



# City of Blaine

## Economic Development Authority

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August 11, 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 7:30PM 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:** Interim City Manager/Community Development Director Erik Thorvig; Assistant Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; 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.** 2025-181 Approval of the July 7, 2025, Economic Development Authority (EDA) Minutes.

*Sponsors: Cathy Sorensen, City Clerk*

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

Motion adopted unanimously.

#### 4. New Business

**4.1. RES 25-143 Resolution Approving a Reduction in EDA Note with Blaine Town Center East, LLC**

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

Interim City Manager/Community Development Director Thorvig stated on September 20, 2024, the city of Blaine, city of Blaine Economic Development Authority and Blaine Town Center East, LLC executed a purchase agreement to transfer all property owned by the city/EDA in the 105th Redevelopment District to the master developer. The overall purchase price was \$10,704,430. This was based on an independent, third-party appraisal of the property. At the time the document was executed, the city/EDA had yet to acquire three remaining properties located at 2170 106th Lane, 2101 105th Avenue and 10500 Nassau Street. The purchase agreement required the city/EDA to have these additional properties under contract by December 31, 2024, and close by April 1, 2025.

Mr. Thorvig reported unfortunately, due to challenging negotiations, the city/EDA was unable to meet this requirement. A notice of default was provided to the city/EDA from the developer. The city/EDA has since acquired the remaining three properties. As of August 4, 2025, all properties within the 105th Redevelopment District have been transferred to the developer. The delay in acquisition resulted in additional costs incurred by the developer as they completed infrastructure for the district. As stated, the purchase price was \$10,704,430. The developer provided \$3,988,200 in cash at closing. This money was used to reimburse the city for the purchase of 2043 105th Avenue. The city used the Strategic Priorities Fund for this purchase, which was reimbursed with the proceeds. The city/EDA received \$3,000,000 from the TIF bond proceeds, which was utilized to complete the acquisition of the remaining three properties. Lastly, a promissory note was executed between the EDA and developer in the amount of \$3,704,430. The EDA note was structured with the following terms: an annual interest rate of 4.75%; amortization of principle over 15 years; a first payment due on the date that is four years following the date of the EDA note (first collection on November 14, 2028); and a balloon payment on the date that is seven years following the date of the EDA note (November 14, 2031).

Mr. Thorvig explained the funds collected via the promissory note would go to the EDA for city economic development activity. Due to the increased infrastructure costs as a result of the delay in completing the purchases and additional public infrastructure required as part of the Scheels project, the developer has requested a reduction in the EDA note in the amount of \$2,250,000 (reduction to \$1,454,430). The reduction allows the developer to secure additional private financing for infrastructure within the district, and specific to the Scheels project. In order to complete the necessary transactions with Scheels in September, the developer has requested the EDA to consider the request at the August 11, 2025, meeting. Understanding that replenishing the EDA funds was a priority of the city council when executing the sale. Staff are exploring additional ways to recapture the reduction in the EDA note. Options include capturing any interest earned on existing bond sales and/or capturing additional revenue from expansion of the TIF district.

Moved by Commissioner Robertson, seconded by Commissioner Fleming, to adopt a Resolution Approving a Reduction in EDA Note with Blaine Town Center East, LLC.

Commissioner Massoglia asked if there were other ways to reduce the note for the developer but still retain what was allotted to the EDA. Mr. Thorvig explained this discussion happened relatively quickly with the developer given their need to secure financing.

Corey Burstad, development team member, commented on the financing that was in place for this development, which included bonds and arbitrage interest. He reported the timeliness of both the property and bond sales were essential to move the project forward. He commented further on how bringing Scheels to Blaine has impacted the infrastructure within the project. He explained if the development team were to make more on the sale of the land within this development, the proceeds would be split with the city/EDA.

Commissioner Massoglia indicated he wanted the city/EDA to work diligently to replenish the funds that have been expended by the EDA.

Commissioner Robertson reported the EDA has dialogued several ways to keep the EDA flush, whether this was through city-owned properties or creating wetland banks. She explained the city did not come through as promised on an agreement and now had to make this situation right for the developer. She commented on how the developer was put in a tough spot because the city/EDA had not completed the purchases in a timely manner. She indicated she was not hung up by the \$1.4 million because the EDA has discussed how to be replenished. She was of the opinion, the proposed reduction in the EDA note was the cleanest way to address the situation.

Commissioner Larson clarified that part of the cost increases were created when Scheels was brought into the project, noting this was not the city's doing. She asked for a breakdown of the city/Scheels cost increases.

Mr. Burstad commented on how the delay in acquiring the property has impacted the entire 2025 construction season, which brought about substantial carrying costs. He reported Scheels coming into this project has also greatly impacted the project, but explained this change would make the project better. He indicated the project was in a great position at this time and the free market was about to take over noting more great things were coming.

Commissioner Ford inquired if the developer would be taking care of the utilities as part of the infrastructure work. Mr. Burstad reported this was the case.

Commissioner Newland indicated time was money and reported the developers had burned four months of money due to delays. He was of the opinion the request from the developer was not unreasonable.

Motion adopted 6-1 (Commissioner Larson opposed).

## **5. Old Business**

None.

## **6. Adjournment**

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adjourn the meeting at 8:03PM.

Motion adopted unanimously.



**Signed by**

A handwritten signature in cursive script, appearing to read "Tim Sanders".

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Tim Sanders, President

**Signed by**

A handwritten signature in cursive script, appearing to read "Catherine M. Sorensen".

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Catherine M. Sorensen, City Clerk