City of Blaine
Economic Development Authority

December 15, 2025 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 8:50PM 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; Community Development Specialist Elizabeth Showalter; Assistant Finance Director Kyle Stasica; Accounting Manager Haley Chapman; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

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

Moved by Commissioner Newland, seconded by Commissioner Robertson, that the minutes of November 17, 2025, be approved.

Motion adopted unanimously.

4. New Business

4.1. RES 25-190 Resolution Adopting the 2026 Blaine Economic Development Authority Property Tax Levy

Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated 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. 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. 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.

Moved by Commissioner Robertson, seconded by President Sanders, to adopt a Resolution Adopting the 2026 Blaine Economic Development Authority Property Tax Levy.

Amendment moved by Commissioner Newland, seconded by Commissioner Massoglia, to recommend the EDA retain the current EDA tax levy for 2026.

Commissioner Robertson stated she wished there was a willingness over the past 10 months to make cuts from the general levy or transportation fund. She reported she supported the EDA levy increasing because this fund supported the redevelopment of the community. She explained she did not support cutting $75,000 from the EDA levy because the EDA needed proper funding in order to move forward with the programs that were being proposed by the city.

Commissioner Massoglia indicated he could support the proposed cut to the EDA levy.

Amendment motion failed 3-4 (Commissioners Fleming, Ford, Robertson and President Sanders opposed).

Commissioner Ford indicated he was working to remain consistent with his vote and while he was cognizant of taxes, he believed the people in the community were also important. He explained he fully supported the slight increase in the EDA levy because this would be an investment in the community.

Motion adopted 4-3 (Commissioners Larson, Massoglia, and Newland opposed).

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

Community Development Specialist Showalter stated 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.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 next agenda item includes 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.

Moved by Commissioner Robertson, seconded by Commissioner Larson, to adopt a Resolution to Approve Grant Program Modifications.

Motion adopted unanimously.

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

Ms. Showalter requested the EDA consider minor changes to home improvement loan programs are proposed to adapt to increased construction costs. 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. The proposed increases to the special purpose loans will have limited financial impact since the total loan issued under those programs typically between zero 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.

Moved by Commissioner Fleming, seconded by Commissioner Ford, to adopt a Resolution to Approve Loan Program Modifications.

Motion adopted unanimously.

4.4. RES 25-198 Resolution to Approve Loan Forgiveness for Blaine University Avenue Townhomes

Sponsors: Elizabeth Showalter, Community Development Specialist

Ms. Showalter stated 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. 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.

Moved by Commissioner Robertson, seconded by Commissioner Fleming, to adopt a Resolution to Approve Loan Forgiveness for Blaine University Avenue Townhomes.

Motion adopted unanimously.

5. Old Business

None.

6. Adjournment

President Sanders adjourned the meeting at 9:10PM.

Motion adopted unanimously.

Signed by ______________________________
Tim Sanders, President

Signed by ______________________________
Catherine M. Sorensen, City Clerk