City of Blaine
Economic Development Authority

December 15, 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. 2025-291 Approval of the November 17, 2025, Economic Development Authority (EDA) Minutes.
Sponsors: Sheila Sellman, Community Development Director

4. New Business

4.1. RES 25-190 Resolution Adopting the 2026 Blaine Economic Development Authority Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

4.2. RES 25-185 Resolution to Approve Grant Program Modifications
Sponsors: Elizabeth Showalter, Community Development Specialist

4.3. RES 25-186 Resolution to Approve Loan Program Modifications
Sponsors: Elizabeth Showalter, Community Development Specialist

4.4. RES 25-198 Resolution to Approve Loan Forgiveness for Blaine University Avenue Townhomes
Sponsors: Elizabeth Showalter, Community Development Specialist

5. Old Business

6. Adjournment

City of Blaine
Economic Development Authority

November 17, 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 7:43PM 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: Executive Director Erik Thorvig; Deputy Executive 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. 2025-260 Approval of the October 6, 2025, Economic Development Authority (EDA) Minutes
Sponsors:

Moved by Commissioner Robertson, seconded by Commissioner Newland, that the minutes of October 6, 2025, be approved.

Motion adopted unanimously.

4. New Business

4.1. RES 25-184 Resolution to Approve a Contract with the 3M Open

Sponsors: Erik Thorvig, City Manager

City Manager Thorvig stated the EDA is being asked to approve a four-year sponsorship commitment through the end of 2029 with the 3M Open. The 3M Open will be held at the TPC Twin Cities in Blaine July 20-26, 2026. The 3M Open is a regular PGA Tour event with 156 of the world's best golfers competing. The inaugural year of the 3M Open was 2019. It was estimated the tournament had an economic impact on the region of over $50 million. The local, national and worldwide exposure of the event on social media and television was impactful. The four-day tournament has over 15 live hours and over 55 total hours of broadcast time on the Golf Channel and CBS. In 2022, the EDA approved a four-year sponsorship (2022-2025). This sponsorship identified an initial sponsorship cost of $115,000 with a 3% escalator each year. The EDA paid:

2022 - $115,000
2023 - $118,450
2024 - $122,000
2025 - $125,660

Mr. Thorvig reported the tournament has requested the city of Blaine enter into a five-year sponsorship agreement through 2030. The tournament is secured as a tour event through 2030. The sponsorship will provide the city of Blaine with access to a hospitality tent on the 18th hole from Tuesday-Sunday, and 40 event tickets per day. With the event being high profile locally and worldwide, this is an opportunity to invite and host guests that play a direct role in economic development activity in Blaine. Revenue from the tournament, which includes Blaine's sponsorship, was part of the $1.5 million in donations the 3M Open fund contributed annually. The three largest recipients were the University of Minnesota Masonic Children's Hospital, Science Museum of Minnesota and National Park Foundation. Local organizations that received donations include The First Tee Blaine, Stepping Stone Emergency Housing, Allina, SBM Fire, Panther Foundation, Blaine Police Explorers and TPC Rose.

Mr. Thorvig explained that in 2025, the city of Blaine hosted over 200 guests in the hospitality tent. Guests included real estate developers and brokers, existing and prospective Blaine businesses, financial institutions and other key community stakeholders. Staff intends to create a targeted invite list and examine the possibility of themed days (developer day, broker day, Blaine business day, etc.) and review this with the EDA/Council sometime this spring before invitations are sent out. 3M Open staff approached city staff about two different options for 2026-2030. Option 1 utilizes existing hospitality space size and allocates 40 tickets/day. Option 2 utilizes additional hospitality space and allocates 80 tickets/day. Expanding the space and number of tickets allows for expanded programming and invitations to guests that have been limited with just 40 tickets/day. Additional annual networking and leadership opportunities will also be made available through the 3M Open with Option 2. The following are the cost differences:

Option 1:
2026 - $132,600
2027 - $135,960
2028 - $140,040

2029 - $144,240
2030 - $148,600

Option 2:
2026 - $198,500
2027 - $204,455
2028 - $210,590
2029 - $216,910
2030 - $223,415

Mr. Thorvig commented that either option could be funded through the existing EDA levy without the need to increase the levy.

Moved by Commissioner Robertson, seconded by Mayor Sanders, to adopt a Resolution to Approve a Contract with the 3M Open as outlined in Option 2.

Commissioner Robertson stated she supported the enhanced programming opportunities that would be available through Option 2. She believed this was a great opportunity for the city.

Commissioner Newland commented he could justify moving forward with Option 1, but he could not support Option 2. He reported he did not see the need need to commit to a million dollar investment at this time given the city's tight budget.

Councilmember Massoglia stated he saw value in Option 2 given the business relationships that have been built at the 3M Open. He reported the city was looking at another significant increase in the levy and it would not level out without making some serious cuts. He asked how this increase could be afforded without impacting the EDA levy. Mr. Thorvig explained the EDA budget has $200,000 annually that is not identified for a special project which allows the EDA flexibility fo ran economic need. He indicated these unallocated dollars would be used for this contract. He stated if the dollars are not spent in a calendar year they are kept in the EDA capital account for future projects.

Commissioner Larson inquired if there has been a need for more than 40 passes per day during the 3M Open and questioned who would decide who the additional businesses would be that were allowed in the tent. Mr. Thorvig commented there were times when the tent was packed and at other times the tent was not. He explained Thursday and Friday were focused on business events and typically there were not enough passes. He stated if Option 2 were to move forward, he would want the EDA to bring ideas forward to see what the focus should be for each day.

President Sanders stated it was his understanding Ruth made cuts and not all businesses were invited to attend the 3M Open. He explained with the additional passes more businesses would be invited to participate in this event. Mr. Thorvig reported this was the case and stated businesses were also limited to two passes.

Commissioner Ford explained originally he was against this request, but stated after hearing from city staff, he supported Option 2 moving forward noting he looked forward to the city having the additional space to promote the city.

Commissioner Fleming agreed noting the 3M Open was the biggest event the city hosted each year. She wanted the city to put its best foot forward and noted she would be supporting Option 2.

President Sanders stated he has seen tremendous value from hosting the 3M Open and being able to host businesses in the city's tent. He believed the return on investment was staggering for the community and he appreciated being able to shift the perception of Blaine in the development community. He thanked Commissioner Newland for sharing his thoughts on this matter. He was of the opinion the 3M Open tent was a tremendous tool for the city and he supported increasing the city's space and commitment to this event.

Motion adopted 5-2 (Commissioners Larson and Newland opposed).

5. Old Business

None.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, to adjourn the meeting at 8:01PM.

Motion adopted unanimously.

City of Blaine
Staff Report

File Number: RES 25-190

Agenda Date	Status
December 15, 2025	
In Control	**File Type**
Economic Development Authority	Resolution

New Business - Jason Zimmerman, Finance Director

Agenda Item # 4.1

Resolution Adopting the 2026 Blaine Economic Development Authority Property Tax Levy

Executive Summary

Minnesota state law requires all special taxing authorities, including the Blaine Economic Development Authority, to certify their final 2026 adopted property tax levies to the county auditor on or before December 29, 2025.

Background

To begin the 2026 budget and property tax levy setting process, board members were invited to participate in small group discussions between April 1-11. These meetings centered around known changes and assumptions based on recent trend data, as well as a detailed review of the Economic Development Authority (EDA) operating budget and the funding available for targeted initiatives related to development and redevelopment initiatives. Discussions continued throughout the summer, including the June 9 Workshop.

Minnesota statutes allow special taxing districts to certify property tax levies on all real property within their jurisdiction. The EDA functions as a special taxing district and is therefore authorized to levy taxes under state law.

The proposed 2026 property tax levy for the Blaine EDA is $1,225,000, representing a $75,000 increase compared to the 2025 levy. This funding fully supports the ongoing operational expenses of the EDA and allocates $150,000 specifically for targeted development and redevelopment initiatives. As a reminder, this amount can only be reduced at the time the final levy is set per Minnesota State Statute. These resources provide the EDA with the financial flexibility to:

- Offer assistance for projects that would not be viable without public support
- Acquire property for redevelopment purposes
- Encourage economic diversification to broaden the tax base

- Support business retention efforts
- Advance other initiatives aligned with the city's strategic economic development goals

In November 2025, parcel specific estimates of property taxes for 2026 were mailed by the County Auditor to property owners. The estimated taxes were based on the proposed tax levy adopted at the September 3, 2025, EDA Board Meeting.

The median value residential property in Blaine valued at $346,000, which experienced an increase in valuation of 3.38 percent, is estimated to have the EDA's share of their property tax bill increase by approximately $1.45 or 5.1 percent for 2026. As a reminder, assessed values are still subject to change slightly. The proposed levy is anticipated to result in an approximate tax capacity rate of 0.905 percent.

Following the adoption of the proposed levy, state law requires that counties, school districts, all cities, and all special taxing districts certify their final adopted payable 2026 property tax levies to the county auditor on or before December 29, 2025.

Strategic Plan Relationship

Adoption of the property tax levy and an annual budget ensures the overall financial stability of the EDA.

Board/Commission Review

N/A

Financial Impact

The final 2026 property tax levy for the Blaine EDA is $1,225,000 as presented, an increase of 6.50 percent or $75,000 over 2025. At this levy amount, $150,000 is to be committed to targeted development initiatives. Adoption of the resolution establishes the 2026 property tax levy and city budgets.

Public Outreach/Input

The preliminary EDA property tax levy and budgets were adopted at the September 3 Board Meeting.

Staff Recommendation

Staff recommends the EDA Board adopts the attached resolution approving the 2026 property tax levy and budget.

Attachment List

1. 2026 Economic Development Authority Presentation
2. 2026 Economic Development Authority Fund Summaries

City of Blaine

Signature Copy
Resolution: RES 25-190

Resolution Adopting the 2026 Blaine Economic Development Authority Property Tax Levy

WHEREAS, a proposed Blaine Economic Development Authority (the "EDA") budget for the fiscal year commencing January 1, 2026 has been prepared by the Executive Director; and

WHEREAS, said proposed budget has been prepared and presented to the EDA Board in accordance with all statutes and ordinances of the City of Blaine; and

WHEREAS, the EDA has examined, studied, and reviewed said proposed budget; and

WHEREAS, the EDA has, after due consideration and deliberation, made such amendments and adjustments to the proposed 2026 budget as they consider necessary, desirable, or expedient; and

WHEREAS, the EDA has the powers provided in Minnesota Statutes 469.001 through 469.017 (the "ACT"); and

WHEREAS, the EDA will continue to develop and implement programs in accordance with the Act and consistent with the city's 2040 Comprehensive Plan; and

WHEREAS, Minnesota Statutes, Section 469.033, Subdivision 6, allows the levy of a special district tax not to exceed 0.0185 percent (.000185) of taxable market value for purposes specified therein.

