

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Thursday, October 12, 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 (arrived at 6:55 p.m.), Wes Hovland, Julie Jeppson, Jason King, and Dick Swanson.

ABSENT: Councilmember Andy Garvais.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Interim Police Chief/Safety Services Manager Dan Szykulski; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; Public Works Director Jon Haukaas; City Attorney Patrick Sweeney; Communications Technician Roark Haver; Senior Engineering Technician Jason Sundeen; and City Clerk Catherine Sorensen.

3.1 MAC Parcel – 105th and Radisson (Land Use Discussion).

Planning and Community Development Director Schafer stated in September of 2015, after working with MAC for several months, the City Council created the PBD-A (Planned Business District-Airport) zoning district. In November of 2015 the City Council, at the request of MAC, rezoned two MAC parcels, one of which was the 105th/Radisson parcel, from Airport to PBD-A. MAC has been marketing the 3-acre site since that time. A potential buyer emerged early this spring and in discussions was suggesting they would like the ability to have gas sales as part of their proposal. They were aware the PBD-A does not allow gas and have been told the background on why the City Council did not want gas on this corner. The buyer recently asked to have a City Council workshop to discuss this further. Staff reviewed the rationale for not allowing gas on this site and requested feedback from the Council.

Councilmember Hovland asked if staff has heard anything more about a hotel near this property. City Manager Arneson indicated this project was still being worked on.

Councilmember Jeppson commented on how traffic would be impacted by pedestrians crossing 105th Avenue to Kwik Trip.

Doug Hoskinen, Dehl Properties, reported he had this property under contract with MAC and was completing due diligence. He stated there was no definite closing date and had been working on this project for over a year now. He requested the Council allow his project to be treated fairly and that the same consideration be made as was done with Kwik Trip. He stated he believed competition would benefit both

corners of this intersection and thanked the Council for their consideration of his request. He explained he had a restaurant and bakery lined up for this location.

Councilmember Swanson asked what benefit the City would receive by rezoning the property. He stated he did not believe there was any benefit to the City and therefore would not support the project.

Mayor Ryan agreed and commented on the history of gas station removals along the Highway 65 corridor. He reported the Council has been very clear about the redevelopment of this corner in the City and noted this property was not slated for a gas use.

Councilmember King stated he was not opposed to the request but explained he would like to see something better. He said he supported a restaurant in this area and encouraged the applicant to bring his request forward to the Council.

Councilmember Hovland stated he would like to know more about the surrounding projects before making a decision on this request.

Mayor Ryan commented on how the softball fields would be changing. He said he supported the applicant bringing their rezoning request forward and noted the Council could not take a vote on the item this evening.

Council consensus was to inform the applicant he could apply for their request, but it was noted the Council was unsure if there would be enough support to allow gas as a use on this site.

3.2 Discussion on Space Needs Study for Senior Center.

Public Services Manager/Assistant City Manager Therres stated at a recent workshop meeting, the future of the Senior Center was mentioned. It was suggested that a quote be obtained for doing a space needs analysis for a stand-alone Senior Center be obtained and that this information be brought back to a Council workshop for more discussion. Staff was able to obtain a quote from the 292 Design Group whose principals did the original space needs study for the Mary Ann Young Senior Center in 2008. Their proposal is to perform an updated space needs study for \$8,800. Staff requested feedback from the Council on how to proceed.

Councilmember Swanson said he wanted to see the senior space programmed to meet their needs. He explained the Senior Center was quite small.

Mayor Ryan said he did not support the space study being completed given the information the City already had from 2008. He said he also did not support the seniors being allowed to have storage in the Senior Center as this has backfired in the past.

Councilmember Hovland stated he would like to see the Senior Center move forward and be placed on a referendum in 2018. He indicated this matter was long overdue for the City's seniors.

Councilmember King said he understood the Senior Center was in poor condition and explained the last referendum was voted down. He questioned how the Council would gain support from the community. He suggested the plans for the Senior Center include phasing options. He stated he supported the Council pursuing the space needs study for the Senior Center and encouraged the Council to consider justification as to why this item was being placed on a referendum for 2018.

Councilmember Swanson explained that the City had more than enough money to cover the Senior Center without having to bond.

Further discussion ensued regarding the cost for a new Senior Center.

Councilmember Jeppson said she did not believe it was necessary to complete another space needs study and said she supported the findings within the previously completed study.

Councilmember Clark indicated he did not have a problem spending \$1.5 million on a Senior Center considering how much the City spends on other projects for the community without going to a referendum.

Councilmember Hovland requested the Council look at the hard numbers in further detail before making a decision on how to fund the Senior Center. He agreed this project was well within the scope of using City funds.

Councilmember Swanson agreed \$1.5 million was not an impossible number.

Councilmember King said he appreciated Councilmember Clark's comments but reiterated that the Senior Center issue just failed and for this reason he wanted to see it go to a referendum again to ensure the Council had public support.

