



City of Blaine

City Council Workshop

October 6, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

NOTICE OF WORKSHOP MEETING

In accordance with the provisions of Section 3.01 of the Blaine City Charter, a Council Workshop meeting is scheduled for the following purpose:

1. Call to Order

The meeting was called to order by Mayor Pro Tem Robertson at 5:30PM.

2. Roll Call

PRESENT: Mayor Tim Sanders, Councilmembers Chris Ford, Tom Newland, and Jess Robertson.

ABSENT: Councilmembers Terra Fleming, Leslie Larson, and Chris Massoglia.

Quorum Present.

ALSO PRESENT: City Manager Erik Thorvig; Deputy Police Joe Gerhard; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; Director of Engineering Dan Schluender; City Attorney Eric Larson; Communications Manager Ben Hayle; Community Development Specialist Elizabeth Showalter; Accounting Manager Haley Champman; Finance Analyst Nikki Beckers; and City Clerk Catherine Sorensen.

3. New Business

- 3.1.** 2025-216 Comprehensive Plan Cycle Introduction
Sponsors: Elizabeth Showalter, Community Development Specialist

Community Development Specialist Showalter stated Merritt Clapp-Smith was the Senior Planner at the Metropolitan Council and served as the staff liaison for Blaine. She said she and Met Councilmember Peter Lindstrom will present the current comprehensive planning cycle and the minimum requirements the city's Comprehensive Plan will need to meet. Every ten years, the city is required, under the Metropolitan Land Planning Act, to

update our comprehensive plan. The last update was preliminarily approved by the city council at the end of 2018 and was approved in its final version in December 2020. Since then, a variety of amendments to the land use map component of the plan have been approved on a project specific basis.

Merritt Clap-Smith, Met Council Local Planning Assistance Team Sector Representative, explained the Metropolitan Council approved the Regional Development Guide, Imagine 2050, in January 2025, which outlines overarching policies related to regional land use, water, parks, transportation, and housing. The Metropolitan Council recently released system statements and minimum requirements which outline in greater detail what the city must include in the plan update. The long-range forecast for Blaine was reviewed with the Council. The current guiding for Blaine within the 2040 comprehensive plan was discussed noting now many changes would be needed in order to meet the proposed changes from the Met Council. She provided further comment on the proposed changes that were needed surrounding the transit center. She then spoke to the challenge of developing work force or affordable housing. The regional waste water system was discussed, along with the need to address climate and hazard mitigation. She indicated there would be a meaningful push to reduce greenhouse gas emissions. It was noted initial submittal of the comprehensive plan to the Met Council is due by December 31, 2028. She explained future workshop discussions will occur regarding the process of drafting the plan for Blaine including city council role and public engagement.

City Manager Thorvig discussed how Blaine was categorized as a suburban edge community, which will allow for development consistent with the city's current densities.

Councilmember Newland asked what the impacts were for meeting or exceeding Met Council's goals. He inquired what the repercussions would be of not meeting the proposed standards. Ms. Clap-Smith reported meeting the minimum requirements was an expectation for all communities that are receiving regional services. She indicated meeting these requirements sets a community up for receiving assistance from the Met Council. Peter Lindstrom, Met Council representative, commented on how the city has been a recipient of numerous Met Council grants.

Councilmember Newland discussed how development in Lino Lakes and Ham Lake was impacting Blaine and questioned how the city could work with surrounding communities to ensure their comprehensive plans were collaborative. Ms. Clap-Smith stated at the end of the planning process the comp plan would be sent to adjacent communities for review and comment.

Councilmember Robertson asked when the city would begin working on the 2050 comp plan. Ms. Showalter reported staff would begin working on the 2050 comp plan in 2026. She indicated the planning process would take two years to complete.

Councilmember Robertson spoke to how Blaine was unique and she appreciated the fact the community was categorized as the suburban edge versus a suburban community. She explained all future development would be difficult due to the amount of wetlands and endangered species that had to be protected in Blaine.

Councilmember Ford stated the Met Council is calling for an additional 978 units to be

constructed in Blaine with 392 of those units at 30% AMI. He anticipated the majority of these would have to come through multi-family units or could the city decide how the 30% AMI units were broken up in the community. Ms. Clap-Smith explained the affordability numbers were anticipating the needs of the community. She indicated the proposed price points were goals for developers.

