City of Blaine

Anoka County, Minnesota

Minutes

EDA

Blaine City Hall
10801 Town Sq Dr 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.

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, July 19, 2021 **Council Chambers**

Meeting will take place immediately following the City Council meeting

1 Call to Order

The meeting was called to order at 7:54PM by President Sanders followed by the Roll Call.

2 Roll Call

PRESENT: President Tim Sanders, Commissioners Julie Jeppson, Chris Massoglia, Richard Paul, Jess Robertson, and Jason Smith.

ABSENT: Commissioner Wes Hovland.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; City Engineer Dan Schluender; City Planner Lori Johnson; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

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

Absent: 1 - Commissioner Hovland

3 Minutes

3-1 **Approval of the July 7, 2021 EDA Minutes**

Attachments: Unapproved Minutes 070721

Moved by Commissioner Robertson, seconded by Commissioner Jeppson, that the Minutes of July 7, 2021, be approved.

Motion adopted unanimously.

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

4 New Business

4-1 **Approving the Expenditure and Approving a Contract for Professional Services with Damon Farber for the Northtown Mall (and Surrounding Project Area) Redevelopment/Revitalization Plan**

Attachments: Damon Farber Proposal

City Planner Johnson stated staff published a Request for Proposals (RFP) on May 12, 2021 to prepare a master land use and redevelopment/revitalization plan for the area of and surrounding Northtown Mall. Staff received 10 proposals, interviewed five consulting firms. Staff used a scoring process to determine the top five firms to be interviewed: Damon Farber, WSB, Stantec, Perkins and Will and Bolton & Menk. Interviews were conducted on June 28 - 29 by eight key staff members who will be involved with the forthcoming planning process. A scoring system was used for the interview process for each firm. When the final scores were tallied, Damon Farber scored the highest and staff agreed they were the firm to hire for this process. The City's RFP indicated that there was an approximate budget of $100,000 for this project. All five firms that were interviewed had a proposed fee in this range. Damon Farber's proposal included a base fee of $100,000 for this project, with a maximum of $10,000 in reimbursable expenses for travel costs, reproduction costs, delivery, mileage and parking. It was noted staff had approached the Northtown Mall owner (WPG) regarding financial participation.

Ms. Johnson explained staff's decision to offer the contract to Damon Farber was due to their communication approach, their invaluable experience (Burnsville, Rosedale and Ridgedale Mall plans), the quality of the proposal, their connections and market experience in the retail sector, and their architectural perspective for this plan. The City's RFP garnered a lot of attention from consultants in Minnesota and surrounding states. This process is exciting not only from the City's perspective, but it also presents a unique opportunity for consultants to do what they do best

- to create an innovative design that benefits ALL stakeholders and brings the community together.

Tom Whitlock, Damon Farber representative, provided the EDA with an idea of the process that will be followed over the next six to nine months. He explained he has two core team members that would be assisting with this project which were Genzler Architects and SEH. He noted both firms were chosen because they specialize in mall repositioning locally and nationally. He commented on how retail was constantly changing and discussed how other malls in the metro area were repositioning to add experiences within the district while focusing on amenities that were pedestrian friendly. He described how BRT would impact the mall site and indicated he would be engaging with the City, the community and other stakeholders throughout the planning process. It was important to note the redevelopment strategy would drive change and private investment in this site. He commented further on the proposed timeline for this project and asked for comments or questions.

Commissioner Massoglia requested further information on how economic data would be used for this project. Mr. Whitlock reported projects and decisions were now driven by analytics. He stated the EDA would have analytics in order to assist in making good decisions for this market area.

Commissioner Robertson questioned why WPG was not interested in helping with the cost of this study. Ms. Johnson explained WPG was limiting spending as they were in a budget crisis and while they would like to contribute with the expense of this project, they could not at this time.

Commissioner Robertson asked if mall ownership groups typically get on board after they see what the future of an investment could look like. She expressed frustration with the fact that WPG was not willing to assist with paying for the plan. Mr. Whitlock stated this was not uncommon noting the owner of the Burnsville Mall just went into bankruptcy. He explained this project would be an opportunity for the City to build a relationship with the mall ownership and his hope was that this project would encourage the mall owner to think wholistically versus just the problem at hand.

