

UNAPPROVED

CITY OF BLAINE BLAINE ECONOMIC DEVELOPMENT AUTHORITY

Monday, July 18, 2022

Blaine City Hall
Council Chambers
10801 Town Square Drive

CALL TO ORDER/ROLL CALL

The meeting was called to order at 8:37PM by President Sanders followed by the Roll Call.

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

ABSENT: Commissioner Wes Hovland.

Quorum Present.

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

APPROVAL OF THE MINUTES

Moved by Commissioner Jeppson, seconded by Commissioner Robertson, that the Minutes of June 20, 2022, be approved.

Motion adopted unanimously.

NEW BUSINESS

4.1 EDA Resolution No. 22-07, Approval of Amendment to the Blaine Economic Development Authority Commercial Loan Program.

Community Development Director Thorvig stated staff is proposing amendments to the current commercial loan program to expand the scope of what is eligible and the maximum loan amount. Amendments would allow for loan funds to be used for fixed assets including machinery and equipment and increase the maximum loan amount to \$100,000. Staff commented further on the proposed loan program and recommended approval.

Moved by Commissioner Robertson, seconded by Commissioner Massoglia, that Resolution No. 22-07, "Approval of Amendment to the Blaine Economic Development Authority Commercial Loan Program," be approved.

Commissioner Jeppson indicated she could support the increase from \$50,000 to \$100,000 in the loan program. She questioned what the unintended consequences would be for the long-term. Mr. Thorvig stated the program could be used by other businesses in the long term and noted what type of materials could be used by the loan funds. He reported the commission could be more specific with the loan language noting the funds could only be used for restaurant specific equipment.

Commissioner Newland indicated he was a member of CMDC which meant he should recuse himself from voting on this matter. City Attorney Nelson stated he did not consider this to be a conflict of interest.

Commissioner Robertson discussed how this mechanism would assist the City with getting more restaurants into the community given the fact there was no current space available for restaurants.

Commissioner Paul supported the City working together with other lenders in order to move redevelopment projects forward. Mr. Thorvig discussed the funding the developer was pursuing in order to redevelop the site into a restaurant.

President Sanders questioned what the cap was in this program. Mr. Thorvig stated \$250,000 in seed money was set aside in this program in 2018 and \$100,000 had been loaned out already. He reported the EDA could put aside additional funding into the loan program if future requests were made.

Motion adopted unanimously.

4.2 Motion 22-132, Letter of Intent with Minnesota Amateur Sports Commission.

Mr. Thorvig stated during recent American Rescue Plan (ARP) discussions, the City Council identified up to \$2 million to provide to the National Sports Center (NSC) for the installation of two lighted turf fields. Turf fields are becoming increasingly important to the NSC as it allows them to compete for larger tournaments as turf fields have more playability than grass fields that are stressed during high activity. Turf fields can be utilized earlier and later in the season and do not require "rest" like typical grass fields. Lighting of the fields also allows for use in the evening.

Mr. Thorvig explained the primary funding source for such capital improvements at the NSC is typically through the Minnesota State Legislature, which is problematic as the NSC is constantly competing with projects throughout the entire State of Minnesota. It was noted the viability of the NSC is extremely important to the local Blaine economy and assisting in the construction of infrastructure that assists the NSC to be more successful is important for the long-term viability of the facility and local Blaine economy. Providing ARP funds for the construction of turf fields would allow the Minnesota Amateur Sports Commission (MASC) to provide the City with rights to construct, operate and maintain the primary lake feature of the 105th Avenue redevelopment plan on MASC-owned property, and deed this property to the Blaine EDA as part of the redevelopment area.

Mr. Thorvig reported funding of turf fields was discussed at the July 6, 2022, workshop. The City Council/EDA indicated interest in funding, at a minimum, the \$3.24 million option. Several commissioners were open to the full funding amount of \$3.93 million, which includes lights. The various options for the City/EDA to fund the project were further discussed. The \$2.5 million from ARP includes the original \$2 million identified plus the \$500,000 that had been discussed for business grants. Staff commented further on the request and recommended the EDA make a determination on the funding amount for the NSC.

Commissioner Jeppson understood the \$3.93 million price tag was high, but she wanted to see the fields done and done right in order to increase the use of the fields. She stated the NSC offered to raise the \$700,000 needed for lights, but stated she did not want to wait for this to happen. She recommended the lights be installed as part of this project and that the NSC fundraise for the lights in order to reimburse the City at a future date.

