



City of Blaine

Economic Development Authority

February 19, 2025 | 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. 2025-65 Approval of the December 16, 2024, Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director
4. **New Business**
 - 4.1. RES 25-13 Resolution Accepting CDBG Funds for the Heat Tape Replacement Program
Sponsors: Elizabeth Showalter, Community Development Specialist
5. **Old Business**
6. **Adjournment**



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MINUTES

1. Call to Order

The meeting was called to order at 8:59PM by President Sanders followed by the Roll Call.

2. Roll Call

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

ABSENT: Commissioner Lori Saroya.

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 Administrative Services Scott Johnson; Finance Analyst Nikki Beckers; Senior Parks and Recreation Manager Jerome Krieger; Director of Engineering Dan Schluender; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. Approval of Minutes

- 3.1.** 2024-596 Approval of the October 21, 2024, Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

Moved by Commissioner Newland, seconded by Commissioner Robertson, that the Minutes of October 21, 2024, be approved.

Motion adopted unanimously.

4. New Business

**4.1. 2024-551RES Adopt the 2025 EDA Fund Budget and Property Tax Levy
24-231**

Sponsors: Jason Zimmerman, Finance Director

Finance Analyst Nikki Beckers stated the Board is asked to adopt the 2025 Property Tax Levy and EDA Budget. The proposed 2025 property tax levy for the Blaine EDA was adopted on September 16, 2024, and was certified at \$1,150,000, with the intention of committing the entire 15 percent increase from the 2024 EDA levy for capital investments and strategic development within the City. None of this additional funding will be available for administrative or overhead costs associated with the operation of the EDA. As a reminder, this amount can only be reduced at the time the final levy is set per MN State Statute. In November 2024, parcel specific estimates of property taxes for 2025 were mailed by the County Property Tax Department to property owners. The estimated taxes were based on the proposed tax levy adopted at the September 16, 2024, EDA Board Meeting.

Mr. Zimmerman explained the EDA tax levy was increased from \$750,000 to \$1,000,000 in 2023 to provide funding for capital related projects including land acquisition, development assistance, and supporting redevelopment activities. The final 2025 EDA levy is proposed to equal the amount adopted in September of \$1,150,000. As previously noted, while the baseline 2025 EDA operating budget aligns closely with prior years, the 15 percent increase to the proposed EDA levy dedicates \$150,000 to the same targeted development/redevelopment initiatives as the 2023 increase. This additional funding would act as a bridge to provide the EDA with capital should strategic opportunities arise in the near future and before the EDA is reimbursed for property within the 105th Redevelopment Area. The median value single family property in Blaine valued at \$339,900, which experienced an increase in valuation of 3.82 percent, is estimated to have the EDA's share of their property tax bill increase by approximately \$4.64 or 19.1 percent for 2025. As a reminder, assessed values are still subject to change slightly. The proposed levy is anticipated to result in an approximate tax capacity rate of 0.894 percent.

Moved by Commissioner Robertson, seconded by Commissioner Newland, to Adopt the 2025 EDA Fund Budget and Property Tax Levy.

Commissioner Massoglia thanked staff for the fund budget summary for the EDA. He asked that staff provide this information to the Council going forward for both the EDA and general fund budgets. He commented he was on board with doing more strategic investing in the community like the EDA has been doing, but noted almost half of the levy was going to the general fund for levy fees. He suggested the EDA budget be amended to include \$250,000 from the general fund administrative fees to be designated for strategic property development.

Moved by Commissioner Massoglia to include \$250,000 from general administrative fees to be designated for strategic property development. Motion failed for lack of a second.

Commissioner Robertson recommended this topic be further discussed by the budget subcommittee in 2025.

Commissioner Larson stated she did not offer a second to the motion because she does not

support raising the EDA levy because people were struggling.

Motion adopted 4-2 (Commissioners Larson and Massoglia opposed).

5. Old Business

None.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adjourn the meeting at 9:14PM.

Motion adopted unanimously.



City of Blaine Staff Report

File Number: RES 25-13

Agenda Date	Status
February 19, 2025	
In Control	File Type
Economic Development Authority	Resolution
New Business - Elizabeth Showalter, Community Development Specialist	

Agenda Item # 4.1

Resolution Accepting CDBG Funds for the Heat Tape Replacement Program

Executive Summary

Anoka County awarded the EDA \$60,000 to administer a heat tape installation program for owner occupants of manufactured homes. The resolution accepts those funds and authorizes the Executive Director to execute any related agreements. The resolution also authorizes the Executive Director to accept additional funds if needed.

