

UNAPPROVED

**CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL MEETING
Thursday, November 2, 2017**

7:30 P.M.
Council Chambers
10801 Town Square Drive

CALL TO ORDER BY MAYOR PRO TEM SWANSON

The meeting was called to order at 7:35 p.m. by Mayor Pro Tem Swanson followed by the Pledge of Allegiance and the Roll Call.

PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL

PRESENT: Mayor Pro Tem Dick Swanson and Councilmembers Andy Garvais, Wes Hovland, Julie Jeppson, and Jason King.

ABSENT: Mayor Tom Ryan and Councilmember Dave Clark.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Interim Police Chief/Safety Services Manager Dan Szykalski; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; City Attorney Patrick Sweeney; City Engineer Jean Keely; Utility Billing Supervisor Kyle Howard; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; and City Clerk Catherine Sorensen.

APPROVAL OF MINUTES

Regular Meeting – October 5, 2017

Workshop Meeting – October 12, 2017

Regular Meeting – October 19, 2017

Moved by Councilmember Hovland, seconded by Councilmember Garvais, that the Minutes of the Minutes of the Regular Meeting of October 5, 2017, the Workshop Meeting of October 12, 2017 and the Minutes of the Regular Meeting of October 19, 2017 be approved.

Motion adopted unanimously.

AWARDS - PRESENTATIONS - ORGANIZATIONAL BUSINESS

None.

COMMUNICATIONS

Mayor Pro Tem Swanson reported the City of Blaine was now under the winter parking regulations.

Mayor Pro Tem Swanson commented on the upcoming school board election and encouraged the public to get out and vote on Tuesday, November 7th. He requested staff post updated polling information on the City's website.

OPEN FORUM FOR CITIZEN INPUT

Mayor Pro Tem Swanson opened the Open Forum at 7:37 p.m.

There being no input, Mayor Pro Tem Swanson closed the Open Forum at 7:37 p.m.

ADOPTION OF AGENDA

The agenda was adopted as amended, postponing Items 10.2 and 10.3 and moving Items 12.3 and 12.4 on the agenda to be discussed after approval of the Consent Agenda.

7:30 P.M. - PUBLIC HEARINGS AND ITEMS SET FOR A CERTAIN TIME

None.

APPROVAL OF CONSENT AGENDA:

Councilmember King requested the removal of agenda item 10.8.

Mayor Pro Tem Swanson requested the removal of agenda item 10.5.

Moved by Councilmember Hovland, seconded by Councilmember Jeppson, that the following be approved:

10.1 Motion 17-120, Schedule of Bills Paid.

10.2 Second Reading Ordinance 17-2387, Franchise Agreement An Ordinance Granting to Northern States Power Company, a Minnesota Corporation, its Successors and Assigns, Permission to Construct, Operate, Repair and Maintain in the City of Blaine, Minnesota, an Electric Distribution System and Transmission Lines, including Necessary Poles, Lines, Fixtures and Appurtenances, for the Furnishing of Electric Energy to the City, its Inhabitants, and Others, and to Use the Public Grounds and Public Ways of the City for Such Purposes. *Postponed per the applicant's request.*

10.3 Second Reading Ordinance 17-2388, Franchise Agreement An Ordinance Granting to Northern States Power Company, a Minnesota Corporation, its Successors and Assigns, Permission to Erect a Gas Distribution System for the Purposes of Constructing, Operating, Repairing and Maintaining in the City of Blaine, Minnesota, the Necessary Gas Pipes, Mains and Appurtenances, for the Transmission or Distribution of Gas to the City and its Inhabitants, and Others, and Transmitting Gas into and Through the City and to Use the Public Grounds and Public Ways of the City for Such Purposes. *Postponed per the applicant's request.*

10.4 Second Reading – Ordinance 17-2386, Amending Section 74-81(g)(4)g of the Municipal Code of the City of Blaine Establishing 2018 Park Dedication Fees.

~~10.5 Motion 17-121, Approval of Classification and Sale of Tax Forfeit Properties within the City of Blaine.~~

10.6 Resolution 17-152, Revise Parking Restrictions on the South Side of 113th Avenue West of Jefferson Street.

10.7 Motion 17-22, Authorize Payment to Pro-Tec Design in the Amount of \$59,517.76 for Video and Security Upgrades at City Hall.

~~10.8 Motion 17-124, Enter into Agreement with 292 Design Group to Perform a Programming and Space Planning Study for City Hall in an Amount Not to Exceed \$24,200.~~

Motion adopted unanimously.

10.5 Motion 17-121, Approval of Classification and Sale of Tax Forfeit Properties within the City of Blaine.

Moved by Mayor Pro Tem Swanson, seconded by Councilmember King, that Motion 17-121, “Approval of Classification and Sale of Tax Forfeit Properties within the City of Blaine,” be approved.

