



City of Blaine

Economic Development Authority

July 1, 2024 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

AGENDA

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes**
 - 3.1. 2024-267 Approval of the May 20, 2024 Economic Development Authority Minutes
Sponsors: Erik Thorvig, Community Development Director
4. **New Business**
 - 4.1. 2024-186 Authorizing the EDA Right-of-Way Acquisition for the 2024 Southwest Area Street Reconstruction Project Improvement Project 24-07
Sponsors: Daniel Schluender, Director of Engineering
5. **Old Business**
6. **Adjournment**



City of Blaine

Economic Development Authority

May 20, 2024 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 8:31PM by President Sanders followed by the Roll Call.

2. Roll Call

PRESENT: President Tim Sanders, Commissioners Terra Fleming, Leslie Larson, Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. Approval of Minutes

3.1. 2024-784 Approval of the April 1, 2024 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

Moved by Commissioner Robertson, seconded by Commissioner Fleming, that the Minutes of April 1, 2024, be approved.

Motion adopted 5-0-2 (Commissioners Newland and Saroya were absent for the vote).

4. New Business

4.1. RES 24-63 Resolution Approving Loan Origination Contract Amendment

Community Development Specialist Showalter stated the EDA contracts with Center for Energy and Environment (CEE) for loan origination and servicing. A contract amendment is needed at this time to allow for CEE to originate loans for the new Manufactured Home Deferred Loan program that is being funded partially through a grant from the state housing finance agency and to extend the contract term for two additional years.

Moved by Commissioner Newland, seconded by Commissioner Robertson, to adopt a Resolution Approving the Loan Origination Contract Amendment.

Motion adopted unanimously.

- 4.2.** RES 24-65 Resolution Approving Lease Agreement for 1409 105th Avenue NE.
Sponsors: Erik Thorvig, Community Development Director

Ruth Tucker, Economic Development Coordinator, stated the EDA purchased this property in 2018 for \$340,000. It contains a small industrial building that was built in the 1970s. The corner of 105th Avenue/Highway 65 is identified as a redevelopment area in the 2040 Comprehensive Plan. There are four properties that could be part of a redevelopment. Two of these properties are EDA owned (1409 105th Avenue and vacant land to the north), and two of the properties are privately owned. Redevelopment is unlikely to be explored until completion of Highway 65 improvements in 2027. The EDA assumed an existing lease with a welding business when the property was purchased in 2018. The company notified staff they would be vacating the building on March 31, 2024. The owner of ABC Signs, who owns property adjacent, indicated a desire to lease the building from the EDA for storage. The EDA discussed this property at the April 8, 2024, workshop and was interested in leasing the property to ABC Signs. A draft lease has been prepared. Staff reviewed the general terms of the lease and recommended approval.

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adopt a Resolution Approving the Lease Agreement for 1409 105th Avenue NE.

Commissioner Newland commented the lease was substantially below market rate. He understood the area has no immediate redevelopment plans and asked if the rental rate would increase over time. Ms. Tucker indicated the EDA was not a mechanism to hold property and profit off of it, but rather worked to cover fees.

Motion adopted unanimously.

- 4.3.** RES 24-102 Resolution Approving Purchase and Lease Agreements for 2190 106th Lane NE
Sponsors: Erik Thorvig, Community Development Director

City Attorney Loonan stated that in December 2023, city staff was approached by an

attorney representing Latzke Industrial Holdings, LLC, who owns property at 2190 106th Lane inquiring whether the EDA may be interested in purchasing the property prior to the owner putting the property on the market for-sale. The property is within the 105th Redevelopment Area where the EDA has been active in acquiring property since 2016. The EDA held several closed sessions to discuss offers for the property. The seller has agreed to the sale price of \$708,111, which is consistent with the offer authorized by the EDA. The following are general terms that each party would consider as part of the purchase agreement:

1. Purchase price of \$708,111.
2. \$150,000 non-refundable earnest money.
3. Closing on or before June 30, 2024.
4. EDA would purchase the property as-is, no inspections, no due-diligence period.
5. Seller and EDA would enter into a leaseback agreement where the seller could occupy the building for a period of up to 12 months as they identify a new location. The lease term would be \$1. The seller would be responsible for all maintenance, utilities and up-keep of the property during the lease term. The seller could terminate the lease agreement upon 30-days notice. The terms of the lease are consistent with other leaseback arrangements the EDA has made with other properties purchased (e.g. Blake Drilling, Dusty's Auto).

