

## UNAPPROVED

CITY OF BLAINE  
ANOKA COUNTY, MINNESOTA  
CITY COUNCIL WORKSHOP  
Thursday, January 5, 2017

Cloverleaf Farm Room  
10801 Town Square Drive

### CALL TO ORDER

The meeting was called to order by Mayor Ryan at 8:55 p.m.

### ROLL CALL

**PRESENT:** Mayor Tom Ryan, Councilmembers Dave Clark, Andy Garvais, Wes Hovland, Julie Jeppson, Jason King, and Dick Swanson (excused himself from the meeting at 9:20 p.m.).

**ABSENT:** None.

Quorum Present.

**ALSO PRESENT:** City Manager Clark Arneson; Public Services Manager Bob Therres; Planning and Community Development Director Bryan Schafer; Finance Director Joe Huss; Police Chief/Safety Services Manager Chris Olson; City Engineer Jean Keely; Economic Development Coordinator Erik Thorvig; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; and City Clerk Catherine Sorensen.

### 3.2 Discuss the Redevelopment of 105<sup>th</sup> and Radisson Road.

Economic Development Coordinator Thorvig reported the Gabrelcik property at 10500 Radisson Road is for sale. The 3.03-acre site is listed for \$1,295,000. The property has interest from a convenience/gas use who is in the process of completing due diligence on the property. One of the main concerns the potential buyer expressed is access to the site, particularly for eastbound traffic on 105<sup>th</sup> and northbound traffic leaving the site. The buyer indicated the concern is great enough that it may result in them not purchasing the property. Included is the concept plan for the reconstruction of 105<sup>th</sup> Ave. The plan shows a center median which would limit access to the site for eastbound traffic. Staff is working with WSB, Inc. to review the current plans and determine if it would be feasible to provide an eastbound left hand turn into the site from 105<sup>th</sup>. Staff is uncertain at this time if that can be accomplished without compromising roadway safety.

Economic Development Coordinator Thorvig stated in addition, the owner of the two industrial properties directly west (10525 Nassau St. and 2111 105<sup>th</sup> Ave.) approached staff about plans for the area and asked whether the city may be interested in acquiring his properties. He indicated the property at 10525 Nassau St. is vacant and there is a potential tenant that could occupy the building in July. The owner operates his business out of the property at 2111 105<sup>th</sup> Ave. and stated he could relocate his business. The following is information on the two properties.

10525 Nassau St.  
2017 Anoka County Assessors Value: \$455,000

Size: .73 acres

Building Size/Year Built: 8,600 sf.; 1974

2111 105<sup>th</sup> Ave.

2017 Anoka County Assessors Value: \$436,000

Size: .88 acres

Building Size/Year Built: 7,950 sf.; 1977

Economic Development Coordinator Thorvig explained the entire industrial park has been identified in the 2030 Comprehensive Plan as a redevelopment area and changes are beginning to occur in the park. By purchasing the two properties the City would continue redevelopment of the industrial park. Demolition of the two buildings would be approximately \$80,000. Purchasing and clearing 10525 Nassau St. also creates the opportunity for access to the full intersection at 105<sup>th</sup> Avenue and Nassau Street for the property at 10500 Radisson Road. Details of an access agreement over the property would be negotiated in the future.

Economic Development Coordinator Thorvig stated if direction is given to staff to pursue purchase, negotiations with the owner would begin and a proposal with a purchase price would be brought to the EDA for consideration. Funds for the purchase would come from pooled TIF which has funds that have been earmarked to facilitate redevelopment of this area. Staff reviewed in detail the dollars available in TIF funds.

Councilmember Hovland supported the purchase of the properties and requested further information from staff on the overall cost. Economic Development Coordinator Thorvig discussed the purchase price for each property and estimated the demolition cost for the two buildings to be approximately \$80,000.

Councilmember Hovland questioned if 105<sup>th</sup> Avenue was included in a bonding bill. City Manager Arneson reported 105<sup>th</sup> Avenue and other transportation issues have not been placed in the bonding bill.

Councilmember Hovland understood 105<sup>th</sup> Avenue had a fair amount of traffic, but he supported the median being eliminated in order to improve access to the properties along this roadway.

Councilmember Swanson supported purchase of both sites and the cleanup these properties. He anticipated the cleanup of these sites would have a positive impact on the entire industrial park.

