

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, March 8, 2021

6:00PM
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Sanders at 6:00PM. Due to the COVID-19 pandemic this hybrid meeting was held both virtually and in person.

ROLL CALL

PRESENT: Mayor Tim Sanders, Councilmembers Wes Hovland, Julie Jeppson, Chris Massoglia, Richard Paul, Jess Robertson, and Jason Smith.

ABSENT: None.

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; City Engineer Dan Schluender; City Planner Lori Johnson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3.1 Code Amendment for Free Standing Solar Displays in Industrial Districts.

City Planner Johnson stated staff was recently approached by a representative of Nokomis Energy regarding the installation of a free-standing solar array on a site adjacent to and owned by Medtronic. The Medtronic campus buildings are located in Mounds View, but the parking lot is in Blaine. The site on which Medtronic would like to construct the free standing solar array is on a vacant parcel in Blaine that is adjacent to their parking lot. The zoning ordinance currently only allows free standing solar arrays in the PBD (Planned Business District) zoning district with a conditional use permit. In the PBD, the solar arrays must be an accessory use to an adjacent building. Staff presented additional information on Nokomis Energy and any proposed amendments that could be made to the zoning ordinance to allow this use in all industrial districts if the Council wishes to make that recommendation.

Councilmember Robertson asked if a conditional use permit (CUP) would still be required even if the code amendment were approved. Ms. Johnson reported this was the case.

Councilmember Robertson stated she supported Medtronic having a solar array.

Councilmember Jeppson indicated she had a concern amending city code for a single request. She questioned what power the city would have to deny a solar array request based on a CUP. Ms. Johnson stated it would be the same limited ability for any other CUP request. She noted conditional uses were permitted uses with conditions and therefore were difficult to deny. She indicated this code amendment would not be just for Medtronic but for all industrial districts in the city.

Councilmember Jeppson expressed concern with how much property could be impacted by allowing solar arrays in the future. She inquired if there was another way to allow for this specific array without changing city code. Ms. Johnson commented a city code amendment was required in order to allow for this use.

Councilmember Paul thanked staff for bringing this item forward and requested further comment from staff regarding reduced property taxes. Ms. Johnson explained when a solar array was put onto a piece of property, the ability would be taken away to construct a building that provides jobs on this same piece of property, which meant the property taxes collected for that parcel would be reduced.

Mayor Sanders indicated the council would still have the ability to put restrictions or specifications on all future solar array requests.

Councilmember Robertson discussed the unique characteristics for the Medtronic property noting the building was in Mounds View and the parking lot was in Blaine and questioned if a variance could address the solar array request. Ms. Johnson indicated this would not be allowed because solar arrays were not mentioned in the zoning ordinance for this zoning district.

Councilmember Robertson asked how many properties would be impacted by this change. Ms. Johnson stated all vacant industrial properties could then be used for solar arrays if this code amendment were approved. She reiterated she was uncertain how many vacant industrial properties were available in the city to house a solar array.

Councilmember Robertson commented she understood solar arrays were becoming more popular but did not support changing the ordinance for one project. She added she did not want the city to be narrow minded when it comes to solar arrays. She questioned what the tax impact would be for the Medtronic property if this request were approved. Ms. Johnson stated she did not have a number for this then commented further on the limited number of large vacant industrial properties that could serve as an accessory use for a solar array. She anticipated the number of solar arrays would be very limited.

Councilmember Robertson suggested staff provide the council with the number of industrial parcels that could be used for solar arrays.

Councilmember Hovland indicated a solar array was proposed on the landfill site several years ago. He noted the surrounding neighborhood was fully against this request. He stated his only concern with supporting this request would be how adjacent properties would be impacted by future solar arrays and without the ability to deny requests, this could be a concern.

Councilmember Massoglia asked if the Medtronic parcel could be rezoned to PBD or Development Flex. Ms. Johnson stated this would be considered spot zoning and was not legal in Minnesota.

Councilmember Smith reported solar arrays were already allowed within PBD with a CUP and PBD could be allowed all over the community. He indicated there was a lot fewer industrial properties that could support solar arrays. Ms. Johnson reported this was the case.

Councilmember Jeppson indicated she could support the proposed code amendment because the solar array would have to be an accessory use.

Councilmember Hovland stated this was a good point then indicated he would like to know more about how the future taxable market value of properties would be impacted if solar arrays were installed in Blaine. Community Development Director Thorvig reported Medtronic has owned this parcel for the past 15 to 20 years and noted this property may never be sold or developed.

Council consensus was to direct staff to gather further information on the industrial sites that could support a solar array as an accessory use and how the property value for these parcels may be impacted by solar arrays. The council supported this item moving forward.

