



City of Blaine Anoka County, Minnesota Minutes

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

EDA

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.

The council chambers will have limited seating, with audience chairs being set up at least six feet apart. There will be an overflow area where the meeting can be watched in the Cloverleaf Farms Room, also with chairs set up at least six feet apart.

Monday, September 19, 2022

Council Chambers

Meeting will take place immediately following the regular Council meeting

1 Call to Order

The meeting was called to order at 9:14PM by President Sanders followed by the Roll Call.

2 Roll Call

PRESENT: President Tim Sanders, Commissioners Wes Hovland (arrived at 9:16PM), Julie Jeppson, Chris Massoglia, Tom Newland, Richard Paul, and Jess Robertson.

ABSENT: None.

Quorum Present.

ALSO PRESENT: Acting City Manager Joe Huss; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Deputy Finance Director Alison Bong; City Engineer Dan Schluender; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

Present: 6 - Commissioner Jeppson, Commissioner Robertson, Commissioner Paul, Commissioner Hovland, Commissioner Massoglia, and President Sanders

3 Minutes

3-1

Approval of the July 18, 2022 EDA Minutes

Attachments: [Unapproved Minutes 071822](#)

Moved by Commissioner Newland, seconded by Commissioner Jeppson, that the Minutes of July 18, 2022, be approved.

Motion adopted unanimously.

Aye 6 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia President Sanders

4 New Business

4-1

Authorize the Blaine Economic Development Authority, Having all the Powers of a Housing Redevelopment Authority, to Levy a Property Tax upon the Taxable Property in the City of Blaine for 2023

Deputy Finance Director Bong stated Minnesota statutes require special taxing districts to certify preliminary property tax levies to county auditors by September 30. The Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under these same enabling statutes. The EDA is governed by the Blaine city council who serve as the EDA's board of directors and president. The city manager is the Executive Director of the Blaine EDA.

Ms. Bong explained from the city's most recent comprehensive plan, Blaine will encourage "through land use and the city's EDA (Economic Development Authority), development that creates access to sustainable jobs for the residents of Blaine. Staff recommends a 2023 Preliminary EDA Property Tax Levy of \$1,200,000. Members of the EDA Board have expressed intent to discuss and adopt increased levels of service for upcoming activities related to 105th redevelopment and Northtown Mall redevelopment. The recommended levy will provide the Board adequate time and flexibility to determine and adopt guidance related to service levels for upcoming development.

Commissioner Paul asked what the county's role was in economic development. Ms. Bong explained the county's role was to collect and allocate taxes on behalf of the Blaine EDA.

Moved by Commissioner Jeppson, seconded by Commissioner Paul, that Resolution No. 22-08, "Authorize the Blaine Economic Development Authority, Having all the Powers of a Housing Redevelopment Authority, to Levy a Property Tax upon the Taxable Property in the City of Blaine for 2023," be approved.

Motion adopted unanimously.

Aye 6 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia President Sanders

4-2

Approve Purchase of 10550 Nassau Street

Attachments: [10550 Nassau Street Map](#)
 [Blaine Area Sale Comps](#)

Community Development Director Thorvig stated the property at 10550 Nassau Street is within the 105th Avenue redevelopment area. The site is 2.96 acres and consists of a 18,382 square foot building constructed in 1972. The property is owned by Nassau Street Properties, LLC. The property is not listed for sale. The Blaine Economic Development Authority (EDA) has acquired various properties in the area in situations where either the property has been listed for sale, the EDA contacted property owners to determine whether they'd be interested in selling, or the property owner reached out to the EDA expressing interest in selling.

Mr. Thorvig explained at a closed session on August 15, 2022, the EDA directed staff to pursue a purchase of the property and provided staff a direction on a purchase price. When making an initial offer for the property after the closed session, staff learned that a previous lease for the property expired on September 1, 2022, the building was vacated, and a new lease had been executed with a different company effective September 1, 2022. The lease is with a manufacturing company with a term of five years, with an additional five-year option. This would not be their primary location as they have other locations in Blaine. They have not moved into the building and are awaiting the outcome of the sale negotiation. If the EDA were to purchase the property, the lease would be assumed by the EDA. Staff has communicated with the tenant and they have indicated a willingness to terminate the lease agreement if the EDA were to purchase the property and look at alternative locations to lease space. Confirmation on the termination of the lease agreement is a contingency of the purchase agreement. At a closed session on September 7, 2022, the EDA discussed the counteroffer from the seller that was provided after the initial EDA offer. After negotiation, the purchase price of \$2,600,000 was agreed upon, contingent upon final EDA approval.

Acting City Manager Huss reported staff was recommending the purchase be completed through the strategic priorities fund. He noted this purchase was a high priority within the city's strategic initiatives. He anticipated the purchase of this property would be more of a loan as proceeds for the property would be regained in the future.

Commissioner Newland thanked staff for providing the EDA with comps for the surrounding area.

Mr. Thorvig stated there was an existing lease for the property and purchase of the building would be contingent upon the tenant being willing to terminate the lease. He noted separate action in October would occur, prior to closing, to confirm that the city can terminate the lease.

Moved by Commissioner Jeppson, seconded by Commissioner Paul, that Resolution No. 22-09, "Approve Purchase of 10550 Nassau Street," be approved.

Motion adopted unanimously.

Aye 6 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia President Sanders

5 Other Business

None.

6 Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Hovland, to adjourn the meeting at 9:27PM.

Motion adopted unanimously.

Aye 6 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
 Commissioner Hovland Commissioner Massoglia President Sanders