



City of Blaine

City Council Workshop

January 12, 2026 | 5:30 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

NOTICE OF WORKSHOP MEETING

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

1. Call to Order

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

2. Roll Call

PRESENT: Mayor Tim Sanders (participated remotely), Councilmembers Terra Fleming, Chris Ford, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Erik Thorvig; Community Development Director Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Administrative Services Scott Johnson; City Attorney Lida Bannik; Assistant Public Works Director Jason Grode; Community Development Specialist Elizabeth Showalter; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. New Business

- 3.1.** 2026-015 Closed Session Pursuant to MN Statute 13D.03 Subd. (1)(b) - Labor Negotiations Update
Sponsors: Scott Johnson, Director of Administrative Services

After a motion and second the council moved into closed session to receive an update on labor negotiations.

The council moved to open session and Mayor Sanders left the meeting at 6:15PM.

3.2. 2026-016 Local Affordable Housing Aid (LAHA) Update
 Sponsors: Elizabeth Showalter, Community Development Specialist

Community Development Specialist Showalter stated the State of Minnesota established a 0.25% sales tax in the 2023 housing omnibus bill, a portion of which is allocated to cities and counties as local affordable housing aid (LAHA). The City of Blaine has received \$1,065,070.61 to date. This report will provide a summary of the use of these funds and options for use of these funds going forward. Eligible uses under state statute were for emergency rental assistance for households at or below 80% Area Median Income, financial support to nonprofit affordable housing providers, affordable housing development, acquisition, rehabilitation, and financing, operations and management of financially distressed residential properties, supportive services for supporting housing (added in 2025), and emergency shelter operations (added in 2025). In 2024, the City Council provided direction through two City Council workshops to utilize these funds for three purposes:

1. Home buyer lead affordable homeownership programs
 - a. Down payment assistance (\$89,250 expended to date)
 - b. Interest rate buy down through partnership with Refined Lending (\$40,000)
2. Accessibility/aging in place audit and grant program
 - a. RFP released in early 2025, with two vendors expressing interest, but neither responded to the RFP.
3. Set money aside for manufactured home replacement program (no LAHA funds yet expended)
 - a. Feasibility and needs assessment study funded by Met Council is nearing completion
 - b. Preliminary findings suggest that a per unit subsidy of at least \$50,000 will be necessary to successfully replace severely substandard homes

Ms. Showalter reported in addition to the items listed above, the city council may pursue additional uses for LAHA. Items that have previously been discussed:

1. Replacing or supplementing charitable gambling allocations to housing related nonprofits
 - a. Home for Youth, Stepping Stone, Family Promise, and Alexandra House would be eligible recipients, but would be required to provide reporting on the use of funds, which is not currently required for the charitable gambling allocations.
 - b. Statute requires that "a recipient must commit to using funds to supplement, not supplant, existing locally funded housing expenditures, so that the recipient is using the funds to create new or to expand existing housing programs." While the charitable gambling revenue does not meet the

definition of locally funded housing expenditures, since it is a restricted fund, the City Council may find that fully replacing charitable gambling allocations with allocation of LAHA is not consistent with the statutory guidance.

2. Manufactured home park resident concerns expressed to staff and city council members.

- a. Tree trimming: Many residents expressed a need for tree trimming to prevent damage to their home but an inability to pay for the trimming. Trees are owned by the parks, but most parks consider removal of nonhazardous trees and tree trimming to fall under the tenant responsibilities. If the City Council is interested in pursuing a program to address this need, staff can complete further research to determine whether LAHA or other available funds could be used for this purpose.
- b. Lot rent financial assistance: A short term, emergency assistance program to help residents experiencing temporary unemployment or other financial stresses would be an eligible use. Current staff would not be able to administer a rent assistance program, and the City would need to contract with an outside agency for administration.

Ms. Showalter reported the city council discussed the possibility of utilizing LAHA or pooled housing TIF to provide financial assistance to Cloverleaf Courts and Blaine Courts with rehab projects. All eligible uses of pooled housing TIF are also eligible uses for LAHA, but LAHA has many additional allowed uses, therefore staff recommends using the more restrictive source, which is pooled housing TIF. The owner of the buildings is also capable of the necessary reporting for TIF, which is more onerous than LAHA. A nonbinding term sheet will be brought forward for EDA review on January 21. A workplan summarizing all housing programs funded by grants, the home improvement loan fund, and LAHA was further reviewed with the council.

Councilmember Newland stated he did not support the city providing LAHA funds for tree trimming because the city had so many properties that were not low income that had other issues. He questioned if income limits would be set for tree trimming services. Ms. Showalter reported the income requirements for this type of service would be 110% of AMI which would apply to a large portion of Blaine residents.