3.2 Development Visioning Discussion – Part 2.

Mr. Thorvig stated at the February 8, city council workshop, the city council discussed their visions for the future of Blaine. Each councilmember provided several ideas which generally fell into the following categories, which included sports, unique spaces and identity, housing and redevelopment, and infrastructure. Staff requested comment on the four categories.

Councilmember Hovland stated infrastructure was a priority him and this included sewer, water and roads. He explained the infrastructure surrounding Highway 65 should be considered a high priority.

Councilmember Smith questioned how sports would become more of a priority for the city. Mr. Thorvig indicated the council would be reviewing a proposal on April 5 that addresses the expansion of sports for the baseball community. He suggested the council capitalize on its existing sports facilities, while also continuing to grow its offerings.

Councilmember Robertson commented sports was becoming its own industry and had a way of creating destinations. She discussed the facilities that were available at the Wisconsin Dells and how they were doing things right by providing services to visiting sports families.

Councilmember Jeppson agreed sports and infrastructure were important. She discussed how the city could create unique spaces and identity by creating a city center or city core versus a downtown area. She commented on the importance of making data driven decisions regarding housing and redevelopment.

Councilmember Paul appreciated the fact the city had ideas in place and anticipated this would assist with guiding future development.

Councilmember Hovland indicated the Blaine Wetland Sanctuary (BWS) could become a destination point for the city, especially if an interpretive center is constructed. He noted the future bandshell would also be a great amenity for the city. He appreciated how Blaine would have numerous unique destination points.

Mr. Thorvig reported there were several focus areas also discussed by the council. Based on the discussion on February 8, and priorities outlined in the Strategic and Comprehensive Plans, staff believes there are four specific areas that need immediate focus as we plan for the future:

1. Southwest Corner of Main Street and Lexington Avenue
2. Northtown Area
3. 105th Avenue and Nassau Street/Land in Front of City Hall
4. 72 Acres between 99th and 105th Avenue on West Side of Highway 65

Mr. Thorvig requested the council discuss the various priority areas and provide staff the necessary direction to move forward.

Mayor Sanders supported the city pursuing a proactive approach in the development of these areas.

Councilmember Robertson agreed being proactive would make more sense.

Councilmember Hovland suggested staff investigate if ghost platting had been done on the northeast area quadrant. Mr. Thorvig stated he would investigate this further.

Councilmember Jeppson supported the city being proactive versus reactive when it comes to planning for these four areas in the city as she wanted to see these areas developed cohesively.

Mayor Sanders agreed the effect on the surrounding areas should be considered when developing these four areas and requested staff speak further to why these four parcels were identified. Mr. Thorvig commented on why staff had suggested the council further consider the future development of these four areas in the city. He stated it was good for the city to start this immediately in order to provide information to future developers.

Councilmember Smith supported the city setting the area around Lexington Avenue and Main Street as a priority for future development.

Councilmember Paul commented on how the area around Lexington Avenue could develop in the future. He questioned what the relationship would be between the city and future developers. Mr. Thorvig stated this would be flushed out with the council to ensure the city's water treatment was properly screened.

Mr. Thorvig discussed how future development may occur in the Northtown area. He explained a consultant would be needed to assist with planning for the future of this area and noted EDA funds could be used to assist with this expense.

Mayor Sanders reported this was an area of the city that needed attention. He requested further information regarding the public/private relationship the city has with the mall owner. Mr. Thorvig stated a lot of the things the mall wants to do are adding non-traditional mall uses to the space in order to draw people to the area. He commented three or four buildings along University Avenue were being considered for the future.

Councilmember Jeppson commented this was a very exciting opportunity for the city and has the highest potential for creating a city center or city core. She indicated her only concern with hiring a consultant was that she didn't want the consultant to drive the conversation when the land was owned by a private entity. She believed this area had great potential and improvements to the mall area would greatly benefit the overall community. Mr. Thorvig explained the process that would be followed with a consultant would be very interactive with the council and the property owners would also be involved.

Mayor Sanders questioned if the consultant expense could be split with the mall ownership or would the city want to have control over this project. Mr. Thorvig stated there was merit in having this discussion with the mall ownership. He explained there are grants available to assist with consultant fees, especially given the fact there was transit in this area.

Councilmember Hovland supported the entire Northtown area being included in this redevelopment area and not just the Northtown mall. He suggested some of the surrounding housing be included as well, because this was some of the oldest housing in the community. Mr. Thorvig agreed it would be prudent to include the overall area.

Councilmember Robertson stated this was something the entire council supported. She discussed how important the tax base was from the Northtown area and recommended the council make a smart investment in a consultant to assist with the future planning for this redevelopment area. She appreciated the tremendous opportunity this area had and wanted to see the city being proactive to plan for how this area should evolve.

