



**City of Blaine
Anoka County, Minnesota
Minutes - Final**

10801 Town Square Dr.
Blaine MN 55449

City Council Workshop

**While this is a public meeting where interested persons are welcome to attend, it is a work session for Council and staff to discuss issues before them. It is not for the purpose of receiving public input.*

Thursday, August 9, 2012

6:30 PM

Cloverleaf Farm Room A

The Agenda was revised to include items 3.0 and 4.0

Meeting Number 12-45

NOTICE OF WORKSHOP MEETING

The meeting was called to order by Mayor Ryan at 6:35 p.m.

Quorum Present.

ALSO PRESENT: Clark Arneson, City Manager; Patrick Sweeney, City Attorney; Bob Therres, Public Services Manager; Bryan Schafer, Community Development Director; Joe Huss, Finance Director; Ward Brown, Budget/Fiscal Analyst; Al Thorp, Senior Engineering Technician; and Recording Secretary Linda Dahlquist.

Present: 7 - Councilmember Clark, Councilmember Kolb, Councilmember Bourke, Councilmember Herbst, Mayor Ryan, Councilmember Hovland, and Councilmember Swanson

2.0 [WS 12-38](#)

LAND USE ISSUE (OPPIDAN/MEDINA- APARTMENT PROPOSAL)

Sponsors: Schafer

Attachments: [Attachments.pdf](#)

Planning and Community Development Director Schafer stated the Oppidan Company and property owner Mr. Medina has submitted a concept plan and other supporting materials for a four story building with 175 units, market rate, general occupancy apartment building over an in ground parking garage. He stated the 9-acre site is on Ulysses Street and backs onto the wetland basin. He stated the zoning of the property is PBD (Planned Business District) while the designated land use is PI (Planned Industrial) and PC (Planned Commercial). He stated park dedication was paid at a commercial rate with the original plat and if this project goes forward the park dedication

would be re-calculated based on the residential use and the number of units with the difference being due at the time of the building permit. He commented the concept plan is short on underground parking. He stated the property is located on the tip of Zone B of the airport. He stated MAC and MnDOT have specific density uses for a building located in Zone B.

Councilmember Kolb asked about the amount of surface parking. Community Development Director Schafer replied the drawing includes the parking for the Teamsters building.

Councilmember Bourke asked about underground parking. Community Development Director Schafer replied there will be limited underground parking. He commented this location does not have public transit so tenants will have cars.

Councilmember Hovland stated he has concerns about the amount of parking for the tenants and visitors. Community Development Director Schafer replied there is more surface parking than underground parking.

Councilmember Kolb questioned the higher cost of renting and if the property has enough green space. Community Development Director Schafer replied new construction is always higher priced. He stated the green space will include a barbeque grill and picnic area.

Councilmember Hovland asked about market rate apartments and if it includes Section 8. Community Development Director Schafer replied no. Councilmember Hovland asked if that can change. Community Development Director Schafer replied the owner could change in the future.

Councilmember Herbst asked if the structure is taller than Cloverleaf. Community Development Director Schafer replied it would be the same height.

Mayor Ryan commented the City has a large apartment complex sitting near the airport runway.

Councilmember Kolb asked about the tax difference between this building and commercial. Finance Director Huss replied 40% would go to fiscal disparities.

Councilmember Clark asked if a commercial development would be as large as the proposed residential development. Community Development Director Schafer replied no.

Mayor Ryan stated senior units are building two bedroom units.

Councilmember Herbst asked about the tax on square footage. Community Development Director Schafer replied up to \$200,000 per year.

Councilmember Kolb asked about inspection rotation. Safety Olson replied every three years.

Mayor Ryan asked on the amount of elevators and there location

Councilmember Clark commented this site could not be retail. He wants the City to have quality development. Amenities are important and underground parking for this site.

Paul Tucci, Oppidan, stated he has worked with Mr. Medina on other projects and the Teamsters building. Mr. Tucci stated the economic need of the site will be balanced. He is working on the underground parking to equal one to one. He commented the property's amenities are will be discussed (pool, walking trails, picnic area, etc.).

Councilmember Kolb asked about pets. Mr. Tucci responded a decision has not been made, but he is leaning towards no pets.

Mr. Tucci stated the property would have an office area for people who work from home could use. He stated two elevator banks.

Mr. Tucci talked about commercial prospects and the issue with access to the location.

Mayor Ryan asked about indoor/outdoor pools. Mr. Tucci replied options are being evaluated.

Councilmember Hovland asked about underground parking. Community Development Director Schafer replied the underground parking is not really underground due to water tables.

Councilmember Clark asked about the intersection at Cloverleaf and TH65 and asked about traffic impact study. Community Development Director Schafer replied traffic impacts have not been looked at yet.

Councilmember Kolb commented apartments are renting well in Blaine. She commented the property is screened well.

Councilmember Bourke supports the project but has concerns about the underground parking.