Mayor Pro Tem Swanson requested further information on this item. City Engineer Keely explained the City was interested in purchasing two of the three forfeit properties in the City. She reviewed the location of these properties and recommended approval of the request.

Motion adopted unanimously.

10.8 Motion 17-124, Enter into Agreement with 292 Design Group to Perform a Programming and Space Planning Study for City Hall in an Amount Not to Exceed \$24,200.

Moved by Councilmember King, seconded by Councilmember Hovland, that Motion 17-124, “Enter into Agreement with 292 Design Group to Perform a Programming and Space Planning Study for City Hall in an Amount Not to Exceed \$24,200,” be approved.

Councilmember King stated he had a number of questions regarding the City’s space needs study. He asked what deliverables would be completed specific to this request. Public Services Manager/Assistant City Manager Therres explained staff was looking for an evaluation from the 292 Design Group on how staff was currently using the space at City Hall and how it could have better efficiencies. In addition, a plan would be completed to address when staff should migrate to the third-floor space. He reported this study would be strictly for the City Hall and Police Department and not for any new public meeting space.

Motion adopted unanimously.

ADMINISTRATION

12.3 Resolution 17-158, Awarding the Sale of \$4,005,142.40 Taxable General Obligation Improvement Bonds, Series 2017A; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment.

Moved by Councilmember King, seconded by Councilmember Hovland, that Resolution 17-158, “Awarding the Sale of \$4,005,142.40 Taxable General Obligation Improvement Bonds, Series 2017A; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment,” be approved.

Finance Director Huss stated on October 5, 2017, the City Council approved Springsted, Inc. (the City’s Financial Advisor) recommendation to accept bids for the sale of \$4,005,142.40 taxable general obligation improvement bonds, the proceeds of which will be used to fund the construction of Lever Street from 125th Avenue NE to 132nd Avenue NE, and related improvements, including sanitary sewer and water. The improvements have been funded in part by assessments against property owners. Bids were due at 10:00 a.m. this morning. Staff provided further comment on the City’s bond rating, noting the amount of money that would be saved through this issuance and recommended approval.

Terri Heaton, Springsted, discussed the bonding process and reported Blaine had a great credit rating which made these bonds very attractive in the market. She commended the City on their financial efforts and was pleased to report the bonds came in with an interest rate lower than previously estimated.

Mayor Pro Tem Swanson asked what the City would have to do to achieve an AAA bond rating. Ms. Heaton stated an upside scenario was discussed in the bond report noting this could be achieved through an economic upturn and through continued strong financials for the City of Blaine.

Councilmember Garvais questioned how often the City was rated by the bonding agencies. Ms. Heaton indicated this was done on an annual basis.

Mayor Pro Tem Swanson inquired why this was a taxable bond issuance. Finance Director Huss reported this had to do with how the assessments were managed for this fund.

Motion adopted unanimously.

12.4 Resolution 17-159, Awarding the Sale of \$2,505,000 General Obligation Water Revenue Refunding Bonds, Series 2017B; Fixing their Form and Specifications; Directing their Execution and Delivery; Providing for their Payment; and Providing for the Redemption of Bonds Refunded Thereby.

Moved by Councilmember Hovland, seconded by Councilmember Jeppson, that Resolution 17-159, “Awarding the Sale of \$2,505,000 General Obligation Water Revenue Refunding Bonds, Series 2017B; Fixing their Form and Specifications; Directing their Execution and Delivery; Providing for their Payment; and Providing for the Redemption of Bonds Refunded Thereby,” be approved.

Finance Director Huss stated on October 5, 2017, Council approved Springsted, Inc. (the City’s Financial Advisor) recommendation to accept bids for the sale of \$2,505,000 general obligation water revenue refunding bonds. The proceeds of the bonds will be used to refinance the City’s 2008A General Obligation Water Utility Revenue Bonds. Bids were due at 10:00 a.m. this morning. Staff provided further comment on the City’s bond rating, noting the amount of money that would be saved through this issuance and recommended approval.

Councilmember Hovland thanked staff and Springsted for their efforts. He stated he was pleased to see the number of bidders the City received for these bond issuances along with the money that would be saved. Finance Director Huss commended the City Council for their strong financial management efforts as well.

Motion adopted unanimously.

DEVELOPMENT BUSINESS

11.1 Resolution No. 17-154, Granting a Conditional Use Permit to Allow for the Operation of a Yoga Studio/Juice Bar in a Multi-Tenant Retail Building in the B-3 (Regional Commercial) Zoning District at 12425 Ulysses Street NE. Pressed, Inc./Vorandesoto LLC. (Case File No. 17-0038/NBL)

Moved by Councilmember King, seconded by Councilmember Garvais, that Resolution No. 17-154, "Granting a Conditional Use Permit to Allow for the Operation of a Yoga Studio/Juice Bar in a Multi-Tenant Retail Building in the B-3 (Regional Commercial) Zoning District at 12425 Ulysses Street NE," be approved.