Mayor Sanders thanked Ms. Clap-Smith and Mr. Lindstrom for their presentation.

3.2. 2025-217 Cloverleaf Courts and Blaine Courts Financial Request
Sponsors: Elizabeth Showalter, Community Development Specialist

Ms. Showalter stated Blaine Courts (1990) and Cloverleaf Courts (2000) were developed by the EDA to provide affordable independent senior apartments for senior residents of Blaine and surrounding communities. In total, 157 units were built with these two buildings. The EDA owned, maintained and provided direction to a management company that oversaw the daily operations of both apartments. On November 5, 2014, the EDA held a public hearing to consider the sale of its two senior housing facilities, Blaine Courts and Cloverleaf Courts. The EDA received two offers — one from Avinity Senior Living, and one from Lang-Nelson (LaNel Financial). On January 8, 2015, the EDA approved the purchase agreement for the sale of the properties to LaNel Financial. The total paid for the two properties was \$10,650,000 with \$9,650,000 paid at closing and \$1 million in the form of separate promissory notes (issued by Hiawatha Lake Ventures II, LLC) for each facility (\$290,000 for Blaine Courts and \$710,000 for Cloverleaf Courts). The notes were structured as interest free for the first 5 years, interest only (at 4.25%) for the next 5 years, with a balloon payment in full at the end of the 10-year term.

Mr. Showalter reported in 2019, LaNel requested the notes be renegotiated to push the payment terms back 5 years to mirror the permanent funding in place. The EDA was generally in favor of this proposal. As the renegotiation was progressing, the COVID-19 pandemic hit, and discussions paused. At one point, there was consideration of providing LaNel funding assistance through the city's CARES allocation. As an alternative to direct assistance, the city/EDA, at staff's recommendation, considered renegotiating the notes to be a better alternative. Amended and restated promissory notes were prepared, however, there was never formal approval by the parties. On June 5, 2023, the EDA formally approved these restated notes. The restated note requires interest-only payments beginning in July 2025 and a balloon payment for the principal balance and any unpaid interest on June 1, 2030. In June 2025, representatives from LaNel contacted city staff to discuss opportunities for the city/EDA to provide financial assistance to complete various facility upgrades. Members of the finance and community development departments met with and communicated with LaNel in July, August, and September to better understand the financial request and impact on residents of each property.

Ms. Showalter explained the LaNel group will present council with their request and seek feedback on their proposal. If the council decides to pursue financial assistance, city staff will outline the potential options during a future workshop. The city has multiple resources that could be used to facilitate the requested improvements, including pooled housing TIF funds, affordable housing aid, and the existing notes on the properties. It's important to

note that LaNel has been current on all interest payments for the note, which started in July 2025.

Caitlin Goff, Lang Nelson, introduced herself to the council and noted her company has had the privilege of managing these senior properties in Blaine since 2015. She discussed how she has a full-time manager and maintenance staff individual onsite daily for seniors, along with a meaningful activities program. She requested funding from the city to assist with maintenance at both of her properties. She discussed how keeping rents low in order to remain affordable has created a deficit in the property management's maintenance fund. She requested the council consider providing assistance to Lang Nelson in order to assist her organization with keeping these affordable units available to seniors, while still providing the necessary capital improvements.

Councilmember Robertson asked if the units were age restricted. Ms. Goff reported this was the case noting the tenants had to be 55+.

Councilmember Robertson commented on how much she cares about the senior population in Blaine and understood this was an active and vital part of the community. She appreciated how the seniors in Blaine had a wide variety of activities to participate in. She asked how much funding the city would be receiving in local affordable housing aid (LAHA) funds. Ms. Showalter estimated the city would receive \$700,000 to \$800,000 per year. Mr. Thorvig reported the city also has \$1.1 million in TIF funding that could be used to assist with this type of project.

Councilmember Robertson supported providing funding for this request, but wanted the council to have a future discussion on how to address future funding requests for affordable housing projects.

Councilmember Newland asked if there were other funding options available to the Lang Nelson Group other than the city. Ms. Goff reported she had investigated other funding options before coming to the city. She noted she was not able to have secondary financing on this property because this was a federal property. She indicated the grants she has reviewed would not provide enough funding to meet the needs of these two senior housing buildings. She commented further on the penalties and fees she would have to pay if she were to refinance the current loan, noting this would lead to increased rental rates.