Mr. Loonan commented on the purchase and lease terms further and recommended approval.

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adopt a Resolution Approving the Purchase and Lease Agreements for 2190 106th Lane NE.

Commissioner Saroya asked who would be the owner of this property after the 105th Area Redevelopment project occurred. Mr. Loonan stated this is yet to be determined.

Motion adopted 6-1 (Commissioner Saroya opposed).

5. Old Business

None.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Fleming, to adjourn the meeting at 8:43PM.

Motion adopted unanimously.



City of Blaine Staff Report

File Number: 2024-186

Agenda Date	Status
July 1, 2024	
In Control	File Type
Economic Development Authority	Motion

New Business - Daniel Schluender, Director of Engineering

Agenda Item # 4.1

Authorizing the EDA Right-of-Way Acquisition for the 2024 Southwest Area Street Reconstruction Project Improvement Project 24-07

Executive Summary

The City Council previously authorized the design and preparation of plans and specifications for improvements to the 2024 Southwest Area Street Reconstruction. The proposed improvements require permanent easements to be acquired from 12 different adjacent properties to complete the project as designed. Two of these properties are owned by the City of Blaine Economic Development Authority (EDA).

Background

The project will reconstruct the following streets:

Area 1

- 89th Avenue (from University Avenue to MN Trunk Highway 65)

Area 2

- 85th Avenue (from dead end west of Lincoln Street to Central Avenue Service Road)
- Lincoln Street (from 85th Avenue to 89th Avenue)

Area 3

- 85th Avenue (from Lincoln Street to MN-65)

Area 4

- Central Avenue Service Road (From 500 feet south of 87th Avenue to the cul-de-sac just south of 89th Avenue)

The City entered into a contract with Henning Professional Services (HPS) to provide Right-of-Way

acquisition services for the project. The proposed improvements require permanent easements to be acquired from 12 different adjacent properties to complete the project as designed. HPS is negotiating easements for 10 of these properties. The remaining 2 properties are owned by the City of Blaine EDA. Below is a description of the needed sidewalk easements, and attached are the respective Certificate of Easements.

- 600 square foot permanent sidewalk easement over PID #31-31-23-23-0003.
- 162 square foot permanent sidewalk easement over PID #31-31-23-23-0004.

City Council is being asked to authorize the Mayor and City Manager to acquire the above easements for the 2024 Southwest Area Street Reconstruction Project.

Strategic Plan Relationship

The project aligns with the City's strategic initiatives for growth management and providing well-maintained infrastructure by providing high-quality street surfaces.

Board/Commission Review

Not applicable

Financial Impact

The project will be funded by a combination of assessments and bond proceeds placed in the City Pavement Management Program (PMP) Fund, Public Utility Funds and Municipal State Aid System Funds. The 2023 CIP PMP project budget included \$113,500 for consulting and the 2024 PMP CIP includes \$5,760,000 of funding for consulting, construction, and contingencies for a total PMP project budget of \$5,873,500. Stormwater, Sanitary Sewer and Water Utility Funds also had CIP budget amounts appropriated as listed in the table below.

Funding Source	Appropriated Amount	Amended Appropriation Including Contingency
PMP Funds (T2407)	\$4,123,500	\$5,504,800
State Aid Municipal Funds (T2407)	\$1,750,000	\$1,750,000
Water Utility Funds (U2415)	\$521,000	\$1,234,300
Storm Utility Funds (U2350)	\$500,000	\$500,000
Sewer Utility Funds (U2404)	\$93,000	\$93,000
Total	\$6,987,500	\$9,082,100

The amended appropriation was formally approved at the [May 6, 2024, City Council meeting](#). The contract for right-of-way acquisition is anticipated to be contained within the existing appropriation,

which was formally approved at the May 6, 2024, City Council meeting in connection with the award of bid for construction services. Staff is not recommending any additional amendments at this time.

