



City of Blaine

City Council Workshop

November 10, 2025 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

AGENDA

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

2. Roll Call

3. New Business

3.1. 2025-246 Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update
Sponsors: Scott Johnson, Director of Administrative Services

3.2. 2025-247 Federal Lobbyist Proposal
Sponsors: Erik Thorvig, City Manager

3.3. 2025-248 Municipal Cannabis Retail Request for Professional Services – Evaluation Results and Operator Selection
Sponsors: Ruth Tucker, Economic Development Specialist

3.4. 2025-249 Broadband Franchise Fees
Sponsors: Erik Thorvig, City Manager

3.5. 2025-250 3M Open Partnership Discussion
Sponsors: Erik Thorvig, City Manager

4. Other Business

5. Adjournment



City of Blaine Staff Report

File Number: 2025-246

Agenda Date	Status
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November 10, 2025

In Control	File Type
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City Council

Workshop Item

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.1

Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update

Background

Labor Attorney Lida Bannink will be present at the Closed Session to provide an update on labor negotiations with the Police Officers, Public Works, and Police Sergeant Unions.

Staff Recommendation

Questions for Council

Attachment List

None



City of Blaine Staff Report

File Number: 2025-247

Agenda Date	Status
November 10, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Scott Johnson, Director of Administrative Services

Agenda Item # 3.2

Federal Lobbyist Proposal

Background

A workshop discussion occurred on July 14, 2025, to determine how to proceed in 2026 for federal lobbying services. The council directed staff to prepare a request for proposals.

Please find attached The Ferguson Group's (TFG) proposal for Federal Lobbying Services for the City of Blaine. TFG provided the only response to the Request for Proposal (RFP) for Federal Lobbying Services by the 12 noon October 17, 2025, deadline.

The city originally issued an RFP for federal lobbying services in 2022. After reviewing proposals and conducting interviews with finalist firms, TFG was selected as the city's federal lobbying team. Their contract expires at the end of the year.

At the federal level, staff continue to work closely with TFG on the city's FY26 earmark requests. This year, TFG staff once again assisted with the writing and preparation of the city's federal earmark requests. Senator Smith and Senator Klobuchar forwarded the city's request for a mobile command vehicle. Staff also submitted a request to Congressman Emmer's office for some trail projects. That request was not forwarded for consideration.

TFG lobbyists are regularly in contact with our Congressional and Senate offices. The Ferguson Group contract is current and runs through the end of the calendar year. TFG meets with city staff every two weeks for a federal briefing, updates on our earmark requests, and information on federal grant programs. They also send out regular e-mail updates regarding federal activity, as well as special alerts and special reports. They send a weekly grants update, and grant alerts when new grants are announced. TFG staff meet with individual departments at least once annually, to review grant and earmark opportunities, and identify legislation to monitor.

The City retained the services of a second federal lobbying firm in April 2022. The original goal for hiring

this firm was to take advantage of the access they had to congressional offices through former Congressman Rick Nolan, and the benefits that could provide while we were seeking funding for TH65 improvements. The original contract was with Jacobson, Magnuson, Anderson & Halloran, P.C. in 2023. In 2024, our main lobbyist, Reid LeBeau, notified the city that the Jacobson Law Group's Government Relations Division had separated from the firm, and they now operate as Capitol Hill Associates. The city's agreement with Capitol Hill Associates expired March 30, 2025. No proposal was received from Capitol Hill Associates.

The TFG proposal calls for no increase on the amount paid by the City of Blaine for the existing agreement in 2025. The total amount proposed for lobbying services in the RFP for 2026 is \$63,000.

TFG will attend the meeting on November 10th virtually to discuss with the City Council what has been accomplished so far and what they forecast for 2026. Attached is TFG's proposal.

Staff recommends proceeding with only one federal lobbyist at this time. The proposed 2026 budget allocates dollars for one state lobbyist (LGN currently under contract) and two federal lobbyists. Since a second lobbyist is not recommended, the budget could either be reduced or those funds could be reserved for targeted lobbying efforts by other state firms, as the city's requests at the state level are of higher importance than the federal level currently.

Staff Recommendation

Staff is requesting City Council direction to enter into a Federal Lobbying agreement with TFG for 2026. The agreement will then be placed on a City Council Consent Agenda for formal approval.

