

UNAPPROVED

**CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Thursday, May 4, 2017**

6:30 p.m.
Cloverleaf Farm Room
10801 Town Square Drive

CALL TO ORDER

The meeting was called to order by Mayor Ryan at 6:30 p.m.

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Dave Clark, Andy Garvais, Wes Hovland, Julie Jeppson, and Dick Swanson.

ABSENT: Councilmember Jason King.

Quorum Present.

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

3.2 Further Discussion with Wellington Development Regarding the Former Allina Site (SW Corner of 109th Avenue and Lexington Avenue).

Planning and Community Development Director Schafer stated Todd Kaufman from Wellington Development was present to discuss their development experience and to answer questions regarding their plans for the former Allina site under contract. Wellington and Dominion Development are proposing a 45-acre mixed use center with retail, restaurants, medical and general office, possibly a large format grocer, hotel and senior housing.

Todd Kaufman, Wellington Development, thanked the Council for their time. He shared detailed additional information on Wellington Development and reviewed several projects his company had completed in the metro area. He described his plans for the Blaine project and noted he had meetings set up with two hotel developers and information had been sent to local grocers. He explained he had received positive feedback regarding the project, which included senior housing.

Councilmember Hovland stated he was interested in this area having a hotel. He questioned how the development would be impacted if the senior living component were eliminated. Mr. Kaufman explained the project would become more challenging without the senior housing component.

Councilmember Garvais asked how many acres of land were included in this project. Mr. Kaufman stated the project was approximately 35 acres in size. He then reviewed the proposed layout for the development project.

Councilmember Jeppson inquired if another grocer could be located on this site. Planning and Community Development Director Schafer reported a grocer could locate with this development.

Further discussion ensued regarding the changing retail market.

Mayor Ryan understood Blaine residents were interested in seeing additional medium priced restaurants.

Councilmember Clark questioned if the grocer was proposed to have gas. Mr. Kaufman stated if this were done the grocer would require 10 acres of the site.

Planning and Community Development Director Schafer asked if the Council supported Wellington continuing their conversations with Dominion in order to include a senior housing component within their project. He explained Wellington would be seeking no assistance from the City for their portion of the development, but noted Dominion would be requesting a short-term pay as you go TIF district.

Councilmember Clark questioned how much space Trader Joe's would require versus Byerly's or Lunds. Planning and Community Development Director Schafer stated this use would only require two or three acres. He indicated Byerly's and Lund's would require eight to ten acres of land. Mr. Kaufman reported the only grocer active in this market was Hy-Vee.

Councilmember Clark explained he would like to see a high-end grocer within this development.

Councilmember Hovland expressed concern with the number of senior housing units that was being constructed in the City. He questioned how these units would be repurposed in 15 or 20 years.

Councilmember Jeppson reported Dominion was proposing to build an apartment building that just happens to be occupied by seniors. She noted the building was not proposed to be assisted living. She anticipated the building could easily be repurposed into market rate apartments if the need for senior housing were to dwindle.

Mayor Ryan believed that it would be difficult to remarket the site to younger residents after the building was occupied by seniors.

Councilmember Swanson did not believe the City would be losing seniors given the fact people were living longer.

Councilmember Garvais explained he supported the development with senior housing. He indicated he would like the exterior of the buildings to be enhanced to include brick and stone.

Councilmember Clark stated he supported the senior housing component and understood it would assist in supporting the entire development. He requested again, that only a high-end grocer and restaurants be considered for this site. Planning and Community Development Director Schafer reported there were no guarantees as this was not a development being completed by the City. He provided further comment on the issues the City would and would not have control over.

Mayor Ryan said he supported the senior housing component.

Council consensus was to direct the developer to proceed with the senior component included in the development.

Mayor Ryan recessed the workshop meeting at 7:15 p.m.

Mayor Ryan reconvened the workshop meeting at 8:05 p.m.

3.1 105th Avenue Design Options.

City Manager Arneson stated on April 10th the Engineering Department was asked to review three alternate design options for the reconstruction of 105th Avenue.

City Engineer Keely discussed the options available including their associated engineer's estimate of probable cost. She noted none of the options include fencing, which would be an additional cost. Each option was described by staff as follows:

Option 1, is the fully designed option, which includes two roundabouts, one at the Kenny Irvin Drive intersection and the second at the NSC's access currently under construction to the north fields.

Option 2, is the removal of both roundabouts and adding a signal system at the Kenny Irvin Drive intersection.

Option 3A, is the addition of a pedestrian underpass with the two roundabouts as described in Option 1.

Option 3B, is the addition of a pedestrian underpass with no roundabouts and a signal system at the Kenny Irvin Drive intersection.

Discussion ensued regarding pedestrian traffic, State funding and the potential location of a hotel.

