

UNAPPROVED

**CITY OF BLAINE
BLAINE ECONOMIC DEVELOPMENT AUTHORITY**

Thursday, June 21, 2018
7:20 P.M.

Blaine City Hall
Council Chambers
10801 Town Square Drive

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:20 p.m. by President Ryan followed by the Roll Call.

PRESENT: President Tom Ryan, Commissioners Dave Clark, Andy Garvais, Wes Hovland, Jason King, and Dick Swanson.

ABSENT: Commissioner Julie Jeppson.

Quorum Present.

ALSO PRESENT: City Manager Clark Arneson; Planning and Community Development Director Bryan Schafer; Public Works Director Jon Haukaas; Police Chief/Safety Services Manager Brian Podany; Finance Director Joe Huss; Economic Development Coordinator Erik Thorvig; Public Services Manager/Assistant City Manager Bob Therres; City Engineer Jean Keely; Communications Technician Roark Haver; Senior Engineering Technician Jason Sundeen; and City Clerk Catherine Sorensen.

APPROVAL OF THE MINUTES

Moved by Commissioner Swanson, seconded by Commissioner Garvais, that the Minutes of June 7, 2018, be approved.

Motion adopted 4-0-2 (Commissioner Clark abstained and Commissioner Hovland was absent for the vote).

NEW BUSINESS

4.1 EDA Resolution No. 18-09, Public Hearing and Consideration of the Sale of EDA Owned Property at 8600 Central Avenue to Oppidan Holdings, LLC.

Moved by Commissioner Clark, seconded by President Ryan, that Resolution No. 18-09, "Public Hearing and Consideration of the Sale of EDA Owned Property at 8600 Central Avenue to Oppidan Holdings, LLC," be approved.

President Ryan opened the Public Hearing at 7:21 p.m.

Economic Development Coordinator Thorvig stated the EDA owns the property at 8600 Central Ave. The EDA purchased the property in 1995 for \$279,400. The site is 2.46 acres and zoned B-2 Community Commercial. The property tax the EDA has to pay for the site in 2018 is \$24,604 (after 15 years EDA land becomes taxable). It was noted last winter staff was approached by Oppidan Development about developing

the site. A proposal was brought forward to the City Council at the March 15, 2018 workshop and the City Council gave direction to staff to continue to work with the developer for a land sale and development plan. Oppidan is offering to purchase the property for \$652,994 (\$6.09/ft.). They are proposing to construct an 18,000 s.f. Abra Auto Body and Glass. The proposed use requires a conditional use permit which will be considered by the City Council following the EDA meeting. If the sale and conditional use permit is approved the developer has indicated a desire to start the project this construction season.

Economic Development Coordinator Thorvig reported the adjacent property owner (Scott Uram) has indicated an objection to the proposed use of an auto body shop. A majority of his concerns are in regards to the proposed use and his opinion of the impact it will have on his property. This objection letter was provided to the Council.

Scott Uram, adjacent property owner, he apologized for the emotions he displayed at the Planning Commission meeting but noted he has been a part of this community for the past 56 years. He explained the subject property was a major gateway into Blaine and discussed the number of vehicles that drive past his office every day. He stated he has nothing against Abra Auto Body but feared how this use would impact his property value. In addition, he noted this use would land lock his residential lot. He recommended the Council to not grant any variances if the body shop were approved.

President Ryan closed the Public Hearing at 7:31 p.m.

Commissioner Clark commented the vision for this portion of the Highway 65 corridor should be considered. He requested staff refresh the Council on what the Comprehensive Plan says about this area of the City. Planning and Community Development Director Schafer stated the property was zoned Commercial and no land use plan changes were being proposed.

Commissioner Clark indicated this was a gateway property and he questioned how well Abra Auto Body fit into the vision for a gateway property.

Commissioner Swanson stated he believed the gateway concept for this property went away when the concrete company sold a portion of their land to Kwik Trip. He commented Kwik Trip was not a gateway business. He was of the opinion the gateway had shifted to the intersection of TH65 and Highway 10. He stated he was not pleased with the way this area had developed, however the City could not stop the sale of the land between the concrete company and Kwik Trip.

President Ryan reported the applicant was proposing to construct a nice building, would have a large number of employees and would put this property back on the tax rolls.

Commissioner Hovland stated whether this property was perceived as a gateway area or not, this was a main entrance point into the City of Blaine. He anticipated redevelopment would occur on the east side of Highway 65 in the near future. He discussed how the uses on the west side would impact the redevelopment of the east side of this corridor. He explained his only concern with the development at this time was the fact that the City would be creating a land locked property.

Commissioner King requested further information on the side and rear yard setbacks that would be followed by the applicant. Mr. Schafer discussed the setbacks that had been applied to the property noting staff viewed this as a corner lot.