Mayor Ryan asked about section 8 housing. Mr. Tucci replied it is not Oppidan's intention to have section 8 housing.

Councilmember Clark asked about the building being technology friendly. Mr. Tucci replied the community room would have work stations with WI-FI internet, and would be cable ready and have meeting space.

Councilmember Hovland stated his concern about traffic and use of the Frontage Road. Councilmember Swanson commented the Frontage Road runs into the manufactured home park and ends at U-Haul.

Mr. Tucci stated the property will be high-end and will attract people.

Discussed

3.0 [WS 12-39](#)

DISCUSSION ON FOGERTY ARENA LEASE AMENDMENT - PAYMENT OF RELOCATION COSTS

City Manager Arneson stated the Fogerty Arena Board is asking the Council to reconsider the repayment requirements for the expansion of the Curling Facility to Fogerty Arena and the estimated cost of relocating the Athletic Field in Aquatore Park to accommodate the Curling Expansion. The Council would credit Fogerty for the additional parking lots and Fogerty would repay the remaining balance over a 20 year (plus) period of time with payments not starting for four years and 5% interest starting in 2019.

Mark Clasen stated parts of the repayment agreement that the Council discussed and approved a few weeks ago are appealing to the Fogerty Board. He stated Fogerty had saved the City money with building two parking lots that the City uses for several events. He asked the Council to reconsider Fogerty paying \$150,000 for the moving of the Athletic Field.

Councilmember Swanson commented the Curling Facility is taking money that other clubs in Blaine could be using. He stated the Council agreed to a \$90,000 credit for the parking lots and the four year delayed payment is generous. Mr. Clasen replied the hockey association has paid for Fogerty's building and the cost for maintaining the facility.

Councilmember Herbst commented he would be willing to split the cost. He stated Fogerty's cost would be \$175,000 with the same terms. Councilmembers Bourke and Hovland agreed. Mr. Clasen replied that would be a good proposal.

Finance Director Huss stated the building of the new ball field is included in the Park Dedication fund and the City will have to budget an additional \$35,000.

Councilmember Kolb stated her concern about using the Park Dedication fund

when there are a lot of other projects that are not happening. She stated the Lakes need a parking lot. She is not in favor of giving more money to this project.

Councilmember Swanson stated the Park Board should evaluate this cost against their budget.

Councilmember Bourke stated the Lakes did not need a parking lot. He asked Finance Director Huss about other available funds. Finance Director Huss replied no, the City does not have extra funds on hand.

Councilmember Swanson stated the money from billboards pays for the maintenance of the City Hall's building.

Mayor Ryan stated the City has not put any money into Fogerty Arena. He asked if the City put money into the Schwan's Arena. Finance Director Huss stated the City is obligated to pay if the Schwan's arena is short.

Mr. Clasen asked about the time table on the new park located on Lexington Avenue. He asked if the City could delay the building of the park. The Council consensus was no, the City is short on ball fields.

Councilmember Clark commented the parking lot at the Lakes Beach was delayed by Council choice.

Mayor Ryan stated he is in favor of the revised repayment dollar amount.

Mr. Clasen stated construction is moving along and the contractor has moved up the completion date to November 1, 2012. He stated the facility has started a waiting list. He commented the facility is the only year round facility in the country.

Discussed

4.0 [WS 12-34](#)

DISCUSSION ON SPECIAL ASSESSMENT POLICY

Sponsors: Keely

Attachments: [SpecialAssessmentPolicy](#)
 [Council Action item for 8-16-12](#)

Public Services Manager Therres stated at the July 19, 2012, Workshop meeting, the Council directed staff to amend the senior citizen deferral portion of the Special Assessment Policy. He stated the proposed amendment is scheduled for Council's consideration at the Council meeting on August 16, 2012. He stated the proposed additional wording to Resolution 78-28, paragraph number 5, "or when an owner of unplatted property is 70 years of

age or older.”

Councilmember Hovland stated he thought the Council was going to review the current policy for assessing ghost platted properties. Mayor Ryan replied the plat for this property was approved in 1987 and approved this same plat a year ago for the assessment. Councilmember Hovland clarified that he was not referring to a specific property and felt the policy of ghost plating properties for assessment purposes should be reviewed.

Councilmember Herbst stated the Council discussed the age threshold on larger lots to avoid hardships.

Councilmember Kolb stated the discussion should have taken place in 1985 when the development was platted. She stated this assessment is not a surprise to the property owner.

Councilmember Bourke stated in order to waive the financial qualification, the age should be raised to 70 and the lot has to be sub-dividable.

Mayor Ryan stated people have to show financial records on loans. He does not agree with changing the policy for one resident.

Councilmember Bourke stated a home owner does not have a choice on assessments from road construction. He stated with a loan situation the home owner has choice and control.

Councilmember Kolb stated this would add burden to the neighbors.