Planning and Community Development Director Schafer stated there is an existing 7,174 square foot multi-tenant building at 12417 Ulysses Street, which is currently home to Caribou Coffee and Papa Murphy's. At this time, the remaining two tenant spaces are vacant. The current lease holder of those tenant spaces is requesting a conditional use permit to allow for Pressed Inc. Yoga Juice Studio. This use falls under amusement and recreation and requires a conditional use permit in the B-3 (Regional Commercial) zoning district. He explained Pressed Inc. Yoga Juice Studio will consist of two yoga studio spaces, locker rooms, a juice bar, a lounge, and a small area for retail. The hours of operation were discussed along with the parking requirements. Staff recommended approval of the request.

Dawn Carlson, Pressed Inc. Yoga Juice Studio, explained the parking lot had already been re-stripped. She reported she was proposing to have two yoga studios, one heated to 105° for yoga and the other would be used for additional fitness classes. She said she was of the opinion that the City of Blaine was in need of a high-end yoga studio and juice bar.

Councilmember Hovland welcomed Ms. Carlson to the City of Blaine.

Motion adopted unanimously.

11.2 Resolution No. 17-155, Preliminary Plat Approval to Subdivide 5.3 Acres into Eight (8) Lots and One (1) Outlot to be known as Deer Pond at 12850 Dunkirk Street NE. Five Star Group, LLC. (Case File No. 17-0025/SLK)

Moved by Councilmember King, seconded by Councilmember Garvais, that Resolution No. 17-155, "Preliminary Plat Approval to Subdivide 5.3 Acres into Eight (8) Lots and One (1) Outlot to be known as Deer Pond at 12850 Dunkirk Street NE," be approved.

Planning and Community Development Director Schafer stated the Northeast Area Plan Amendment, approved in October of 2002, created a land use designation of LDR (Low Density Residential) for the area included within this plat. The Harpers Street Development Guide Plan was adopted by the City Council in mid 2005. This parcel was once part of a larger preliminary plat that was never completed however at that time the parcel was rezoned to DF (Development Flex) as part of that process. The current preliminary plat proposal consists of subdividing approximately 5.3 acres into a subdivision with a total of eight (8) dwelling units. This application proposes single-family homes consistent with the DF zoning and LDR land use

designation. Because the developer is proposing different housing styles with different design issues, platting requirements, lot sizes, markets and price ranges, the existing DF (Development Flex) zoning is proposed to establish the minimum standards for each of these areas. Staff provided further comment on the proposed plat and recommended approval.

Councilmember Jeppson asked if the new homes would fit well with the existing homes. Planning and Community Development Director Schafer stated this was the intention of the new development. He commented the standards envisioned would be similar to the adjacent development.

Councilmember King questioned if the new homes would be creating any drainage issues. Planning and Community Development Director Schafer explained the applicant would be installing storm sewer improvements and a pond in order to address the water shed from these homes.

Councilmember Hovland asked what the zoning was for these parcels. Planning and Community Development Director Schafer reported the land was zoned DF (Development Flex).

Councilmember Garvais stated he did not want to see any water runoff concerns created from these homes onto adjacent properties.

Motion adopted unanimously.

11.3 Resolution No. 17-156, Granting a Conditional Use Permit to Allow for Construction of Eight (8) Single Family Homes in a DF (Development Flex) Zoning District, located at 12850 Dunkirk Street NE. Five Star Group, LLC (Case File No. 17-0025/SLK)

Moved by Councilmember Hovland, seconded by Councilmember Garvais, that Resolution No. 17-156, "Granting a Conditional Use Permit to Allow for Construction of Eight (8) Single Family Homes in a DF (Development Flex) Zoning District, located at 12850 Dunkirk Street NE," be approved.

Planning and Community Development Director Schafer requested the Council grant a Conditional Use Permit to allow for the construction of eight (8) single family homes in a DF (Development Flex) zoning district for the property at 12850 Dunkirk Street. He provided further comment on Five Star Group's request and recommended approval.

Motion adopted unanimously.

11.4 First Reading – Ordinance No. 17-2389, Rezoning for the Property East of 3rd Street from B-2 (Community Commercial) to DF (Development Flex) at 3rd Street and 101st Avenue NE. Timber Valley Development, Inc. (Case File No. 17-0039/LSJ)

Planning and Community Development Director Schafer stated King of Glory Lutheran Church is located on the northeast corner of University Avenue and 101st Avenue. The church is located on a parcel that is intersected by 3rd Street which runs north and south. The portion of the church parcel that is on the east side of 3rd Street is being sold and the buyer of the property is the developer that constructed the townhomes to the north of this site on 3rd Street, Timber Valley Development, LLC. This developer is proposing to construct 8 twinhome units on the portion of the parcel east of 3rd Street. In order to construct the twinhomes the property would have to be rezoned. Staff reported the developer was proposing to sprinkle the units.