Councilmember Newland inquired if a tree trimming program could be established just for seniors. Ms. Showalter stated she could look into this, noting the majority of seniors in the community would fit the income requirements.

Councilmember Newland requested further information regarding the loan buy down program. Ms. Showalter reported it took the city over a year to go through the funding that was allocated to the loan buy down program. She noted if conditions change in the housing market, the city could reconsider allocating funding back for this program.

Councilmember Fleming asked if the new proposed programs would take away dollars from the existing focuses for the LAHA dollars. Ms. Showalter indicated the new programs could be scaled in such a way as to not take away from the existing focuses. She indicated the home replacement program would remain a high dollar amount.

Councilmember Fleming questioned if the LAHA dollars had to be spent within a calendar year or could these dollars accrue. Ms. Showalter reported the dollars could accrue, but had to be spent within a four-year timeline.

Councilmember Fleming inquired when the city received its first LAHA allocation. Ms. Showalter explained the city received a partial LAHA payment in 2024 and would receive full payments in 2025.

Councilmember Fleming asked how much the city had in LAHA dollar at this time. Ms. Showalter indicated the city had over \$1 million in LAHA funding at this time.

Councilmember Fleming explained she supported using LAHA dollars to help people in the community who were in need.

Councilmember Robertson commented on how LAHA dollars may be temporary. She encouraged the council to not rely on this funding as it could go away in the future. She supported the city working to assist the elderly and mobile home communities in Blaine in order to protect the affordable housing in Blaine.

Councilmember Larson questioned what else staff was seeing as needs in the community. Ms. Showalter indicated the city receives a number of calls for tree trimming assistance from both stick-built and mobile homeowners. She stated rental assistance was another need that she receives calls about.

Councilmember Massoglia explained he could support a city-wide tree trimming program. He commented he could support looking at other uses for charitable gambling. He recommended the city continue to support the programs that were established in 2024.

Councilmember Robertson requested further information on how pooled TIF dollars could be utilized by the city. Ms. Showalter discussed how pooled TIF dollars could be utilized.

City Manager Thorvig reported the city has \$1.2 million in pooled TIF dollars, but noted the uses were more restricted for TIF dollars than LAHA dollars. He indicated the city has been pooling these dollars because a project has not come forward to utilize the funding.

Councilmember Robertson asked if the council supported using pooled TIF and LAHA dollars for the Cloverleaf Courts and Blaine Courts. The council supported using both of these funding sources for the mobile home park funding requests.

Council consensus was to continue utilizing LAHA funds as directed in 2024 for owner-led home buyer assistance, accessibility and fall prevention, and substandard manufactured home replacement. Council consensus was that they would be open for a trial to add other uses as provided by staff such as tree trimming, short-term/emergency rental assistance, allocations to emergency shelter/supportive housing nonprofits, and other uses allowed under statute. Council also supported LAHA and pooled housing TIF for Cloverleaf Courts and Blaine Courts funding request.

3.3. 2026-017 City Council's 2025 Accomplishments and 2026 Goals
Sponsors: Erik Thorvig, City Manager

Mr. Thorvig stated as the year draws to a close, he would like the city council to reflect on the 2025 accomplishments, highlighting progress made in economic development, infrastructure, finance and to look ahead in hopes of outlining the ambitious goals for 2026. He reviewed the manner in which the city of Anoka sets goals on a yearly basis and stated he would like the Blaine City Council to move towards this process going forward. He explained he had a list of each individual council goals noting he had also created a list of goals for the city separately, noting this document would serve as an informal guiding document for staff for the coming year. Staff provided further comment regarding the accomplishments from 2025 and the goals for the city for 2026.

Councilmember Robertson stated she appreciated the fact the city council would have the same staff and councilmembers for 2025 and 2026. She acknowledged that while there has been respectful disagreement amongst the council, she appreciated how well council and staff were working together to get things done on behalf of the community.

Councilmember Fleming agreed 2025 was a great year and the council was able to accomplish a great deal. She thanked staff for their tremendous efforts on behalf of the city council and community as a whole.

Councilmember Newland stated he was uncertain how this goal-setting process would work, but after going through the process he greatly appreciated seeing the summary document that was presented by staff. He said he was proud of the council's accomplishments and looked forward to what could be built upon for 2026.

Mr. Thorvig thanked Councilmember Newland for his comments. He then summarized the goals that would be the city's focus for 2026.

Councilmember Massoglia stated he supported the proposed goals for 2026 and explained he would like to know more about how the council would come together when it comes to the city's financial picture. Mr. Thorvig indicated he would be setting up meetings with each councilmember to review the 105th development schedule for 2026.

Councilmember Newland indicated the council would benefit from receiving regular updates on the 105th project, noting he had received numerous calls from the public regarding Invictus and Topsy Steer.