Councilmember Clark asked if a City road or private drive would be created. Economic Development Coordinator Thorvig anticipated a private drive would be created on public right-of-way. He indicated a neighboring parcel could be purchased to increase the size of the lot.

Councilmember Clark was in favor of purchasing the lot in order to improve this portion of the industrial park.

Mayor Ryan questioned if something other than a service station could be located at this corner. Planning and Community Development Director Schafer explained a service station has been the only interest over the past several years, given the asking price for the corner lot.

Council consensus was to direct staff to negotiate acquisition.

3.1 Discuss the Redevelopment of 105<sup>th</sup> and University Avenue.

Economic Development Coordinator Thorvig stated significant investment has been made along the University Avenue corridor over the past year including Oak Park Plaza, ACCAP Townhomes, Prairie River Home Care, University Avenue Elementary and Anoka County's road project. Staff reported the property at 10501 University Avenue is for sale. The .63-acre property includes a 1,800 sf. vacant gas station built in 1961. The business hasn't been in operation since June, 2014. The property has several non-conformities including parking/structure setbacks and multiple accesses. The property has received several code violations for illegal dumping, signs, and tall grass since the business closed.

Economic Development Coordinator Thorvig explained staff would like the EDA to discuss whether to purchase the property. The property was originally listed in 2015 for \$250,000 and recently relisted with a different broker for \$350,000. The 2017 Anoka County assessor's value is \$239,800. If direction is given to proceed, staff will negotiate with the property owner and bring a proposal forward to the EDA. Funds for the purchase would come from pooled TIF.

Councilmember Hovland feared how much underground contamination this property could have. Economic Development Coordinator Thorvig stated the City has good records on this property dating back to the 1960's and noted environmental testing could be completed prior to the site being purchased. He explained funds were available from the State to assist with cleanup costs.

Mayor Ryan supported the property being purchased for no more than \$250,000.

Councilmember Clark agreed and stated this property was in desperate need of redevelopment.

Council consensus was to direct staff to negotiate acquisition.

Councilmember Swanson excused himself from the meeting at 9:20 p.m.

### 3.3 Discuss the 7.4 Acre City Owned Site on Town Square Drive NE.

Economic Development Coordinator Thorvig stated the City of Blaine owns 7.4 acres of land on the south side of Town Square Drive near Blaine City Hall. This property was deeded to the City of Blaine by the Blaine EDA in April 2014 for the purpose of being held for a future community facility. This land was part of a larger purchase by the EDA in 1999 for the Town Square development which includes City Hall, residential and commercial uses on the southeast corner of 109<sup>th</sup> and Radisson Road. Staff explained earlier this year the site was identified as the preferred site for the community center which was placed on the November 8, 2016 ballot. The referendum failed. Staff would like direction from the City Council regarding future intentions for the property. The options include:

- 1.) Continue to hold for a public use
- 2.) Deed the property back to the EDA and sell

Economic Development Coordinator Thorvig explained interest for land along the Radisson Road corridor has increased as a result of less land availability on Highway 65 and increased traffic on Radisson Road. Staff has received inquiries from medical and mixed office users about the site. In general, vacant commercial land prices range from \$5-\$7/sf. in this area of Blaine. The 7.4 acres is an approximately \$1.6-\$2.25 million asset. He reported the land around the townhomes (built in 2005) is still owned by the original developer and is programmed to be residential. Staff has not had any recent conversations with the developer about their future plans or status of the property.

Councilmember Jeppson inquired if the parcel could be split. Economic Development Coordinator Thorvig reported the parcel could be split for future development.

Councilmember Clark was in favor of the City holding onto this property. He recommended this topic be discussed at the Council retreat.

Mayor Ryan supported the property being sold. He believed the parcel was too small for a community center and did not have proper access.

Councilmember Garvais supported the City holding onto the property.

Councilmember Hovland requested staff speak to a local developer on how to spur development of the surrounding properties.

Councilmember King was in favor of deeding the land back to the EDA for resale. He recommended the Council discuss this matter further at the upcoming retreat.

Council consensus was to discuss this matter further at the Council retreat at a date still to be determined.

**OTHER BUSINESS**

City Clerk Sorensen reported Board/Commission interviews would be held on January 30<sup>th</sup> and 31<sup>st</sup> beginning at 6:30 p.m.

The Workshop was adjourned at 9:35 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.*