



City of Blaine

Economic Development Authority

April 7, 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. 2025-80 Approval of the February 19, 2025 Economic Development Authority (EDA) Minutes.

Sponsors: Erik Thorvig, Community Development Director

4. New Business

4.1. RES 25-60 Resolution Approving a \$75,000 Loan to The Wild Hare Blaine LLC for Build Out of Space at 10340 Baltimore Street NE, Suite 100.

Sponsors: Erik Thorvig, Community Development Director

5. Old Business

6. Adjournment



City of Blaine

Economic Development Authority

February 19, 2025 | 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 8:40PM by Vice President Robertson followed by the Roll Call.

2. Roll Call

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

ABSENT: President Tim Sanders.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Assistant Community Development Director Sheila Sellman; Community Development Specialist Elizabeth Showalter; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

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

Moved by Commissioner Newland, seconded by Commissioner Massoglia, that the Minutes of December 16, 2024, be approved.

Motion adopted unanimously.

4. New Business

- 4.1.** RES 25-13 Resolution Accepting CDBG Funds for the Heat Tape Replacement Program

Community Development Specialist Showalter stated 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.

Moved by Commissioner Newland, seconded by Commissioner Larson, to adopt a Resolution Accepting CDBG Funds for the Heat Tape Replacement Program.

Commissioner Massoglia asked if staff would be seeking a contractor to complete the heat tape work. Ms. Showalter explained in order to utilize CDBG funding the city had to have sealed bids. She reported staff was working on a bid package with pricing per linear foot for heat tape and various other line items. She commented staff would then enter into a contract with the low bidder for up to \$60,000 of installation. She explained homeowners could then apply to the program and a bundled list would then be provided to the contractor.

Commissioner Newland questioned when the program would be available for manufactured homeowners. Ms. Showalter anticipated the program would be available mid-April with heat tape installation occurring this summer.

Motion adopted unanimously.

5. Old Business

None.

6. Adjournment

Moved by Commissioner Newland, seconded by Commissioner Fleming, to adjourn the meeting at 8:48PM.

Motion adopted unanimously.



City of Blaine

Staff Report

File Number: RES 25-60

Agenda Date	Status
April 7, 2025	
In Control	File Type
Economic Development Authority	Resolution

New Business - Erik Thorvig, Community Development Director

Agenda Item # 4.1

Resolution Approving a \$75,000 Loan to The Wild Hare Blaine LLC for Build Out of Space at 10340 Baltimore Street NE, Suite 100.

Executive Summary

Consider approving a \$75,000 loan to The Wild Hare Blaine LLC for build out of space at 10340 Baltimore Street NE, Suite 100.

Background

In 2019, the Blaine Economic Development Authority established a commercial loan program. The intent of this program is to provide additional financial assistance to small business owners who are improving an existing building and/or redeveloping a commercial or industrial property. In general, projects will increase tax base, improve blighted properties, increase employment, and/or bring properties into conformance with existing city and state codes.

The program is structured to assist with exterior site improvements such as parking lots, signs, trash enclosures, fences, and landscaping; exterior building improvements such as additions, windows, awnings, masonry repairs and exterior finishes; and demolition of existing buildings, parking areas or signs. It can be used for existing commercial and industrial buildings and sites, or buildings/improvements that are part of a redevelopment. The program was amended in 2022 to allow for fixed assets to be an eligible cost to expand the program to more businesses, particularly restaurant/hospitality uses that often incur extraordinary expenses when converting existing spaces.

The EDA identified \$250,000 for this program. Three businesses have utilized this program.

- Kingdom Baking - \$68,272 to demolish an old gas station and construct a new bakery at 10130 Sunset Avenue. Current balance: \$57,988
- 4 Taps LLC (Rusty Bumblebee) - \$75,000 to remodel a vacant retail space for a tap wall/restaurant at 10950 Club West Parkway. Current balance: \$61,109

- Fresh Picked Pizza - \$29,014 to demolish an old nursery and construct a new restaurant at 8685 Central Avenue. Property was foreclosed and the EDA recovered \$10,000 through the foreclosure process.

The Wild Hare Blaine LLC has requested a loan of \$75,000 to remodel the space at 10340 Baltimore Street NE, Suite 100. The space was formally occupied by Umi Sushi. This building is located at the National Market Center on the southwest corner of 104th Avenue and Baltimore. The Wild Hare entered into a new 10-year lease for the space in early 2025. The business concept is a restaurant with a focus on fresh ingredients free of processed foods, seed oils, etc. A business plan is included in the attachments which explains the business model.