Councilmember King asked if this would be a low-income development. Planning and Community Development Director Schafer explained the proposed townhomes would be market rate with prices in the \$300,000 range.

Mayor Pro Tem Swanson stated the City was in need of more one-level townhomes.

Tim Lange, Timber Valley Development, discussed the proposed plans for the townhomes with the Council. He noted the units would have a price point of \$300,000 and would be fully sprinkled.

Councilmember Hovland agreed the City was in need of one-level townhomes but shared concerns regarding the sustainability of a small homeowner's association and the ability to maintain the infrastructure of a private street.

Mayor Pro Tem Swanson agreed that the private street could be a concern for this small homeowner's association. Planning and Community Development Director Schafer explained this development does not meet the City's standards for a public street.

Mayor Pro Tem Swanson recommended the private street maintenance be highlighted in the homeowner's association documentation.

Declared by Mayor Pro Tem Swanson that Ordinance No. 17-2389, "Rezoning for the Property East of 3rd Street from B-2 (Community Commercial) to DF (Development Flex) at 3rd Street and 101st Avenue NE," be introduced and placed on file for second reading at the November 16, 2017 Council meeting.

ADMINISTRATION

12.1 Motion 17-123, Authorize the Mayor and City Manager to Enter into a Joint Powers Agreement with Anoka County for Traffic Signal Painting at Various Intersections (ACHD Project C.P. 17-09-00)

Moved by Councilmember Hovland, seconded by Councilmember Garvais, that Motion 17-123, "Authorize the Mayor and City Manager to Enter into a Joint Powers Agreement with Anoka County for Traffic Signal Painting at Various Intersections," be approved.

City Engineer Keely stated the City of Blaine and Anoka County agreed jointly to paint traffic signals at various intersections in the City based on existing traffic signal agreements. Staff has reviewed the condition of the paint on the signal systems that the City is required to maintain and the following are recommended to be painted. The projected date and intersections proposed for maintenance were reviewed in detail and staff explained Anoka County has prepared plans and specifications for this Project. Anoka County shall call for bids and the acceptance of all bid proposals. Anoka County has prepared a Joint Powers Agreement (JPA) based on their cost participation policy. The City is being asked to pay 100% of the actual traffic signal painting cost estimated to be \$10,000 per signal system (intersection). The grand total estimate over three years is \$30,000.

Councilmember Hovland asked if Anoka County would be assisting with a portion of the project costs. City Engineer Keely stated the City of Blaine would be responsible for 100% of the costs for painting the signals.

Motion adopted unanimously.

12.2 Resolution 17-157, Receive Feasibility Report and Order Public Hearing for 113th Avenue Trunk Sanitary Sewer Improvements, Improvement Project No. 17-09.

Moved by Councilmember Hovland, seconded by Councilmember Jeppson, that Resolution 17-157, "Receive Feasibility Report and Order Public Hearing for 113th Avenue Trunk Sanitary Sewer Improvements," be approved.

City Engineer Keely stated the proposed project will introduce sanitary sewer to the area south of 113th Avenue roughly bordered between Quincy Street on the west and Buchanan Street on the east. The project area also includes commercial property adjacent to 109th Avenue between Able Street and Fillmore Street. Proposed improvements include trunk sanitary sewer and appurtenant construction. The estimated cost of improvements is \$580,642, which is proposed to be assessed over a ten-year period. This project is necessary, cost-effective, and feasible and will result in a benefit to the properties proposed to be assessed.

Motion adopted unanimously.

OTHER BUSINESS

Councilmember King requested the Council hold a future workshop to discuss what can be done to achieve the AAA bond rating and to receive a detailed update on Highway 65.

Mayor Pro Tem Swanson requested the Council discuss the Traffic Commission process and enforcement efforts at a future workshop meeting.

Councilmember Jeppson requested an update on 105th Avenue. City Manager Arneson provided the Council with an update on the construction occurring along 105th Avenue. He reported traffic would remain on the southerly two lanes throughout the winter. He anticipated work would continue through Thanksgiving and would begin again next spring.

Mayor Pro Tem Swanson requested temporary lighting be considered through the winter months along 105th Avenue to ensure traffic moved through the area safely.

ADJOURNMENT

Moved by Councilmember King, seconded by Councilmember Jeppson, to adjourn the meeting at 8:20 p.m.

Dick Swanson, Mayor Pro Tem

ATTEST:

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