

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Wednesday, July 7, 2021

6:15PM
Council Chambers
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Sanders at 6:30PM.

ROLL CALL

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

Adjunct Member Drew Brown.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Deputy Chief Dan Szykalski; Fire Chief Charlie Smith; Finance Director Joe Huss; City Engineer Dan Schluender; City Attorney Chris Nelson; Communications Manager Ben Hayle; and Senior Management Analyst Lisa Derr.

3.1 Development Proposal for 9550 Central Avenue.

Community Development Director Thorvig stated the property at 9550 Central Avenue is owned by MDL Properties, LLC and is occupied by offices for Matt's Homes. The site is 2.88 acres, zoned R-4 (Mobile Homes), and guided Manufactured Home Residential in the 2040 Comprehensive Plan. The site is not being used for manufactured home living, but instead, for manufactured home sales, which is allowed in the R-4 zoning district. The site is bordered by Northview Villa manufactured home park, however is not part of the park and under separate ownership. A request made in 1990 to rezone the property to commercial was denied due to concerns about compatibility to the adjacent manufactured home park and traffic generation.

Mr. Thorvig explained the owner had the property listed in 2019/2020 and received interest for a multi-family project and self-storage (which is not permitted along Highway 65). There was little commercial interest in the property even though it is highly visible from Highway 65.

After an unsuccessful effort in selling the property, the property owner approached staff about developing the property for residential, for-sale townhomes. The owner has done similar residential projects in other communities. The units would likely be multi-story and landscaping will be critical for the site to be compatible with the adjacent manufactured home park and Highway 65. It was noted the site is challenging in determining what the future land use should be. As mentioned prior, the site is surrounded by a manufactured home park. The site has high visibility from Highway 65, however access is challenging as it is approximately one-quarter mile away from the 93rd Avenue/Highway 65 intersection and further from the 99th Avenue/Highway 65 intersection. Another similar site just to the south on Ulysses Street had been marketed for commercial purposes for several years, however never came to fruition and the city council recently approved a 60-unit apartment building for the site.

Mr. Thorvig commented staff believes there could be commercial interest for the property for uses such as office, banking or other destination commercial, as other available sites along Highway 65 are developed. The site could be difficult for uses that require ease of access such as retail, food, etc. It is possible that access to the site could improve with changes to Highway 65, however designs are too preliminary at this point to make a solid conclusion of what the impacts would be, and the timing of said improvements. Alternatively, staff has concerns regarding additional housing within close proximity to Highway 65. Certain noise mitigation to the physical units and site would be required as part of a residential project.

Matt Lilja, property owner, explained the mobile home market has run its course. He stated he was looking to make a change on his property and has been in discussions with many builders and believed the proposed project would work well on the site.

Councilmember Hovland stated he had two concerns with the proposal. He indicated his first concern was with the number of townhomes, because this would create a small townhome association. He explained his second concern was that the development would have private roads. He feared that this small townhome association would not be able to maintain the private roads.

Councilmember Smith commented the compatibility of the proposed project with Highway 65 in the future was uncertain. He stated it makes sense for now but wanted to better understand how the frontage road along Highway 65 was going to redevelop in the future.

Councilmember Robertson indicated her concern was with the fact that Village Bank wanted to expand their building several years ago and the city would not allow the expansion because of Highway 65. She stated she has the same concerns as Councilmember Smith with how Highway 65 and the frontage roads would redevelop. She explained she does not like to tell people what to do with their land but is concerned that as Highway 65 redeveloped, this property could be impacted.

Councilmember Massoglia questioned if the property owner was looking for any incentives for this project. Mr. Lilja stated this project would be about the same size as the project that received TIF along University Avenue. Mr. Thorvig explained the project along University Avenue used the TIF funding to cover the cost of demolishing the three existing buildings. He reported the proposed project would not be a good candidate for TIF financing.

Mr. Lilja commented further on the amount of land between his property and the service road. He indicated he does not have to complete the proposed number of townhomes, as this number could be reduced.

Councilmember Massoglia stated he understood Highway 65 would be changing, but this property was in the middle of a manufactured home park. He indicated he supported the proposed development noting it would be a good fit with the surrounding use.

Mr. Lilja explained the mobile home park tried to purchase this property 20 years ago and has tried to purchase it from him again recently. He stated he would rather see townhomes on this property than more mobile homes.

Mayor Sanders requested further information regarding the landscaping that would be planted along Highway 65. Mr. Lilja commented he would work with city staff to make this look very nice along Highway 65.

Mayor Sanders indicated this was a unique property and wanted to see the city properly consider how it would redevelop. He explained he appreciated the property owner coming forward with this proposal then stated he was unsure of what else could go on this property except for townhomes or additional mobile homes.

Councilmember Hovland questioned if the townhomes were multi-story. Mr. Lilja commented M&I Homes has three-story plans but noted he has several other contractors he could work with that have two-story townhome plans. He noted all of the units would be slab on grade.

Councilmember Hovland explained the water table in this area may be a concern so he appreciated the fact that the developer would be building slab on grade units. He understood there was a demand for slab on grade one level townhomes for seniors.

