

UNAPPROVED

**CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Thursday, May 11, 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: Planning and Community Development Director Bryan Schafer; Finance Director Joe Huss; Police Captain Dan Szykalski; Economic Development Coordinator Erik Thorvig; Public Services Manager Bob Therres; City Attorney Sweeney; City Engineer Jean Keely; Communications Technician Roark Haver; Senior Engineering Technician Jason Sundeen; and City Clerk Catherine Sorensen.

3.1 Development Proposal for Portion of Town Square Drive City Property.

Economic Development Coordinator Thorvig stated staff has been working with a dentist currently located in the office building at corner of Radisson Road and Town Square Drive about expanding his business to a new location. Ideally, he'd like to construct and own a new building in Blaine. Several sites were reviewed however he has strong interest in the City owned land next to his current building. The 7.39-acre site was identified as the preferred community center site however the referendum did not pass last fall.

Economic Development Coordinator Thorvig reported a development proposal is included that would create a 1.58 acre parcel next to the existing office building. Site development would include 16,500 sf. of office space with 89 parking stalls. The building is designed to have mezzanine space over main level offices giving the building a more vertical appearance. The exterior material would match that of other buildings in the area. The dentist would take a portion of the building and lease the remaining to other local businesses.

Economic Development Coordinator Thorvig explained if 1.58 acres is sold, that leaves 5.81 acres for other uses. One use that has been discussed by the City Council is indoor recreation/gym space and a 50,000-sf. recreation use with parking could fit on the remaining land. The 50,000-sf. building size is based on information provided in the community center study for a 4-court gym with spectator seating, locker rooms and lobby area. There is also additional land that could be available for other office/commercial uses or a larger recreation use building. Staff has discussed a potential sale price of the land and would propose a price of \$7/sf. This is based on comparable vacant commercial land sales/listings in Blaine. The proposed

asking price would be \$481,773. If direction to move forward is given it is possible the project could start this fall.

Councilmember Jeppson asked if the Council was to consider the balance of the property or the three buildings. Economic Development Coordinator Thorvig explained the Council was being asked to only consider the three buildings.

Councilmember Hovland questioned if the portion closest to City Hall would allow for the existing garden to remain in place. Economic Development Coordinator Thorvig reported the community garden could remain in place with the proposed plan.

Mayor Ryan stated he supported the idea of the dental office and said he believed this use would not generate too much traffic for this busy area.

Councilmember Clark congratulated Dr. Green on his success but indicated he would not be offering his support to the dental office as he still wanted to see a community use on this property.

Councilmember Swanson questioned how long the City Council should hold this land given the fact a referendum for a Community Center was just voted down by the residents.

Mayor Ryan said he understood the traffic in this area was difficult and commented on the potential for basketball courts on this property.

Councilmember Jeppson stated she fully supported the dental office and understood medical and dental offices were growing. She said she understood Dr. Green was a resident of Blaine and his children attended Blaine schools and believed the proposed use would not generate too much additional traffic for this already congested area of the City.

Councilmember Garvais said he did not believe the City Council had a comprehensive vision or plan in mind for this property and while he did not object to selling off a portion of the land he wanted to better understand the direction of the Council.

Councilmember Hovland said he did not believe the Council could justify holding onto this land indefinitely and supported this land being put back on the tax rolls as long as the community garden was saved. He said it was his opinion this development could spur the development of the adjoining Sherman property.

Planning and Community Development Director Schafer commented indoor basketball and volleyball courts could be located on the remaining land with great success, along with meeting space as the site could share parking with City Hall.

Councilmember Clark said he understood that residents of Blaine may not support a full-blown community center on this property.

Councilmember Garvais stated if this development was used to launch further development this could be a good step forward, however these plans were uncertain.

Councilmember Jeppson said she understood the City needed a plan to move forward but believed this was a very small corner of land that could be developed without waiting for an overall plan.

Mayor Ryan said he was pleased that the dentist was proposing to purchase the land and finance their own development.

Councilmember Swanson agreed and noted funds received for the land could be used to pay down debt on the City Hall building.

Council consensus was to support the development proposal for a portion of Town Square Drive for the purpose of constructing a dental office.

3.2 2017 EDA Goals and Directives.

