

UNAPPROVED

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Thursday, February 11, 2016

6:30 P.M.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:30 p.m.

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Mike Bourke, Dave Clark (arrived at 6:41 p.m.), Russ Herbst, Wes Hovland, Jason King, and Dick Swanson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; City Attorney Patrick Sweeney; Planning and Community Development Director Bryan Schafer; Public Services Manager Bob Therres; Finance Director Joe Huss; Police Chief/Safety Services Manager Chris Olson; Economic Development Coordinator Erik Thorvig; Stormwater Manager Jim Hafner; Communications Technician Roark Haver; City Clerk Catherine Sorensen; and Recording Secretary Linda Dahlquist.

NEW BUSINESS

3.1 16-07, Coon Creek Watershed District Discussion.

Tim Kelly, Coon Creek Watershed District (CCWD), gave an overview of their mission. He stated Blaine makes up 20.4% of the CCWD then shared an overview of their roles, which are the Drainage Authority, Water Management Organization, Local Governmental Unit for Wetland Management, and Municipal Separate Storm Sewer System (MS4).

Councilmember Herbst stated the City will need a joint effort with CCWD to persuade the DNR on streamlining wetland regulations. Mr. Kelly replied the CCWD Board has drafted legislation to address watershed; unfortunately it is too late to address this session. He stated CCWD did forward the legislation to their state association. Mr. Kelly commented the restriction for cutting or the clearing of trees where the Long Ear Bat lives has now been decreased to the months of June and July.

Councilmember Clark arrived at 6:41 p.m.

Mr. Kelly gave an overview of the CCWD public ditches and the monthly precipitation pattern.

Councilmember Herbst stated CCWD needs to keep the drainage ditches clean and maintained. Mr. Kelly stated CCWD spent \$108,642 in maintenance in 2014-2015.

Mr. Kelly shared a map showing major events such as tornadoes, winds, fire and flooding. He gave an overview of the maps for monitoring ditches.

Councilmember Hovland asked if aquatic invasive species is part of CCWD's charge and what agency is really responsible. Mr. Kelly replied it is a gray area between CCWD and DNR.

Councilmember Swanson asked about the former Six Cities Watershed District budget that CCWD took over. Mr. Kelly replied their budget is high due to deferred maintenance from this former District.

Councilmember Clark asked about the number of staff employed at CCWD and what is included in Other Program Costs. Mr. Kelly replied Other Program Costs include operations, maintenance, special projects, and planning studies. He stated Professional Services include engineering, legal, accounting, GIS and information technology services contracted personnel.

Councilmember Bourke asked if CCWD is all administrative or does the staff do the work. Mr. Kelly stated CCWD is all administrative (salary and benefits) and sub-contracts the work.

Mr. Kelly gave an overview of Relative Use of Fiscal Capacity by Metro WMOs. He noted CCWD is looking for office space options that include staying in their current space, continue to rent, locate in a government owned facility, co-locate, or build their own facility.

Mayor Ryan asked when open land is developed is CCWD still responsible after the development. Mr. Kelly replied yes.

Councilmember Bourke asked if a new building is included in the CCWD's budget. Mr. Kelly replied yes it is included in Other Program Costs.

Councilmember Bourke asked if CCWD is self-governing. Mr. Kelly replied no, CCWD reports into the State Auditor, several State agencies and County Board. He noted CCWD has five board members.

Councilmember Bourke asked about CCWD's spending. Mr. Kelly replied funding comes from Special Revenue funds and must comply with their Comprehensive Plan. He noted all meetings are open to the public and are reported to Anoka County. He stated CCWD's Comprehensive Plan is reviewed by the member cities.

CCWD Boardmember Scott Bromley commented five other watersheds own their own buildings.

Councilmember Herbst stated CCWD has increased by 25% with the addition of members from Six Cities and asked about tax capacity. Mr. Kelly replied the tax capacity increased 27%.

Councilmember King asked if CCWD are able to bond and if the levy will remain high after the building is built. Mr. Bromley replied the levy will be dropped. Mr. Kelly replied CCWD bonds are restricted to drainage projects that benefit the public.

Councilmember Swanson requested a report on expenses for the Six Cities area since CCWD took over.

Councilmember Herbst requested a future workshop with the Rice Creek Watershed District.

3.2 16-08, Development Presentation from CommonBond for the NE Corner of 102nd Avenue/University Avenue.

Development Director Schafer stated staff has talked to the two property owners that own the three office buildings on University and 102nd Avenue. He stated the buildings are old and the owners are looking for options for the site. He stated CommonBond Communities was brought into discussions with the property owners and is interested in redeveloping the northeast corner of 102nd Avenue and University Avenue with a 50-unit multi-family workforce housing project. He stated the site would need a land use change, is currently zoned B-4 and would require a zoning map and comprehensive plan amendment.

Justin Eilers, CommonBond Communities, gave an overview of their nonprofit company. He noted four areas of expertise including real estate development, property management, advantage services, and resource development. He gave an overview of the housing proposal to redevelop the three-acre site. He stated CommonBond is planning on submitting an application to Minnesota Housing Finance Agency for partial funding (application is due in June) and would also request City TIF funds to finance the project.

Councilmember King recused himself from the discussion on CommonBond due to a conflict of interest as his employer has a working relationship with CommonBond.