Questions for Council

Does the City Council want to proceed? If so, does the City Council want a 1 or 2 year agreement with TFG?

Attachment List

1. TFG Presentation

Federal Lobbying and Grant Services Overview

City of Blaine, Minnesota

November 10, 2025



Founded in 1982, **The Ferguson Group, LLC (TFG)** provides federal advocacy and grant services to transportation planning agencies, cities, counties, special districts, and other public and private agencies.

TFG focuses on federal funding for projects and programs through (a) congressional authorizations and appropriations, and (b) federal, state, and nonprofit grants. TFG also concentrates on policy issues by way of legislation and regulatory actions.

Funding Secured



- **MN Trunk Highway 65 Improvements at 99th Avenue (2022)**
 - **FY 2023 Earmark: \$4 Million Awarded** (USDOT Highway Infrastructure Program)
 - Grade-separated intersection to improve flow of traffic, expand multimodal access, and improve safety
- **MN Trunk Highway 65 Improvements from 97th Avenue to 117th Avenue (2023)**
 - **FY 2023 RAISE Grant: \$20 Million Awarded** (USDOT RAISE Grant)
 - Several interchange improvements, added frontage roads, and multimodal safety improvements
- **MN Trunk Highway 65 Improvements at 117th Avenue (2023)**
 - **FY 2024 Earmark: \$4 Million Awarded** (USDOT Highway Infrastructure Program)
 - Grade-separated intersection to improve flow of traffic, expand multimodal access, and improve safety

Return on Investment



- Total Funding Secured: **\$28,000,000**
- Total Professional Advocacy and Grant Services Fees (2022-2025): **\$243,000**
- Percent Return on Investment: **11,420%**
 - $(\text{Amount Received} - \text{Amount Paid} / \text{Amount Paid} \times 100)$

Note: Funding secured by way of successful collaboration between congressional delegation, City officials and staff, TFG.

Additional Funding Efforts



- **Pending Congressional Earmark Request**

- **FY 2026 CDS Request: \$1.47 Million** –Joint Powers Command Vehicle Replacement

- **Other Congressional Earmark Efforts**

- **FY 2026:** Mobile Camera Trailers (\$232,000) / Trails & Pedestrian Ramps Rehabilitation (\$553,000)
- **FY 2025:** Joint Powers Command Vehicle Replacement (\$750,000) / Water Tower #2 Rehabilitation (\$1.84M)

- **Competitive Grants**

- **FY 2025:** NTIA Digital Equity Competitive Grant Program (North Metro TV)

Professional Services Provided to Blaine



• Annual Federal Agenda and Department Interviews

2025 Federal Priorities

Public Works	Action Item	Funding / Advocacy Opportunities
Pedestrian Ramp & Signal Upgrades	Upgrade pedestrian ramps, intersection signals, and trails for ADA compliance.	- Safe Streets and Roads for All (SS4A) Planning Grant - FY26 Transportation-HUD Highway Infrastructure Projects (HIP) Appropriations Earmark
Stormwater Utility	Construction of or improvements to storm water drainage systems, outfall replacement, ponds, and other structures.	- Sewer Overflow and Stormwater Reuse Municipal Grant - FY26 EPA State and Tribal Assistance Grants (STAG) Appropriations Earmark
Water Utility	Replacement of water mains, survey of lead service lines, remediation of PFAS/PFOA chemicals, upgrades to remote monitoring system (e.g., fiber optic plant and SCADA system).	FY26 EPA State and Tribal Assistance Grants (STAG) Appropriations Earmark
✓ Sewer Utility	Rehab of wastewater lift stations, trunk lines, and SCADA system upgrades.	- Sewer Overflow and Stormwater Reuse Municipal Grant - FY26 EPA State and Tribal Assistance Grants (STAG) Appropriations Earmark
Community Development	Action Item	Funding / Advocacy Opportunities
105th Avenue Redevelopment Plan	Soil and groundwater remediation of brownfield sites within the plan area.	EPA Brownfields Program Cleanup Grants
Northtown Redevelopment Plan	Provide infrastructure (e.g., water and wastewater, roads, etc.).	FY26 Transportation-HUD Economic Development Initiative (EDI) Appropriations Earmark
Workforce Development	Address City's industrial businesses' needs for skilled training.	DoJ Apprenticeship Building America (ABA) Grant
Safety Services	Action Item	Funding / Advocacy Opportunities
✓ 800 MHz Radio Replacement Project	Replacement of 125 portable and 55 mobile radios critical to maintaining communications for the City of Blaine Police Department, which is participating in the ARMER radio system.	- FY26 Commerce, Justice, Science DOJ-COPS Technology & Equipment Appropriations Earmark - DOJ COPS Technology & Equipment Grant