Commissioner Swanson questioned how the land locked property would be managed by the City. Mr. Thorvig stated the City has been marketing the vacant land for the past three years since he has been with the

City. He explained this proposal was one of the better options for the property. Mr. Schafer reviewed the layout of Mr. Uram's property and noted the residential lot was not land locked as Mr. Uram controlled the land it was connected to. He noted the residential lot could be redeveloped and access could be provided through Mr. Uram's property.

Mr. Uram reported he pays taxes on three separate parcels and not on one parcel.

Commissioner Garvais commented he did not believe the residential lot was land locked.

President Ryan explained the EDA has a viable development for consideration and would be receiving the going rate for the City-owned property. Mr. Thorvig reviewed the layout and potential redevelopment options for Mr. Uram.

Commissioner Clark stated he was inclined to support the request. He anticipated a hotel could still be located on the Uram property even if Abra Auto Body were to locate on the neighboring property.

Commissioner King indicated he did not believe Mr. Uram was getting a fair deal and for this reason he would not be supporting the proposed request.

President Ryan requested a Roll Call vote.

Roll Call

Commissioner Clark – Aye

Commissioner Garvais – Aye

Commissioner Hovland – Nay

Commissioner King – Nay

Commissioner Swanson – Aye

President Ryan – Aye

Motion adopted 4-2.

4.2 EDA Resolution No. 18-10, Approving the Contract for the Demolition of 10525 Nassau Street NE with Sauter and Sons.

Moved by Commissioner Swanson, seconded by President Ryan, that Resolution No. 18-10, "Approving the Contract for the Demolition of 10525 Nassau Street NE with Sauter and Sons," be approved.

Economic Development Coordinator Thorvig stated in May 2017 the Blaine EDA purchased two properties at 10525 Nassau St. and 2111 105th Ave. from Guzik LLC. The Guzik's operated their business, Arkad Corporation, from these buildings. The EDA leased both of the buildings back to Arkad Corporation until the end of 2017 until they vacated the building at 10525 Nassau Street. They are still leasing the building at 2111 105th Avenue until May 2019. Now that the building at 10525 Nassau Street is vacant, the EDA is proposing to demolish the building to prepare the area for redevelopment. Staff solicited bids for the project and received two bids. The bids results were reviewed with the Council and staff recommends awarding the bid to Sauter and Sons. This company has done several other successful demolition projects in the City of Blaine over the last three years.

Motion adopted unanimously.

4.3 EDA Resolution No. 18-11, Approving the Expenditure of \$120,000 to Fund Blaine Promotional Activities at the 2018 3M Championship Golf Event.

Moved by Commissioner Clark, seconded by Commissioner Garvais, that Resolution No. 18-11, "Approving the Expenditure of \$120,000 to Fund Blaine Promotional Activities at the 2018 3M Championship Golf Event," be approved.

Economic Development Coordinator Thorvig stated since 2001 the City of Blaine (EDA) has hosted a tent at the 3M Championship, a PGA golf tournament that brings the national spotlight to Blaine. This year's event will be held July 30-August 5. Because of the interest in this event, Blaine has been able to use it as a unique economic development tool to highlight the industrial and commercial opportunities for businesses. Each day the city is allotted 100 tickets for the tent. Invitations target existing and new Blaine businesses, general corporate location consultants, and real estate and development contacts. Last year the city's share of tickets was fully utilized Friday-Sunday. It was noted the tent is staffed Friday-Sunday during the tournament. Friday morning will be focused on economic development programming with presentations and discussion on the Anoka County Economic Development Initiative, GreaterMSP and business success stories from the region.

Economic Development Coordinator Thorvig explained the tent contribution and sponsorship is \$100,000 plus the actual food and beverage cost. These proceeds provide financial support to charitable causes that has totaled over \$25 million since the tournament started in 1993. For this year's event it is proposed the EDA contribute \$100,000 plus catering costs. The 2018 EDA budget included \$135,000 for this event as it was anticipated that Anoka County would not be participating in the tent again this year. Anoka County and Blaine will be sharing the tent this year, therefore reducing the food and beverage costs as they are split between the two groups.

Commissioner Garvais asked how the cost-share would be split with Anoka County. Mr. Thorvig anticipated costs would be reduced by approximately \$15,000 this year as Anoka County would be splitting the food and beverage expense with the City.

Motion adopted unanimously.

OTHER BUSINESS

None.

ADJOURNMENT

Moved by Commissioner Hovland, seconded by Commissioner King, to adjourn the meeting at 8:02 p.m.

Motion adopted unanimously.

Tom Ryan, President

ATTEST:

Catherine Sorensen, City Clerk
Submitted by TimeSaver Off Site Secretarial, Inc.