The total project cost for the build-out of the space is \$250,000. At least 50% of the financing must come from a private lender or private equity. The applicant has committed private equity in the amount of \$175,000 therefore the requirement is met.

Staff is proposing a loan based on the following terms:

- Amount - \$75,000
- 10-year term
- Defer first payment until January 2026
- 7% interest

The City has a partnership with Central Minnesota Development Company (CMDC) to review loan applications and provide loan closing services. CMDC completed a thorough underwriting of the application and recommends approval of the loan. If approved, CMDC will prepare loan documents for signing. The loan documents will include loan security and guaranty identifying that the note shall be secured by a security interest in the assets of the borrower and personal guarantees. Because no other private financing is involved, the EDA's loan will be in first position.

Strategic Plan Relationship

Not applicable.

Board/Commission Review

By motion, adopt the resolution.

Financial Impact

The EDA dedicated \$250,000 from the EDA general fund for the revolving loan program. To date, three loans have been approved totaling \$179,359. The EDA has received repayment of approximately \$48,000 from these three loans. The proposed loan is \$75,000, therefore, there is financial capacity in the program to approve the loan.

Public Outreach/Input

Not applicable.

Staff Recommendation

Attachment List

1. Strategic Business Plan and Pro Forma The Wild Hare



City of Blaine

Signature Copy

Resolution: RES 25-60

Resolution Approving a \$75,000 Loan to The Wild Hare Blaine LLC for Build Out of Space at 10340 Baltimore Street NE, Suite 100.

WHEREAS, the Blaine Economic Development Authority created a commercial loan program in 2019; and

WHEREAS, The Wild Hare Blaine LLC has requested a loan in the amount of \$75,000 to occupy space at 10340 Baltimore Street NE; and

WHEREAS, the Blaine Economic Development has considered the recommendation by Central Minnesota Development Company (CMDC) who has reviewed the application and applicable loan documents.

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves a loan with The Wild Hare Blaine LLC and directs the president, executive director, and community development director to facilitate closing of the loan and execute any necessary documents.

PASSED by the Blaine Economic Development Authority this 7th day of April, 2025.



Strategic Business Plan and Pro Forma

Executive Summary

The Wild Hare was established in 2021, and opened its doors to the public February 2022 in downtown Stillwater, MN. Our idea was to take basic dive bar favorites, and to increase the nutritional quality, with the thought process of epic food, epic service, epic sustainability. From using heart healthy rice bran oils in our fryers, organic ingredients whenever possible, and mapping macronutrient profiles on every dish, we successfully merged the two fields and wrapped them in an exciting decor nostalgic to the 90's. The corporate name is Rusty Mile LLC., DBA The Wild Hare, operating as an LLC.. From day one of opening, it has been a tremendous success. The public loved the idea, and continues to praise the combination of the two styles as a place where literally anyone feels welcome. Our kitchen is 95% gluten free, the only gluten based items are the buns for sandwiches, but there are gluten free buns available at no charge. We wanted to create a menu that allows for all eating styles, whether gluten free, vegan, keto, we can quickly modify items on the fly and have created a system to allow for fast consistent service. Press includes multiple periodicals and interviews, blogs, Fox 9 news coverage, and many more scheduled in the upcoming weeks. We are beyond excited to open our Blaine location to the public in summer 2025, located at 10340 Baltimore Dr NE.

Company Description

Business Structure:

The Wild Hare was established as an LLC. as Rusty Mile LLC, DBA The Wild Hare, run by owners Dariush and Sarah Moslemi. Our Blaine location is also established as an LLC., The Wild Hare Blaine LLC. We have diversified our partnerships in Blaine, bringing on local contractor and marketer Eric Stormoen as a minority partner.

Nature of the Business:

The Wild Hare is a full service restaurant operating 7 days per week, opening daily at 11:00am. We have full liquor service, create in house juices, smoothies, cocktails, coffee, soda and full food menu. Ranging from gluten free cheese curds, burgers (which can be made vegan with our proprietary caulafel (a play on falafel mixed with cauliflower to lower the calorie and carb count), to vegan available bowls with the option to add proteins of your choice, it was designed with modern dietary needs and diversity in mind, all wrapped in a nostalgic 90's theme to make it fun and accessible. All our proteins are locally sourced, grass fed beef, hormone free pasture chicken, healthy and happy animals.