Economic Development Coordinator Thorvig stated staff would like to have a discussion with the EDA regarding several topics of interest in 2017. These items are as follows:

1. Tax Increment Financing (TIF) and EDA general fund balances, budgeting, and projects.
2. EDA assistance options for redevelopment of 102nd Avenue and University Avenue.
3. Targeted Retail Marketing - Grocery store and other general trends/communications.
4. Small Business Start-Up/Entrepreneurship Opportunities.

Staff presented each item individually and requested feedback from the Council.

Councilmember Clark stated if the City does not receive funding for 105th Avenue from the State, the City would have to reallocate funds for this project. Finance Director Huss commented the City would have to allocate debt to cover the additional \$3.2 million for this project.

Councilmember Clark questioned what other demands the City had on its EDA funds. Economic Development Coordinator Thorvig stated the City may want to keep these funds available for new businesses or for the acquisition of blighted properties.

Councilmember Garvais asked if staff had any further information on the Kmart building. Economic Development Coordinator Thorvig stated staff has shared this property with developers and noted the City owns several properties around this development.

Councilmember Hovland said the City was always interested in redevelopment and encouraged the Council to protect these EDA funds going forward.

Councilmember Swanson inquired what fund the brewery site proceeds would be placed in. Economic Development Coordinator Thorvig reported those funds would be placed in the EDA General Fund.

Councilmember Clark asked if staff has a detailed spending plan for the EDA to review. Economic Development Coordinator Thorvig stated staff had drafted a spending plan for the next several years and could provide this to the EDA members.

Councilmember Clark questioned the payback or return on the \$850,000 investment that could be made on the 102nd Avenue property. Economic Development Coordinator Thorvig stated it would take 25 years for the City to receive the majority of their investment back on this project. Planning and Community

Development Director Schafer explained the property would have a larger return on investment if rezoned to residential.

Councilmember Jeppson asked what the owners' responsibility was to get this property back to a marketable landscape. Economic Development Coordinator Thorvig explained the two owners were asking the market rate for their buildings.

Further discussion ensued regarding the City's return on investment for the property on 102nd Avenue.

Councilmember Jeppson stated she supported the City offering the developer \$850,000 in order to get the property at 102nd Avenue marketable.

Councilmember Hovland agreed and said he believed this was a good option for the City to pursue.

Councilmember Garvais said he would also support the \$850,000 request.

Mayor Ryan said he wanted to see this property redeveloped.

Councilmember Clark requested staff provide the Council with a clear payback for this project.

Economic Development Coordinator Thorvig commented on the grocery market.

Councilmember Garvais stated he wanted to see a push for a grocery store within the Dominion development and suggested staff reach out to the brokers in order to assist in locking down this amenity yet this year.

Councilmember Clark questioned if the Blaine Gander Mountain would be closing. Economic Development Coordinator Thorvig stated he was uncertain at this point what direction Gander Mountain would be going.

Economic Development Coordinator Thorvig introduced the Council to the Open to Business program and Business Advisor Kathleen DuChene.

Kathleen DuChene discussed the unique services she provided to new business owners and entrepreneurs in the City of Blaine.

Councilmember Clark commented on the differences between Open to Business and SCORE and thanked Ms. DuChene for her work with local business owners.

3.3 Eastside Park Drainage Issues.

City Engineer Keely stated staff was directed by Council at a previous meeting to investigate resident concerns over tree cutting debris in the storm water ponds and general drainage issues at Eastside Park and the neighborhood rear yards across the street in 4600 block of 107th Ave NE. The rear yards of the property owners who expressed concerns are part of the storm water system for the D Erickson neighborhood which was constructed in the mid 80's. The rear yards, which are in a drainage and utility easement, act as a drainage basin for the storm sewer system in the neighborhood. According to record drawings, the storm sewer outlet pipe elevation for this basin was originally designed to be approximately 6 inches higher than the lowest elevation of the rear yard basin area. The storm sewer outlet pipe for the basin crosses under

107th Avenue and empties into a pond system in Eastside Park. This pond system outlets into a small ditch which joins with a branch of County Ditch 53-62 right where it crosses under I 35W and travels north.

City Engineer Keely reported on findings from the Public Works storm water personnel who inspected the area and storm water system and explained staff was contacted by the one of the property owners to discuss the issues with drainage of their rear yards and East Side Park. A meeting was held Thursday April 26, 2017 and staff discussed the water issues in the backyards, basements and Eastside Park with the property owners.