Councilmember Clark stated a deferral would be easier to achieve for people who have larger lots. He stated this change will help the home owner stay in their home. He commented he believes that homeowner is talking with developers.

Councilmember Kolb is against changing a policy for one resident.

Councilmember Bourke stated he feels obligated to make a policy change.

Councilmember Clark questioned the word “unplatted.” Public Services Manager Therres replied unplatted is a meets and bounds legal description when a lot is not developed.

Councilmember Herbst commented the City has a few large lots with residents that are older than 70, so this will not bring a hardship on the City.

Councilmember Hovland questioned the cost of a road assessment on a 3 acre property and wanted to know what would the homeowner be assessed, one lot

or three ghost platted lots? Public Services Manager Therres replied in the Pavement Management Program project lots are assessed by benefit on the property with the unit method. City Manager Arneson replied if the property is assessed on a linear foot the property owner would pay more.

Council discussion took place on assessments and the size of lots.

Discussed

1.0 [WS 12-37](#)

2013 DRAFT BUDGET DISCUSSION

Sponsors: Huss

Finance Director Huss stated at the Workshop meeting on July 19, 2012, Council reviewed the draft 2013 budget showing a no levy increase scenario, a no rate change scenario and a funding gap under both scenarios. He stated the Finance Department has completed its review of the budget and now the City Manager will review the budget. He stated the City is required to adopt a preliminary tax levy and budget by September 15, 2012. He commented the preliminary tax levy may not be increased, but the Council can reduce the preliminary levy before the final adoption in December.

Councilmember Swanson commented if the Council does not raise the levy; the City would collect the same amount of taxes as last year. Finance Director Huss replied yes; although, the imbalance is about \$500,000 and the City would have to increase revenues or decrease spending in order to close the gap.

Councilmember Bourke asked about the City's reserves. Finance Director Huss stated the reserve draw was projected to be \$650,000 and may actually be \$300,000.

Councilmember Herbst asked if the unrestricted fund is gaining. Finance Director Huss replied there would be \$350,000 remaining in the unrestricted reserve fund.

City Manager Arneson stated eight positions would have to be cut to balance the budget. Councilmember Kolb stated the City does not have excess positions to cut in order to maintain services.

Councilmember Clark asked if there are services not getting done. Councilmember Kolb replied park maintenance (mowing and weeds) and improvements, building inspections, etc. She is in favor of proposing to increase the tax levy until the Council can discuss it further.

Mayor Ryan stated the highest tax levy year was 2007 and it has dropped each

year. He is concerned about the City's staffing level.

Councilmember Herbst asked if the Council approves the proposed budget as is, will the City have to lay-off staff. City Manager Arneson stated yes; although, City services will suffer.

Councilmember Herbst asked if the unrestricted reserves could be carried forward and be used in 2013. City Arneson replied the unrestricted reserve is predicted to carry over \$350,000; but that could change at any time.

Mayor Ryan asked about the City's bond rating and not raising the tax levy. Finance Director Huss replied it does not affect the bond rating. He stated the City's growth would be affected and the City's reserves will be depleted. He commented this year's building permits are ahead of pace.

Councilmember Clark commented using the reserves makes sense for now and in two years property values will rise. He would like to discuss what City services could be given up.

Councilmember Swanson suggested a Workshop meeting on August 23, 2012, to discuss budget. City Manager Arneson replied the three areas to focus the budget discussion on are Police, Fire and Public Works. Councilmember Kolb stated she wants to see how staff is impacted. Finance Director Huss commented the budget is an allocation of scarce resources. He stated staff are not identified, only dollar amounts that are spent on programs.

Mayor Ryan stated he believed the residents would be ok with an increase in taxes of \$10 to \$15 instead of losing services. He stated the Council has been very responsible with tax dollars.

Discussed

OTHER BUSINESS

Councilmember Bourke commented crosswalks in the Lakes to parks are important to residents. He stated there is an issue with a security light that does not come on in President Park. He stated there is concern with a stop light on 102nd. He suggested crosswalk safety could be covered in the Safety Camp program. Councilmember Swanson residents are complaining about the foreclosed houses' maintenance. He stated the flower field between Lexington and Blaine needs attention. Mayor Ryan stated he has received complaint calls on Pioneer Park. Councilmember Clark stated residents were not happy with the TPC traffic plan. He stated the City needs to improve our communication with the neighborhood residents on the traffic.

Councilmember Herbst stated when he goes to Neighborhood Night Out parties, he asks the residents for their complaints. Safety Service Manager

and Police Chief Olson stated the goal was to have an officer at every party. He stated there were 100 parties this year and he believes the goal was met. Councilmember Clark commented the Council does not have to accompany an officer.

Councilmember Clark questioned Baumgartner's property and asked if the City want four driveway accesses on the street or has one access point. Community Development Director Schafer responded the City is ok with having four driveway accesses on the road.

ADJOURN

The Workshop adjourned at 8:45 p.m.