

CITY OF BLAINE
ANOKA COUNTY, MINNESOTA
CITY COUNCIL WORKSHOP
Monday, September 21, 2020

6:00 p.m.
Council Chambers
10801 Town Square Drive

CALL TO ORDER

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

ROLL CALL

PRESENT: Mayor Tom Ryan, Councilmembers Andy Garvais, Wes Hovland, Richard Paul, Jess Robertson, and Dick Swanson.

ABSENT: Councilmember Julie Jeppson.

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; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Dan Schluender; City Planner Lori Johnson; City Attorney Patrick Sweeney; Communications Technician Roark Haver; Communications Manager Ben Hayle; Water Resources Manager Rebecca Haug; and City Clerk Catherine Sorensen.

3.1 Development Proposal for 9440/9460 Ulysses Street NE.

City Planner Johnson stated the original developer of the Berkshire apartment complex in Blaine also owns two vacant lots to the east of the apartment building. The Berkshire apartment building is adjacent to the Northern Tool and the Teamsters office building of the Ulysses Street NE frontage road. The developer/owner would now like to pursue a land use change for these two vacant parcels to allow for the construction of another apartment building. The site is roughly two acres and it is currently zoned PBD (Planned Business District) with a land use of PI/PC (Planned Industrial/Planned Commercial). If apartments were to be constructed on these sites, the land use would need to be changed to HDR (High Density Residential). These two sites have been vacant for several years and the owner has not had success in attracting commercial tenants to these lots. The proposed apartment building on this site would consist of 63 units on 3 floors. Underground and surface stall parking would be provided. The building would be constructed with the same materials as the Berkshire building and would include stone/brick, cement board siding, glass and balconies. There would be a mix of studio, 1-bedroom and 2-bedroom units. It was noted the units would be market rate units and the developer/owner has completed a market study that shows the need for additional market rate housing in this area.

Councilmember Swanson stated he would be reluctant to support this request. He explained this building would be intimidating next to the mobile home park but understood there were only a few options for this property. He requested the applicant reconsider how the manufactured home park would be impacted by such a large building.

Mayor Ryan indicated he supported the proposed apartment building. He stated there was a demand for these types of apartment units in Blaine.

Councilmember Garvais asked how many years this property has been marketed at PI/PC. Ms. Johnson estimated the property had been on the market for 10 to 15 years.

Paul Tucci, representative for the applicant, explained he has been marketing this property for years. He explained several proposals have come forward but nothing has come to fruition. He reported the commercial, retail and restaurant market was not flourishing prior to the pandemic. He noted with the pandemic, this property would sit even longer. He indicated there was a demand in this market for apartments and therefore he believed this was the right use for this property.

Councilmember Garvais stated he supported the proposed use. He explained the property owner has tried to market the property for commercial use and has not had any success. He indicated by moving this project forward the City may have more flexibility with other HDR sites in the future.

Mayor Ryan commented Amcon would be the builder for this project and this developer has done a great job in the past. He anticipated the airport would have concerns about the height of the proposed building.

Councilmember Paul questioned if the applicant received any input from the adjacent residents. Mr. Tucci stated he has not had any neighborhood interaction to date. Ms. Johnson reported the approval for this project would require a neighborhood meeting.

Councilmember Hovland indicated he supported the proposed project. He stated his only concern was that the entrance and exit was located on a curve in the road. He recommended the applicant work with staff to address this concern.

Councilmember Robertson commented there appeared to be some hostility in the City towards apartment buildings. She recommended the City communicate properly with surrounding residents regarding this project. She questioned if staff knew the apartment occupancy rate in the City. She inquired if there was a positive to creating a densely populated area in the community. Community Development Director Thorvig stated developers are allowed to complete their own market analysis and this was allowed to dictate if projects move forward or not. He explained as the City continues to grow in population with more dense areas, this will attract commercial users.

Councilmember Hovland stated he would like to avoid large clusters of apartment buildings in any one area. He indicated this tends to lead to problems down the line.

Councilmember Swanson agreed stating he would like to see apartment buildings in the City more spread out and not clustered.

Council consensus was to support the project moving forward.

3.2 Wetland Credit Policy Discussion.

Councilmember Swanson stated it has been the NRCB's intent to preserve the purity of the wetland with the ability of some citizens to go through it. He commented the new Council will have to decide if this is still the mission of the wetland preserve then congratulated former Water Resources Manager Haffner for managing the trees and wetlands well.

