandate. She noted a large portion of the trees being lost in the community were due to Emerald Ash Borer.

Mayor Pro Tem Robertson indicated one of the City's primary functions was infrastructure and if these street projects were delayed, this would also impact the community. She said while she did not like the situation the City has been put in, she supported the trees being removed and encouraged staff to be very proactive in communicating with residents.

Councilmember Newland requested staff consider door knocking to inform residents that the trees would be removed prior to March 31.

Councilmember Saroya stated she was not as concerned about the City project, but asked if developers would also be removing trees prior to March 31. Mr. Thorvig explained developers typically receive approvals, submit building permits, grading plans, and then trees can be removed. He commented on the projects that were currently underway noting which ones could have their trees removed prior to the end of March. He stated if this work could not be done by March 31, the work would have to wait until November. He provided further information regarding the new tree removal requirements per the federal mandate and City ordinance.

Mr. Schluender discussed the communication plan staff would follow and noted trees would be removed prior to March 31.

The Workshop was adjourned at 8:25PM.

Tim Sanders, Mayor

ATTEST:

Catherine Sorensen, CMC, City Clerk

Submitted by Minute Maker Secretarial