To date, \$1,049,023.49 has been encumbered for engineering consulting fees, leaving a remaining total project budget of \$8,033,075. Staff anticipates improvements to begin in 2024 and be completed in 2025. Based on the progress of the project, bonding for 2024 pavement management projects may be sized accordingly. Upon issuance of the bonds, the City Council will approve annual debt service property tax levies and utility rates to fund the repayment of the bonds.

Public Outreach/Input

The project is being conducted pursuant to MN Statutes, Chapter 429 and is compliant with all public notification requirements thereof.

Staff Recommendation

By motion, authorize the President and City Manager to acquire the needed easements on properties owned by the City of Blaine Economic Development Authority, PID #31-31-23-23-0003 and PID #31-31-23-23-0004, for the 2024 Southwest Area Street Reconstruction project.

Attachment List

1. Easement Exhibit - PID 31-31-23-23-0003
2. Easement Exhibit - PID 31-31-23-23-0004
3. 24-07 EDA Parcel Map

BLAINE ECONOMIC DEVELOPMENT AUTHORITY
PROPERTY ID: 31-31-23-23-0004

AUDITORS
SUBDIVISION NO. 143
LOT 3



ADDRESS: 173 89TH AVE NE
PROPERTY ID: 31-31-23-23-0005

BLAINE ECONOMIC DEVELOPMENT AUTHORITY
PROPERTY ID: 31-31-23-23-0003

4.0

4.0

S 89°53'06" W 150.00

33

33

89TH AVENUE NE

EASEMENT DESCRIPTION

A permanent public sidewalk easement over, under and across the South 4.00 feet of Lot 3, AUDITORS SUBDIVISION No. 143, according to said plat on file and of record in the office of the County Recorder, in and for, Anoka County, Minnesota, Except the West 50 feet of said Lot 3 lying South of the North 156 feet thereof.

SURVEYOR'S CERTIFICATION

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Ron P. Alwin
License Number 17765

04/17/2024
Date



SIDEWALK EASEMENT

AREA = 600 Sq Ft or
0.013 Ac.

CERTIFICATE OF EASEMENT PARCEL 31-31-23-23-0003



**BOLTON
& MENK**

3507 HIGH POINT DRIVE NORTH
BUILDING 1 - SUITE E130
OAKDALE, MN 55128
(651) 704-9970

PART OF:
LOT 3
AUDITOR'S SUBDIVISION NO. 143
ANOKA COUNTY, MINNESOTA
FOR: CITY OF BLAINE



VICTORIA ESTATES, LTD
PROPERTY ID: 31-31-23-23-0058

BLAINE ECONOMIC DEVELOPMENT AUTHORITY
PROPERTY ID: 31-31-23-23-0004

BLAINE ECONOMIC DEVELOPMENT AUTHORITY
PROPERTY ID: 31-31-23-23-0003

3.0
S 89°53'06" W
53.51

33

33

89TH AVENUE NE

EASEMENT DESCRIPTION

A permanent public sidewalk easement over, under and across the South 3.00 feet of the West 50 feet of Lot 3 of AUDITORS SUBDIVISION No. 143, according to said plat on file and of record in the office of the County Recorder, in and for, Anoka County, Minnesota.

SURVEYOR'S CERTIFICATION

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Ron P. Alwin
License Number 17765

04/17/2024
Date



SIDEWALK EASEMENT
AREA = 162 Sq Ft or
0.003 Ac.

CERTIFICATE OF EASEMENT PARCEL 31-31-23-23-0004



**BOLTON
& MENK**

3507 HIGH POINT DRIVE NORTH
BUILDING 1 - SUITE E130
OAKDALE, MN 55128
(651) 704-9970

PART OF:
LOT 3
AUDITOR'S SUBDIVISION NO. 143
ANOKA COUNTY, MINNESOTA
FOR: CITY OF BLAINE