Mayor Ryan indicated he would like to see the EDA paid back and made whole. He explained he would like the trail to go through the wetland as far as possible. He recommended the costs of restoration and future maintenance be further considered by the Council. He noted the costs for the wetland preserve were not a one time deal, but rather would be ongoing.

Councilmember Swanson stated the NRCB has given up on the idea of having a major educational building. He understood this building would come at a high expense and would take time to complete. He encouraged the Council to consider the future of the wetland preserve and how the future maintenance would be covered.

Councilmember Paul thanked staff for providing the Council with good direction on this item. He hoped that the new Council would be able to address the concerns surrounding the wetland preserve.

Mayor Ryan stated it may benefit the Council to hold a joint meeting with the NRCB.

Councilmember Swanson supported the EDA being fully paid back.

Councilmember Hovland commented he would like the trail to extend as far as possible into the wetland. He stated he would like to see the funds from wetland credit sales being put back into the wetland preserve maintenance along with an interpretive center. He recommended the EDA be repaid and that all other funds be dedicated for the wetland preserve.

Public Works Director Haukaas reported Water Resources Manager Haug had a short presentation regarding this matter. He noted the reduction in trails had been a result of Council conversations and this matter could be further discussed as the trails were not finalized. He stated the inclusion of an interpretive center was still being considered as well. He commented the intent would be for all wetland credits to take care of the wetland preserve first, even when considering long term maintenance. He indicated staff was looking forward to a joint meeting between the City Council and the NRCB.

Mayor Ryan discussed how different “open space” looked to different people. He explained he would like to ensure that the restored wetland areas are maintained going forward into the future. He noted this was a special area of the City and he wanted to see it protected and properly funded.

Water Resources Manager Haug stated at the August 17, 2020 City Council meeting, the Council authorized the sale of wetland credits to the Annandale Care Center for \$6,490.44. The sale of the wetland credits prompted the discussion about the history of where the funds are to be allocated. A completed chronology of the Blaine Wetland Sanctuary is discussed and includes the dates when motions for the creation of the Site 7 Wetland Bank were discussed. The March 20, 2014 staff report states the following: “The newly proposed banking project would be funded by the Open Space and Trails fund, with a potential of generating credits valued between \$1.8 and \$4.4 million. This would fund the maintenance of open spaces for many years to come without putting pressure on the General Fund.” The chronology includes a proposed plan for projects and a proposed budget for on-going and future costs at the BWS.

Ms. Haug reported the NRCB has been having discussions about future plans for the BWS and the city’s open spaces and trails and how to best spend the funds from the wetland credit sales. Because of the cost of the boardwalk, the NRCB is looking at reducing the miles of boardwalk as well as determining if an Interpretive Center is the best option for the northern parking lot since the area doesn’t have sewer and water available at this time. She commented a shelter may be a better option for now until sewer and water are available for the site. It was noted the interpretive signs have been well received by the public. If the Council wishes to change the allocation for the wetland credit sales, the NRCB will need to reevaluate the plans for

the other open spaces and trails in the City. The process followed for wetland credit sales was described. Staff requested the Council allow staff to approve wetland sales for 20,000 square feet or less at a rate of \$2.50 per square foot or higher. Further discussion ensued regarding the cost of the restoration work that has occurred to date, along with estimated costs for the future.

Mayor Ryan questioned how many miles of boardwalk was originally planned for the wetland sanctuary. Ms. Haug stated she did not recall this number.

Mayor Ryan recommended the City Council hold a joint meeting with the NRCB to discuss future plans for the BWS.

Councilmember Garvais supported the Council meeting with the NRCB to discuss priorities and goals. He agreed paying back the EDA should be a priority. In addition, he supported the City Manager being allowed to approve sales of wetland credits that were for 20,000 square feet or less at a rate of \$2.50 per square foot or higher.

Councilmember Swanson supported the City Manager taking this action as well. He recommended that if a shelter is pursued that it be planned for conversion into an interpretive center in the future.

Councilmember Robertson stated she valued the vision Councilmember Swanson and Mayor Ryan had for the wetland preserve and future shelter or interpretive center.

Council consensus was to pay back the EDA and to arrange a meeting with the NRCB. Staff was directed to bring forward for approval allowing the City Manager to approve sales of 20,000 square feet or less at a rate of \$2.50 per square foot or higher.