Councilmember Newland inquired what the vacancy rate was at each of the buildings. Ms. Goff explained both buildings were 100% occupied at this time.

Councilmember Newland was of the opinion both of these properties were very well maintained and have wonderful curb appeal. He explained he supported using LAHA or TIF dollars in order to assist with the capital maintenance of these properties.

Councilmember Robertson questioned how much the total improvements would cost. Ms. Goff stated she has an in-house rehab team that assists with renovation/improvement projects. She noted she has estimates, but not quotes for the overall work that needs to be done and reported Lang Nelson would be investing in the property right along with the city.

Councilmember Robertson stated she could support the city exploring assistance for this

request whether this be done through pooled TIF or LAHA funding.

Councilmember Ford questioned if this was a 2026 request and asked how long the improvements would take to complete. Ms. Goff stated the project would begin in 2026 and would take more than one year to complete.

Council provided general support for the request but requested further exploration of alternative funding options as well.

3.3. 2025-218 Charitable Gambling Introduction - 2026 Awards
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated the city's charitable gambling fund was established in 1993 to account for the proceeds of a ten percent (10%) contribution that charitable gambling organizations operating within Blaine are required to submit to the city (Code Section 22-384). Organizations participating in charitable gambling as of 2025 are:

- Andover Football Association (new)
- Blaine Festival Committee
- Blaine Youth Basketball
- Blaine Youth Football
- Blaine Youth Hockey
- Centennial HS Football Boosters
- Community Charities of Minnesota (new)
- Ham Lake Chamber of Commerce
- Spring Lake Park Lions Club
- Spring Lake Park #16 Youth Hockey
- VFW - Sgt. John Rice

Mr. Zimmerman reported for 2026, the city received applications from 21 organizations requesting funding. Organizations who submitted applications after the final submission date are included in the attached materials, although staff recommends funding not be allocated to ensure an orderly and equitable process.

Mayor Sanders and Councilmember Robertson supported the process moving forward as proposed by staff.

Deputy Police Chief Gerhard commented on the request from the police federation. He explained these dollars would be used to assist those in need by providing dollars for food, gas or lodging for those in need.

Council supported the process as proposed by staff.

3.4. 2025-219 Communications Fund 2026 Budget
Sponsors: Jason Zimmerman, Finance Director

Mr. Zimmerman stated the city's communications fund accounts for activity supported by revenue received from cable franchise fees and Public, Educational and Governmental (PEG) fees paid by cable television customers, with Comcast operating as the cable service provider for the entirety of Blaine. Franchise and PEG fees collected from cable television subscribers are passed through to the North Metro Telecommunications Commission (NMTC), which is the regulatory body that oversees the cable franchise for:

- Blaine
- Centerville
- Circle Pines
- Lexington
- Lino Lakes
- Ham Lake
- Spring Lake Park

Mr. Zimmerman explained the commission uses these fees to provide its member cities with educational opportunities for youth, adults, and seniors; tape and film transfer services; coverage of high school sports, local news, and local elections; municipal programming, including city meetings, and other informative and interesting programming regarding their communities. A portion of the collected fees are distributed to Blaine and the other member cities and are used to repair or replace council control room equipment as needed. The fees distributed by NMTC will remain the same amount as in 2025. If NMTC revenues outperform expectations, additional funding will be distributed to member cities. The city was a partner in the issuance of the 2016A GO Capital Equipment Note that was issued by the city of Circle Pines, and Blaine's share of the principal and interest is funded by franchise fees from North Metro TV. The final payment on this bond was made in 2024.

Councilmember Robertson asked that the expense of the newsletter not be put back into the general fund.

Mayor Sanders suggested staff explore sending the newsletter via email going forward. Communications Manager Hayle reported he has seen other cities moving in this direction, but in his conversations with other communications managers this was only being done for cost-savings reasons. It was his understanding a printed newsletter was still the best way to communicate with residents.

Council supported the communications fund budget as proposed.

4. Other Business

Mr. Thorvig noted that because the charter amendment requires a unanimous vote of the full council, this item will be postponed to a future meeting.

5. Adjournment

The workshop adjourned at 6:53PM.



Signed by

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

Tim Sanders, Mayor

Signed by

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

Catherine M. Sorensen, City Clerk