

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, November 14, 2022

6:00PM
Cloverleaf Farm Room A
10801 Town Square Drive

CALL TO ORDER

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

ROLL CALL

PRESENT: Mayor Tim Sanders, Councilmembers Wes Hovland, Julie Jeppson, Chris Massoglia, Tom Newland, Richard Paul, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Safety Services Director/Police Chief Brian Podany; Finance Director Joe Huss; Deputy Finance Director Ali Bong; Finance Analyst Jenna Trittin; Water/Sewer Department Supervisor George Linngren; Deputy Public Works Director Nick Fleischhacker; Storm Water Supervisor Matt Withrow; Public Service Worker Kristian Gaasland; Stormwater Coordinator Megan Hedstrom; City Engineer Dan Schluender; and City Clerk Catherine Sorensen.

3.1 ISD #12 State of the Schools Presentation.

Jeff Holmberg, Superintendent for ISD #12, provided the Council with a presentation on the state of the Centennial School District. He reported the focus for the 2022-2023 school year was honoring our past and creating our future. He explained the school district was focusing on how the pandemic impacted students and how to improve relationships and connections between students and teachers. He discussed the strong IT/manufacturing program within the school district and how they collaborated with local businesses. He then reviewed the goals for the district going forward and discussed the staffing needs within the district.

Councilmember Robertson questioned what the school district's plan was to meet the continued growth of the City. Mr. Holmberg stated the school district met with City Manager Wolfe this past spring to discuss new potential developments and forecasts. He explained this helps him better understand growth projections to plan for future facilities.

Councilmember Hovland encouraged the Centennial School District to reach out to Mayor Sanders to have him speak at governmental classes and suggested the school district consider having student representatives attend City Council or other City meetings. He noted Blaine also has a Historical Society and an adjunct board/commission member program that students could participate in.

Mayor Sanders thanked Mr. Holmberg for his presentation and for attending this meeting.

3.2 Rezoning Discussion for the Area on the West Side of Highway 65 between 99th Avenue and 105th Avenue.

Community Development Director Thorvig stated the area north of 99th Avenue to 105th Avenue on the west side of Highway 65 has been identified in the City's 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. The other three areas (125th Avenue/Lexington Avenue, 105th Redevelopment area, and Northtown) have been reviewed and various master planning and rezoning actions have occurred. The City Council has identified the desire to be proactive regarding zoning and development to encourage businesses and uses that meet the wants of the Blaine community. This approach was taken when creating a new commercial zoning district for the 125th Avenue/Lexington Avenue area in 2021. A similar approach will occur for the subject area where the City Council will provide feedback to staff on the desired land uses and overall design expectations as the properties develop.

Mr. Thorvig explained the overall area being reviewed is approximately 70 acres. Most of the parcels in this area are zoned I-1 (Light Industrial) except for the two northern parcels that are zoned B-2 (Community Commercial). A majority of the I-1 zoning has existed since at least 1979 with various zoning modifications to portions of the overall area occurring in the 1980s and 1990s. The existing zoning for the overall area has been in place since the late 1990s. The 2040 Comprehensive Land Use plan has identified the parcels in this area as Planned Commercial (PC), Community Commercial (CC) and Manufactured Home Residential (MHR). Much of the existing zoning is not consistent with the 2040 land use designations and needs to be changed to prepare the land for future development consistent with the vision of the City Council. Having a clear understanding of the preferred uses will provide clarity to landowners, developers, and City staff as to what uses are desired in the area. Staff commented further on the proposal and requested feedback from the Council on how to proceed.

Councilmember Robertson asked if the property owners understood the plans for the service road. Mr. Thorvig reported the property owners were aware of the plans for the service road and understood there would be future conversations for right-of-way acquisition.

Mayor Sanders supported there being some sort of buffer in place adjacent to the manufactured home park. The Council was in agreement.

Further discussion ensued regarding the uses allowed in the B-5 zoning district.

Mayor Sanders requested dry cleaning and laundry be removed from the B-5 zoning district.

Councilmember Robertson supported the City fighting for amenities within this redevelopment area versus the majority of the site being office space. She suggested a percentage be set for office space. She wanted to see the redevelopment of this space being cohesive.

Councilmember Jeppson asked if the City should complete a study for this area. She understood the property owners were passionate about what goes into this area and supported the redevelopment of this area not being random, but rather being well thought out.

Councilmember Newland suggested the area be ghost platted to provide a better understanding on how the area may develop in the future. Mr. Thorvig stated staff could complete this task noting there would be a cost. He commented on how it would benefit the redevelopment to have the proper zoning in place prior to the site being purchased by a developer.

Councilmember Massoglia asked if the two sides of Ulysses Street could be zoned differently having the east side be zoned for commercial, retail and restaurants. Mr. Thorvig reported this could occur.

Councilmember Hovland questioned if a hotel with convention facilities should be considered within this zoning district. Mr. Thorvig reported this would be allowed.

Councilmember Robertson stated she did support this area having daycares or animal hospitals, nor did she want to see churches.

Councilmember Jeppson explained she would like to services that compliment the area and benefit the surrounding residents. She asked how far residents on the west side of Blaine had to go to find a daycare or animal hospital. Mr. Thorvig stated he could investigate this further.

Councilmember Robertson suggested the uses be complimentary or an extension of the 105th Area Redevelopment.