Camera Trailers	Purchase of up to five portable camera trailers for event security and crowd monitoring	- FY26 CJS DOJ-COPS Tech & Equipment Appropriations Earmark - DOJ COPS Tech & Equipment Grant
Mental Health Counseling, Retention & Recruitment	Improve the delivery of and access to mental health and wellness services.	- Law Enforcement Mental Health & Wellness Act (LEMHWA) Program - COPS Hiring Program (CHP)
New Fire Station	Construction of new SBM fire station.	Advocacy (H.R. 1814/S. 977) – advocate for reintroduction of FIRE Station Act - 118th Congress)

Parks & Recreation	Action Item:	Funding / Advocacy Opportunities
Blaine Wetland Sanctuary	Remediation and protection of wetland sanctuary.	- Interior Department Rivers, Trails, and Conservation Assistance (RTCA) Program (technical assistance) - Land and Water Conservation Fund: State and Local Assistance Program (LWCF Stateside)
Trail Connections	Repair and management of existing trails (bike and/or pedestrian), construction of new trails, or connection of existing/new trails.	- FHWA Active Transportation Infrastructure Investment Program - FHWA/MN DNR Federal Recreational Trails Program Grants - FY26 Transportation-HUD Highway Infrastructure Projects (HIP) Appropriations Earmark

Finance & Technology	Action Item	Funding / Advocacy Opportunities
Election Security and Voter Access	Improving the physical security of the elections office through installing improved locks, cameras, and security systems.	- DHS Preparedness Grant - Byrne JAG Local Grant
Municipal Bonds	Support preservation of tax-exempt municipal bonds and the reinstatement of advance refunding.	Advocacy
Cable Franchise Fee Regulations	Monitor changes in cable franchise fee legislation and regulation and limit policy restrictions detrimental to the City and North Metro TV.	Advocacy
Broadband Infrastructure	Restrict new federal preemptions on state and local land use and zoning authorities pertaining to the deployment of telecommunications infrastructure.	Advocacy