Councilmember Robertson agreed, stating she looked forward to receiving updates from staff on this project. Mr. Thorvig indicated this project has quieted down for the winter, but would be ramping back up in the next 45 days. He noted the developer was looking to hire a PR firm to assist with getting information to the public.

Mr. Thorvig addressed the budget goal noting staff would work to receive a 7-0 vote on the 2027 budget. He indicated he would like to bring back five-year forecasting for the budget, which had been done in the past. He stated alternative revenue sources would be further discussed at the council retreat. He explained customer service levels and resident

expectations would also be discussed to see if there were further ways to reduce the budget.

Councilmember Massoglia stated he appreciated the proposed budget and finance goals. Councilmember Robertson agreed.

Councilmember Newland inquired if the incumbents would be removed from the fire board. City Clerk Sorensen stated there were two open seats on the fire board and appointments should be made in February.

Councilmember Newland indicated he believed the budgeting process that was followed in 2025 was greatly improved.

Councilmember Massoglia commented he would like to see further discussions with public safety and their staffing levels, given the fact this department was a large portion of the city's budget.

Councilmember Robertson discussed how she was working diligently to bring a Trader Joe's to Blaine and was in communication with staff in their corporate office in California. She thanked staff for assisting her with these efforts.

Councilmember Larson questioned where the Trader Joe's would be located. Councilmember Robertson reported the Trader Joe's was proposed to be located in Lexington Meadows next to North Memorial.

Councilmember Larson indicated she did not support a Costco coming into the community. She stated she did not want to see Blaine morphing into Maple Grove as a concrete commerce hub.

Councilmember Robertson thanked Councilmember Larson for this feedback. She indicated there were very few locations in Blaine that a Costco could be located. She stated the only location that may work is the gun club property. She reported if Costco were not to locate on this property, she anticipated the site would be covered with industrial buildings.

Councilmember Ford said he wanted to see the city working to better the entire community and that it was his hope the council could focus on improvements in the Northtown Mall area in 2026.

Councilmember Fleming reported the city has a 20-year plan in place for the Northtown Mall area. She indicated the council wants this area revived, but noted the redevelopment of this area would take time.

Councilmember Robertson stated one of the road blocks that was in place was the new mall owner. She suggested staff provide the council with quarterly updates on the Northtown Mall going forward in order to keep the council apprised of conversations that are being held regarding the Northtown Mall area. She indicated the Northtown Mall area may be better served as a corporate campus that brought in new jobs and amenities to the community.

Councilmember Ford explained he would appreciate receiving updates, noting he was not against high density housing in this area of Blaine and recommended the Northtown Mall remain a priority for the council.

Mr. Thorvig discussed how staff would continue to work to improve council relations and communication between the city council and staff members.

Councilmember Massoglia indicated he would like to see communication between staff and the council continue to grow in the coming year.

Councilmember Robertson asked that the city council remain apprised on the TH65 project. Mr. Thorvig anticipated weekly updates would be given to the council once this project begins.

Councilmember Larson stated she was very nervous about whether the city would receive the 3% sales tax. She asked that staff keep the council informed on this topic as it moves forward at the state level. Mr. Thorvig indicated he would keep the council apprised on this topic.

Mr. Thorvig thanked the council for their feedback and discussion on this topic.

3.4. 2026-018 Council Subcommittee Updates
 Sponsors: Erik Thorvig, City Manager

This item was postponed to a future worksession.

4. Other Business

Mayor Sanders returned to the meeting remotely at 7:48PM.

Mr. Thorvig said staff intends to include discussion on the format of open forum at a future worksession meeting.

Police Chief Podany provided the council with an update on the current immigration enforcement and other federal enforcement actions that were occurring in the state. He reported local law enforcement agencies have no role in immigration enforcement and noted the Blaine Police Department would not be assisting with immigration enforcement. He stated the department was not notified when ICE was coming into the community. He explained the department's role would be peacekeeping and keeping people safe. He indicated the department would not be questioning a resident's immigration status. He commented on the mobile field force that could be activated if civil unrest were to occur in the community.

Councilmember Robertson thanked Chief Podany for his update on this matter and noted she would be forwarding any questions she received to the police chief in order for the public to receive a response on this matter given the political nature of this topic.

Councilmember Massoglia requested Chief Podany forward the city's immigration enforcement policy to the council. Police Chief Podany reported he would pass this policy along to the city

council.

Councilmember Larson indicated she did not want to see the city responding to open forum comments, especially if residents begin bringing up immigration enforcement concerns.

Councilmember Robertson agreed, noting she did not want the open forum portion of the meeting leading to inflammatory comments directed towards staff or city councilmembers.

5. Adjournment

The workshop adjourned at 8:04PM.



Signed by

Tim Sanders, Mayor

Signed by

Catherine M. Sorensen, City Clerk