Councilmember Paul commented on how some areas around Northtown were in need of clean up, including the empty buildings being repurposed and connected to the Northtown area. He said he liked the idea of this area pursuing unique entertainment options for the community. He supported the city looking into the housing needs in the Northtown area as well. He suggested the police department have a smaller substation at the mall in order to have a greater police presence in this area of Blaine.

Mr. Thorvig discussed how future development may occur around 105th Avenue and Nassau Street. He recommended an architect be hired to assist with planning the vision for this development site. He noted land uses need to be considered for these parcels. He stated staff would like the council to plan for this area sooner rather than later in order to allow staff to begin marketing these parcels.

Mayor Sanders discussed the changes occurring at the NSC and stated now was a great time for the city to be planning for these parcels. He commented on how the adjacent properties were ready for redevelopment in the very near future.

Councilmember Jeppson asked if hiring an architect will help the city narrow down uses for the property. Mr. Thorvig explained an architect would assist with this task but would also be able to create visuals for the redevelopment of this property.

Councilmember Jeppson stated Northtown was definitely a priority for the city but noted the area in front of city hall was a blank canvas that had so much potential and was ready for development. She anticipated the city council would greatly benefit from having a partner to assist with this planning process.

Councilmember Robertson commented her only concern with this area was the patchwork development that was occurring, adding she wanted the area to be well planned. She supported the council having conversations for this area sooner rather than later with all of the partners involved.

Mayor Sanders agreed and stated the city council also had to consider what its vision was for this area. He indicated he could visualize sports and unique amenities on these parcels.

Councilmember Jeppson spoke to the benefits of bringing all partners together for discussions, adding the city has made an incredible investment in this land and the city council has to be making decisions with the city's best interests in mind.

Councilmember Massoglia asked if the parcel to the west of Invictus has shown an interest in selling. Mr. Thorvig reported the parcel to the west of Invictus is owned by the National Sports Center (NSC) and the structure was the maintenance building for the NSC. He commented the NSC had received bonding money to move the maintenance building which would make this parcel available for redevelopment.

Councilmember Massoglia stated he would like to have the council create a vision for this area prior to hiring a consultant. He believed this area had the potential to focus on sports, unique amenities and creating a city core. He indicated a desire to meet with the NSC to better understand how the parcel adjacent to Invictus could be redeveloped as he would like to see this redevelopment area become the core of Blaine.

Councilmember Smith questioned if the council should discuss purchasing the adjacent parcel to Invictus. Mr. Thorvig stated this would have to be discussed in the near future.

Councilmember Hovland discussed how the area around the NSC has evolved over time. He stated he did not want to see the city losing jobs for the sake of redevelopment.

Mr. Thorvig then discussed the 72 acres between 99th and 105th Avenue on west side of Highway 65 and how this area would redevelop. He noted the property owners would be involved in the future planning for this land and noted staff could complete this project without the assistance of a consultant.

Mayor Sanders stated this stretch of property was important to him because it was like the "front porch" for the city. He thanked staff for all their efforts and stated he was excited for the city's potential. He noted he looked forward to working with staff and the city council to redevelop these areas of the city.

3.3 Strategic Priorities Fund Policy Formulation.

Finance Director Huss stated the objective for this workshop is to establish guidelines for developing a policy on the use of the city's Strategic Priorities Fund. It was noted the Strategic Priorities Fund was established in May 2019 from the proceeds of the dissolution of the North Suburban Hospital District (NSHD). On May 6, council directed that the \$2,648,000 from NSDH be placed in a Strategic Priorities fund to be used pursuant to council priorities as established

at a later date. Council also directed that \$100,000 of this amount be set aside as a matching grant to assist in funding the new Veterans Memorial Park. Additionally, the 2021 Tax Levy, adopted by the city council on December 21, 2020, included a Strategic Priorities levy of \$325,000. As of year-end 2020, the Strategic Priorities Fund had a balance of roughly \$2,656,000.

Mr. Huss explained at the time the funds were placed into the Strategic Priorities Fund, the city council expressed its intent to develop a policy governing expenditures from the fund. Per council discussions, it was intended that the fund be used only for items that the council considers to be of high priority for accomplishing established strategic initiatives. With the adoption of the 2021 levy, council also expressed a desire to establish a strategy whereby, in the event of an economic downturn, the city would have a funding source from which to draw to maintain basic service levels without putting undue pressure on the tax levy. With respect to the preceding parameters, council was supportive of reviewing a draft policy for use of Strategic Priorities funds that is modeled after the city's Capital Improvement Fund Policy, including (and especially) the requirement that expenditures from the fund must be supported by at least five (5) affirmative votes of the council. Staff commented further on the proposed draft policy and requested feedback from the council.