NOW, THEREFORE, BE IT RESOLVED by the EDA of the City of Blaine as follows:

1. That the proposed EDA budget shown below is approved.
2. That the 2026 budget appropriations shown below are approved.
3. That the Executive Director is authorized and directed to implement and to administer, within the budgetary funding limits and relevant state and city laws and regulations, said approved EDA Budget.
4. That the Blaine Economic Development Authority approves of, and consents to a final levy in the amount of $1,225,000, but not to exceed 0.0185 percent of taxable market value of the city as authorized by the Act and described above.

EDA OPERATING (213) REVENUES	AMOUNT
Property Taxes	$ 1,075,000
Lodging Taxes	5,000
TIF Administration Fees	40,000

Building Rentals	14,400
Program Fees	15,000
Investment Earnings	15,000
Other	3,000
TOTAL REVENUES	**$ 1,167,400**

EDA OPERATING (213) EXPENDITURES	AMOUNT
Personnel Services	$ 212,739
Supplies	500
Professional Services	7,000
Dues, Subscriptions, Training	7,000
3M Tournament	200,000
Targeted Redevelopment	190,000
Fire Suppression Grants	25,000
Business Appreciation	30,000
Property Holding Costs	20,000
General Administrative Fees	475,161
TOTAL EXPENDITURES	**$ 1,167,400**

EDA TARGETED INITIATIVES FUND (415) REVENUES	AMOUNT
Property Taxes	$ 150,000
TOTAL REVENUES	**$ 150,000**

PASSED by the Blaine Economic Development Authority this 15th day of December 2025.

Final 2026 Budget – EDA Budget and Property Tax Levy

City Council Meeting| Finance

12/15/2025

Mission and Levy Authority

Mission

The Economic Development Authority (EDA) is focused on achieving three key outcomes: economic growth, the creation of high-quality job opportunities, and the expansion of the commercial tax base. These efforts are essential for cultivating a vibrant business climate and enhancing the overall quality of life for all residents.

Statutory Authority

Operating under Minnesota Statutes 469.033, the EDA is authorized to levy taxes to fund its operations and strategic initiatives. This special taxing district status empowers the city to make long-term investments in redevelopment and infrastructure.

Levy Setting Legal Requirements

- Preliminary Levy
  - On or before September 30 each special taxing district was required to certify its proposed 2026 property tax levy to the county auditor
  - Blaine EDA proposed 2026 Levy set on September 3
- Final Levy
  - Tax levies must be certified to the county auditor within five working days after December 20 (December 29)
  - Final levy may be the same or less than the proposed amount (not more)
  - Unlike most other taxing authorities, the EDA is not required to conduct a public meeting (truth-in-taxation) prior to adoption of the 2026 tax levy

Blaine EDA Background

- In May 1985, the Blaine Housing and Redevelopment Authority (HRA) was established to promote economic development
- In December 1988, the Economic Development Authority (EDA) was established to replace the HRA as the vehicle for subsequent economic development activities
- The Blaine Economic Development Authority offers a variety of services to businesses, developers, and real estate professionals, including:
  - Assisting in identifying available residential, commercial and industrial sites and buildings
  - Business retention and expansion and business visits
  - Identifying and coordinating redevelopment needs within the community
  - Providing accurate information to various organizations about Blaine development activity
  - Identifying public and private development financing alternatives
  - Coordinating meetings with appropriate public and private sector representatives

105th Redevelopment Area

- The vision for the area, identified as a priority in the city's comprehensive plan, includes creating a pedestrian-friendly district with:
  - Hotels
  - Restaurants
  - Food hall
  - Scheels sporting goods store
  - 5,000-seat multi-use stadium
- Estimated to generate over $750 million of new development
- Will transform the industrial area near the National Sports Center into a new downtown entertainment and sports hub
- The EDA played an important role in facilitating the acquisition of property, developing a request for proposals for the selection of a master developer, and providing public financing for specific elements of the project

TPC Blaine

- In 1998 the EDA entered into a long-term lease agreement with Tournament Players Club of the Twin Cities, LLC (the TPC) for use in the construction and operation of a portion of a private membership eighteen-hole golf course
- The TPC located in Blaine, is one of 19 private golf courses operated by the Professional Golf Association (PGA)
- Host site of the annual 3M™ Open
- Attracts over 150,000 visitors to Blaine during its seven-day operation
- Estimated $50 million per year economic impact for the region

EDA Loan Program

- The EDA has provided various loan programs to support the expansion, retention, and relocation of Blaine's business community
  - Kingdom Baking
  - 4 Taps
  - Wild Hare
  - Fresh Picked Pizza Site Redevelopment
  - General Pattern
  - Chandler Industries

2026 Budget Process

- To begin the 2025 budget and property tax levy setting process, board members were invited to participate in two rounds of small group discussions between May 13-29 and July 16-23.
  - The first round of meetings centered around known changes and assumptions based on recent trend data.
  - The second round of meetings was focused on the EDA operating budget and funding available for capital related development/redevelopment initiatives.

- Discussions continued throughout the fall, including Council Workshops on August 19 and November 13.

EDA Levy Considerations

- December 2024 cash balance for all EDA operations ≈ $2,500,000
- From 2022 – 2024 approximately $9.2M was transferred into the EDA from other funds
- The EDA has traditionally leveraged its financial position to advance the City's strategic plan and impact targeted development/redevelopment projects
- Significant outlays in recent years to acquire property within the 105th Avenue Redevelopment Area
- Levy as presented would commit $150,000 to the EDA Targeted Initiatives Fund for non-operating opportunities

EDA Operating Fund

- Provides for the routine activities of the EDA
  - Staff costs
  - Business engagement
  - Property holding costs
- Levy increased to $1,000,000 annually in 2023
  - Was $750,000 previously
  - Increased to provide flexibility for future opportunities
- Year-End 2024 cash balance ≈ $1,000,000

CITY OF BLAINE, MINNESOTA

2026 SUMMARY BUDGET
EDA FUND - 213

	2025 Adopted Budget	2026 Budget	2025 Adopted Budget vs. 2026 Budget	
Revenues				
Tax Levy	$ 1,000,000	$ 1,075,000	$ 75,000	7.5%
Lodging Tax Fee	5,000	5,000	-	0.0%
TIF Admin Fees	40,000	40,000	-	0.0%
Building Rentals	14,400	14,400	-	0.0%
Program Fees	-	15,000	15,000	N/A
Investments	15,000	15,000	-	0.0%
Other	3,000	3,000	-	0.0%
Total Revenues	**$ 1,077,400**	**$ 1,167,400**	**$ 90,000**	**8.4%**
Expenditures				
Operating				
Personnel Services	$ 203,571	$ 212,739	$ 9,168	4.5%
Supplies	500	500	-	0.0%
Contractual Services	7,000	7,000	-	0.0%
Other	-	-	-	N/A
Programs				
3M Tournament	130,000	200,000	70,000	53.8%
City Monument Signage	-	-	-	N/A
Economic Development Programs				
Targeted Redevelopment	172,371	190,000	17,629	10.2%
Fire Supression Grants	25,000	25,000	-	0.0%
Business Appreciation	15,000	30,000	15,000	100.0%
Property Holding Costs	65,000	20,000	(45,000)	-69.2%
Dues, Subscriptions, Training	9,000	7,000	(2,000)	-22.2%
Gen Fund Admin Fees	448,800	473,900	25,100	5.6%
Facilities Maintenance	1,015	1,105	90	8.9%
Facilities Replacement	143	156	13	9.1%
Total Expenditures	**$ 1,077,400**	**$ 1,167,400**	**$ 90,000**	**8.4%**

EDA Targeted Initiatives Fund

- This fund has been used to account for non-operating activities including land transactions and providing for economic incentives

- Future proceeds from the 105th Avenue Redevelopment Area promissory note will be recorded in this fund

- Authorized assistance for extraordinary development costs within the National Sports Village
  - $1,499,000

- Year-End 2024 cash balance ≈ $1,500,000

EDA Levy History

Budget Category	2022 Levy	2023 Levy	2024 Levy	2025 Levy	2026 Levy
Operating Levy (Staffing, Services, Admin)	$750,000	$1,000,000	$1,000,000	$1,000,000	$1,075,000
Targeted Initiatives Levy (Land Acquisition, Grants)	$-	$-	$-	$150,000	$150,000
Total EDA Levy	**$750,000**	**$1,000,000**	**$1,000,000**	**$1,150,000**	**$1,225,000**
Increase	7.1%	33.3%	0.0%	15.0%	6.5%