Background

Anoka County received an allocation of COVID Relief Community Development Block Grants (CDBG - CV) in 2020. The funds can be used for projects or services that meet a CDBG National Objective and prevent, prepare for, and respond to coronavirus. Funds must be spent by March 2026, or returned to the federal government. EDA staff have been working to identify funding sources for low cost repairs to manufactured homes that are not well addressed by current programs that generally fund projects over \$5,000.

One common request for assistance with low-cost repairs in manufactured home parks is heat tape installation and repair. Water lines for site built homes are run underground directly into the home, ensuring the lines are well insulated. Since manufactured homes are installed either on blocks or piers, the water line cannot be directly connected from the ground to the home. Typically a water riser is installed either outside of the home or within the skirting, and then the line is run within the skirting to service the home. The skirting provides some limited insulation, but to prevent freezing, a product called heat tape is used to prevent lines from freezing. Heat tape is a flexible tape with a heating element running throughout that is wrapped around water pipes to prevent freezing. Heat tape typically lasts 3-5 years before requiring replacement. Many homeowners install and replace their own heat tape. However, improper installation is a fire hazard and installation is a physically challenging task. Since heat tape is necessary for consistent access to running water, which is a way to prevent the spread of respiratory disease, a heat tape replacement program for low-income owner occupants is a

qualifying use of CDBG - CV.

Staff submitted an application for \$60,000 of CDBG - CV funds to Anoka County to fund an EDA run program providing heat tape installation and repair on 20 homes, including skirting repair on 10 of those homes. The Anoka County HRA awarded the requested \$60,000 to the EDA on January 27. The EDA would contract with a single installer, following a competitive selection process. Staff will accept applications for participation and coordinate on site work with the contractor to allow the contractor to complete work on multiple nearby homes on a single trip, reducing costs. Staff requested a range of costs for heat tape installation from a contractor who installs heat tape on homes in Blaine, and \$500-\$2,000 was the estimated range, not including any skirting or insulation repair. Based on that range, the funds should be sufficient for 20 homes, with an average cost of \$3,000. Staff expects that most installations will be substantially less than \$2,000 and more than 20 households will be able to receive assistance.

The resolution accepts the \$60,000 and authorizes the Executive Director to execute any agreements related to the award. If CDBG - CV funds remain available, Anoka County staff indicated a willingness to accept a request for additional funds for the EDA to fund additional homes, if interest in the program exceeds the funding capacity of the first \$60,000 award. The resolution also authorizes the Executive Director to accept up to \$100,000 in additional funds if appropriate based on utilization of the initial award.

CDBG funding has numerous rules associated with it which will impact the administration of this program. Staff will use this program as a pilot to determine whether using CDBG to fund other similar programs in the future is an effective use of staff time and whether the additional regulations on use of funds prevents utilization of the funds.

Strategic Plan Relationship

Use of CDBG - CV funds supports the goal of the strategic plan to increase non-tax revenues.

Board/Commission Review

Not applicable.

Financial Impact

All program costs will be covered by the CDBG - CV award and there is no matching requirement. Administration of the program can be completed by existing staff.

Public Outreach/Input

Staff has heard from residents over the past several years that are seeking assistance with heat tape installation or maintenance, which is poorly addressed by existing grant and loan programs.

Staff Recommendation

By motion, adopt the resolution.

Attachment List

None



City of Blaine

Signature Copy

Resolution: RES 25-13

Resolution Accepting CDBG Funds for the Heat Tape Replacement Program

WHEREAS, Anoka County has CDBG - CV funds available for use on projects that meet HUD requirements; and

WHEREAS, the installation of heat tape on homes occupied by low and moderate income households is an eligible use of CDBG - CV; and

WHEREAS, residents have identified a need for assistance with heat tape installation; and

WHEREAS, the Anoka County Housing and Redevelopment Authority awarded \$60,000 in CDBG - CV funds to the Blaine EDA at its January 27, 2025 meeting;

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby accepts \$60,000 in CDBG - CV funds from Anoka County and authorizes the Executive Director to execute agreements with Anoka County related to the acceptance of these funds.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to accept up to \$100,000 in additional CDBG - CV funds from Anoka County if determined by the Executive Director to be appropriate based on the utilization of the initial \$60,000 and availability of additional CDBG - CV funds.

PASSED by the Blaine Economic Development Authority this 19th day of February, 2025.