✓ FY 2026 Appropriations Earmark Request Priority

Professional Services Provided to Blaine



Federal Grants and Policy Tracker

Grants Tracker													tfg 40 YEARS	
Type of Grant State, Federal Foundation, Other	Grantor Agency	Funding Opportunity Title	Existing or New Grant	Most Recent Release Date or (Forecasted)	Most Recent Due Date	Preferred Lead Time	Grant Period and/or Length of Award	Minimum and Maximum Request Amounts	Required Match	Brief Description	Category Classification (Economic Development / Facilities and Infrastructure / Water and Wastewater / Emergency Response / Broadband/Connectivity / Rural Community Fa- Development)	Special Considerations / Notes	TFG Grant Profile Link	
Federal	DOD	Defense Community Infrastructure Program	Existing	2024-03-28	2024-06-17	6-8 weeks	60 months	\$250,000 - \$20 million	30%	The purpose of this program is to assist states and local governments, and nonprofit member-owned utility services in addressing deficiencies in community infrastructure supportive of a military installation. For the purposes of this program, community infrastructure is defined as those roads, streets, bridges, water, sewer, storm water, waste disposal facilities that are under the jurisdiction of the community.	Facilities and Infrastructure	Eligible activities include only hard infrastructure and...	TFG Grant Profile	
Federal	DOI	Historical Preservation Fund (HPF) - Underrepresented Communities (URIC) Grant Program	Existing	2024-05-29	2024-08-29	3 weeks	48 months	\$15,000 - \$75,000	Not Required	The purpose of this program is to diversify the nominations submitted to the National Register of Historic Places (NRHP) to include communities that are currently under-represented. Eligible projects include surveys and inventories of historic properties associated with economic activities and represented in the NRHP. All projects must result in the development of a...	Economic Development	Ability to secure match will be considered a competitive factor. This...	TFG Grant Profile	
Federal	DOI	Save America's Treasures (SAT) Grant: Collection Grants	Existing	2023-10-03	2023-12-18	3 weeks	24-36 months	\$25,000 - \$750,000	One-to-one	The purpose of this program is to provide preservation and/or conservation assistance to nationally significant historic properties and collections that convey the nation's rich heritage to future generations. Awards will fund the preservation, rehabilitation, and conservation of nationally significant historic properties and collections.	Economic Development	Matching share does not need to be in place at time of application.	TFG Grant Profile	
Federal	DOI	Save America's Treasures (SAT) Grant: Preservation Grants	Existing	2023-10-03	2023-12-18	3 weeks	24-36 months	\$125,000 - \$750,000	One-to-one	The purpose of this program is to provide preservation and/or conservation assistance to nationally significant historic properties and collections. Projects should involve properties including historic districts, buildings, sites, structures, and fields.	Economic Development	This has not been resubmitted as of 8/30/24.	TFG Grant Profile	
Federal	DOI	WaterSMART Grants: Large-Scale Water Recycling Projects	Existing	2023-09-06	2023-11-21	4 weeks	36 months	\$18 million - \$90 million	75%	This program provides funding to water recycling projects that have a total project cost greater than or equal to \$500 million. Large-scale water recycling projects will play an important role in helping communities develop local, drought resistant sources of water in arid and semi-arid regions.	Water and Wastewater		TFG Grant Profile	
Federal	DOI	Rivers, Trails, and Conservation Assistance (RTCA) Program	Existing	Unknown	2024-03-01	4 weeks		No monetary awards	Not Required	The purpose of this program is to support community-led natural resource conservation and outdoor recreation projects across the nation. Rather than providing monetary awards, this program will partner the funding agency's conservation and recreation resources with local organizations to help them develop and implement their projects.	Parks And Recreation		TBD	
Federal	DOJ	Law Enforcement Mental Health and Wellness Act (LEMHWAA) Program	Existing	2024-02-28	2024-04-23 (Grants.gov) 2024-04-30 (Just Grants)	4 weeks	24 months	Up to \$300,000	Not Required	This program aims to support state, local, tribal, or territorial law enforcement agencies seeking to implement new or enhance existing programs that offer training and services on officer emotional and mental health, peer mentoring, suicide prevention, stress reduction, and support services for officers and their families. Proposed projects must serve agency...	Public Safety Mental Health		TFG Grant Profile	
Federal	DOJ	CDPS Hiring Program	Existing	2024-04-11	2024-06-06 (Grants.gov) 2024-06-12 (Just Grants)	3 weeks	60 months	Up to \$25,000 per officer position over 3 years	25%	This program is a competitive grant program designed to provide funding directly to law enforcement agencies to hire and/or rehire additional career law enforcement officers in an effort to increase their community policing capacity and crime prevention efforts. Anticipated outcomes of the CDPS program awards include: increased community...	Public Safety		TFG Grant Profile	
Federal	DOJ	Smart Policing Initiative	Existing	2023-03-09	2023-05-01	3 weeks	36 months	Up to \$800,000	Not Required	This Bureau of Justice program supports law enforcement agencies in building evidence-based, data-driven law enforcement tactics and strategies that are effective, efficient, and economical. SPI represents a strategic approach that utilizes police resources for a variety of law enforcement and crime prevention activities.	Emergency Response	This has not been resubmitted as of 8/30/24.	TFG Grant Profile	
