



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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### **DEVELOPMENT BUSINESS - *Lori Johnson, City Planner***

#### **CONSIDER THE REFERRAL OF A REZONING AND A COMPREHENSIVE PLAN AMENDMENT APPLICATION ON BEHALF OF THE CITY OF BLAINE TO THE PLANNING COMMISSION FOR THE PROPERTY KNOWN AS 10201 XYLITE STREET NE.**

#### ***Staff report prepared by Lori Johnson***

On January 20, 2021, the City Council discussed the future of the property at 10201 Xylite Street NE. This property is currently owned by Premier Banks and is zoned I-2 (Heavy Industrial). Premier Banks obtained the property via foreclosure in 2019. After a discussion on the merits of the current I-2 (Heavy Industrial) zoning of the property and the merits of a zoning change to I-1 (Light Industrial), the City Council indicated they would be supportive of processing an application to consider a zoning change to I-1 (Light Industrial).

As this would be a city-initiated zoning application, the City Council will need to make a formal motion to refer this application to the Planning Commission for their review and recommendation. This would direct staff to formally start the rezoning process for this parcel of land.

The current land use for this property is also HI (Heavy Industrial). Since it is required that the land use and zoning be compatible with each another, a comprehensive plan amendment to LI (Light Industrial) would also be required if the rezoning were to occur. Again, as this application would be initiated by the City, the City Council will need to include a referral of a comprehensive plan amendment to the planning commission for their review and recommendation for this property.

Below are excerpts from the report presented to the city council at the workshop meeting on January 20, 2021. This will provide further background information on this property.

It is recommended that if the City Council wishes to have staff start a rezoning and comprehensive plan amendment for 10201 Xylite Street NE, a motion should be made that includes the following language:

*Motion to refer a rezoning and comprehensive plan amendment application for the property known as 10201 Xylite Street NE to I-1 (Light Industrial) and LI (Light Industrial) to the Planning Commission for their review and recommendation.*

If the Council makes this motion, the rezoning and comprehensive land use amendment will be reviewed by the Planning Commission in March, and a public hearing would be held at that time for property owners within 350 feet of the property edges. The first and second readings of the rezoning and the comprehensive plan amendment would be reviewed by the City Council in late March and early April.

#### Staff report excerpts from January 20, 2021

*Mr. Larson was a landowner partner for the Sanctuary residential neighborhood to the north when it was developed in the early 2000s. Even though the properties were under the same original ownership, the subject property was not planned to be part of the Sanctuary residential development and therefore was not rezoned. The property is 18.50 acres with approximately 12 acres of upland. A majority of the wetland is located along the north and northeast portion of the property.*

*A development proposal was submitted in 2017 by Park Construction. Park Construction intended to develop the property for offices, interior equipment storage and an outdoor contractor yard. The proposal essentially maximized the site by filling 2.5 acres of wetland on the north and west portions of the site. The project required a conditional use permit (CUP) approval by the City Council. The CUP was denied by the City Council and the project did not move forward.*

*During the process concerns were brought forward by the adjacent residential property owners which generally focused on negative residential property value impacts, noise/odor, and visual impacts due to extensive outdoor storage. Screening efforts were made by the developer to attempt to mitigate these concerns. Discussion also occurred about the compatibility of I-2 zoning adjacent to residential property.*

#### Historic Zoning

*The property has been zoned I-2 (Heavy Industrial) since at least 1979. The Sanctuary neighborhood directly north of the subject property was historically zoned either industrial or agricultural up until the late 1990s/early 2000s when it was rezoned to R-1B to allow for residential development. Properties to the west, east and south have historically been zoned industrial.*

*The subject property is guided Heavy Industrial in the 2040 Comprehensive Plan which is consistent with the current zoning. Minnesota State Statute requires zoning and land use to be consistent regardless of the City's future vision for a property. Maps are included that show the*

*current zoning and 2040 Comprehensive Plan land use designations for the area.*

### *Zoning Information*

*The purpose of the I-2 district is to provide for the development of heavy industrial uses ranging from small to large scale industry with a need for outdoor uses and storage and related services. This district shall encourage the development of industrial uses accessible to major highways and utilizing city services of sanitary sewer, water, street, and storm drainage. **Such heavy industrial areas should be located next to light industrial and airport districts** and shall be free of hazardous or objectionable elements such as noise, odor, dust, smoke, glare, or other pollutants. The I-2 zoning district permits a variety of traditional industrial uses such as manufacturing, office, warehousing which is permitted in all industrial districts. I-2 zoning however allows more intensive uses and outdoor storage which require a conditional use permit.*

*There are two light industrial zoning districts identified as I-1 and I-1A. The purpose of these districts is to provide for the development of industrial uses ranging from small to large scale industry and related services. These districts shall encourage the development of industrial uses accessible to major highways and utilizing city services of sanitary sewer, water, street, and storm drainage. **Such light industrial areas can be located next to heavy industrial, commercial, residential, and airport districts** and shall be free of hazardous or objectionable elements such as noise, odor, dust, smoke, glare, or other pollutants. The I-1A zoning district allows minimal outdoor storage limited to a maximum of 50% of the total building footprint and requires appropriate screening. The I-1 zoning district allows no outdoor storage.*

*There are two other areas in Blaine where I-2 zoning exists adjacent to residential properties. Those areas are located off West Lakes Pkwy/Cloud Dr and 125<sup>th</sup> Ave and Xylite St and 85<sup>th</sup> Ave. In these instances, the I-2 properties had existing uses prior to the homes being built so the homeowners had a general idea of what existed prior to purchasing their homes.*

### *Recent Property Interest*

*Premier Banks had been working with an interested buyer that would have utilized the southern portion of the site for a new building and outside storage. The buyer had discussions with staff about a potential buffer between their use and the residential neighborhood. This would have required some type of economic development authority (EDA) assistance in order to make the project financially feasible. In the last two months the buyer determined not to proceed, therefore nothing was brought forward for the City Council/EDA to consider.*

*Premier Banks has been marketing the property since the previous potential buyer declined their interest. Staff has spoken with several interested parties which include uses that would meet the I-1 or I-1A zoning and also uses that would require the I-2 zoning.*

Zoning Discussion

*Staff would like the City Council to discuss the appropriateness of I-2 zoning for the property and whether there is interest from the Council in directing staff to bring forward a rezoning request to either I-1 or I-1A. Staff requested a legal opinion from the city attorney regarding rezoning the property and which been provided to the City Council via a confidential memo. A rezoning would also require a subsequent land use change in the 2040 Comprehensive Plan to Light Industrial which requires a supermajority (5 of 7 votes) approval. A letter has been provided by an attorney representing Premier Banks noting their opposition to a rezoning and desire for the EDA to purchase the property.*

By motion, refer a rezoning and comprehensive plan amendment application for the property known as 10201 Xylite Street NE to I-1 (Light Industrial) and LI (Light Industrial) to the Planning Commission for their review and recommendation.

Zoning Map

Land Use Map

Letter from Premier Banks' Attorney