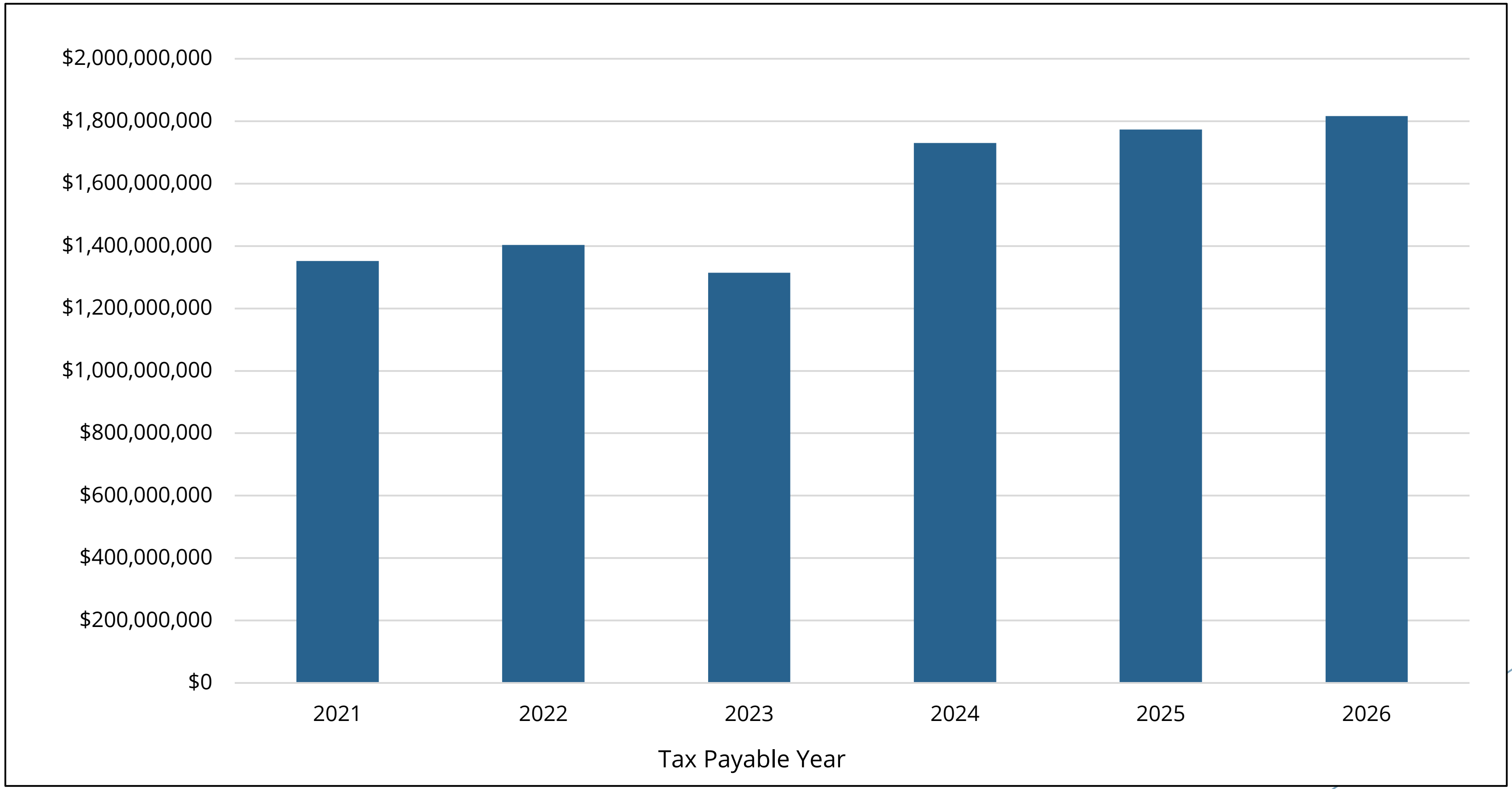
Estimated Taxpayer Impact

- Impact on Median Valued Residential Property
  - The EDA Levy Represents a small fraction of the overall property tax bill.
  - The return on the investment is a stronger local economy that drives local investment, relieving the residential tax burden in the long run.

Median Valued Residential Property: $346,000 → Annual EDA Increase: ≈ $1.45 → Monthly Cost: Less than $0.13

Taxable Market Value Growth

Consistent growth in commercial & Industrial value proves that the EDA strategies are working



Includes nearly $140,000,000 of new construction

Action Requested

- In accordance with Minnesota Statute 275.065, the Board is requested to approve the resolution adopting the final 2026 Property Tax Levy and EDA Budgets
  - *As a reminder the final property tax levy can be reduced but cannot exceed the preliminary levy set on September 3, 2025*

City of Blaine, Minnesota
Economic Development Authority - 213 & 415
Summary of Revenues, Expenditures, and Change in Net Position
2026 Budget - As of December 15, 2025

	2022 Actual	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Budget
EDA Operating Revenues					
Taxes	$ 757,132	$ 996,729	$ 1,008,661	$ 1,005,000	$ 1,080,000
Special Assessments	8,398	5,739	5,518	3,000	3,000
Charges for Services	82,687	64,440	97,934	54,400	69,400
Investment Earnings	(203,836)	165,943	116,710	15,000	15,000
Miscellaneous	2,355	2,229	1,952	-	-
Total EDA Operating Revenues	**646,736**	**1,235,080**	**1,230,775**	**1,077,400**	**1,167,400**
EDA Operating Expenditures					
Personnel Services	175,285	182,652	195,559	203,571	212,739
Supplies	574	361	105	500	500
Contractual Services	224,665	334,658	294,443	349,371	452,000
Other Services & Charges	510,145	493,343	513,678	523,958	502,161
Capital Outlay	(122,922)	1,091,180	(4,042)	-	-
Total EDA Operating Expenditures	**787,747**	**2,102,194**	**999,743**	**1,077,400**	**1,167,400**
EDA Operating Subtotal	**(141,011)**	**(867,114)**	**231,032**	**-**	**-**
EDA Targeted Initiatives Revenues					
Taxes	-	-	-	150,000	150,000
Investment Earnings	127,290	(145,697)	5,888	-	-
Total EDA Targeted Initiatives Revenue	**127,290**	**(145,697)**	**5,888**	**150,000**	**150,000**
EDA Targeted Initiatives Expenditures					
Contractual Services	18,694	-	1,499,000	-	-
Capital Outlay	2,862,053	436,559	2,554,406	-	-
Total Targeted Initiatives Expenditures	**2,880,747**	**436,559**	**4,053,406**	**-**	**-**
EDA Targeted Initiatives Subtotal	**(2,753,457)**	**(582,256)**	**(4,047,518)**	**150,000**	**150,000**
Other Financing Sources (Uses)					
Transfers In	2,609,454	2,594,435	3,961,046	-	-
Transfers Out	-	3,700	-	-	-
Total Other Financing Sources (Uses)	**2,609,454**	**2,590,735**	**3,961,046**	**-**	**-**
Net Change in Fund Balance	**(285,014)**	**1,141,365**	**144,560**	**150,000**	**150,000**
Beginning Fund Balance	3,403,194	3,118,180	4,259,545	4,404,105	4,554,105
Ending Fund Balance	3,118,180	4,259,545	4,404,105	4,554,105	4,704,105

CITY OF BLAINE, MINNESOTA

2026 SUMMARY BUDGET
EDA FUND - 213

	2025 Adopted Budget	2026 Budget	2025 Adopted Budget vs. 2026 Budget	
Revenues				
Tax Levy	$ 1,000,000	$ 1,075,000	$ 75,000	7.5%
Lodging Tax Fee	5,000	5,000	-	0.0%
TIF Admin Fees	40,000	40,000	-	0.0%
Building Rentals	14,400	14,400	-	0.0%
Program Fees	-	15,000	15,000	N/A
Investments	15,000	15,000	-	0.0%
Other	3,000	3,000	-	0.0%
Total Revenues	**$ 1,077,400**	**$ 1,167,400**	**$ 90,000**	**8.4%**
Expenditures				
Operating				
Personnel Services	$ 203,571	$ 212,739	$ 9,168	4.5%
Supplies	500	500	-	0.0%
Contractual Services	7,000	7,000	-	0.0%
Other	-	-	-	N/A
Programs				
3M Tournament	130,000	200,000	70,000	53.8%
City Monument Signage	-	-	-	N/A
Economic Development Programs				
Targeted Redevelopment	172,371	190,000	17,629	10.2%
Fire Supression Grants	25,000	25,000	-	0.0%
Business Appreciation	15,000	30,000	15,000	100.0%
Property Holding Costs	65,000	20,000	(45,000)	-69.2%
Dues, Subscriptions, Training	9,000	7,000	(2,000)	-22.2%
Gen Fund Admin Fees	448,800	473,900	25,100	5.6%
Facilities Maintenance	1,015	1,105	90	8.9%
Facilities Replacement	143	156	13	9.1%
Total Expenditures	**$ 1,077,400**	**$ 1,167,400**	**$ 90,000**	**8.4%**

City of Blaine
Staff Report

File Number: RES 25-185

Agenda Date	Status
December 15, 2025	
In Control	**File Type**
Economic Development Authority	Resolution

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 4.2

Resolution to Approve Grant Program Modifications

Executive Summary

Changes to home improvement grant programs are proposed to simplify programs for applicants, reduce administration burden, better incentivize projects that otherwise would not occur and account for property value and construction cost increases.

Background

The EDA approved four home improvement grant programs starting in 2022 for a five year pilot program, spending down excess funds in the revolving loan fund. At that time the loan fund had $2.7 million. The current balance is $2.2 million with $785,000 in expected receivables.

The five-year spend down plan assumed a $200,000 per year expenditure on the grant programs, which was used as a high estimate of anticipated usage. Actual expenditures on all home improvement grants and marketing expenses for the grant program has been $388,689.80 over the four year period, for an average of less than $100,000 per year. Therefore, sufficient funds remain to allow for three more years of home improvement grants.

To ensure overspending does not occur, the curb appeal grants will be limited to $100,000 per year, instead of the current limit of $150,000. This cap does not apply to the major remodeling grants, which can be applied for at any time during the year.

At that time, a down payment assistance program and deferred and forgivable accessibility loan program were created as part of the spend down. Since that time, down payment assistance has been limited to no more than $100,000 per year and is now fully funded by Local Affordable Housing Aid (LAHA). The previous agenda item included funding the accessibility program out of the LAHA fund as well.

Staff is requesting EDA approval of minor changes to the grant programs and approval for three more years of the grant programs. The changes generally improve clarity, reduce administrative burden, and increase maximum grant amounts to account for current construction costs.

Proposed Changes:

Front Door Program Changes

- Increase maximum assessed home value from $400,000 to $450,000
  - This would increase the number of eligible homes from 8,500 to 9,000
  - Value limit is to ensure funds are used to further public benefit through prevention of neighborhood decline. Homes valued over $450,000 are not generally located in areas at risk of neighborhood decline.
- Change from a reimbursement rate of 15-25%, depending on proposed improvements, to a consistent 20% rate, to simplify the program for applicants.
- Adjustments to eligible projects to improve fairness and clarity.
- Change from a rolling application deadline to two deadline dates during the year with a structured schedule for submission of bids and project completion.
  - This is expected reduce administrative burden by allowing application review to be consolidated.
  - Fridley and Coon Rapids use a similar approach with substantial success and staff believes this system will result in more participants doing the project because they learn about the program, rather than getting a grant for a project they were already planning to do.
- Increase maximum reimbursement to account for increased construction costs

Major Remodeling Changes

- Increase maximum assessed home value from $400,000 to $450,000
  - This would increase the number of eligible homes from 8,500 to 9,000.
  - Value limit is to ensure funds are used to further public benefit through prevention of neighborhood decline. Homes valued over $450,000 are not generally located in areas at risk of neighborhood decline.
- Increase maximum reimbursement from $7,500 to $10,000 to account for increased project costs. Current maximum grant amount is achieved through a $50,000 project. The new amount will provide reimbursement for up to approximately $65,000.