Councilmember Hovland requested further information regarding Option 2. City Engineer Keely stated the proposed roundabouts in Option 1 would assist in slowing traffic and noted the traffic signal at Kenny Irvin Drive would not assist in lowering the speed limit.

Councilmember Clark inquired if the pedestrian tunnel would provide dual purpose. Councilmember Jeppson understood the tunnel would be used for both pedestrians and sports center equipment. City Engineer Keely stated the tunnel would be 10 feet high by 14 feet wide.

Mayor Ryan feared it would be difficult to share the tunnel space safely between sports center equipment and pedestrians.

Councilmember Clark anticipated it would be difficult for pedestrians to cross at roundabouts. In addition, it would be difficult for Police Officers to direct and stop traffic. He stated a better option for pedestrians would be to create a separate pedestrian crossing away from the roundabouts. Safety Services Manager/Police Chief Olson believed the roundabout option would assist in lowering speeds along 105th Avenue, which was one of the Council's objectives. He hoped to get speeds down to 30 or 35 miles per hour.

Councilmember Hovland believed the original Option was still the best option for the City Council to pursue.

Mayor Ryan recommended that if roundabouts were pursued that the crosswalk locations be reconsidered. He stated he wanted to see the speed of traffic along this roadway decreased.

Councilmember Hovland agreed.

Councilmember Jeppson supported Option 3A. She believed that as the school and gas station would only draw more traffic to this area of the City. She encouraged the Council to get the redesign of this roadway right the first time even if this meant delaying the project.

Councilmember Swanson discussed the high level of truck traffic along 105th Avenue.

Mayor Ryan feared this option would be too much of an elevation change and noted the pedestrian culvert would have 10-ton weight limits.

Councilmember Garvais stated he was comfortable with eliminating Options 2 and 3B. He indicated he would like to sit down with the National Sports Center to discuss the pedestrian options further. He believed there was value to keeping pedestrians safe especially given the fact the NSC was expanding.

Councilmember Garvais requested further information on how the project would be funded. Finance Director Huss discussed the expense for the project along with the funding available.

Councilmember Swanson asked if the project could include one roundabout and one stop light as this would allow for pedestrians and equipment to cross the road more safely while also assisting in slowing traffic.

Councilmember Hovland encouraged the Council to keep in mind the plan for this roadway was for one event that occurred over one week in the summer. He stated he could not justify the proposed expenditure within Option 3A for a two-week event. In addition, he understood 105th Avenue had to be improved sooner rather than later.

Councilmember Clark suggested four crosswalks be considered at the roundabouts instead of two, which would allow for a safe landing zone within each roundabout. He expressed concern with the pedestrian tunnel option noting it would be difficult to force people into crossing at a single point.

Councilmember Jeppson stated she was not set on Option 3A and wanted further information prior to making a decision. She believed the pedestrian and roadway improvements were for more than a two-week event and listed the numerous events that occur at the NSC from May through September.

Councilmember Clark reported the NSC was adding 1,200 parking spaces to the north and would be losing fields to the south for a school and hotel. He anticipated these changes would shift the flow of pedestrian traffic.

Councilmember Jeppson cautioned the Council from reaching a decision when further analysis could be completed prior a final conclusion.

Mayor Ryan stated the Council has been hearing from the public for years that 105th Avenue was a concern. For this reason, he wanted to see the City Council take action on this matter.

Councilmember Garvais recommended again that the Council meet with the NSC regarding their plans for the future prior to making a decision on 105th Avenue. He anticipated the residents of Blaine would understand the Council's thought process even if this meant the project was pushed back to 2018.

Councilmember Swanson agreed the Council did not have to make a decision tonight. He stated he had major problems with delaying the project another year given the direction from his constituents was to get 105th Avenue reconstructed.

Councilmember Clark asked what additional information Councilmember Jeppson and Councilmember Garvais needed in order to make a decision on this project.

Councilmember Jeppson stated she was also concerned about getting the project done in the right way.

Councilmember Hovland trusted the work that had been conducted by staff and the County for this project and believed the project had been engineered for safety. He discussed how difficult it was to design projects to lower speed limits.

Councilmember Jeppson asked if the number of pedestrians and proposed pedestrian crossings had been taken into consideration by the project engineers. City Engineer Keely reported this was the case.

Councilmember Clark questioned if staff needed direction from the Council this evening. City Manager Arneson stated staff did not need direction tonight. He requested if the Council needed further information, that this be clarified for staff.

Councilmember Clark inquired if the project plans could be changed if bonding were approved by the State. City Manager Arneson was uncertain but anticipated the City would have a timeframe to spend the dollars.

Councilmember Clark requested staff seek additional information regarding these questions. He stated he did not want the City to spend \$2 million on a tunnel that would not be used by pedestrians.

Councilmember Swanson requested staff provide the Council with information regarding pedestrian density for the project as well. He recommended that if fencing were required that this expense be assumed by the NSC.