Commissioner Robertson supported the EDA offering \$3.93 million to the NSC. She indicated she did not need the NSC to fundraise the \$700,000 for the lights given the fact the City would be receiving a piece of land for the 105th Avenue area redevelopment project from the NSC.

Commissioner Jeppson stated during the workshop she was hearing the Council supported the \$3.24 million which led her to recommend the \$3.93 million with the \$700,000 being refunded over time.

Commissioner Newland indicated he had a problem with the \$3.93 million based on the original request, which was \$2 million. He stated he could support the \$3.24 million request with the NSC fundraising for the lights.

Mayor Sanders asked if Commissioner Newland could support the \$3.93 million request if the \$700,000 for lights was paid back over time.

Commissioner Newland commented he could not support the \$3.93 million with the payback at this time.

Commissioner Massoglia indicated he supported the \$3.24 million request in order to install the fields. He reported the original request was for turf fields and this was what the EDA was proposing to provide. He recommended the logos and lights be funded by the NSC. He suggested \$1.24 million be taken from the strategic priority fund and that \$2 million be taken from the ARP funds. He explained he would like to see the City using a large portion of the remaining ARP funds for infrastructure improvements.

Commissioner Paul stated if the council supported the \$3.24 million request, the turf fields would be constructed and it may take the NSC another four or five years to fundraise for the lights. He supported the EDA offering \$3.93 million to the NSC in order to have the fields and the lights installed at the same time with the NSC paying the EDA back \$700,000 over time.

Commissioner Robertson questioned if the EDA had to make a decision on the amount at this meeting. Mr. Thorvig reported the NSC needs to get their turf ordered and staff would like the EDA to make a

determination on what amount would be funded for this project. He noted the EDA and staff could further discuss where the funding would come from at a future meeting.

Commissioner Robertson inquired what the cost would be for lines and logos. Mr. Thorvig stated the lines were not a significant cost, nor was the logo.

Commissioner Robertson urged the EDA to support the \$3.93 million in funding in order to assist them in getting additional tournaments and events at the NSC.

Moved by Commissioner Jeppson, seconded by Commissioner Robertson, that Motion 22-132, "Letter of Intent with Minnesota Amateur Sports Commission with \$3.93 million in funding," be approved.

President Sanders stated the EDA was not gifting the turf fields to the NSC but rather was receiving something in return (land) that would become part of the 105th Avenue redevelopment plan. He indicated he was not getting hung up on the \$700,000, but he understood this was a real amount of money. He anticipated the City would far exceed this dollar amount through the partnership with the NSC. He commented on how the Minnesota United ownership was responding to the new turf fields at the NSC. He noted he was for the \$3.93 million because of what the City would be receiving from the NSC in land and rights to the lake.

Commissioner Massoglia commented if he voted against the \$3.93 million it was not because he was against the NSC or the redevelopment of 105th Avenue. He stated it was tough for him to support the \$3.93 million when the NSC has offered to fundraise \$700,000 for the project and the EDA was saying this was not necessary.

President Sanders commented the EDA has agreed to the size of the project and the group was now trying to agree on the price tag for this project. He reported the EDA would be working out the terms of the project at a future meeting and if there would be a payback.

Motion adopted 4-2 (Commissioner Massoglia and Commissioner Newland opposed).

OTHER BUSINESS

Mr. Thorvig provided the council with an update on the 105th Avenue redevelopment project. He noted staff has been discussing selecting a consultant to help with selecting a developer for this project. He explained Baker Tilley and Ehlers provided the City with proposals and staff recommended Ehlers be selected. He indicated developer round table meetings would be held with developers in order to allow staff to introduce the project. He anticipated these meetings would be held next week or the week after. He stated developers would then be given four weeks to provide proposals to the City for the council to review, which meant the council and EDA would be selecting a master developer early September.

Mr. Thorvig reported the EDA has been provided with badges and tickets for the 3M Open.

President Sanders stated he looked forward to meeting with hundreds of guests in the next week in order to tell the City's story and vision for the future. He sent his thanks to the Blaine Police Department for all of their efforts during the month of July.

ADJOURNMENT

Moved by Commissioner Jeppson, seconded by Commissioner Robertson, to adjourn the meeting at 9:16PM.

Motion adopted unanimously.

Tim Sanders, President

ATTEST:

Catherine Sorensen, City Clerk
Submitted by Minute Maker Secretarial