Federal	DOJ	Edward Byrne Memorial Justice Assistance Grant (JAG - Local Competition)	Existing	2024-09-04	2024-10-10 (Grants.gov) 2024-10-17 (Just Grants)	3 weeks	24 months (Category 1); 48 months (Category 2)	Award range varies (" \$27,000)	Not Required	The purpose of this program is to further the funding agency's mission of assisting state, local, and tribal efforts to prevent or reduce crime and violence. Awards may be used to hire additional personnel and/or purchase equipment, supplies, and other resources.	Emergency Response	Matching funds are not required for this program, however...	TFG Grant Profile	
Federal	DOJ	Veterans Treatment Court Discretionary Grant Program	Existing	2024-04-23	2024-06-20 (Grants.gov) 2024-06-27 (Just Grants)	4 weeks	48 months	\$500,000 - \$2,500,000	Not Required	This program is designed to provide financial and technical assistance to state, state court, local courts, units of local government, and federally recognized Indian tribal governments to plan, implement, and enhance the operations of veterans treatment courts (VTCs). VTCs are specialized courts that focus on providing treatment and supervision services to veterans with mental health issues.	Veteran Services		TBD	
Federal	DOJ	Comprehensive Opioid, Stimulant, and Substance Use Site-Based Program	Existing	2024-05-09	2024-07-01	6 weeks	36 months	FY 2024, approximately \$127.3 million in funding is available to support an estimated 125 awarded sites across the country.	Not Required	This program develops, implements, or expands comprehensive programs in response to the overdose crisis and the impacts of use and misuse of opioids, stimulants, or other substances. The program will provide the necessary resources and technical assistance to assist states, local governments, and tribal governments to reach their full employment potential and obtain high-quality career outcomes. Applicants are encouraged to propose strategies to achieve meaningful and sustainable outcomes for the community.	Public Safety		TFG Grant Profile	
Federal	DOL	Homeless Veterans' Reintegration Program (HVBP)	Existing	2024-01-29	2024-02-29	4 weeks	36 months	Limited to \$600,000	Not Required	The purpose of this program is to enable veterans experiencing homelessness to reach their full employment potential and obtain high-quality career outcomes. Applicants are encouraged to propose strategies to achieve meaningful and sustainable outcomes for the community.	Veteran Services		TFG Grant Profile	
Federal	DOT	National Infrastructure Project Assistance (Mega Projects) - Multimodal Project Discretionary Grants (MFDG)	Existing	2024-03-25	2024-05-06	6-8 weeks	12 months	INFY 2023-26, \$17 billion is available for awards. The Department will award 50 percent of the funds to projects created after 2023.	40%	This program supports large, complex transportation projects that are difficult to fund by other means and that have national or regional economic, mobility, or safety benefits. Projects eligible under the MegaProjects program include: a highway bridge project created or repurposed under the National Highway System Act of 1990.	Facilities and Infrastructure	Additional consideration may be given to projects that...	TFG Grant Profile	
Federal	DOT	Infrastructure For Rebuilding America (INFRA) - Multimodal Project Discretionary Grants (MFDG)	Existing	2024-03-25	2024-05-06	6-8 weeks	Projects are expected to begin construction within 18 months after the date of obligation of funds.	Minimum - \$5 million (small), \$25 million (large)	40%	This program supports projects to improve and expand the surface transportation infrastructure in rural areas to increase connectivity, improve the safety and reliability of the movement of people and freight, generate regional economic growth and increase quality of life. Eligible projects for RURAL grants include highway, bridge, and airport projects that help improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas.	Facilities and Infrastructure	Other non-federal assistance may satisfy the 40% federal share.	TFG Grant Profile	
Federal	DOT	Rural Surface Transportation Grant (RURAL) - Multimodal Project Discretionary Grants (MFDG)	Existing	2024-03-25	2024-05-06	6-8 weeks	Projects are expected to begin construction within 18 months after the date of obligation of funds.	Unspecified	20%	This program provides funding for surface transportation infrastructure that will have a significant local or regional impact. Supported projects should improve safety, economic strength and global competitiveness, equity, and climate and sustainability goals. Funding is provided for both transportation and related projects. Additional projects will be selected...	Facilities and Infrastructure	This RURAL program has a higher statutory federal share than the INFRA program.	TFG Grant Profile	
Federal	DOT	Rebuilding American Infrastructure with Sustainability and Equity (RAISE)	Existing	2024-11-01	2025-01-30	6-8 weeks	Funds must be obligated by September 30, 2029 and spent by 9/30/34.	\$1 million - \$25 million (Rural) / \$5 million - \$25 million (Urban)	20% (Urban)	This program provides funding for surface transportation infrastructure that will have a significant local or regional impact. Supported projects should improve safety, economic strength and global competitiveness, equity, and climate and sustainability goals. Funding is provided for both transportation and related projects. Additional projects will be selected...	Facilities and Infrastructure	For FY 24, DOT expects to award hundreds of...	TFG Grant Profile	
Federal	DOT	Safe Streets and Roads for All (SS4A) Grant Program	Existing	2024-02-21	April 4, 2024, May 16, 2024, August 23, 2024 (Planning and ...)	6-8 weeks	12 - 60 months	\$100,000 to \$10,000,000 (Planning and Demonstration), \$2,500,000 to \$25,000,000	20%	This program improves roadway safety by significantly reducing or eliminating roadway fatalities and serious injuries through safety action plan development and implementation focused on all users, including pedestrians, bicyclists, public...	Facilities and Infrastructure		TFG Grant Profile	