Industry:

The Wild Hare operates in the restaurant/bar industry, but also has merchandise available for sale.

Background Information:

Dariush and Sarah Moslemi have founded several businesses throughout the twin cities. Their first business, Studio One Yoga LLC, opened the doors to the public in November 2011. It was a small cute space (1200 sq ft), and was built with the idea of a test platform, to see if hot yoga was a program that could work in downtown Stillwater. It grew very quickly, and opened in a larger location (3300 sq ft) in 2013 down the street. That location is still in operation to this day, and grew to open locations in Roseville, MN (2016), and White Bear Lake (2017). Today it is one of the largest operating yoga studios in the twin cities and boasts multiple awards for community involvement, quality and service. In 2018 they became accredited with the Department of Higher Education and were certified to become a yoga college, where they continue to train future yoga

teachers to this day. In addition to operating the yoga studios, Dariush worked in the restaurant business as a server, bartender, manager and kitchen help from 1999 to 2017, and the couple was ready to grow into more ownership. Seeing this opportunity, they opened the first speakeasy in downtown Stillwater, The Velvetten, in 2017. It quickly became an award winning location for decor, service, cocktails and food. As that entity grew, they partnered with neighbors The Lumberjack (an axe throwing bar) in 2019, and assumed the position of running their food service program, capturing 100% of all food sales at their location. The following year led into the Covid crisis, and they had to quickly pivot to keep all business entities alive. Sarah designed and created online platforms for both yoga classes and yoga teacher training, which allowed them to keep the fitness locations afloat. Dariush and former manager Marcus Clark ran an online cocktail training program twice per week so fans of The Velvetten could make their favorite cocktails from home. They also quickly designed and built an exterior patio in conjunction with the City of Stillwater, and operated that patio from 2020-2021. Sarah and Dariush realized that their business model had vulnerabilities, and quickly took to developing plans for the future. During the crisis, Sarah learned how to make candles, and began to scale quickly. During that same period, the couple created the idea for The Wild Hare at a location where delivery service could be very easily realized. As The Velvetten was underground, great for a speakeasy, not good for a pandemic, plans ensued and the two new entities, Carpe Noctem Candle Co., and The Wild Hare began to take flight. The build-out process during the crisis was extremely challenging, but they navigated the material shortages, contractor availability and were able to open Carpe Noctem Candle Co. in downtown Stillwater in June 2021. The shop became an overnight success and grew so quickly that they needed to create a manufacturing warehouse to keep up with demand, which opened in August 2021. They now have multiple private label contracts, wholesale division, online sales, retail sales, and Sarah created the pour your own experience where people can take workshops and make their own candles. The business grew so fast that in 5 months it paid for its entire build out, inventory and start-up costs putting it in the black 3 years ahead of schedule. Not long after, The Wild Hare opened in February 2022. Thinking the candleshop's growth was unbeatable, The Wild Hare proved them wrong. Located in a 2100 sq ft stand alone building, the new restaurant was packed, and has been ever since. Its design from day one was to be a test platform, to see if the model worked, if the public wanted a fusion in this style. It was always planned to quickly scale and open multiple locations if that was the case at the pace of cash flow and profitability, it has proven that it can grow very quickly in multiple locations, and can even self fund. All partners that were taken on during the past decade have been bought out, leaving Sarah and Dariush as the sole owners of all 9 locations, with the exception of The Velvetten which has a single partner, Brett Madden, still owning 24% of the business. In 2023, the couple expanded Carpe Noctem Candle Co to Las Vegas, opening in March 2023, partnering with Nikki and Mimmo Ferraro of Ferraro's Italian Eatery, internationally award winning, and a month later, opened You and Me Cafe in Stillwater, Mn in the former Chilkoot Cafe space. They signed on the Blaine location for The Wild Hare in January 2025, and began construction on the space in February 2025 expecting to be open to the public in summer 2025.

Business Objectives:

Growth, health and fun! To share the concept with as many people as possible. Running fitness businesses for years, we quickly learned that teaching someone to cook healthier with better ingredients was very challenging, and that the better option would be to create a space where the thinking is removed, and you can rely on the nutrition profiles of every item on the menu. We incorporated the CLI (Clean label initiative) in 2024, removing seed oils and processed foods from our menus wherever possible. That concept took off very quickly, and is in sync with the values that both Sarah and Dariush share, and also the values of each of their business entities, the objective became to grow into multiple locations over the next few years.