Councilmember Newland supported some of the conditional uses being eliminated so the Council did not have to consider them in the future. He recommended churches, animal

hospitals and daycares be eliminated from the list. Mr. Thorvig stated he would make this change but noted there were federal laws in place that restricted the City from saying where churches can and cannot go.

The Council supported the area having fitness, gas, and free-standing car washes.

Councilmember Hovland suggested the Council have a discussion regarding parking and the size of parking spaces within private parking lots. Mr. Thorvig stated this would be a good conversation for the Council to have.

Maureen O'Neil, property owner, thanked the Council for discussing this redevelopment area and stated she looked forward to this project moving forward.

Mr. Thorvig thanked the Council for their feedback. He commented on the tentative timeline for this project. He noted staff would draw up a ghost plat for the area and would conduct research on where varying amenities were located for the adjacent residents.

3.3 Proposed 2023 Water, Sewer, Storm Utility Funds Budgets and 2023-2027 Capital Improvement Program.

City Manager Wolfe introduced Deputy Public Works Director Nick Fleischhacker, Storm Water Supervisor Matt Withrow, Water/Sewer Department Supervisor George Linngren, Public Service Worker Kristian Gaasland and Stormwater Coordinator Megan Hedstrom to the City Council.

Deputy Finance Director Bong stated water, sanitary sewer and storm sewer are all enterprise funds which are constructed with the goal of operating and maintaining systems with levels of service established by the Council to meet the needs of the system's users. Fees collected from these services should cover the enterprise's total cost, including all operations, maintenance, and capital outlay. In prior years, the focus was maintaining operations through rapid growth and development. As the City shifts positions from heavy development to sustaining and preserving a fully developed City, capital outlay and long-range planning will play a more significant role in the budget process.

Ms. Bong reported Council guidance supports this endeavor: water delivered to homes is expected to meet the highest standards possible; wastewater and storm drainage is to be cleared through the system with no backups, breaks, or flooding. Recent discussions during the August 8 workshop related to the City's long-term water treatment plant capacities (WS 22-095) indicated that Council supported a standard service level that provides fully treated water for normal consumption periods and very low rates (10-25% max) of untreated water on the highest consumption days as the City continues to grow. It was noted staff continues to work with Baker Tilly, and a finalized rate model will be presented to the Council at a

workshop in the second quarter of 2023. Significant progress has been made to date that has greatly improved the City's current rate model. Finance, public works, and engineering staff have collaborated in-depth to produce a preliminary long-range capital plan. Blaine's 5-year Capital Improvement Program (CIP) includes plans for all capital asset categories. Staff commented further on the City's utility funds and requested comments or questions.

Mr. Fleischhacker commented on how staff evaluated the budget from a life cycle cost perspective, while right sizing the City's assets. He explained there was a need to have some equipment on the shelf due to long lead times to procure supplies. It was noted chemical costs were also in the rise. He discussed how there was a need to raise rates slightly to cover rising operational costs. He described the debt that would be issued to fund the proactive maintenance projects planned for 2023.

Councilmember Newland asked what the City could do to find alternate chemicals or chemical vendors. Water/Sewer Department Supervisor George Linngren explained he was speaking with staff members from the south metro to learn how they were procuring their water chemicals and may be considering a joint purchasing agreement with these cities. He discussed how they would be considering four or six-month contracts due to the fact the prices of chemicals were continually rising.

Councilmember Jeppson encouraged staff to work collaboratively to create a plan when addressing emerald ash borer. Mr. Fleischhacker commented on the City's plan and communications for emerald ash borer.

Mayor Sanders suggested the Council have a future discussion on viewsheds and if grants were available to assist with tree replanting.

Councilmember Hovland stated the City would have to increase the storm sewer rates at some point, especially when more and more pond maintenance was required.

Councilmember Jeppson thanked staff for the thorough presentation and staff report. She explained she was comfortable with the recommended expenditures and was supportive of using debt for funding capital costs. She indicated she supported the stormwater and sewer recommendations but suggested the water rate be rightsized as water was their most valuable commodity. She understood this was a tough year to be making these decisions but appreciated rightsizing the water system.

Councilmember Newland supported Councilmember Jeppson's comments and thanked staff for their detailed presentation. He discussed how important the City's water system was and he supported the City avoiding future problems. He explained he supported the proposed expenditures to protect the City's critical infrastructure. He reported now was not the time to cut costs.

Councilmember Massoglia asked what the current reserves were at for the enterprise funds. Ms. Bong reviewed the current reserve levels for the water, sewer, and sanitary sewer funds. She believed the levels were proper given the extensive growth the City has seen in the recent years.

Councilmember Massoglia stated he would like to meet with staff to further discuss the City's reserve funding. Finance Director Huss commented on how the health of the City's infrastructure and reserve levels assist with the City's AAA bond rating.

Councilmember Paul explained he supported the City having its utility rates rightsized.

Mayor Sanders stated he supported the storm sewer and sewer rates as proposed as well as the rightsized water rates.

Councilmember Hovland commented on how the City of Blaine has maintained low water rates over the years. He encouraged staff to properly communicate the proposed increases to make the public aware of the proposed increases.

Other Business

4.1 Various Updates from City Manager

Ms. Wolfe discussed the upcoming agenda for the December 5 City Council meeting then provided the Council with updates on the Public Works Director hiring process and replacing the agenda management system from Legistar to Civic Clerk.

The Workshop was adjourned at 8:29PM.

Tim Sanders, Mayor

ATTEST:

Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial