

CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
CITY COUNCIL WORKSHOP  
Monday, December 2, 2019

6:00 p.m.  
Cloverleaf Farm Room  
10801 Town Square Drive

**CALL TO ORDER**

The meeting was called to order by Mayor Pro-Tem Hovland at 6:00 p.m.

**ROLL CALL**

**PRESENT:** Mayor Tom Ryan (arrived at 6:09 p.m.), Councilmembers Andy Garvais, Wes Hovland, Richard Paul, Jess Robertson, and Dick Swanson.

**ABSENT:** Councilmember Julie Jeppson.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Planner Lori Johnson; City Attorney Christopher Nelson; Senior Engineering Technician Al Thorp; Budget/Fiscal Analyst Ward Brown; Water Resources Manager Rebecca Haug; Communications Technician Roark Haver; Communications Coordinator Ben Hayle; and City Clerk Catherine Sorensen.

3.1 Royal Lakes Center Events Center Proposal.

Community Development Director Thorvig stated the owner of the proposed Royal Lakes Retail Center is having difficulty finding a restaurant tenant to occupy the proposed building. The owner of Green Mill Blaine is interested in opening Exquisite Receptions, an event center. The current zoning Planned Business District (PBD) does not allow an event center, so a code amendment to the PBD zoning district would be required to allow the event center as a conditional use. The other primary commercial zoning districts (B-2 and B-3) allow meeting/assembly halls as a conditional use. In the past, the city council has recognized the need to amend the PBD ordinance based on proposed uses that made sense. Since 2000, there have been nine amendments to the PBD zoning district to add various uses as a conditional use. The proposed event center owner feels there is a need/demand for event center type space in the north metro. The business owner has provided a summary for the operation of the facility. He reported the event center user had a brief presentation for the Council.

Jason Lawry, Owner and Manager of the Blaine Green Mill, stated he has numerous requests for event center space. He explained Blaine was losing events to Minneapolis because there was a lack of event space in Blaine. He commented on the benefits of having an event center in Blaine noting this would increase hotel revenues as well as retail sales. He reported he has a partner with a letter of intent in place if the City were to support the event center request.

Councilmember Robertson asked what the maximum occupancy would be for the event center. Mr. Lawry indicated he was proposing to have a maximum occupancy of 230 people.

Councilmember Paul questioned if property values would be adversely impacted by the proposed use. Mr. Lawry reviewed the proposed architectural style of the building and noted it would be very high class. He explained traffic and noise would only be a concern one or two nights a week.

Mayor Ryan believed the City needed additional event center space. He anticipated half of the weddings in Blaine had to hold their receptions in Shoreview or Minneapolis/St. Paul. He anticipated garbage service would be the biggest nuisance for this use and recommended proper buffers be put in place.

Councilmember Hovland asked how easy it would be to transition the event center into a restaurant if the event center were to fail in this location. Mr. Lawry stated this would be an easy transition.

Councilmember Hovland questioned how this request would proceed. Mr. Thorvig discussed the process that would be followed for this request that could include either a zoning change or a change in use in the current zoning.

Councilmember Robertson inquired how the City got to this point given the fact it was dramatically different than the original intent. Marty Fischer, Broker, explained he has contact a number of restaurants and reported this was not a national restaurant location. He commented further on the conversations he has had with local restaurateurs and indicated Clive's would be open to a second location but no agreement has been reached. He stated he continues to work on securing other tenants as well.

Councilmember Garvais stated he was not convinced an event center was the best option to anchor this site. He indicated this was a major intersection and people may expect something different at this location.

Councilmember Hovland commented there were three other corners at this intersection that would develop at some point in the future. He anticipated these corners may draw restaurants.

Councilmember Swanson stated he appreciated Councilmember Garvais' concerns, however did not see how the Council could refuse a reasonable development. He was pleased the site could easily be transitioned into a restaurant.

Councilmember Robertson indicated there was a lot of excitement from the neighbors for a restaurant when this site was first discussed. She stated she was torn because the proposed plans differed so greatly from the original plans.

Councilmember Garvais commented he did not believe an event center was the best use for this site. He encouraged the developer to continue to reach out to local restaurant owners. Mr. Fischer reported he has had numerous conversations with Willy McCoy's and they were concerned about the parking.

Councilmember Garvais asked if shared parking would be an option.

Councilmember Swanson questioned why the City was struggling to bring good restaurants into the community. Mr. Thorvig stated the City didn't have much control over which restaurants wanted to locate in the City, stating this was determined by the number of rooftops and incomes, along with market conditions. He commented about how some restaurants were struggling right now.

Councilmember Hovland inquired how long it would take before this item would come back to the City Council. Mr. Thorvig stated if the applicant were to submit a request it could come before the Planning Commission in January and the City Council in February.

Councilmember Hovland said he supported the request moving forward and did not want to see the Council delay an entire development.

Councilmember Robertson indicated the City has not been against this project but has offered support to help clean up the site. She explained she was struggling with the fact the project was not going forward as proposed.

Councilmember Garvais stated he wanted to see the City be smart and strategic with what types of uses locate on this site. He reported he was not against the development but encouraged the developer to try and identify a restaurant instead.

Mayor Ryan commented the City was lacking for meeting and event space, given the fact there were not enough hotels.

Council consensus was to support the proposal but concerns were shared regarding the change of use to event center and the desire for a restaurant as originally proposed. The Council directed staff to work with the developer to bring forward an application for the code change and CUP.

### 3.2 Proposal for EDA-Owned Land at 10610 Nassau Street.

Mr. Thorvig stated a portion of the industrial park, generally located at 105th Avenue and Nassau Street, has been identified as a redevelopment area in both the 2030 and 2040 Comprehensive Plans. The area includes older industrial buildings that do not necessarily meet the needs of new industrial users and certain existing users have extensive outside storage which is not consistent with the vision. The Blaine EDA has been active in purchasing property in the area. In 2016 the EDA purchased the 2.43-acre property at 10610 Nassau Street. In 2017 the EDA purchased 2111 105th Ave and 10525 Nassau Street. All of these properties contained older buildings that have been demolished and the sites are currently vacant. The EDA has identified two other properties for acquisition - 10549 and 10601 Nassau Street. The EDA has a purchase agreement for 10549 Nassau Street and have been in discussions with the owner of 10601 Nassau Street. The owner has indicated their desire to eventually sell to the EDA. He explained a foundry out of Canada, Sure Cast, was looking to construct a new building on the EDA owned land. Staff described a proposed project that would utilize the EDA properties and requested feedback from the Council.

Mayor Ryan commented this was exactly what the City had hoped would locate on this land.

John Proulx, General Manager of Sure Cast, introduced himself to the Council and discussed the new building he was proposing to construct.

Councilmember Swanson stated this was a win-win situation.

Councilmember Garvais requested the building finishes for the new building be high quality.

Council consensus was to support the proposal and the Council directed staff to bring the land purchase forward to the EDA for formal consideration.

### 3.3 Facility Rental Fees for Mary Ann Young Center.

Public Services Manager/Assistant City Manager Therres stated at a recent workshop meeting the City Council discussed rental fees for the public rooms at the new Mary Ann Young Center and City Hall. The

consensus was that the City should charge room rental fees at the Mary Ann Young Center but not for City Hall. During discussion of the Facility Fund Budget, Council asked for an update on the fees proposed at the Mary Ann Young Center. Staff reviewed a proposed fee schedule for the Mary Ann Young Center and requested feedback from the Council.

Councilmember Robertson asked if the fees were adequate to cover maintenance expenses for the City. Mr. Therres commented this has been discussed by staff. He anticipated the meeting space would be used by the public but staff was uncertain how frequently the kitchen space would be used.