Strategic Plan Relationship

Appropriate management of the home improvement loan fund is an aspect of the strategic priority of financial sustainability.

Board/Commission Review

Not applicable.

Financial Impact

With a $100,000 per year budget for the front door program, and funding for some special purpose loans through the LAHA fund, the HIL fund can support three additional years of home improvement grants.

Public Outreach/Input

Several proposed changes were the result of resident comments. Changes will be communicated in the January newsletter.

Staff Recommendation

Approve the resolution.

Attachment List

1. 2026-2028 Proposed Terms
2. Grant and Loan Annual Report

City of Blaine

Signature Copy

Resolution: RES 25-185

Resolution to Approve Grant Program Modifications

WHEREAS, the EDA authorized home improvement grants starting in 2022; and

WHEREAS, the balance of the Home Improvement Loan fund can support three more year of home improvement grants; and

WHEREAS, minor changes are needed to improve program operations and respond to market conditions.

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves the home improvement grant program for 2026-2028 with the terms attached to the staff report associated with this resolution.

PASSED by the Blaine Economic Development Authority this 15th day of December, 2025

Major Remodeling Grant Program

Program Intention	To provide financial incentives for homeowners to complete major remodeling projects, and to include exterior aesthetic improvements
Amount	Grant of $1,000-~~7,500~~10,000 (5-15% of project cost)
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Single family residential homes or townhomes located on individual parcels that are at least 30 years old with an estimated market value for the assessment year prior to the current year less than or equal to $~~400,000~~450,000, located in the City of Blaine and homesteaded.
Eligible Grantees	Legal residents of the United States with social security numbers, who have not previously received a Major Remodeling Grant. Grantees may not receive a Major Remodeling Grant and a Front Door Grant in the same year.
Eligible Projects	Qualifying projects must total $35,000 in cost and include at least one major remodeling project. Major remodeling projects are: 1. Building an addition 2. Building a sunroom 3. Finishing an unfinished space 4. Constructing a covered front porch 5. Converting a garage into livable space (minimum garage space required by code must remain) 6. Major kitchen, bathroom or basement remodel 7. Adding a bathroom 8. Reconfiguring living space (moving walls) The reimbursement rate is determined by the number of exterior upgrade projects visible from the street: 1. Altering the roofline 2. Constructing or enhancing columns at the front door 3. Building a covered front porch 4. Enhancing the front of the house with brick, stone, or shake 5. Upgrading the front door and/or garage door if it faces the street 6. Enhancing front façade with shutters, decorative lighting, window boxes, or other similar elements (minimum cost of $1,000) 7. Major landscaping (minimum cost of $2,000) 8. Other elements as approved by the EDA staff (does not include maintenance work such as replacing siding or windows) Total project cost includes projects listed as major remodeling or exterior upgrades as well as siding, windows, roofs, trim, gutters, porches, and decks.

	Projects including two exterior upgrades are reimbursed at a rate of 15% of the project cost, up to $~~7,500~~10,000 Projects including one exterior upgrade are reimbursed at a rate of 10% of the project cost, up to $~~5,000~~6,500 Projects including no exterior upgrades are reimbursed at a rate of 5% of the project cost, up to $~~2,500~~3,000.
Ineligible Improvements	Any work initiated before grant approval will not be eligible. Deposits for contractors or materials may be paid prior to grant approval, but no work may be completed. New garages or expansions of existing garages are not eligible for reimbursement.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	No annual budget applies to this program.

Front Door Grant Program

Program Intention	To provide financial incentives for homeowners to increase the curb appeal of their home by making improvements on the street side of their home.
Amount	Grant of up to $~~5~~6,000 (~~15-25~~ 20% of project cost)
Minimum Project Cost	$4,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Single family residential properties at least 30 years old with an estimated market value for the assessment year prior to the current year less than or equal to $~~400,000~~450,000, located in the City of Blaine and homesteaded. Townhomes meeting the requirements above and located on individual lots are eligible with submission of documentation from the HOA that the proposed improvements are the homeowner's responsibility to maintain and replace.
Eligible Grantees	Legal residents of the United States with social security numbers who have not ~~previously received a Front Door Grant.~~received a Front Door Grant in the previous calendar year. Grantees may not receive a Major Remodeling Grant and a Front Door Grant in the same year.
Eligible Projects	Projects must include at least one beautification project and a beautification project cost of at least $1,000. Project must be visible from the street. ~~Beautification projects-reimbursed at 25% of cost~~ **Required Projects:** All projects, must include at least one of the items from this list, with a minimum cost of $1,000. 1. Garage door 2. Front door 3. Full view storm door 4. Accents a. Address numbers b. Shutters c. Decorative lighting d. Window Boxes 5. Permanent landscaping 6. Brick, stone, shake, or other contrasting siding texture 7. Premium siding, such as Hardie, LP Smart Side or EDCO 8. Adding or expanded covered front porch 9. Increasing size of uncovered front stoop or porch

	10. Maintenance free covered front porch 11. Adding or enhancing front door/porch columns **Optional Projects:** Applicants may choose to include one or more project elements from this list. Items on this list are only eligible if a project costing at least $1,000 is completed from the Required Project list. 1. Roof 2. Siding 3. Windows 4. Gutters, trim, soffit, fascia 5. Brick repointing/tuckpointing 6. Stucco redashing 7. Driveway and sidewalk 8. Retaining wall repair and replacement ~~1. Front door, storm door, and/or garage door~~ ~~2. Sidelight windows by front door~~ ~~3. Adding or enhancing columns at front door~~ ~~4. Adding a covered front porch~~ ~~5. Adding brick, stone, or shakes to the front of the house~~ ~~6. Alter roofline on front side of house~~ ~~7. Permanent landscaping~~ ~~8. Window boxes and shutters~~ ~~9. Screening of utility boxes and/or garbage cans~~ ~~10. Maintenance free decorative fence (wrought iron, composite, other similar materials)~~ ~~11. Decorative lighting~~ ~~12. Adding bay window~~ ~~Basic projects-reimbursed at 15% of cost~~ ~~1. Roof~~ ~~2. Siding~~ ~~3. Painting~~ ~~4. Soffit or fascia~~ ~~5. Trim~~ ~~6. Gutters~~ ~~7. Windows~~ ~~8. Chimney repair, tuck pointing, repointing~~ ~~9. Deck or porch – front yard or side yard visible from front of house (repair or replace)~~ ~~10. Retaining wall (repair or replace)~~ ~~11.~~1. ~~Driveway, sidewalk (repair or replace)~~
Ineligible Improvements	Any work initiated before ~~grant approval~~grant agreement execution will not be eligible. Deposits for contractors or materials may be paid prior to grant approval, but no work may be completed.

Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained.
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Application and Completion Timeline	Early Grant Cycle Application Deadline: March 15 Bid Submission Deadline: June 1 Project Completion: September 15 Late Grant Cycle Application Deadline: May 1 Bid Submission Deadline: July 15 Project Completion: November 1 Project completion deadlines may be extended if necessary at the sole discretion of the EDA. Under no circumstances will the completion deadline be extended beyond the calendar year of the application.
~~Work completion~~	~~All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.~~
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	The Front Door Program ~~and the Manufactured Home Beautification program are~~is subject to a ~~combined~~ budget of ~~$150,000~~ $100,000 per year. Grant funds are reserved upon execution of a grant agreement.

Manufactured Home Beautification Grant Program

Program Intention	To provide financial incentives for homeowners to increase the curb appeal of their home by making improvements to the exterior of their homes
Amount	Grant of up to $3000 (20~~15-25~~% of project cost)
Minimum Project Cost	$2,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Manufactured homes located in the City of Blaine 20 years old or older. Homes must be owner occupied and have an affidavit of owner occupancy executed as part of the grant agreement. A copy of the title must be submitted with the application to verify the age of the home.
Eligible Grantees	Legal residents of the United States with social security numbers who have not previously received a Manufactured Home Beautification Grant.
Eligible Projects	Projects may include any combination of projects listed:~~of beautification projects and basic projects.~~ ~~Beautification projects (reimbursed at 25% of cost)~~ 1. Front door and/or storm door 2. Window boxes, shutters 3. Deck/steps/ramp 4. Roof 5. Siding 6. Painting 7. Soffit 8. Fascia 9. Trim 10. Gutter 11. Windows 12. Skirting ~~Basic projects (reimbursed at 15% of cost)~~ ~~4. Roof~~ ~~5. Siding~~ ~~6. Painting~~ ~~7. Soffit~~ ~~8. Fascia~~ ~~9. Trim~~ ~~10. Gutter~~ ~~11. Windows~~ ~~12.~~13. ~~Skirting~~
Ineligible Improvements	Any work initiated before grant approval will not be eligible.

Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	~~The Front Door Program and the Manufactured Home Beautification program are subject to a combined budget of $150,000 per year. Grant funds are reserved upon execution of a grant agreement.~~ No annual budget applies to this program.

Rental Property Grant Program

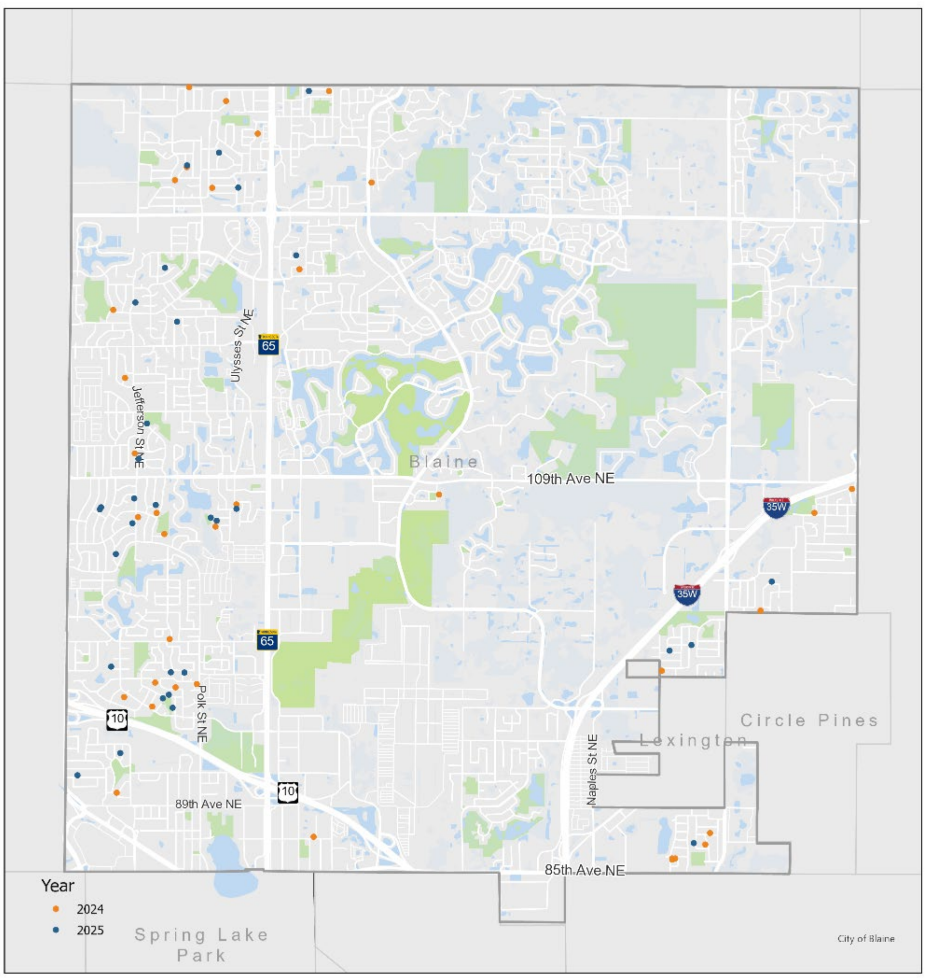
Program Intention	To provide financial incentives for owners of rental properties to improve exterior appearance and reduce burden on city services through installation of security and fire prevention and suppression.
Amount	Grant of up to $5,000 (5% of project cost)
Minimum Project Cost	$10,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund up to $50,000 of the project cost
Eligible Properties	Renter occupied homes located in the City of Blaine with 1-12 units and at least 30 years old. Properties must have received a passing result from the most recent rental property inspection, or will be rectifying the violations as part of the project. Funds will not be dispersed until all violations have been resolved. Properties must not have previously received a grant through the Rental Property Grant Program.
Eligible Grantees	Legal residents of the United States with social security numbers, sole proprietors, and corporations.
Eligible Projects	1. Exterior Projects a. Siding b. Windows c. Doors d. Roofs e. Landscaping f. Parking lots g. Sidewalks 2. Accessibility Improvements 3. Security systems 4. Parking lot lighting 5. Fire suppression 6. Fire alarm systems
Ineligible Improvements	Any work initiated before grant approval will not be eligible.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit and fire permit inspections must be successfully completed. A rental inspection is

	required if the property had outstanding violation on the most recent rental inspection.
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the property owner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by property owner 5. Completed W-9
Annual Budget	No annual budget applies to this program.

Grant and Loan Annual Activity

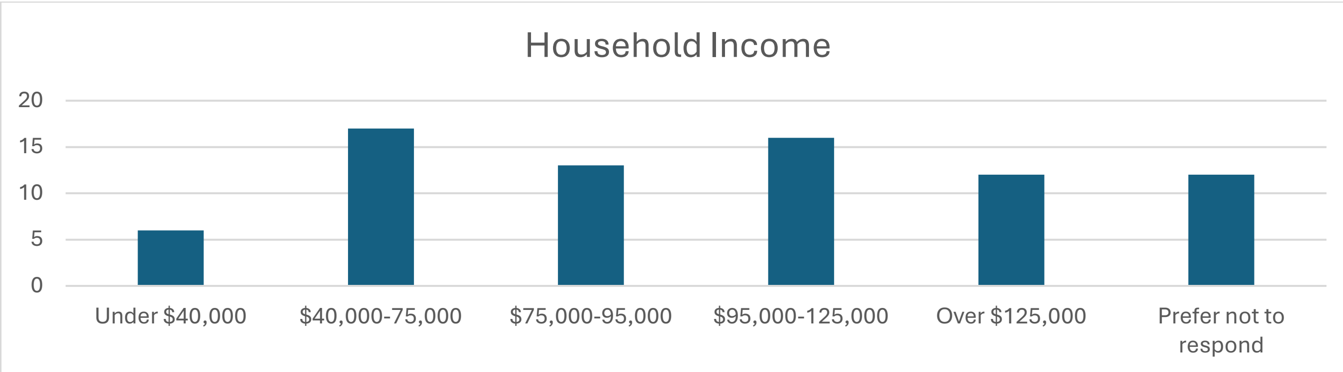
		2022	2023	2024	2025*
Loans	Closed End	$239,126.50	$71,855.00	$219,245.94	$65,399.00
	Accessibility	$20,000.00	$15,518.82		$10,000.00
	Last Resort	$19,900.00			$5,854.00
	Manufactured Home Exterior				
	EDA HIL Funded				$52,593.00
	MHFA Funded			$40,170.00	$52,231.00
	Down Payment Assistance				
	EDA HIL Funded	$45,000.00	$100,000.00	$58,900.00	
	LAHA Funded			$20,000.00	$140,000.00
Grants	Front Door	$48,608.00	$67,436.00	$66,135.00	$57,082.00
	Major Remodeling	$30,000.00	$11,841.00		$2,500.00
	Rental Property	$690.00			
Other	Heat Tape Installation (CDBG)				$15,000.00

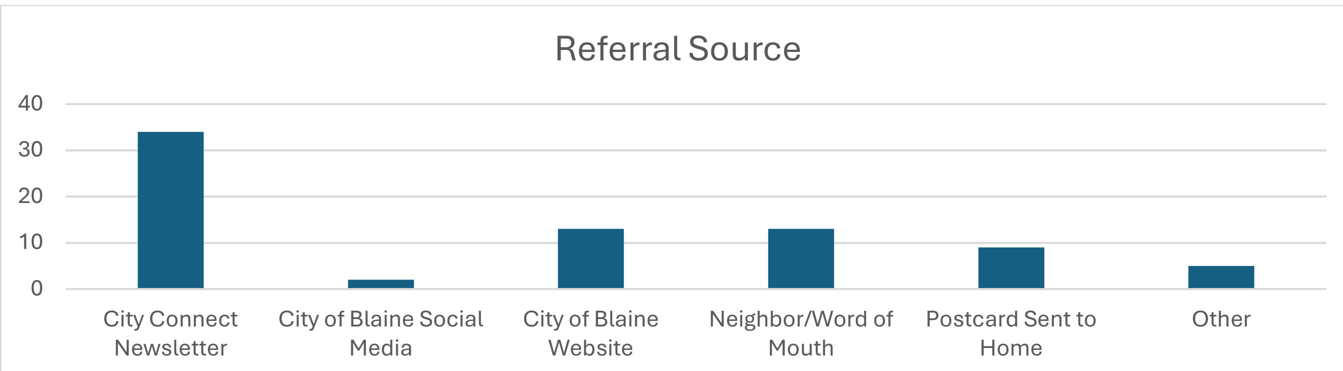
* 2025 data is accurate as of December 11, 2025.

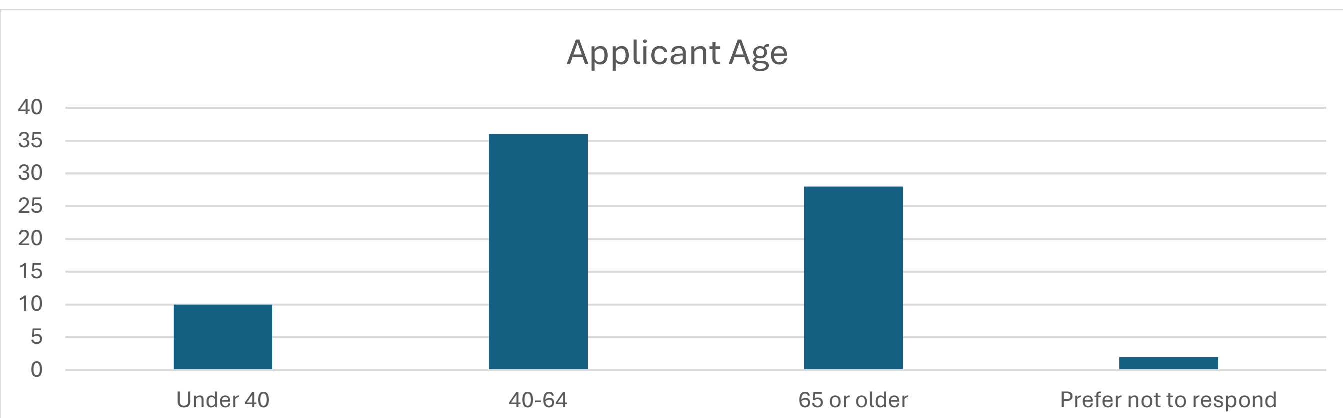


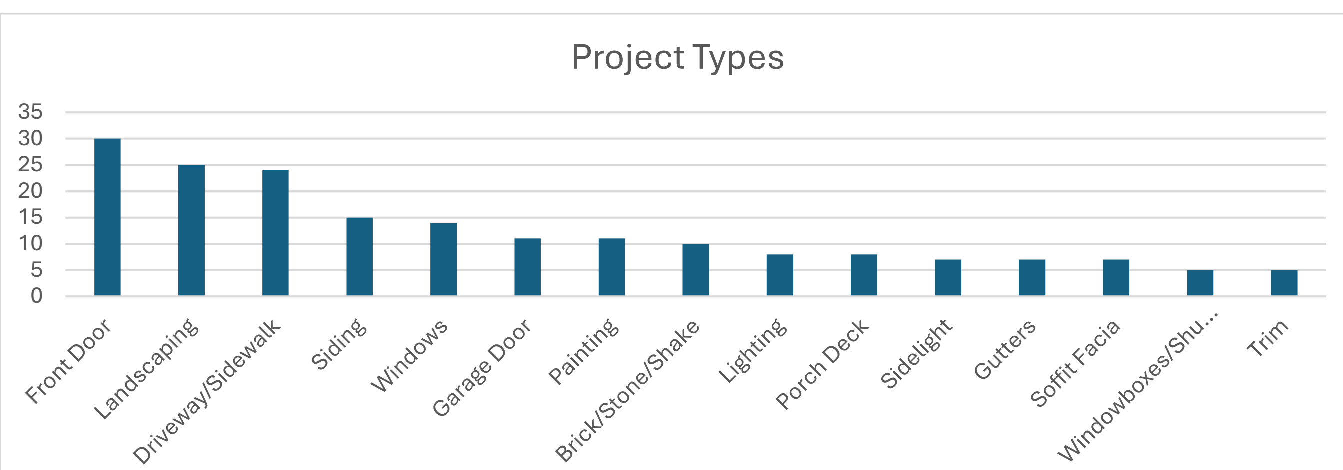
Grant Program Recipient Information (2024-2025)

Median home age 1978









City of Blaine
Staff Report

File Number: RES 25-186

Agenda Date	Status
December 15, 2025	
In Control	**File Type**
Economic Development Authority	Report

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 4.3

Resolution to Approve Loan Program Modifications

Executive Summary

Minor changes to home improvement loan programs are proposed to adapt to increased construction costs.

Background

The EDA offers a variety of home improvement loan programs with the goal of preserving high quality housing stock and preventing neighborhood decline. Staff recommends increasing the maximum loan amount on some loan programs to account for increased construction costs.

The minimum and maximum loan amounts for most programs have been in place for well over a decade. Approximately 10 years ago, the maximum loan amount for the standard repayable single family loan was increased from $25,000 to $50,000, but amounts for manufactured home loans and last resort loans stayed the same.

Program	Existing	Proposed
Single family closed end loan	$2,000-50,000	$5,000-50,000
Manufactured home closed end loan	$2,500-7,500	$3,000-15,000
Accessibility deferred loan	$2,500-10,000	$5,000-20,000
Last resort (single family)	$0-10,000	$0-15,000
Last resort (manufactured home)	$0-7,500	$0-10,000

The proposed increases to the special purpose loans will have limited financial impact since the total loan issued under those programs typically between 0 and five loans per year. Most last resort loans are for water heaters and furnaces, which typically fall within the existing loan amounts, but the large amounts allow for the program to be used for other emergency needs as well. Most loans issued through the accessibility loan program are for the maximum amount of $10,000. Staff recommends increasing that to $20,000 to account for the large cost of many home accessibility projects, and utilizing the Local Affordable Housing Aid (LAHA) instead of the Home Improvement Loan (HIL) fund for these loans, similar to the change made to the down payment assistance loan program in 2024.

Strategic Plan Relationship

Not applicable.

Board/Commission Review

Not applicable.

Financial Impact

Moving accessibility loans from the HIL fund to the LAHA fund will improve the solvency of the HIL fund. The increased maximum loan amounts for other special purpose loans is not expected to have a meaningful impact on the fund balance since historically no more than three loans have been issued under those programs per year.

Public Outreach/Input

Not applicable.

Staff Recommendation

Adopt the resolution to increase maximum loan amounts on special purpose loans and fund the accessibility loan program through local affordable housing aid.

Attachment List

1. Grant and Loan Annual Report

City of Blaine

Signature Copy

Resolution: RES 25-186

Resolution to Approve Loan Program Modifications

WHEREAS, the EDA has offers a variety of loan programs to promote home improvement and affordable home ownership; and

WHEREAS, the home improvement loan programs further the 2040 Comprehensive Plan goal of improving the quality of existing housing stock and providing housing that meets the needs of current residents; and

WHEREAS, the proposed changes ensure loan amounts are consistent with typical project costs; and

WHEREAS, the Accessibility Loan Program is an eligible use of Local Affordable Housing Aid and the use is consistent with the direction provided by the City Council for use of said aid.

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves the following minimum and maximum loan amounts for loan programs:

Loan Program	**Minimum and Maximum Loan Amounts**
Single Family Closed End Loan	$5,000-50,000
Manufactured Home Closed End Loan	$3,000-15,000
Accessibility Deferred Loan	$5,000-20,000
Last Resort (single family)	$0-15,000
Last Resort (manufactured home)	$0-10,000

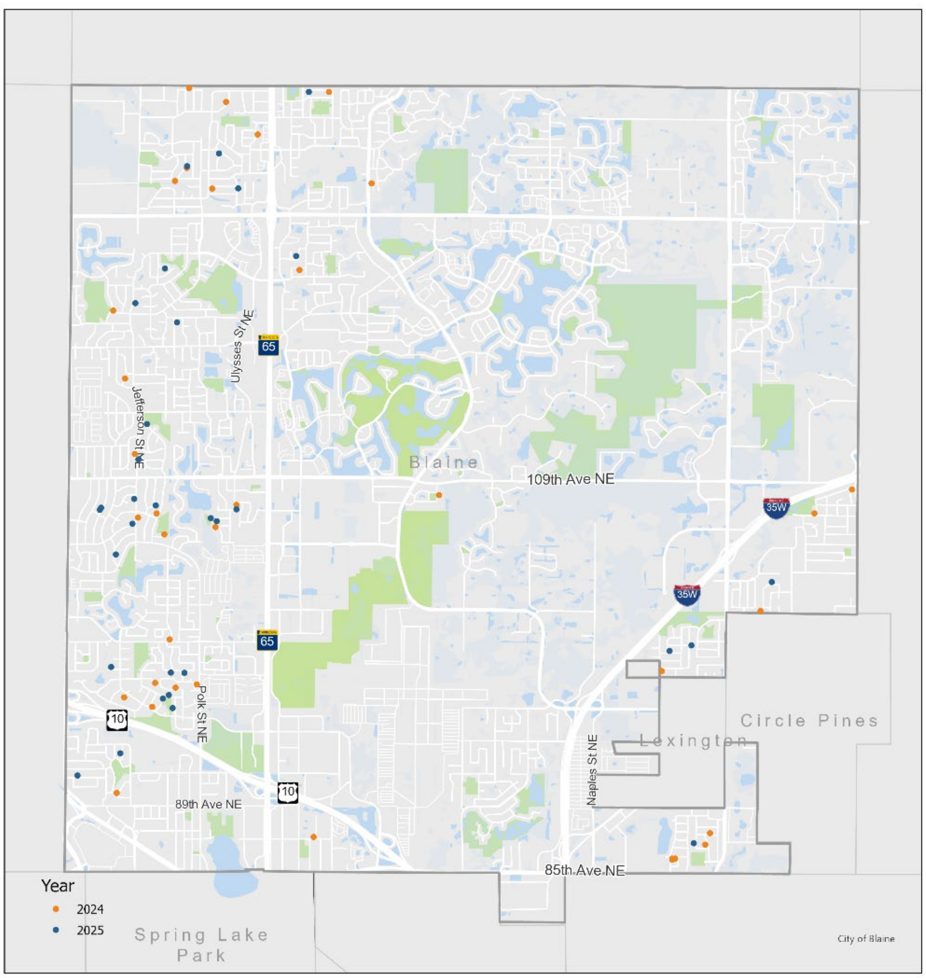
BE IT FURTHER RESOLVED, that the Accessibility Loan Program be funded out of the Local Affordable Housing Aid fund as funds are available. If undesignated funds are not available in the LAHA fund, the program shall be funded out of the HIL fund.

PASSED by the Blaine Economic Development Authority this 15th day of December, 2025.

Grant and Loan Annual Activity

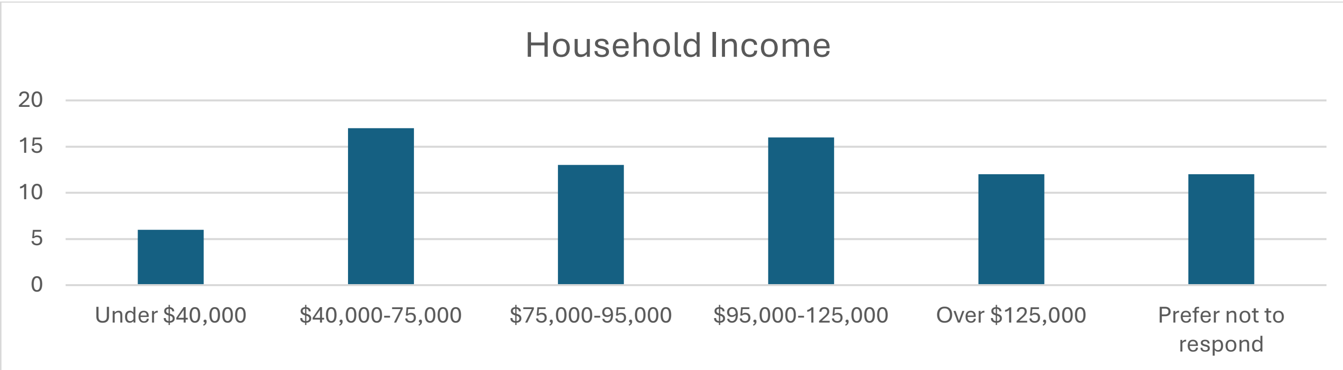
		2022	2023	2024	2025*
Loans	Closed End	$239,126.50	$71,855.00	$219,245.94	$65,399.00
	Accessibility	$20,000.00	$15,518.82		$10,000.00
	Last Resort	$19,900.00			$5,854.00
	Manufactured Home Exterior				
	EDA HIL Funded				$52,593.00
	MHFA Funded			$40,170.00	$52,231.00
	Down Payment Assistance				
	EDA HIL Funded	$45,000.00	$100,000.00	$58,900.00	
	LAHA Funded			$20,000.00	$140,000.00
Grants	Front Door	$48,608.00	$67,436.00	$66,135.00	$57,082.00
	Major Remodeling	$30,000.00	$11,841.00		$2,500.00
	Rental Property	$690.00			
Other	Heat Tape Installation (CDBG)				$15,000.00

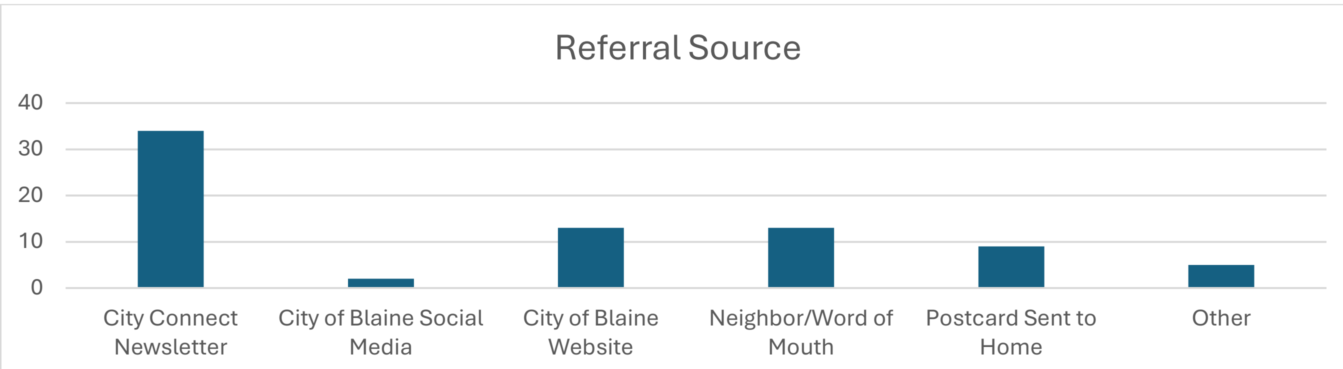
* 2025 data is accurate as of December 11, 2025.