Councilmember Jeppson wanted to be assured that pedestrians had enough options to cross safely without impeding traffic. She also wanted to see the speed of traffic reduced. She commented that if this was proven by the engineer through their report then she would support the proposed plans.

Councilmember Clark stated he would want to see the NSC come forward with dollars for the project if they wanted to use the tunnel for their equipment.

City Manager Arneson indicated he would report back to the City Council with the engineer's report.

3.3 2018 Budget – Discussion on Tax Base and Establishing Preliminary General Fund Budget Guidelines.

Finance Director Huss stated staff has received initial valuation estimates from the Anoka County Assessor's Office of properties appraised in the last quarter of 2016. These values will be used to calculate the tax rate

for the property tax levy that Council will approve for the 2018 budget. Per the County Assessor, Blaine's total taxable market value increased about 10.6% over the previous year. Most of the growth (nearly 7.6%) is inflationary and continues to occur in the Residential sector. In a change from the previous year, the Commercial/Industrial sector experienced weak growth, with existing properties seeing a .5% decline and new construction accounting for 3.1% of the total C/I growth.

Finance Director Huss reported Blaine continues to lead Anoka County in development, accounting for 33% of all new construction in Anoka County, including over one-third of all new single-family residential construction and 37.5% of all new C/I construction. The average residential property value in Blaine increased from \$189,700 to \$219,100 (15.5%), while the median residential value increased from \$165,700 to \$188,400 (13.7%)

Finance Director Huss explained taking this growth into consideration, and factoring other tax base adjustments such as Tax Increment Financing Districts and Fiscal Disparities, current estimates indicate that the overall tax levy, including all City and EDA tax levies, could increase about \$1.8 million and still yield the same target tax rate of 35.901%. Staff commented on the challenges the Council would face in 2018 and stated he would report back to the Council in two weeks with further information.

Councilmember Hovland asked if the new commercial construction in the City would positively impact the C/I numbers. Finance Director Huss believed this would be the case.

Councilmember Hovland commented on the importance of redevelopment within the City in order to maintain high property values throughout the community. Economic Development Coordinator Thorvig stated he would be addressing this issue with the Council at their next workshop meeting.

Councilmember Swanson stated the City would continue to grow for the next five years. He encouraged the Council to consider where service levels should be once growth stabilizes and the City matures.

Councilmember Clark discussed the City's current tax model and stated he did not want to see this change. He understood the economy and consumer spending was changing. He did not want to see the Council assuming any costs that would impact the City long-term. He supported the City pursue the same tax rate and was interested in the Council further reviewing its parks. City Manager Arneson reported the Park and Recreation Commission has been given this task.

3.4 3M Tournament Hospitality Tent.

Economic Development Coordinator Thorvig stated the 3M Championship is July 31 - August 6 this year. For several years, the City of Blaine and Anoka County have co-hosted a hospitality tent on Thursday-Sunday of the tournament. In general, the purpose of the tent is to invite and network with guests in the real estate and development industry along with targeted perspective businesses for Blaine. In addition, we invite many of our existing businesses as an appreciation for their contributions to the City of Blaine. Last year 100 tickets per day were given out to Blaine invitees. There is also professional economic development programming that occurs on Thursday and Friday morning. Programming in the past has featured Greater MSP, Minnesota Department of Employment and Economic Development and others. Representatives from cities in Anoka County are invited to attend the programming.

Economic Development Coordinator Thorvig explained Blaine staff has been made aware that Anoka County will not be co-hosting the hospitality tent this year, however will still be an event sponsor through a \$100,000 contribution. The city manager and I met with the tournament director to discuss our options with

the absence of Anoka County as a co-host who indicated that the Blaine EDA can host the same tent (50' x 50') or have a smaller 33' x 33' tent. Typically, 200 tickets are made available each day between Anoka County and the City of Blaine. Without the county's participation, our ticket allotment would likely be increased to 150 per day, however the overall attendees in the tent would be reduced by 50 people. As such we wanted to understand what the smaller tent option would be if we have less people overall.

Economic Development Coordinator Thorvig reported the financial contribution by the Blaine EDA would remain at \$100,000 with the addition of food/beverage which typically is \$25,000-\$30,000. This EDA budget item will come for approval in June once staff has final numbers.

Councilmember Swanson supported the City pursuing a smaller tent to ensure the event was a success.

Councilmember Clark suggested the City partner with the Chamber of Commerce to assist in sponsoring the event. Economic Development Coordinator Thorvig stated he could be more aggressive in inviting businesses along with commercial and industrial brokers. He explained he was excited to be able to change the direction of the event in order to better serve the businesses in Blaine.

Mayor Ryan recommended local school district and other education representatives also be invited.

Councilmember Clark suggested the Blaine Business Council meeting be held at the tent on Friday.

OTHER BUSINESS

None.

The Workshop was adjourned at 9:45 p.m.

Tom Ryan, Mayor

ATTEST:

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