City Engineer Keely stated prior to the meeting, staff reviewed the plat and drainage area as well as reviewed historic aerial photography of the area. The historic aerial photos appear to show the backyards to be a wetland which would be consistent with why this area was chosen to be a drainage basin. Staff discussed some options with the property owners to help mitigate the amount of standing water and stated a wetland boundary review has been scheduled for Wednesday May 10, 2017 with staff and an Anoka Conservation District Wetland Specialist. Once the wetland boundary review has been completed, the next steps will be to discuss the results and potential options with the property owners. Once weather conditions allow, staff will work to remove some of the downed trees and vegetation in Eastside Park and start the process to remove and replace the downstream culvert that has rusted out.

Councilmember Swanson stated last year he met with the watershed district and understood the Home Depot property would be addressed this spring. City Engineer Keely said she understood this work was now scheduled to be completed this fall.

Councilmember Hovland said water is not permeating this area well and questioned what other options were available to address the water in this area. Public Services Manager Therres explained it would be difficult to engineer the drainage away from the homes and towards the park.

Councilmember Swanson said he believed the City had to find a way to get water to move after heavier storms, even if this meant bringing out pumps. He said he anticipated the City would continue to receive heavy rainstorms and this would mean the ponds would fill to higher levels.

Councilmember Clark stated he was curious to learn why the watershed district had put off the work at Home Depot until this fall.

Councilmember Jeppson asked if homes were currently being flooded or if the water level was just creeping up into backyards. City Engineer Keely stated the water was creeping into backyards, which brought residents to bring this concern to the City.

Councilmember Hovland said he hoped the City would be able to mitigate the three culverts while also lowering the water level in order to connect into the County system. He said he believed this would improve the water runoff/ drainage situation for this neighborhood.

Councilmember Clark questioned who owned the property to the west of the yellow line. City Engineer Keely reported this was private property owned by Bermo and reviewed the items the City could fix and noted the remainder of the concerns would have to be addressed by the watershed district.

Councilmember Garvais inquired when the culverts would be replaced. City Engineer Keely stated the culverts would be replaced this summer by Public Works.

Councilmember Garvais recommended staff put pressure on the watershed district to see when they would be making their repairs.

Councilmember Hovland suggested wetland plants be planted by the City. Public Works Director Therres thanked the Council for their input and said the next steps were for staff to speak with the homeowners in this neighborhood, for the branches and trees to be removed, for the culverts to be replaced and for staff to speak with the watershed district.

3.4 Proposed Amendments to Chapter 6 – Alcoholic Beverages, Article II. – Intoxicating Liquor and 3.2 Percent Malt Liquor.

City Clerk Sorensen stated on March 7, 2017, Governor Dayton signed into law HF No. 30 permitting off-sale of intoxicating liquor on Sundays. The law becomes effective July 1, 2017, and will allow liquor stores to sell on Sundays between the hours of 11:00 a.m. and 6:00 p.m. She reported current City ordinance states that hours and days of sale are set by Statute so unless the Council wishes to have more restrictive hours of Sunday sales no ordinance amendment is needed. Staff confirmed with the City Attorney that while there was no clear intention by the legislature it is reasonable to interpret that growler sales are an exception and can remain as stated. She said if Council concurs with allowing Sunday off-sale hours from 11:00 a.m. to 6:00 p.m. as outlined in Statute staff will contact the license holders to confirm for the Police Department which locations intend to be open and if so what hours.

City Clerk Sorensen reported currently City Code allows temporary on-sale liquor licenses to be issued only to clubs or charitable, religious or nonprofit organizations. With the increasing popularity of craft beer and the opening of Invictus brewing and possibly other brewers, staff anticipates requests from brewers to serve their craft beer off-site at special events. State Statute does allow cities to issue a temporary on-sale malt liquor license to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year in connection with a social event sponsored by the brewery so staff is proposing a code amendment that temporary on-sale liquor licenses include small brewers. The same terms for clubs and nonprofit organizations would apply to a brewer; proof of required liquor liability insurance, name the City as additional insured, and abide by the limits on the number of days allowed not to exceed four consecutive days and no more than 12 days in one calendar year.

