



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.



Signed by

Tim Sanders, President

Attest by:

Catherine M. Sorensen, CMC, City Clerk