Mayor Sanders stated this was a challenging development for the council to consider. He reported there were risks with this project because Highway 65 would be upgraded. He indicated he was all for updating this portion of the corridor.

Councilmember Paul asked if the units would be market rate. Mr. Lilja explained the price of the townhome units would be \$325,000 to \$380,000. He hoped that the units would be no more than \$350,000 in order to remain affordable.

Councilmember Hovland requested the developer consider having public streets versus private roads within the townhome development. Mr. Thorvig stated this would impact the width of the roads and would increase costs for the developer.

Council consensus was to direct the property owner to move forward with the proposal with the understanding there would be risks given that the future of the Highway 65 corridor was unknown.

3.2 SBM Fire Quarterly Update.

Fire Chief Smith provided the council with a quarterly update on behalf of the SBM Fire Department. He explained Stations 1 and 4 were working to recruit new firefighters, stating this was an 18-month process. He commented Anoka County sponsors a fire academy and the next session would begin on July 20, 2021. He discussed the number of grass fire incidents that occurred in the month of June and noted the community continues to be dry. He reported the fire department was ready to respond to these types of incidents.

Chief Smith reviewed the progress that had been made on the Centennial Fire Department collaboration. He reported at the end of this week a final version of the contract should be ready to move forward. He commented further on the administrative/management services that would be provided to Centennial then noted if the services were not working for either party the agreement could be terminated.

Councilmember Jeppson asked how Blaine's interests were taken into consideration within this agreement. City Attorney Nelson explained this agreement has gone through several drafts and has been improved to take into consideration Blaine's interests.

Chief Smith indicated the SBM Fire Department was working on an updated strategic plan to take into consideration the growth that has occurred in the community. He noted this document would be completed this fall. He reported hydrant inspections have been conducted over the past year but have been suspended due to the draught conditions. He commented further on the fire agreement that was in place with the Metropolitan Airport Commission.

Mayor Sanders thanked Chief Smith for his detailed quarterly update.

3.3 Review of Marketing Agreement with Utility Service Partners, Inc. – Service Line Warranty Program.

Public Works Director Haukaas stated staff had been approached by Utility Service Partners, Inc. to request endorsement by the city to market their Service Line Warranty program to residents. This item was discussed at the May 20 and June 10, 2019 City Council Workshops

and approved the agreement at its July 8, 2019 meeting. The Service Line Warranty program is a third party insurance program which provides homeowners with repair protection for leaking, clogged, or broken private water and sewer lines between the city main to the home. The company provides 24/7/365 bilingual customer support and all repairs meet city code requirements and are completed by local, licensed contractors. The program also educates homeowners about their service line responsibilities as homeowners are often unaware that these lines are the responsibility of the property owners and can be expensive to repair. Additional program options are available for wells, septic systems, and in home plumbing.

Mr. Haukaas explained the marketing agreement allows Utility Service Partners to use the city's name and logo on marketing materials sent to residential property owners in the city. The agreement limits the number of mail campaigns to twice per year - one introductory mailing and one reminder mailing for each, for a total of four mailings per year. Staff requested the council provide staff with direction on whether or not to continue the program.

Councilmember Robertson stated there was confusion on the public's part as to where these mailers come from. She discussed some of the comments that were made on social media regarding these mailers. She suggested the city clarify its role on these mailers or not continue with them in the future.

Councilmember Paul commented other cities send out these mailers. He discussed how these types of warranties would help residents who have backups. He recommended the mailers state clearly who payments would be sent to. He supported the mailings going forward in the future.

Councilmember Jeppson indicated the role of the city council was to serve Blaine residents. She was of the opinion these mailers caused too much confusion and therefore the residents were not served properly. She recommended the city come up with an educational campaign regarding sewer lines and backups versus allowing further mailings.

Councilmember Robertson agreed education would be a great thing and noted the mailers were creating confusion.

Councilmember Massoglia asked how many Blaine residents have taken advantage of the program. Mr. Haukaas stated 700 different properties have gotten water line and sewer line protection.

Councilmember Massoglia commented that while some people choose to go to social media and express their concerns, there have been 700 residents who have benefited from this program. He indicated he saw both sides of this argument and noted Utility Service Partners, Inc. could continue to market in Blaine without the city's partnership.

Mr. Haukaas explained the policies currently in place would remain whether or not the city allowed mailers to be sent.

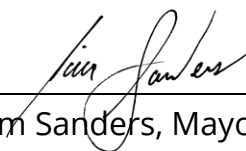
Mayor Sanders suggested Clause 2 be removed from the agreement. He stated this would mean any future mailers could not be sent with the city's logo but rather would have to be marketed on the company's behalf.

Council consensus was to direct staff to allow Utility Service Partners, Inc. to complete the final year of the agreement and after that point not renew the agreement.

3.4 COVID-19 Impacts/Other/ARP Funds.

There was nothing new to report at this time.

The Workshop was adjourned at 7:27PM.



Tim Sanders, Mayor

ATTEST:



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