Councilmember Hovland said he supported the City spending money to upgrade this facility as it was 30+ years old. He said he did not see the need to put the Senior Center on the referendum unless the Council planned to bond for the project.

Councilmember Clark recommended the Council proceed in a manner that the item will be on a referendum in 2018 and be addressed by the Council again in January. He said he did not believe another space study was necessary but requested staff update costs in order for this space to meet the needs of seniors both now and 20 years into the future. He stated he wanted to see the space be technology friendly while also allowing for exercise space.

Mayor Ryan stated he could support the study but indicated the City has already dealt with this company twice. He explained he was conservative and did not want to spend money if this was not necessary.

Councilmember Clark commented that the previous information gathered for the space needs study included information regarding a Community Center. He suggested a new study be completed for only the Senior Center.

Councilmember Hovland indicated he wanted to better understand the costs for a new Senior Center.

Councilmember Swanson stated he supported the space needs study being completed in order for the Council to better understand the needs of the seniors 20 years from now and indicated his support of pursuing the space needs study.

Councilmember Jeppson explained her frustration with last year's referendum was that it was quite vague and that in order for this item to move forward a space needs study would have to be completed.

Councilmember Clark recommended programming needs also be considered along with having the appropriate amount of space for seniors.

Councilmember Swanson commented on the importance of social activities for seniors and said he wanted to see the senior space meeting the needs of the seniors in the community through an updated space.

Council consensus was to move forward with the study update for possible referendum question in 2018.

3.3 Discussion on Space Planning for City Hall.

Public Services Manager/Assistant City Manager Therres stated as part of looking at future staffing and space needs plans, staff is recommending an architect assist in utilizing our existing City Hall space most efficiently and look at how and when the third-floor space should be utilized. Staff is looking for assistance in making the best use of the existing space in City Hall and also to develop a plan to move office space into the third floor. Staff has received a proposal from the 292 Design Group to do a Space Planning and Programming for Blaine City Hall. 292 Design Group is made up of several principals from the firm that did the original City Hall design. This proposal is for \$23,400. There are funds available for this study in our Building Maintenance Budget. Staff requested feedback from the Council on how to proceed.

Mayor Ryan asked if the election equipment would remain on the third floor. Public Services Manager/Assistant City Manager Therres reported this was the plan.

Councilmember Clark said he supported this item coming back to the Council for formal approval.

Council consensus was to bring this item forward for Council approval to authorize the study.

3.4 2018 Proposed Budgets – Water Utility Fund; and Sanitary Sewer Utility Fund.

Finance Director Huss presented the Council with preliminary budgets for the Water Utility Fund and Sanitary Sewer Utility Fund. He noted these funds currently had a shortfall and proposed water and sanitary sewer rate increases. These new rates were reviewed in detail and staff requested feedback from the Council.

Councilmember Hovland asked if water conservation efforts would impact the City's water fund. Finance Director Huss explained the budget was built on basic domestic needs of 8,000 gallons per month per residential property. He did not anticipate the City's water usage would decrease by 5% due to water conservation efforts. He stated most of the growth in water usage throughout Blaine was due to growth in the City and rates were set based on this growth and to allow the City to maintain its infrastructure.

Councilmember Clark questioned if a portion of the surplus could be applied to the shortfall to reduce the overall bonding cost. Finance Director Huss explained the reason the City had a surplus was in order to cover depreciation costs and in the event there was a major outage of the system.

Councilmember Clark stated it was his understanding the surplus was being put in place to cover the expense of a new water treatment plant. Finance Director discussed the City's Capital Improvement Plan for the new water treatment plant.

Mayor Ryan commented on how Hugo and White Bear Lake were being impacted by water shortages.

Councilmember Hovland asked why there was such a difference between the water and sewer rates. Finance Director Huss explained the rates for sewer were in line with the rates the City was charged by the Met Council.

Further discussion ensued regarding the water and sewer rates being charged by neighboring communities.

Mayor Ryan said he was proud of the fact the City would only be increasing its water rates by 60 cents over the past 30 years.

Councilmember Hovland asked where the City stood on the four new wells. Finance Director Huss noted these wells had been drilled in preparation for the new water treatment plant.

Councilmember King stated he supported the proposed rate increases.

Council consensus was to bring forward the rate increases as proposed by staff.

OTHER BUSINESS

Mayor Ryan provided the Council with an update on the Highway 65 Corridor.

The Council discussed meeting attendance. Mayor Ryan expressed frustration regarding meeting attendance and encouraged the Council to do their best to attend all City Council and workshop meetings.

Councilmember Jeppson encouraged staff to investigate ways to use technology more in order to assist with meeting attendance.

City Manager Arneson provided the Council with an update on the relocation of the Invictus transformer boxes and future sign location.

City Manager Arneson provided the Council with an update on the 105th Avenue reconstruction project.

The Workshop was adjourned at 8:30 p.m.

Dick Swanson, Mayor Pro Tem

ATTEST:

Catherine Sorensen, CMC, City Clerk

Submitted by TimeSaver Off Site Secretarial, Inc.