3.3 Proposed 2021 Facilities Management Fund Budget.

Finance Director Huss stated in 2019, as part of the city's efforts to stabilize its General levy and provide a mechanism for ensuring long-term funding of facilities improvements, the City Council authorized the creation of an internal service fund to account for Facilities. Internal service funds are used to account for the financing of goods and services provided by one department or activity to other departments or activities of the government on a cost reimbursement basis. The facilities managed under this fund include City Hall and attached garages, Public Works and the PW cold storage facility, the Police training facility and the Mary Ann Young Center. As activity in this fund was previously accounted for in the General Fund, in 2019 Council authorized a transfer from the General Fund to the Facilities Fund to provide the new fund with a start-up balance of \$250,000. This funding provided a contingency reserve for emergency or unforeseen repairs that might be needed before the fund has had sufficient time to build reserves.

Mr. Huss explained for 2020, Council approved an expenditures budget totaling \$1,071,370, including \$155,750 of capital improvements. A first draft of the Proposed 2021 Facilities Fund Budget was presented to the Council for review and discussion. Budget requests have been submitted and staff is reviewing the requests and integrating them into a recommended 2021 Facilities Fund Budget. Staff commented further on the Facilities Management Fund Budget going forward and asked for comments or questions.

Mayor Ryan stated the expense for the Public Works Facility roof was quite high but understood this was also very necessary.

Councilmember Garvais asked if an assessment had been done to move the City to a cloud environment. Mr. Huss reported this was done a few years ago and the City was moving more towards cloud based applications. He stated often times this was more cost effective.

Councilmember Paul requested further information regarding the maintenance costs at City Hall. Mr. Huss explained City Hall was almost 20 years old and there were deferred maintenance items that had to be addressed. He stated he was working to ensure the Council had a funding source for these items, which included Council chamber chairs, carpeting, etc.

3.4 CARES Funding/COVID Impacts/Other.

Mr. Huss provided the Council with an update on CARES Funding. He noted to date the City has identified \$1.8 million in expenses that could be covered by this funding. He explained the Council had approved a second round of funds (\$250,000) for small business assistance grants. He stated assistance in the amount of \$250,000 to non-profits and home based businesses was being considered as well. He indicated some AV improvements would be considered by the Council later this evening. He commented the Council had discussed providing assistance to Fogerty and the NSC. He requested direction on the dollar amount that should be allocated to these entities.

Mayor Ryan reported Fogerty was in dire need at this time. He discussed the concerns the NSC was facing and noted the velodrome had recently been demolished.

Councilmember Garvais asked if only past losses could be covered by CARES funding. Mr. Huss stated only actual expenditures for the City could be covered through November 15. He explained he was uncertain if this would be different for small businesses.

Councilmember Garvais stated he would like to see some type of program created to offer skating at Fogerty for younger children through the end of the year and for this expense to be covered by CARES funding. Mr. Huss reported the City can only use CARES funding on items that mitigate the spread of COVID-19. He explained the requirements for small businesses were different.

Councilmember Garvais indicated he would like to see all of the CARES funding dollars utilized between now and November 15. He recommended the City make these funds available to home businesses and non-profits.

Mayor Ryan commented the Second Harvest Food bank was putting out seven times more food this month than they were two months ago. He stated he would like to see the City offering assistance to this organization. Mr. Huss reported applications for non-profit businesses opened today.

Mr. Huss stated the last item for the Council to consider would be whether or not CARES funding should be offered to landlords who have lost revenue due to COVID. For time reasons, this item would be discussed at a future meeting by the City Council.

City Manager Wolfe reported Centennial schools have requested CARES funding to provide student protection, prevention, along with technology access. She questioned if the Council wanted to consider offering assistance to the school district.

Mayor Ryan asked if the school district received funding from the State. Ms. Wolfe reported the school district did receive some funding from the State and staff would have to further investigate this amount.

Councilmember Garvais stated he could support the City offering suicide and mental health support but did not support providing technology access at this time.

3.5 TH65 Update.

Mr. Haukaas stated the Council would be considering a grant opportunity for TH65 at the City Council meeting.

The Workshop was adjourned at 7:30 p.m.

Tom Ryan, Mayor

ATTEST:

Catherine Sorensen, CMC, City Clerk

Submitted by Minute Maker Secretarial