



# City of Blaine

## Economic Development Authority

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June 2, 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 8:28PM by President Sanders followed by the Roll Call.

#### 2. Roll Call

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

**ABSENT:** None.

Quorum Present.

**ALSO PRESENT:** City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Police Captain Mark Boerboom; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; Community Development Specialist Elizabeth Showalter; and City Clerk Catherine Sorensen.

#### 3. Approval of Minutes

**3.1.** 2025-134 Approval of the April 7, 2025, Economic Development Authority (EDA) Minutes.

*Sponsors: Erik Thorvig, Interim City Manager/Community Development Director*

Moved by Commissioner Robertson, seconded by Commissioner Newland, that the minutes of April 7, 2025, be approved.

Motion adopted unanimously.

#### 4. Public Hearing

- 4.1.** RES 25-80 Resolution Relating to the Sale of Properties Owned by the Blaine EDA at 9021 University Avenue NE, Blaine, MN 55434, 20-90th Lane NE, Blaine, MN, 55434, and 9011 University Avenue NE, Blaine, MN 55434  
*Sponsors: Erik Thorvig, Interim City Manager/Community Development Director*

Community Development Director Thorvig stated the city of Blaine Economic Development Authority (EDA) owns three parcels at 90th Lane and University Avenue. The parcels are 9011 University Avenue, 9021 University Avenue and 20-90th Lane. The parcels total 2.15 acres. The EDA acquired the parcels in separate real estate transactions in 2008 and 2012. The total acquisition costs were \$1,280,000. The parcels contained a gas station and retail building which have since been demolished. The EDA acquired the properties in anticipation of redevelopment of the entire commercial area north of 89th Avenue and east of University Avenue. The building to the south was mostly vacant for many years after K-Mart closed. Several years ago, the building was remodeled and occupied by various tenants. With the investment of this building, a larger redevelopment of the area is not anticipated. Therefore, the EDA could look at selling property for development on a smaller scale.

Mr. Thorvig reported Hedberg Homes approached staff last fall about a townhome project on the subject property. The city council discussed the proposal at the November 4, 2024, workshop and supported the developer exploring the concept further. The developer brought the revised plan back to workshop on May 5, 2025, with council feedback in support of the townhome project and selling the property. The developer offered \$260,000 for the property (\$26,000/unit). A closed session was held by the city council to discuss the asking price. The buyer is willing to pay \$270,000 (\$27,000/unit). The purchase agreement reflects this price. Staff requested the EDA authorize the sale of the lots at 98021 University Avenue, 20-90th Lane, and 9011 University Avenue.

President Sanders opened the public hearing at 8:32PM.

There being no public input, President Sanders closed the public hearing at 8:33PM.

Moved by Commissioner Newland, seconded by Commissioner Robertson, to adopt a Resolution Relating to the Sale of Properties Owned by the Blaine EDA at 9021 University Avenue NE, Blaine, MN 55434, 20-90th Lane NE, Blaine, MN, 55434, and 9011 University Avenue NE, Blaine, MN 55434.

Commissioner Massoglia asked for the amount of revenue received for the billboard every year. Mr. Thorvig estimated the city received \$4,000 annually.

Motion adopted 6-1 (Commissioner Massoglia opposed).

## **5. New Business**

- 5.1.** RES 25-75 Resolution for a Modification to the Interest Rate Buydown Program  
*Sponsors: Elizabeth Showalter, Community Development Specialist*

Community Development Specialist Showalter stated the city receives Local Affordable Housing Aid (LAHA) from the Minnesota Department of Revenue for use on eligible affordable housing projects and program. The funds are transferred to the EDA, which is currently utilizing funds for down payment assistance, deferred loans for accessibility, and an interest rate buydown through a forward commitment with Refined Lending. Additional funds are being set aside for an accessibility audit and grant program and for manufactured home replacement. The EDA approved the forward commitment with Refined Lending on September 16, 2025, with an income limit of 80% Area Median Income (AMI). LAHA requires that homeownership-related expenditures prioritize households at or below 80% AMI and can serve households up to 115% AMI. Due to the slow utilization of the forward commitment, staff is recommending increasing the income limit to 100% AMI. Loan products with reduced interest rates are available through FHA/VA and the Home Ready/Home Possible program offered by Fannie Mae for households at 80% AMI. The interest rate buy down will offer the following interest rates:

- 80% AMI - Conventional Loan: 6% rate, 6.239% APR
- 100% AMI - Conventional Loan: 6.375% rate, 6.624% APR
- 80% AMI - FHA Loan: 5.75% rate, 6.175% APR

Ms. Showalter explained the income limit for 100% AMI is \$132,400 and 80% AMI is \$105,360 for the Ready product. FHA income limits will continue to be based on household size adjusted AMI, which reduces the income limit for households smaller than four. Staff is also recommending increasing the purchase price limit to \$500,000 to allow for the purchase of a broader range of houses since the lower-cost housing is in short supply in the city. Additionally, the EDA is asked to authorize staff to execute a forward commitment for up to \$40,000 if the existing forward commitment is exhausted prior to September 30, 2025.

Moved by Commissioner Massoglia, seconded by Commissioner Newland, to adopt a Resolution for a Modification to the Interest Rate Buydown Program.

Commissioner Massoglia offered his support for the program and suggested the city consider increasing the amount offered through other Front Door programs in order to make them more accessible to Blaine residents.

Motion adopted unanimously.

- 5.2.**     RES 25-87     Resolution Approving the Issuance and Sale of Conduit Recreational Facility Revenue Refunding Notes, Series 2025 and Authorizing the Execution of Documents Relating Thereto (National Sports Center Project)  
*Sponsors: Jason Zimmerman, Finance Director*

Finance Director Zimmerman stated the National Sports Center (NSC) has requested the City of Blaine/EDA act as the conduit debt issuer of a recreational revenue note not to exceed \$6,000,000. Staff provided further information on the conduit bonds and noted the EDA should only consider action on this item if the corresponding resolution was authorized by the City Council at their meeting earlier in the evening.

Moved by Commissioner Newland, seconded by Commissioner Robertson, to adopt a Resolution Approving the Issuance and Sale of Conduit Recreational Facility Revenue Refunding Notes, Series 2025 and Authorizing the Execution of Documents Relating Thereto (National Sports Center Project).

Motion adopted unanimously.

## 6. Old Business

Mr. Thorvig provided an update on the social media posts for Blaine businesses during the month of May, which was small business month.

## 7. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adjourn the meeting at 8:40PM.

Motion adopted unanimously.



Signed by

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Tim Sanders, President

Signed by

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Catherine M. Sorensen, City Clerk