Mayor Ryan and Councilmember Clark said they supported the City following State Statute on this matter and allowing the off-sale liquor stores to choose their hours between 11:00 a.m. and 6:00 p.m.

Councilmember Garvais agreed.

Councilmember Hovland said he believed the code amendment for temporary on-sale licenses for brewers would allow for new local events.

OTHER BUSINESS

Outdoor Events

City Clerk Sorensen discussed an ongoing outdoor event being proposed by Harley Davidson on Saturdays during the summer and asked for input from the Council because of potential noise concerns.

Councilmember Hovland suggested the City Council place time and noise restrictions on these events. He stated the Council may want to only allow these events two times per month versus every Saturday.

Planning Community Development Director Schafer stated the Council may have to revisit the City's Special Event License to include time limits for events.

Councilmember Clark said he wanted to offer flexibility but did not want to see outdoor dining and alcohol on a weekly basis. He stated he was more comfortable with special event licenses allowing businesses to have functions two or three times a year. He said he believed the neighborhood surrounding Harley Davidson would be extremely upset if events were held on a weekly basis.

Councilmember Garvais said he supported Harley Davidson holding a special event once a month but not once a week. Mayor Ryan agreed.

Councilmember Hovland questioned the hours Harley Davidson was requesting for their events. City Clerk Sorensen stated they were suggesting holding their events from noon to 4:00 p.m.

Councilmember Swanson said he anticipated this item would have to be further evaluated by the Council depending on the number of people that attend each weekend.

City Clerk Sorensen appreciated the feedback provided by the Council.

Planning and Community Development Director Schafer commented on a 5K event being planned at the National Sports Center for June 11 after the Joyful Noise concert with an estimated 10,000 participants. He explained staff has told them no given the short amount of time for staff and the City Council to review and approve the event. The applicant was told the City needs 60 to 90 days to review and approve a plan.

Mayor Ryan questioned what route would be used for the 5K. Planning and Community Development Director Schafer said the 5K would be held on the NSC property.

Councilmember Garvais said he liked the idea of the event but could not support the 5K without a solid plan in place.

Traffic Control

Councilmember Clark commented on traffic control throughout the City of Blaine and stated he would like to see a visible Police presence in the City's hot spots. He said he wanted to see traffic concerns addressed now and not at some point in the future.

Mayor Ryan said he understood this was a concern and asked how traffic control measures could be managed by the Police Department. Police Captain Szykulski stated this would have to be conducted by overtime through a sustained concerted effort. He anticipated officers would have to hit the hot spots for two or three hours per day for approximately 10 days in a row and understood the problem needed to be addressed.

Councilmember Clark said he did not necessarily need this addressed for 10 days in a row but rather wanted a more concentrated effort to address traffic concerns while also increasing Police visibility. He requested the Police Department report back to the City Council with a plan on how to address this traffic issues.

Councilmember Hovland suggested speed trailers be placed at some of the hot spots.

Mayor Ryan recommended the Police Department speak with the County to have them do additional traffic patrols on their roadways as well.

Council Workshop Process

Councilmember Hovland requested further clarification on how the Council defined the term consensus and the process used for worksessions to reach consensus. Planning and Community Development Director Schafer explained the Council could offer support for items without taking a vote which provides staff direction on how to proceed.

Mayor Ryan agreed the Council had to be careful about how they offered their support for developments or issues.

Councilmember Swanson suggested the Council receive further training in this matter from the League of Minnesota Cities. Staff stated they would provide the Council with a refresher on the actions that could and could not be taken at a work session meeting.

Metro Cities

Councilmember Swanson commented on the committees he served on for Metro Cities and encouraged the new Councilmembers to consider serving on a committee with Metro Cities.

Meeting Cancellation

Public Services Manager Therres stated in the past the Council has canceled their first meeting in July due to the Independence Day holiday. He suggested the Council hold their regular meeting on July 13 with worksession meetings on July 13 and July 20. The Council supported this recommendation.

Wetland Tree Plan

Councilmember Clark requested staff draft a tree planting plan for the wetland area with a maximum budget of \$100,000. He stated he wanted to see a detailed trail and landscaping plan.

The Workshop was adjourned at 9:08 p.m.

Tom Ryan, Mayor

ATTEST:

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