



City of Blaine Anoka County, Minnesota Minutes EDA

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Wednesday, February 17, 2021

Council Chambers and due to the COVID-19 pandemic, city
meetings will also be held as virtual meetings

This meeting will take place immediately following the City Council meeting

1 Call to Order

The meeting was called to order at 8:58PM by President Sanders followed by the Roll Call. Due to the COVID-19 pandemic this hybrid meeting was held both virtually and in person.

2 Roll Call

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; City Engineer Dan Schluender; City Planner Lori Johnson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

Present: 7 - Commissioner Jeppson, Commissioner Robertson, Commissioner Paul, Commissioner Hovland, Commissioner Massoglia, Commissioner Smith, and President Sanders

3 Minutes

3-1

APPROVAL OF JANUARY 20, 2021 EDA MINUTES

Attachments: [Unapproved Minutes 1/20/21](#)

Moved by Commissioner Robertson, seconded by Commissioner Hovland, that the Minutes of January 20, 2021, be approved.

A roll call vote was taken. Motion adopted unanimously.

Aye 7 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia Commissioner Smith
President Sanders

4 New Business

4-1

Artis REIT Financing Proposal

Attachments: [Proposed Campus Site Plan](#)
 [Financial Assistance Narrative - Blaine 35](#)

Community Development Director Thorvig stated this item was discussed at the January 11, and February 1, 2021 City Council workshops. At the February 1, workshop there was general consensus from a majority of the city council/EDA to provide TIF to the project but also consider financial assistance for a portion of the wetland credits, however not the full amount. This was "Option 3" which provided a combination of TIF and wetland credits. It was noted this option provides the maximum amount of TIF to the developer. TIF would be provided by formation of a new economic development TIF district. Staff discussed the financing options in further detail and explained the EDA would need to determine how much price reduction in wetland credits they're willing to provide the project.

Alex Rexroad, Artis REIT, thanked the EDA for their time and consideration stating it was great to finally be in front of the EDA. He reported Artis REIT entered into a land contract with the property owner last August. He commented further on how the proposed plans were developed and noted the challenges on the site. He requested the EDA support the TIF district along with the requested wetland credit assistance. He explained the wetland credit assistance does not cover the full financial gap that comes with developing this site. He indicated costs for developing this site would only continue to increase as time went on and for this reason, he hoped the EDA would support his request.

Moved by Commissioner Hovland, seconded by Commissioner Jeppson, to direct staff to create a TIF district for the Artis REIT project be approved.

Commissioner Massoglia thanked Mr. Rexroad for attending this meeting. He commented he would be willing to meet Artis REIT in the middle, offering some level of TIF assistance, but not the proposed level. He understood this was a great property off of I-35W and while he wanted to see the site developed, he would not be able to support this motion.

A roll call vote was taken. Motion adopted 5-2 (Councilmembers Massoglia and Robertson opposed).

Commissioner Jeppson stated she would like to better understand where everyone stands prior to a motion being made regarding the wetland credits. She indicated she would support 100% of the ask. She noted this was a massive project that was challenging and she wanted to

support the successful business that was trying to complete this massive project. She anticipated this was a once in a lifetime project. She believed this request would move this project along and ensure it was completed in the city of Blaine.

Commissioner Smith agreed 100% of the wetland credits should be offered to bridge the gap for this enormous project.

Commissioner Massoglia was of the opinion offering \$2.6 million was enough and the EDA should not consider offering discounts on the wetland credits.

Commissioner Robertson stated she 100% supported this project but noted she was having trouble wrapping her head around the financing options. She commented she supported 100% of the wetland credits being offered at this time.

Commissioner Paul encouraged the EDA to consider the site and the positive impact of the project. He explained there was a need for industrial space in Blaine. He reported he supported the EDA offering wetland credits in order to secure this project.

President Sanders questioned how the EDA wetland bank would be impacted by this project if 100% of the credits were offered. Mr. Thorvig reported the wetland bank would have \$5.7 million in the fund based on the current value of wetland credits. He anticipated this value would go up over time. He discussed how this \$5 million could be used by the EDA to assist with future development in the city.

President Sanders stated he may not fully support the full amount being provided in wetland credits, however he wanted to see this challenging site developed and more jobs brought to the city of Blaine. He commented he could support 100% of the wetland credit if that was where the majority of the EDA was in order to get this project in the door. He believed this was a relatively small investment to make for the return the city would receive.

Commissioner Hovland indicated he was not previously in favor of giving up any wetland credits. However after more thought, he was willing to go to the 50% level. He was of the opinion this would be a fair compromise.

Commissioner Paul questioned how the developer would be impacted if the EDA were to support 50% of the wetland credits. Mr. Thorvig explained the developer would then have to pay \$322,344 in wetland credits.

Mr. Rexroad commented on the amount of due diligence he has completed to design and prepare this project. He stated the dollar amount may seem somewhat significant to the city but this was a significant number when considering the development of this site. He requested the EDA offer their full assistance and support to this project.

Commissioner Jeppson indicated she would like to see the EDA offering support to 100% of the wetland credits and not just 50%. She did not want the EDA to be divided on this development.

Commissioner Smith agreed he would like to see the EDA offering 100%.

Moved by Commissioner Hovland, seconded by Commissioner Massoglia, that Resolution No. 21-02, "Artis REIT Financing Proposal offering 50% of the wetland credits for a total of \$322,344," be approved.

A roll call vote was taken. Motion adopted 4-3 (Commissioners Jeppson, Robertson and Smith opposed).

Aye 4 - Commissioner Paul Commissioner Hovland Commissioner Massoglia
President Sanders

Nay 3 - Commissioner Jeppson Commissioner Robertson Commissioner Smith

Commissioner Jeppson stated she would like the matter reconsidered to see if there was EDA support for 100% of the wetland credits. City Attorney Nelson explained a motion to reconsider would have to be made by a member of the EDA that was in the majority. A motion was not made to reconsider action on the wetland credits at this time.

5 Other Business

None.

6 Adjournment

Moved by Commissioner Massoglia, seconded by Commissioner Hovland, to adjourn the meeting at 9:37PM.

A roll call vote was taken. Motion adopted unanimously.

Aye 7 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia Commissioner Smith
President Sanders