Councilmember Garvais stated he supported the rental rates as proposed and recommended the rates be reevaluated after one year.

Councilmember Robertson agreed with reassessing the fees after one year.

Mayor Ryan supported the proposed rental fees for the Mary Ann Young Center. He stated he was pleased by the number of tables and equipment that had been sold out of the former senior center.

Councilmember Paul questioned what the rental hours would be. Mr. Therres reported Monday through Friday the space could be rented from 5:00 p.m. to 10:00 p.m. and on weekends from 9:00 a.m. to 10:00 p.m.

Council consensus was to support the facility rental fees as proposed.

#### 3.4 Proposed 2020 Sanitation Utility Fund Budget.

Finance Director Huss stated as part of the City's comprehensive budgeting process, staff will be presenting a preliminary budget for the City's Sanitation Utility Fund. The staff presentation provided Council with the opportunity to review and comment on the proposed budget before it is presented to Council for formal adoption at a subsequent Council meeting. It was noted January 1, 2016 marked the beginning of a new contract with a new refuse hauler, Walter's. The contract will extend for 5½ years. The change in service provider coincided with a hefty increase in disposal fees imposed on haulers by Great River Energy (GRE), the statutorily required waste handler. However, GRE closed its operations in January 2019, leaving waste haulers no option but to dispose waste in landfills. The change resulted in a benefit to Blaine, as disposal (or, "tipping") fees that were scheduled to increase to \$75 per ton were actually reduced to \$59.20/ton. For 2020, tipping fees are expected to increase \$1.70/ton (2.9%) to \$60.90. The expectation is for tipping fees to increase by roughly 3% annually throughout the remainder of the five-year outlook. Staff commented further on the City's recycling fees and adjusted sanitation rates for 2020.

The Council thanked staff for the thorough report.

#### 3.5 Proposed 2020 Storm Drainage Fund Budget.

Mr. Huss stated staff has prepared a proposed 2020 Storm Drainage Fund Budget for Council review and discussion. Current projections point to an operating gain of about \$315,000 before depreciation, but an operating loss of about \$164,000 for 2019 with depreciation included. While this indicates that fees are inadequate to fund ongoing infrastructure repair and replacement, 2019 results are consistent with Budget expectations and the five-year outlook. For 2019, Council approved a fee increase of \$1/quarter (\$4/year) for this utility. The five-year outlook included annual increases of the same amount for each of the five years of the plan and that increase is included in the 2020 proposed budget. Staff commented further on the storm drainage fund and requested feedback from the Council.

Mayor Ryan commended staff on their great efforts to maintain the City's storm drainage system.

Councilmember Hovland asked if the City was charging enough to cover its maintenance costs. Mr. Huss stated staff would increase the fees to whatever the Council deemed necessary. Public Works Director Haukaas reported the City was getting by at this time but noted the system was growing.

Councilmember Hovland recommended staff monitor this fund closely to ensure the City could cover the cost of future maintenance projects.

Council consensus was to direct staff to continue to closely monitor the budget to ensure funds were available for future projects.

### 3.6 Facility Management Fund Budget Discussions.

Mr. Therres stated at a recent workshop the 2020 Facilities Management Fund Budget was presented to the City Council. As part of the discussion, the Council requested some further information and clarification on some items, Facility Management Fees. The City has an agreement with McGough Facility Management to serve as the Facility Manager for City Hall, Public Works, and Senior Center. The duties included in the agreement along with the expense of the contract were reviewed with the Council.

### **OTHER BUSINESS**

City Manager Wolfe reported the Transportation Advisory Board had a vacancy at this time should any Councilmember be interested in applying.

The Workshop was adjourned at 7:30 p.m.

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Tom Ryan, Mayor

ATTEST:

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Catherine Sorensen, CMC, City Clerk  
*Submitted by TimeSaver Off Site Secretarial, Inc.*