



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.

Wednesday, July 7, 2021

Council Chambers

Meeting will take place immediately following the City Council meeting

1 Call to Order

The meeting was called to order at 9:15PM by President Sanders followed by the Roll Call.

2 Roll Call

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

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; Public Works Director Jon Haukaas; Deputy Chief Dan Szykalski; Finance Director Joe Huss; City Engineer Dan Schluender; Communications Manager Ben Hayle; and Deputy Clerk Lisa Derr.

Present: 7 - Commissioner Jeppson, Commissioner Robertson, Commissioner Paul, Commissioner Hovland, Commissioner Massoglia, Commissioner Smith, and President Sanders

3 Minutes

3-1 **Approval of the May 3, 2021 EDA Minutes**

Attachments: [Unapproved Minutes 050321](#)

Moved by Commissioner Robertson, seconded by Commissioner Hovland, that the Minutes of May 3, 2021, be approved.

Motion adopted unanimously.

Moved by Commissioner Robertson, seconded by Commissioner Hovland, that this Minutes be Approved. The Motion was adopted unanimously.

Aye 7 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia Commissioner Smith
President Sanders

4 Public Hearing

4-1

Considering a Purchase Agreement for an EDA Owned Site on Pheasant Ridge Drive (PID 23-31-23-13-0007)

Attachments: [Map](#)
 [Site Plan](#)
 [Purchase Offer - Blaine EDA \(002\)](#)

Community Development Director Thorvig stated the EDA is considering selling land generally located on Pheasant Ridge Drive to the state of Minnesota for a state emergency operations center. The wetland impacts on this property were discussed at length along with the soil corrections that were required to make the property buildable. It was noted the state of Minnesota proposes to construct a new, approximately 50,000 square foot, two-level facility in the North Metro. The proposed facility would house two main functions - the main offices for the 60 to 80 employees of the State's Department of Public Safety, Division of Homeland Security and Emergency Management (HSEM) and the state of Minnesota Emergency Operations Center. The HSEM offices would serve as a headquarters for staff to plan and prepare for emergencies in the state as well as to respond and recover from those emergencies. HSEM staff have connectivity to Emergency Managers in counties and cities across the state and frequently bring outside agencies to the facility for disaster planning. Staff commented further on the proposed project and recommended approval of the property sale.

President Sanders opened the Public Hearing at 9:20PM.

President Sanders closed the Public Hearing at 9:21PM.

Commissioner Hovland asked if the state would be willing to consider paying assessments for future road improvements. He discussed how difficult it would be to place this burden on only one or two commercial businesses in the future. Wayne Masloski, Department of Administration, reported state agencies typically work with local governments on special assessments. He stated the agency that would have custodial control over this property would be the Department of Public Safety. He commented statutory framework states if a state property benefits from a special assessment, there should be a negotiation and an agreement reached with the local unit of government on an appropriate share for the special assessments.

Commissioner Robertson questioned if the state understood the city was

operating in a good faith agreement. Mr. Masloski explained the state was in the early predesign phase and this was the location the state was considering. He commented the state was proposing to use tax exempt bond financing for this project, and noted the project could not move forward without closing on the property. He indicated this project was fully funded.

Further discussion ensued regarding the wetland concerns for this property and how staff was working to mitigate these concerns.

Commissioner Robertson inquired if there would be other asks from the state. Mr. Thorvig reported at the August 2, 2021 meeting the EDA would be considering the sale of wetland credits. He noted staff would be negotiating this further with the state over the next month.

Commissioner Massoglia commented he understood the state liked the idea of having the emergency operations center in Blaine. However, he did not believe the city was being properly compensated for this property. He indicated this was a great property located directly off of I-35W. He noted if this property were sold to the state, the city would receive no property taxes for it in perpetuity. He recommended the council reconsider this project and not approve the land sale.

Commissioner Hovland stated this was a very difficult piece of property to develop. He explained the state was proposing to bring a building into the business community that would foster further development in this area of Blaine. He commented there was value in the state building on this property because it may foster further growth.

Commissioner Massoglia indicated he understood this to be the case, however, he wanted the city to not sell itself short for the properties that were located directly along I-35W. He stated he wanted to see the city receive some sort of compensation for this property.

Commissioner Robertson questioned how much Fogerty paid for the ice arena property. She recalled that this organization paid only \$1 for the land, which meant it was not unprecedented for the city to sell property for the benefit of the future use. She indicated Blaine would benefit greatly by having the state's emergency operations center in the community. She commented this was a unique opportunity and she supported the property sale moving forward.

Commissioner Massoglia explained the loss of property taxes along with the loss of any proceeds on the land sale was a concern for him. He wanted to see the city place a value on the properties along I-35W.

President Sanders commented if the EDA were to deny this property sale, there were no other options on the floor. He reported this property has been city-owned since the 1980's and has not been developed. He stated he looked forward to bringing the state's emergency operations center to Blaine. It was his hope that the wetland concerns could be overcome in the coming weeks.

Moved by Commissioner Jeppson, seconded by Commissioner Hovland, that Resolution No. 21-05, "Considering a Purchase Agreement for the EDA Owned Site on Pheasant Ridge Drive (PID 23-31-23-13-0007)," be approved.

Motion adopted 6-1 (Commissioner Massoglia opposed).

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

Nay 1 - Commissioner Massoglia

5 New Business

None.

6 Other Business

Mr. Thorvig stated he provided each Commissioner and President Sanders with a badge for the 3M Open. He explained more logistical information for this event would be provided to the EDA in the coming week.

President Sanders reported the Blaine Business Council would be meeting on Thursday, July 8, 2021 at 7:30AM at the TPC.

7 Adjournment

Moved by Commissioner Jeppson, seconded by Commissioner Robertson, to adjourn the meeting at 9:42PM.

Motion adopted unanimously.

Aye 7 - Commissioner Jeppson Commissioner Robertson Commissioner Paul
Commissioner Hovland Commissioner Massoglia Commissioner Smith
President Sanders