Team:

Growth and locations of this nature require teams of people working in concert with one another, sharing values and beliefs to make the concept whole. The Wild Hare is overseen by Cyrus Moslemi, vice

president of operations. He has been working with the team since 2023, and has been overseeing the operations of The Wild Hare, The Velveteen and You and Me Cafe since that time. The General Manager for The Wild Hare Blaine is Katherine Roth, former GM of Barrio and several Minneapolis based cafe's previous to that, and most recently GM of You and Me Cafe. Our executive chef Jillian Wittenberg has over 20 years experience and brings a huge positive attitude, as well as some of the most skilled kitchen work and management we have seen to date.

Mission Statement:

To create and nurture establishments where people can thrive, finding health in all avenues of life, and a lot of fun on the way. Seeking Higher Consciousness.

SWOT Analysis

Strengths

- Unique concept and food
- High quality ingredients
- Decor and environment to excite all
- Massive online presence and press

Weaknesses

- Small sq footage
- Pricing due to higher quality ingredients
- Some people might not like the higher energy setting
- Newer concept

Opportunities

- No restaurant model of its kind exists
- Massive opportunity for growth
- Healthy eating is only going to grow

Threats

- Other restaurants offering standard nutrition service
- Finding the right demographic for maximum success
- Mindsets that organic/vegan offerings make it not "cool"

Products and Services on attached document:

In addition to the menu, we offer:

- T-shirts with logo and multiple sayings
- Hoodies with logo and multiple sayings
- Two styles of hats
- Pinball machines
- Mortal Kombat machine
- Pull tabs dispenser

These additional offerings generate over \$3k per month in net profit.

Marketing Plan

Define the message: We have defined who we are, and what we are about. Creating online marketing campaigns targeting a local audience within 25 miles has been the strategy to getting word out about who we are, and what we do. Each of our locations have benefited from this method. We begin target posts 3-6 months before our opening date, and have always enjoyed high traffic business right from the start.

Understanding the customer: Within the targeted posts, we seek out through social media to first target people who have interests, healthy eating, fun environment, local, easy access, etc. We then grow the audience to

include people who don't live to eat healthy but are open to the idea, and finally reach the audience that could care less about eating healthy, but enjoy the environment, pull tabs and having a beer at the bar. This rule of 33 has proven exceptional at growing the model. 33% of people are sold on your idea right away, 33% of people are interested, but need more information, 33% of people will not be interested, but if you package the style correctly, would be willing to try it out.

Tactics: Outside of social media, we are developing QR codes to leave at each table, which when scanned, prompts the customer to register their number for our promotion campaigns. New menu offerings, special deals, etc. This allows us to send push notifications/texts about new items, locations etc. Pricing is also a large part of the tactics, keeping our pricing competitive is priority #1, thus, we utilize high volume to offset costs, and have higher margins on certain items that allow for the pricing increase in the marketplace to offset smaller margins on other items.

Goals: To generate 200 new followers online monthly. Increase sales 10% annually, or until the space is maxed out based on spending per head. To open 5 new locations in the next 2 years.

Marketing Channels: We have had great success with social media marketing, and employ an in house marketer to run social media for all entities in the brand. When seeking new followers, or getting word out faster for opportunities/employment, we utilize paid ads within these platforms.

Analyze Impact: With many promotions we run, often we reach out to see how people have heard about us, over 70% are from social media alone. We are beginning to run an in house marketing campaign to drive overflow business to The Velveteen via buy one, get one half off drink tickets at The Wild Hare. This allows us to see how many cards have been passed out with customer checks, and how many are redeemed in the window allowed by the drink ticket.

Logistics and Operational Plan:

Our logistical strategy has been to create multiple vendor relationships over a period of time and utilize those relationships to ensure our product is always fresh, the highest quality and consistent. With the vision of organic high quality offerings, we have over 15 vendors that we consistently operate with on a weekly basis. Ordering all bar/front of the house products falls to Katherine Roth, General Manager. All kitchen ordering is via Jillian Wittenberg, executive chef. In the event of one of those leaders not being around, front of house ordering will fall to our assistant general manager, and kitchen to our Sous Chef. All pricing analytics are conducted by Cyrus Moslemi, vice president of operations and district manager, and reported directly to Dariush and Sarah Moslemi. Scheduling for staff shifts falls to the respective management teams as well.

Please let us know if there are any further questions or information we can answer/provide.

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