Councilmember Swanson asked about rents and standards/controls on resident income monitoring. Mr. Eilers replied the rent standard is set at 50% below the resident income for a below market rent from \$700-900 per month. He noted that income audits are completed annually.

Councilmember Hovland asked about the term workforce housing. Mr. Eilers replied it means residents have to have income in order to live in the building.

Councilmember Swanson asked if CommonBond pays property taxes. Mr. Eilers replied yes and that residents' income is verified. He noted there are income guidelines and restrictions but are no age restrictions.

Councilmember Bourke stated he is against the project, especially the proposed building's height. He stated the property should stay commercial. He noted that 102nd Avenue is a busy corner.

Councilmember Swanson stated this would be a good use. He noted there already is too much vacant commercial on University Avenue.

Councilmember Herbst commented he likes other projects that CommonBond has completed. He commented the proposed building is too tall for that area.

Councilmember Clark asked about alternatives for this site. He asked if a two story building is an option. Petro Megitis, CommonBond's Architect, stated the proposed building has underground parking and three stories are the most economical. He noted a two-story project would not work financially on this site.

City Manager Arneson stated the City would use TIF funds for residential or use a different funding source if a commercial business or medical building wanted to develop this site. He suggested a neighborhood open house be held.

Councilmember Clark requested the number of warrants needed for a signal to be installed on 102nd Avenue should this project proceed.

Council consensus was to schedule a neighborhood meeting to present the project to the neighborhood for feedback.

3.3 16-09, Community Center Update.

Todd Olson, Community Center Chair, gave an overview of the Task Force's activities over the past two years. He stated a site has been chosen and the estimated cost to build would be \$34 million. He noted that the Task Force is searching for partnerships for a fitness center. He stated the YMCA and Lifetime Fitness are interested in the community center.

Councilmember Swanson asked if the building will include a senior center. Mr. Olson replied yes, the seniors have been involved in all of the Task Force meetings.

Mayor Ryan recessed the Workshop meeting at 7:59 p.m. in order to convene the Special Meeting.

Mayor Ryan reconvened the Workshop meeting at 8:09 p.m.

Mr. Olson stated the next Task Force meeting is scheduled for February 22, 2016. He stated at this meeting more work will be done on the facility plan. He noted community engagement is important and that a second survey will be conducted this summer.

Councilmember Bourke left the meeting at 8:10 p.m.

City Manager Arneson stated the Task Force has held discussions with the YMCA and Lifetime Fitness has contacted the City about their interest in the project.

Councilmember Clark asked about ballot timeframes. City Manager Arneson replied the ballot question needs to be ready by August.

Councilmember Bourke returned to the meeting at 8:13 p.m.

Councilmember Clark asked how the YMCA and Lifetime Fitness got involved. Mr. Olson replied the Task Force contacted the YMCA and Lifetime Fitness contacted the City for information. He noted there has been good media coverage/publicity about the project.

Councilmember Clark commented he does not want the task force to be accused of having a no bid contract. He noted that Golds Gym or LA Fitness may have interest. He stated he wants to make sure other partners have equal opportunity to engage in the discussions to avoid cries of foul later on down the road. Mr. Olson replied there has been good media coverage/publicity about the project. He stated the task force is not negotiating with anyone on behalf of the City. He stated it is the City's responsibility to work out details. He noted the task force has no authority.

Councilmember Clark commented the Council will be asked to approve an MOU in the near future. He stated it is important that the process is open and transparent.

Councilmember Herbst asked if the City will post an RFP for the fitness center.

Councilmember Bourke stated he is uncomfortable with having partnerships ahead of a proposal.

Councilmember Herbst stated the Council needs to work on the ballot question and provide all of the information on costs that the residents will need to know in order to vote on a community center.

City Manager Arneson stated the YMCA and Lifetime Fitness are two different models of partnerships.

Councilmember King commented the Task Force is having general discussions with potential partners; is an RFP or RFQ needed to hold discussions. City Attorney Sweeney replied no.

Councilmember Clark asked if the City Council would need a Memorandum of Understanding (MOU) to talk to potential partners. City Attorney Sweeney stated once the Council gets through the ballot question, the situation will be depend on which partnership model to go with.

Mayor Ryan commented the last time a community center was proposed the Council was involved in the discussions, adding the process is progressing similar to the last time a community center vote was on the City's ballot.

City Manager Arneson commented YMCA and Lifetime Fitness have two completely different business models.

Mr. Olson stated the Task Force is putting together a package for the residents to vote.

Public Services Manager Therres commented a MOU is a document to allow discussions between potential partners and the City.

City Manager Arneson confirmed the Task Force will bring forward a project with capital and operating costs and staff will work on the ballot question for Council approval.

Councilmember Swanson suggested the Task Force publish a notice in the newspaper regarding potential partners in the proposed community center.

OTHER BUSINESS

Councilmember King stated Anoka County will be meeting to discuss proposing a Metropolitan Council governance change.

Councilmember Swanson stated he is concerned the authority is going to county boards and not to the cities. He stated he strongly disagrees with the recommended change. City Manager Arneson stated the topic will be added to the workshop on March 3, 2016.

The Workshop adjourned at 8:40 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, City Clerk

Submitted by TimeSaver Off Site Secretarial, Inc.