Ms. Johnson explained she spoke with Paula Mueller the mall General Manager and Justin from WPG and they talked about her experience with the Maplewood plan. She indicated the fear was a plan would be created that would be difficult to implement and that they would not be engaged in discussions. She had the understanding the mall partners want to be heavily involved in this project from day one.

Commissioner Massoglia stated he had concerns with the fact the EDA was paying for this entire project. He had hoped there would be a partnership with WPG. He did not want to see the city creating a plan that WPG would not be able to implement.

Commissioner Jeppson indicated WPG was not willing to assist on this project. She reported this was a city plan and not just a mall plan. She explained this plan was impacting so many more properties than just the Northtown Mall. She encouraged staff and Damon Farber to engage with the Northtown Mall on this project because she wanted to see a plan that could be implemented in the future.

Commissioner Massoglia recommended that if this plan is approved that it be viewed through a community lens. He encouraged Damon Farber to get really creative with this plan in order to consider how to best serve the needs of the region commercially.

Commissioner Paul thanked Mr. Whitlock for his presentation. He discussed how many of the properties around Northtown were in need of redevelopment such as the Kmart site. He stated he wanted to see the mall area active and recommended the transit needs for the area be considered within this plan.

President Sanders stated the plan should be called the Northtown Area Plan and not simply refer to the Northtown Mall because the surrounding area is also being considered for redevelopment. He explained he was super impressed by the work Damon Farber has done and looked forward to seeing this plan move forward.

Moved by Commissioner Robertson, seconded by Commissioner Smith, that Resolution No. 21-06, "Approving the Expenditure and Approving a Contract for Professional Services with Damon Farber for the Northtown Mall (and Surrounding Project Area) Redevelopment/Revitalization Plan," be approved.

Motion adopted 5-1 (Commissioner Massoglia opposed).

Aye 5 - Commissioner Jeppson Commissioner Robertson Commissioner Paul Commissioner Smith President Sanders

Nay 1 - Commissioner Massoglia

4-2 Approval of Purchase Agreement to Purchase Properties at 10590 Radisson Road, 10600 Radisson Road, and 2150 106th Lane

Attachments: Blake Drilling Map

Property Brochure

Purchase Agreement

Community Development Director Thorvig stated the subject properties are owned and operated by Blake Drilling. The existing buildings were built in the late 1970s/early 1980s. The site has extensive outdoor storage for the operation of the business which is allowed, however not consistent with the overall redevelopment vision for the area. The properties have been for sale for over a year and are listed for $2.3M. Blake Drilling is relocating their operation to Columbus as they have maximized their current site and need additional space. The properties are within the 105th Avenue/Radisson Road redevelopment area as identified in the 2040 Comprehensive Plan. The EDA has been active in acquiring property within this redevelopment area since 2015. Redevelopment of highly visible property, such as the subject properties is important in accomplishing the overall redevelopment vision for the area. By purchasing property within a redevelopment area, the EDA has full control over the future use and can spur redevelopment activity quicker by working with the private market.

Mr. Thorvig reported the EDA discussed an offer price at the June 21, 2021 closed session. The proposed purchase price of $1.9M is consistent with the direction provided to staff by the EDA in the closed session and the EDA has various funding sources for the purchase. If Blake Drilling sells the property, they will need to lease back the property for approximately 9 months while they relocate the entire operation to Columbus. The EDA and Blake Drilling would enter into a lease agreement that would require approval by the EDA and would be negotiated between executing the purchase agreement and closing of the property. After Blake Drilling vacates the property, the buildings would be demolished and the site would remain vacant until new development occurs.

President Sanders thanked staff for their excellent work on this land purchase.

Moved by Commissioner Jeppson, seconded by Commissioner Robertson, that Resolution No. 21-07, "Approval of Purchase Agreement to Purchase Properties at 10590 Radisson Road, 10600 Radisson Road and 2150 106th Lane," be approved.

Motion adopted unanimously.

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

5 Other Business

None.

6 Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Jeppson, to

adjourn the meeting at 8:35PM.

Motion adopted unanimously.

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