Councilmember Hovland asked if these funds could be used for completion of the third floor at city hall. Mr. Huss stated this was a situation the council could consider. He noted the council can direct the strategic priorities at their discretion noting five members would have to support the action.

Councilmember Hovland commented the bandshell at Aquatore Park would be another possibility for the council to consider, given the fact this would have a tremendous benefit to all Blaine residents.

Councilmember Robertson explained this wasn't a rainy day fund but rather should be viewed as emergency funds. She stated she appreciated the fact extensive deliberation and a special approval process would have to be followed in order to use these funds as she did not want it to be easy to spend emergency funds.

Councilmember Smith indicated the city needed a savings account somewhere for strategic purposes. He commented if it wasn't this account, what account could be used. Mr. Huss explained there was not a savings fund in place other than the Capital Improvement Fund. He noted the council has used these funds sparingly, except for improvements to neighborhood parks.

Councilmember Smith questioned if some sort of limit should be put on expenditures to ensure the level of the fund does not decrease too much. Mr. Huss explained a provision was in place within the CIP and this language could be written into the Strategic Priorities Fund.

Councilmember Smith stated he supported some sort of restriction in place to ensure the integrity of the fund was maintained.

Councilmember Jeppson explained the city was not sitting on “kabillions” of dollars, but rather had a responsible amount in reserves for emergency situations in order to not put undue hardships onto taxpayers. She was of the opinion the reserve accounts were for an economic downturn. She discussed the unique situation that allowed the city to create the strategic priorities fund noting she believed this fund was for pie in the sky, innovation, creativity and extra things this city needs to invest in.

Mr. Huss asked if two funds should be created, one for economic downturn and one for strategic priorities.

Councilmember Jeppson stated the two funds already exist, one being economic reserves and the other being the strategic priorities fund.

Councilmember Paul thanked Finance Director Huss for his presentation and said he supported the city council having a policy in place for the strategic priorities fund, while also planning for an economic downturn. He explained he would like to see if anything comes up in the next year that should be considered for this fund and noted the interest from the fund could be used.

Councilmember Massoglia stated he agreed and noted he was not supportive of the levy going into this fund. He indicated the city should continue to prioritize reserves and having these funds used as a reserve. He encouraged the council to keep things simple by allowing a five or six majority vote for the use of these funds.

Councilmember Hovland commented he did like the idea of having a cap on the use of the strategic priorities fund in order to keep the fund viable.

Councilmember Smith questioned if more funding could be held back for reserves or should a dual fund be considered for emergencies and strategic priorities. Mr. Huss stated it may be better to segregate the use of these funds and he would want to identify what was reserves versus what was set aside for strategic priorities. He commented the reserves that were generated each year were typically in the general fund. He thanked Councilmember Massoglia for his comment and agreed it would be important to keep this policy simple, otherwise the funds may never be expensed.

City Manager Wolfe stated there has been a few different comments about the tax levy. She explained when the city was going through the budget process last year the city learned it could potentially lower the tax rate. She indicated the final decision was to place a certain

amount of funds into this fund, adding this was intended to be a single action and not the plan for future years.

Mr. Huss confirmed this was the case that this was a one-time decision for 2021. He thanked the council for the discussion and noted staff would bring this item back to a future worksession meeting for further comment.

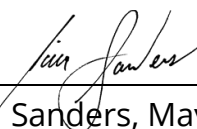
Mayor Sanders stated he would like the council to discuss the Artis REIT project. He commented at the EDA meeting on April 5, 2021 there would be a motion to amend the resolution from February 17, 2021, by which the council provided a 50% wetland credit reduction to Artis REIT. He indicated the council could discuss this one more time prior to making a final decision.

Ms. Wolfe explained the council has had a lot of complex topics recently and closed session topics. She reported staff was working to manage agendas noting there may need to be some 5:30PM meeting starts in order to get through upcoming topics. She indicated there were several items the council may need to consider on March 22, 2021, and requested the council reach out to her with any comments or concerns regarding this matter.

Mr. Thorvig discussed an email sent regarding the Roers project noting it had been pulled from the agenda for Monday night in order to discuss this project on the south side of the intersection at a future workshop meeting.

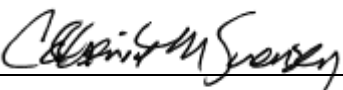
Councilmember Robertson stated today was International Women's Day and thanked all of the women working at city hall, on the city council and throughout the community.

The Workshop was adjourned at 8:32PM.



Tim Sanders, Mayor

ATTEST:



Catherine Sorensen, CMC, City Clerk
Submitted by Minute Maker Secretarial