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Info Shared

FY22-26 Approps

List of Grant Opportunities

Grant Applications Update

Post-Award Grants

Federal Policy Tracker

Professional Services Provided to Blaine



- Appropriations advocacy
- Legislative and regulatory analysis/advocacy
- Competitive grants analysis, consulting, writing
- Biweekly Meetings – federal policy and funding updates
- Weekly Reports – Legislative Update, Water & Natural Resources, Grants
- Biweekly Reports – Infrastructure Funding, Transportation Notes
- Special Reports, Briefs, Memos – “Local Impacts of a Federal Government Shutdown”

Future Funding Opportunities



- FY 2027 Congressional Earmarks
- Transportation
 - Reauthorization – possible Member projects (e.g., Highway 65)
 - DOT competitive grants (e.g., SS4A, INFRA)
- Water Treatment
 - Multi-year treatment/wellfield program (WIFIA)
- Public Safety
 - FEMA (e.g., fire grants – AFG), Justice (police grants – COPS Tech, LEMHWA)
- Economic Development
 - Blaine Industrial Parks (Public Works and Economic Adjustment Assistance)

Discussion & Questions



City of Blaine Staff Report

File Number: 2025-248

Agenda Date	Status
November 10, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Ruth Tucker, Economic Development Specialist

Agenda Item # 3.3

Municipal Cannabis Retail Request for Professional Services – Evaluation Results and Operator Selection

Background

Based on council direction, staff submitted an application for a municipal cannabis retailer license to the Office of Cannabis Management (OCM) during the application period in March. Although the state has not yet issued the municipal license, the City has received preliminary approval from OCM and is on track to receive the license within the 18-month timeframe allowed by statute.

In anticipation of the license being awarded, the City issued a Request for Professional Services (RFP) – Municipal Cannabis Store Operator in early June to organizations that had previously expressed interest in partnering with the City under the municipal cannabis program. Proposals were due by June 27, 2025. The City received three submissions which Council reviewed and interviewed on August 25. From those interviews, Council selected one applicant, Voyageurs Cannabis to move forward to a second round of interviews while the city sought interest from additional parties. Twisted Hat Cannabis emerged and submitted a proposal for consideration.

Each group will be allowed time to present information about their company and the potential partnership. Council will be allowed time to ask each business questions. After both presentations have been made, the council will have an opportunity to discuss and determine if/who to proceed in discussions with further.

If the council chooses a partner, various agreements would need to be drafted prior to moving forward. This would occur prior to the end of the year.

Staff Recommendation

Council to make a recommendation on which proposal, if any, to move forward with.

Questions for Council

Does council want to move forward with one of these proposals?

Attachment List

None



City of Blaine Staff Report

File Number: 2025-249

Agenda Date	Status
November 10, 2025	
In Control	File Type
City Council	Workshop Item

New Business - Erik Thorvig, City Manager

Agenda Item # 3.4

Broadband Franchise Fees

Background

In early 2025, the city council was presented with information on alternative revenue sources to reduce the burden on property taxpayers in the city of Blaine. One of the options discussed was franchise fees. The council directed staff to explore franchise fees further.

Over the last six months, the city manager and finance director have been focusing research on utility franchise fees. In that same timeframe, the topic of broadband franchise fees has been a topic that has been discussed by North Metro TV (NMTV) and other metropolitan cities. Historically, phone, cable and internet providers have been considered a telecommunications service. Minnesota state law allows for local media operators to charge a "PEG" fee to these providers, which is paid by cable subscribers. PEG stands for Public, Educational and Governmental access programming. PEG fees have continued to decline as subscribers are canceling cable service and utilizing broadband and streaming services for television and internet. Additionally, Minnesota State law explicitly allows for cities and/or local media providers to franchise telecommunication providers and collect a fee based on a percentage of revenue. PEG and cable franchise fees are the primary funding source for local media operations like North Metro TV.