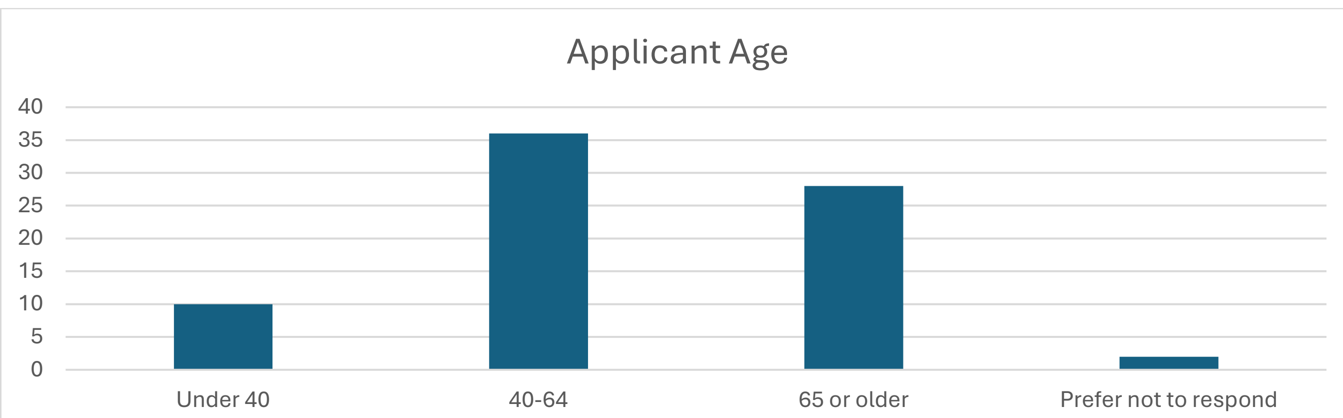


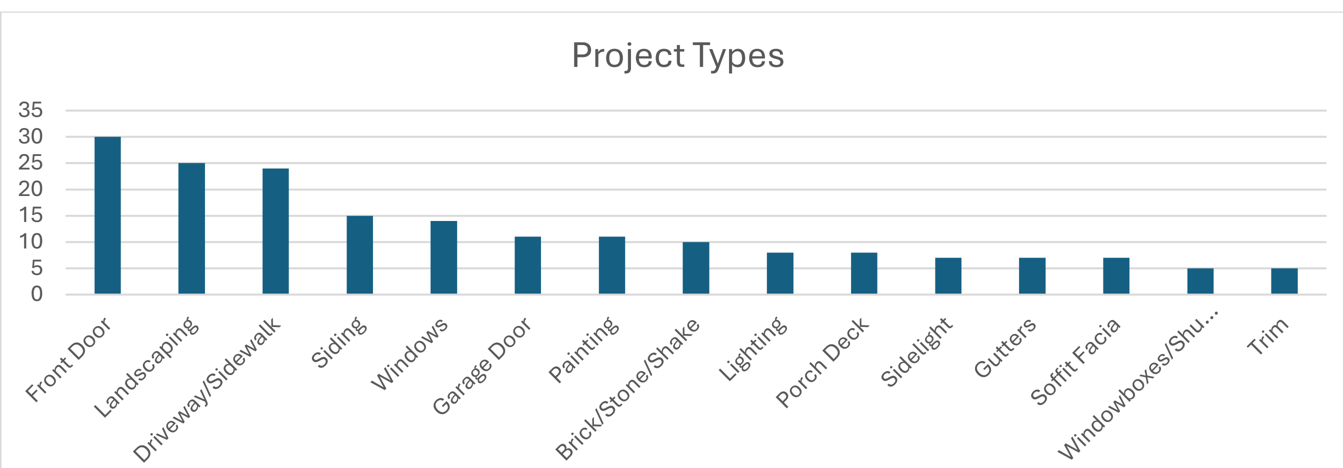
Grant Program Recipient Information (2024-2025)

Median home age 1978









City of Blaine
Staff Report

File Number: RES 25-198

Agenda Date	Status
December 15, 2025	

In Control	File Type
Economic Development Authority	Resolution

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 4.4

Resolution to Approve Loan Forgiveness for Blaine University Avenue Townhomes

Executive Summary

The EDA provided a $450,000 loan to ACCAP for the construction of the Blaine University Avenue Townhomes, utilizing pooled TIF funds in 2014. The conditions for forgiveness have been met, therefore, staff recommends forgiving the loan.

Background

The EDA provided $450,000 to Anoka County Community Action Partnership for the construction of the Blaine University Avenue Townhomes, located at the northeast corner of 109th Avenue and University Avenue. The funds were provided from pooled TIF and were advanced to ACCAP to allow for the acquisition of two parcels remaining in the assemblage necessary for the project without the financing for the complete project in place, and a mortgage was recorded on the property for the $450,000 amount.

The staff report at the time outlined various scenarios for the project depending on the ability of ACCAP to secure the rest of the necessary financing. One scenario was that if the project was completed, the $450,000 would be forgiven. Certificates of Occupancy were issued for all units in 2016, and therefore the loan is eligible for forgiveness.

The proposed resolution forgives the loan balance and authorizes the Executive Director to execute all necessary documents for loan forgiveness.

Strategic Plan Relationship

Not applicable.

Board/Commission Review

Not applicable.

Financial Impact

At the time the loan was originated, the $450,000 payment was treated as an expenditure, not a receivable, as a repayable loan would have been treated, therefore forgiveness of the loan will have no impact on fund balances for the pooled housing TIF fund or any other EDA general fund.

Public Outreach/Input

Not applicable.

Staff Recommendation

By motion, adopt the resolution.

Attachment List

1. EDA Staff Report 4/3/2014
2. RES 14-04

City of Blaine

Signature Copy

Resolution: RES 25-198

Resolution to Approve Loan Forgiveness for Blaine University Avenue Townhomes

WHEREAS, the EDA provided a $450,000 loan to ACCAP-BUATH LLP secured by promissory note dated June 24, 2014; and

WHEREAS, the staff report associated with the approval of the loan indicated that the loan would be forgiven if ACCAP-BUATH LLP completed a rental townhome project; and

WHEREAS, Certificates of Occupancy were issued for all units in the rental townhome project in 2016.

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby forgives the entire $450,000 balance of the promissory note executed by BUATH Limited Liability Limited Partnership in favor of the Blaine Economic Development Authority and recorded as Anoka County Document Number 2084838.003 and authorizes the Executive Director to execute documents related to that forgiveness.

PASSED by the Blaine Economic Development Authority this 15th day of December, 2025.

10801 Town Square Dr.
Blaine MN 55449

Agenda Date: 4/3/2014 **Version:** 1 **Status:** Agenda Ready

In Control: EDA **File Type:** EDA Resolution

Agenda Number: 3.

ITEM: 3 ECONOMIC DEVELOPMENT AUTHORITY - *Bryan K. Schafer, Planning and Community Development Director*

Title

APPROVING EDA ASSISTANCE TO HELP FACILITATE THE PURCHASE OF REAL PROPERTY AT 10931 UNIVERSITY AVENUE NE (PIN #18-31-23-33-0128) AND 10937 UNIVERSITY AVENUE NE (PIN #18-31-23-33-0126) IN THE AMOUNT NOT TO EXCEED $450,000

Background

Anoka County Highway Department (ACHD) has purchased nine (9) homes along the east side of University Avenue for expansion of the roadway in 2014. All of the residents have been relocated and the homes will be removed as part of the project. There are two single family homes on the south side of the project that have not been purchased as no additional r-o-w was needed at that location. These two homes (10931 and 10937) are just north of ACCAP's housing units that have been serving the RISE program.

Staff has been meeting with ACCAP and ACHD over the last several months to develop the redevelopment scenarios that would work for redevelopment of the area as well as utilizing all of the excess ACHD land once the homes are removed. That concept of redeveloping the area into 30 rental townhomes was discussed with the City Council at a December 12, 2013 City Council workshop. The consensus of the City Council was to continue working on the project but to determine the two property owner's willingness to sell. The homeowners have indicated their willingness to sell and relocate off of University Avenue.

The 30-unit concept plan is based on removing the remaining two (2) private homes on University Avenue as well as the four (4) ACCAP-RISE homes and effectively starting over with a new development plan. ACCAP had indicated they believe that would be successful in obtaining funding to build five attached multi-family buildings for a total of 30 units. The four (4) ACCAP-RISE units would be blended into the new project.

The proposed concept involves the following elements:

- ACCAP would purchase and remove the two remaining private homes on University
- Removal of the four (4) ACCAP homes on corner of 109th/University with the RISE units blended back into development
- One single driveway access point at north edge of development on University Avenue and one drive on 109th, both would be. right-in/right/out
- Construction of five (5) row townhome building -6 units each (mix on one story and two story).
- Unit mix of 8 three bedroom; 20 two bedroom and 2 two bedroom accessible.
- Private park/play ground for tenants.
- Adequate parking with both garage and driveway and driveway approaches.
- Significant landscaping and site improvements.
- All units would be owned and managed by ACCAP.
- Unit rents would in the $900-1,000+ range generally serving residents at 60% of median income ($49,380-family of four).
- Development would require permanent financing once details have been developed resulting in a project start-up in early 2015 or 2016.
- Total project cost of approximately $7 Million and would be subject to property tax payments.
- Because of the high cost of redeveloping the land there is an expected project gap of up to $450,000 which is in the form of an EDA request of $450,000. Pooled TIF funds have been earmarked for University Ave/109th and could be used for this project. TIF funds would be used to provide front end costs of property acquisition with any balance applied to redevelopment fees (Building permit/WAC/SAC/Park Dedication).