Earlier this year, the U.S. Court of Appeals held that broadband is not a telecommunications service. This decision has caused cities in Minnesota to reevaluate where broadband-only providers fall under state law as it relates to PEG and franchise fees. Since broadband is not a telecommunications service under federal law, it is similarly not likely to be under state law. This has resulted in local programming providers and cities exploring franchise fees in an effort to collect revenue and have more control over broadband companies. The South Washington County Telecommunications Commission adopted the first broadband franchise in Minnesota earlier this year. Attached is information on their effort. According to the document, "A broadband franchise is vastly superior to mere permitting. A broadband franchise, unlike a permit, addresses multiple issues that benefit residents and consumers, such as buildout standards, customer service standards, senior and disabled person discounts, system

performance standards, consideration for use of public property, and many other public benefits".

Throughout the summer, the city of Blaine experienced an influx of broadband companies installing fiber infrastructure. Two companies completed work in 2025, Lumen and Gateway Fiber. Fiber companies are required to obtain a right-of-way permit from the city of Blaine for operating and installing infrastructure within the right-of-way. To date in 2025, Lumen has obtained 79 permits and Gateway has obtained 63 permits. Permit cost is \$500/permit. The work has caused major disruptions for staff and residents. If franchising is put into place in Blaine prior to 2026, the city may have additional authority over the activity of broadband companies and collect revenue from franchise fees. Staff estimates that approximately 1/3 of the city has had broadband infrastructure installed.

NMTV staff and the NMTV cable commission have discussed franchise fees. NMTV will continue to experience a reduction in revenue due to declining PEG and cable franchise fee collection. Broadband franchise fees, running through NMTV would provide an additional revenue stream to support NMTV operations.

If franchise fees are explored, they can either be managed and run through NMTV or done by the city independently. If they are managed by NMTV, NMTV would collect a portion of the revenue and distribute the remainder to member cities. Further discussion would need to occur about financial equitability. For example, currently, PEG and cable franchise fees are collected by NMTV and funds are distributed to all member cities based on subscriber numbers. In 2024, NMTV collected \$1,774,95 in PEG and cable franchise fees and distributed \$82,257 to the city of Blaine from PEG and cable franchise fee revenue. Discussion would need to occur on the distribution of broadband franchise fees, including how much would be retained by NMTV and how fees would be disbursed amongst member cities. Alternatively, the city could explore broadband franchising on their own and retain 100% of the proceeds. City Attorney, Eric Larson will be providing information to council separately weighing the pros and cons to both approaches.

Given ongoing discussions by NMTV on exploring franchise fees and the desire to have more control over broadband companies entering the 2026 construction season, staff is seeking feedback from the city council whether to A.) consider broadband franchise fees and B.) whether to work jointly with NMTV or explore the endeavor on our own.

Staff Recommendation

Questions for Council

- 1.) Is the city council interested in considering broadband franchise fees?
- 2.) If so, whether to work jointly with NMTV or explore the endeavor on our own.

Attachment List

1. First Broadband Franchise Ushers in a New Era in Franchising



First Broadband Franchise Ushers in a New Era in Franchising

Sep 29, 2025 — by Michael Bradley in [Broadband](#), [Municipal](#)

Summary

The South Washington County Telecommunications Commission adopted the first broadband franchise in Minnesota. A broadband franchise is vastly superior to mere permitting. A broadband franchise, unlike a permit, addresses multiple issues that benefit residents and consumers, such as buildout standards, customer service standards, senior and disabled person discounts, system performance standards, consideration for use of public property, and many other public benefits.

The [South Washington County Telecommunications Commission](#) (SWCTC) has adopted the first [local broadband franchise agreement](#) in Minnesota. The agreement with [Intrepid Fiber Networks](#) was approved at the SWCTC [meeting on September 25, 2025](#). This is the future of franchising and communications. It secures future-proof digital infrastructure for the [City of Woodbury](#) area.

The franchise grants Intrepid the privilege to construct an open access Fiber-to-the-Home (FTTH) cable communications system in the City of Woodbury. This franchise marks a new era in franchising for local governments in Minnesota. SWCTC showed how local governments can protect the public rights-of-way, while securing important protections for its residents.