REQUEST:
The EDA is being asked to provide up to $450,000 to assist in the project by providing up front funds to purchase the two remaining homes. The assistance would be in the form of an agreement between the EDA and ACCAP that would contain the following four elements:

- The EDA funds would be in the form of a $450,000 loan to ACCAP to purchase the two homes. The loan would be forgiven if ACCAP is successful in obtaining project financing (in either the 2014 or 2015 funding cycle) and completing the project per City approval.

- If ACCAP is not able to bring the project to fruition by June 30, 2016 the two properties would revert to the EDA.
- The additional properties to the north (land transferred in 2014 from ACHD to ACCAP) would also be deeded to the EDA at that time (EDA would reimburse ACCAP demolition and other administrative costs).
- The EDA would negotiate a purchase for the four ACCAP homes at 109th Avenue.

While ACCAP has confidence in their ability to obtain project financing these projects are subject to a competitive process which may involve more than one funding cycle. The ability for the EDA to control the property and therefore re-direct the redevelopment effort if ACCAP is unable to bring the project forward is a key element.

Recommendation

It is recommended that the EDA approve the resolution to assist ACCAP with up to $450,000 in pooled TIF for University Avenue redevelopment.

Attachments

Location Map
Site Plan (concept)

Body

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Blaine Economic Development Authority (the "EDA"), as follows:

WHEREAS, it is one of the goals and purposes of the Blaine EDA to improve the community, strengthen the tax base and enhance employment and housing opportunities; and

WHEREAS, the ACCAP has proposed a significant redevelopment of a key portion of University and 109th Avenue; and

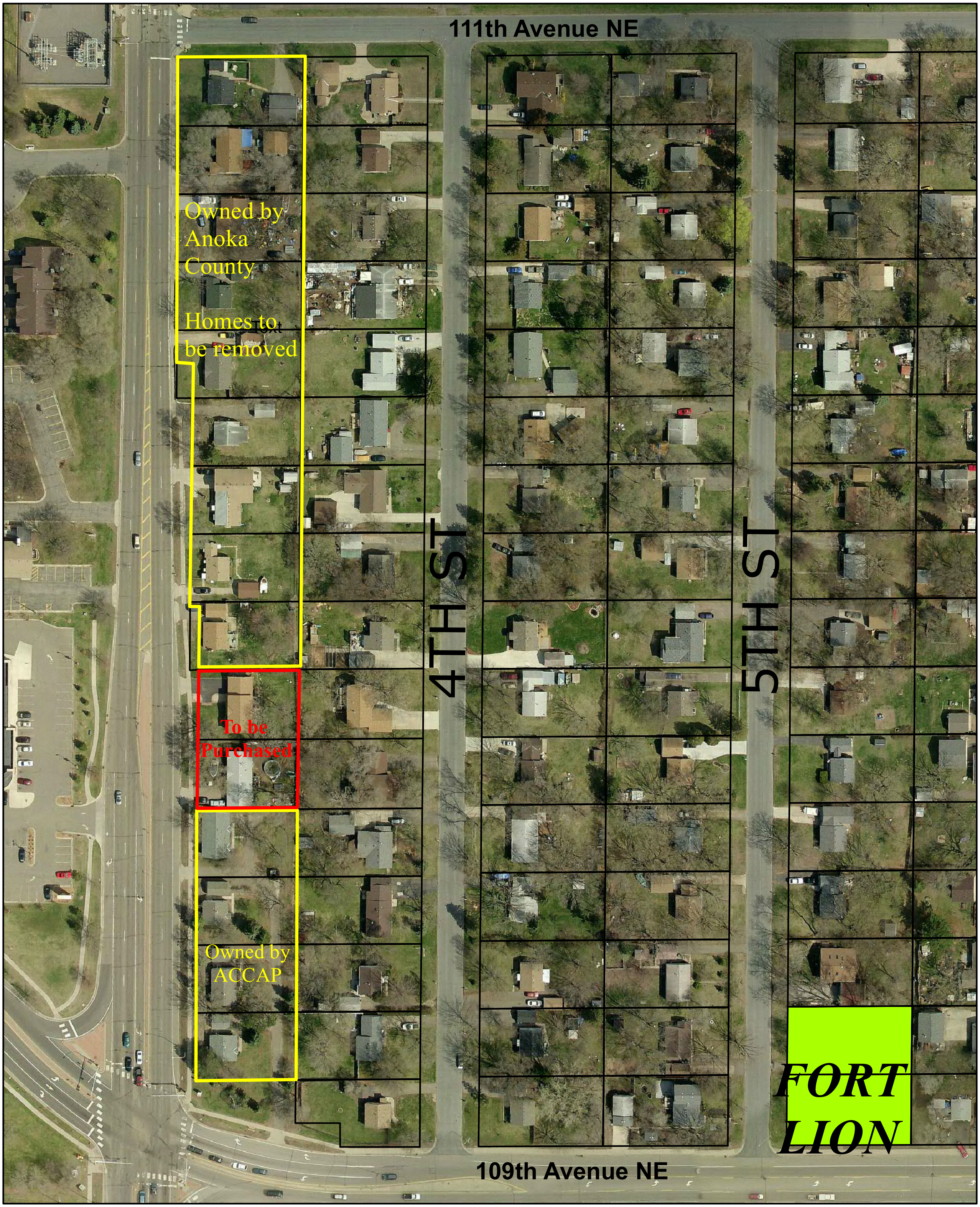
WHEREAS, there are two existing homes (10931 University Ave and 10937 University Ave) that are privately owned who have indicated a wish to be purchased as part of the redevelopment and expansion of the road; and

WHEREAS, ACCAP has requested the EDA to provide a funding source for the purchase of the homes in the amount of up to $450,000; and

WHEREAS, ACCAP and the EDA would enter into a Development Agreement that would establish the terms of the financial assistance and said agreement would be subject to the approval of the EDA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Blaine Economic Development Authority, City of Blaine, Minnesota, that the President and Executive Director of the Blaine Economic Development Authority are hereby authorized to prepare for EDA approval the necessary documents necessary to provide up to $450,000 in pooled TIF funds to assist ACCAP in the redevelopment of 109th and University.

PASSED by the Blaine Economic Development Authority this 3rd day of April 2014.


111th Avenue NE
Owned by Anoka County
Homes to be removed
To be Purchased
Owned by ACCAP
4TH ST
5TH ST
FORT LION
109th Avenue NE


NORTH SITE PLAN - SHEET P1
SOUTH SITE PLAN - SHEET P2
4TH STREET NE
CUSACK & CARLSON'S BLAINE OAKS
BLOCK 4
Lot 2
Lot 3
Lot 4
Lot 5
Lot 6
Lot 7
Lot 8
Lot 9
Lot 10
Lot 11
Lot 12
Lot 13
Lot 14
Lot 15
Lot 16
Lot 17
Lot 18
Lot 19
Lot 20
Lot 21
Lot 22
Lot 23
Lot 24
Lot 25
Lot 26
Lot 27
Part of the SW1/4 of the SW1/4, Sec. 18, T. 31, R. 23
Owned By Anoka County in Fee
UNIVERSITY AVENUE NE (C.S.A.H. NO. 51)
Prescriptive 33 ft RW (No documentation found granting additional RW as of 4/25/2012)
SITE DATA
LOCATION: BLAINE, MN (ANOKA COUNTY) UNIVERSITY AVE. N.E., 109TH N.E. TO 111TH N.E.
EXISTING SITE CONSISTS OF 15 SINGLE FAMILY PARCELS, EACH CONTAINING A SINGLE FAMILY LOT AND A SINGLE FAMILY HOUSE.
THE ADDRESSES ARE 10901 THROUGH 11043 UNIVERSITY AVE. N.E. THE LOTS ARE APPROX. 70' WIDE AND 112.5' DEEP.
NINE HOUSES (11013, 11019, 11025, 11031, 11037 AND 11043) ARE BEING ACQUIRED BY ANOKA COUNTY. LOTS 11031, 11037 & 11043 WILL BE USED FOR A STORM WATER DRAINAGE POND. LOTS 10943, 11001, 11007, 11013, 11019 & 11025 ARE BEING SOLD TO ACCAP.
ACCAP OWNS 4 HOUSES ON LOT 10907.
LOTS 10931 & 10937 TO BE ACQUIRED BY ACCAP.
38 COVERED PARKING SPACES
38 GARAGE FRONT PARKING SPACES
31 PUBLIC PARKING SPACES
107 TOTAL PARKING SPACES
8 - 3 BR
20 - 2 BR
2 - 2 BR ACCESSIBLE
30 TOTAL UNITS
PROPERTY LINE
FENCE
BITUMINOUS DRIVEWAY
SURMOUNTABLE CONC. CURB
PLAY AREA
DRIVEWAY
STORM WATER RETENTION POND
CONC. SIDEWALK
UNIVERSITY AVE. N.E.
109TH AVE. N.E.
1 P1 NORTH SITE PLAN SCALE: NO SCALE
1 P2 SOUTH SITE PLAN SCALE: NO SCALE
N
0 10' 25'
P1 P2
KEY PLAN
bvt ARCHITECT
BRUCE V. TUNELL, ARCHITECT, MENDOTA HEIGHTS, MINNESOTA (612) 789-4015
BLAINE UNIVERSITY AVE. TOWN HOMES
UNIVERSITY AVE. AT 109TH AVE. N.E.
BLAINE, MN.
ANOKA COUNTY COMMUNITY ACTION PROGRAM
DEC. 2, 2013
P2

City of Blaine
Anoka County, Minnesota

10801 Town Square Dr.
Blaine MN 55449

Signature Copy

EDA Resolution: EDA RES 14-04

File Number: EDA RES 14-04

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PASSED by the Blaine Economic Development Authority this 3rd day of April 2014.

Signed by Tom Ryan **Date** 4-3-14

Tom Ryan, Mayor

Attest by Jane M. Cross **Date** 4-3-14

Jane M. Cross, CMC, City Clerk