I. Franchising Superior to Permitting

Franchising is fundamentally different from standard right-of-way permitting. While permitting generally dictates how a construction project is executed (e.g., pavement repair, traffic control), franchising provides a formal, binding contract that guarantees specific public benefits in exchange for the use of public real estate.

The SWCTC's track record of protecting area residents, spanning four decades, is proof of the effectiveness of local franchising. The SWCTC's long-time attorney, [Mike Bradley](#) of [Bradley Werner, LLC](#), detailed the Commission's history of success:

"For over 40 years this commission has franchised cable communication systems on behalf of its member cities and their residents."

The first franchise granted by the SWCTC was in 1983. Bradley then summarized the overwhelming success of this approach:

"Through franchising, the Commission oversaw a company with initially no presence in the public right of way and no customers, and we saw that company start up and ultimately become the most robust cable communication system in the area."

Franchising by the SWCTC has also resulted in many tangible benefits benefiting residents. The success of local franchising should come as no surprise. It was a predicted outcome when the legislature decided cable communications systems should be regulated at the local level, moving away from state regulation of legacy phone systems. Bradley explained, that through local franchising:

"This Commission has made certain of many things that benefit residents, including having all residents having service, having buildout obligations, making sure all residents were covered, making sure the communication system was upgraded to meet community needs, enforcing customer service standards... and, we shouldn't forget, also developing a robust community media center in what is now TrueLens Community Media."

In short, franchising ensures that local governments retain the authority to hold providers accountable for key community objectives. This power is lost under mere permitting.

II. Summary of the SWCTC Broadband Franchise

The franchise granted to Intrepid Fiber Networks is a modern model for local governments authorizing open-access fiber optic cable communications systems in their jurisdictions. Key provisions secured by the SWCTC on behalf of its member city include:

Not Exclusive. The SWCTC is allowed to franchise other broadband providers serving its member cities.

Equal Access to Broadband. The franchise mandates that Intrepid provide equal access to broadband to all residents. This ensures the same quality of service to all homes and businesses in the franchise area.

Open Access System. Intrepid will build the network as a wholesale provider. Other franchised retail service providers will operate on this single, robust network, fostering competition in services and pricing for residents.

Authorization for Open Access Service Providers. All open access service providers using the Intrepid system will be allowed to sign on to this master franchise by signing a Joinder Agreement. This will allow users of the system to sign the Joinder Agreement and start providing service immediately.

Buildout Obligation. Intrepid must essentially complete construction of the entire city over a 5-year period. They must also ensure access across the entire jurisdiction.

Financial Consideration. Intrepid has agreed to pay a 5% gross revenue fee. This payment is for the privilege to use the public rights-of-way. It secures a long-term revenue source for the community.

Public Benefits & Protections. The agreement secures commitments for free or discounted broadband services for government facilities. It ensures the provision of dark fiber under certain conditions. It also includes a provision for a discount of no less than 10% for seniors and disabled persons.

III. Prompt Action by the Commission

Crucially, the SWCTC demonstrated that local franchising is an expeditious process. The SWCTC moved rapidly to review the franchise application, hold a public hearing, and negotiate and approve the agreement. When an applicant is serious about serving a community, local franchising does not create any unnecessary delay.

The Commission acted to approve the franchise just **59 days** from the date they received Intrepid's application. Franchise negotiations themselves were completed in **less than three weeks**. Bradley addressed critics of local regulation directly, stating:

"Any suggestion that local government is a barrier to entry is not based in reality. This commission acted, and acted very timely."

The SWCTC's successful and prompt process ensures that a local body of government will be "looking out for our interests." It protects residents' rights and ensures all residents have equal access to broadband.

Bradley Werner, LLC

[Michael Bradley](#) and [Nancy Werner](#) are nationally recognized and respected local government attorneys. Our firm is dedicated to representing local governments on [broadband](#), cable, telecommunications, utilities, and right-of-way management issues. We have decades of experience representing municipalities on communications and utilities matters.

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City of Blaine Staff Report

File Number: 2025-250

Agenda Date

November 10, 2025

Status

In Control

City Council

File Type

Workshop Item

New Business - Erik Thorvig, City Manager

Agenda Item # 3.5

3M Open Partnership Discussion

Background

Staff will present information on the partnership contract between the 3M Open and the City of Blaine for years 2026-2030.

Staff Recommendation

Questions for Council

Attachment List

None