

## **UNAPPROVED**

### **CITY OF BLAINE BLAINE ECONOMIC DEVELOPMENT AUTHORITY**

Monday, November 15, 2021

Blaine City Hall  
Council Chambers  
10801 Town Square Drive

#### **CALL TO ORDER/ROLL CALL**

The meeting was called to order at 8:17PM by President Sanders followed by the 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; Community Development Specialist Elizabeth Showalter; Public Works Director Jon Haukaas; Deputy Police Chief Dan Szykulski; Finance Director Joe Huss; City Engineer Dan Schluender; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

#### **APPROVAL OF THE MINUTES**

Moved by Commissioner Paul, seconded by Commissioner Jeppson, that the Minutes of October 18, 2021, be approved.

Motion adopted unanimously.

#### **NEW BUSINESS**

##### 4.1 EDA Resolution No. 21-15, Loan Program Modifications.

Community Development Specialist Showalter stated staff is proposing modifications to the home improvement loan program that would index the interest rate for the existing home improvement loan program and create a down payment assistance program, accessibility program, and a rental property loan program. Staff commented further on the

proposed programs and requested the Council support the modifications to the loan programs.

Moved by Commissioner Jeppson, seconded by Commissioner Smith, that Resolution No. 21-15, "Loan Program Modifications," be approved.

Motion adopted unanimously.

#### 4.2 EDA Resolution No. 21-16, Home Improvement Grant Programs.

Ms. Showalter stated the EDA has maintained a home improvement loan fund which has been used since 1998 to provide low interest and deferred home improvement loans. The fund currently has \$2.7 million, which is more than is needed to sustain the existing loan programs. At the August 2, 2021 workshop staff presented several options for grant and loan programs and staff was directed to move forward with the programs. Grants have several benefits over loans in some circumstances. While most loans are repaid with interest, each loan incurs origination and servicing costs which deplete the revolving loan fund without any tangible improvement to housing. A grant program can be administered internally by city staff, which allows all of the funds to go to the property owner. Additionally, a grant program can serve as a motivation for homeowners who are not motivated by loans to make improvements. Nearby cities have found great success with similar grant programs.

Ms. Showalter explained staff is proposing a five year grant pilot program to be funded out of the existing revolving loan fund. The success of the program and the funds in the revolving loan fund will be evaluated at the end of the pilot program, and if the EDA chooses to continue the program, long term funding will be identified. Long term funding may include the EDA levy, Community Development Block Grants, HOME funds, and other grant programs. Staff commented further on the eligibility for each of the programs and recommended approval of the Home Improvement Grant Programs.

Moved by Commissioner Massoglia, seconded by Commissioner Smith, that Resolution No. 21-16, "Home Improvement Grant Programs," be approved.

Commissioner Massoglia asked if the max assessed value of \$350,000 should be reconsidered. He noted his home recently sold for \$355,000 and was built in the 1970's. Ms. Showalter reported the city could make an adjustment and noted this number could be increased to \$400,000.

Councilmember Smith supported the limit remain at \$350,000 and if the dollars are not be accessed that the limit be increased in a year.

Motion adopted unanimously.

#### 4.3 EDA Resolution No. 21-17, Wetland Credit Sale for Ulysses Street Office Building (11155 Ulysses Street NE).

Community Development Director Thorvig stated approvals were received in 2019 for construction of a new 56,000 square foot medical office building located at 11155 Ulysses Street. The site is currently vacant and is located immediately south of the Twin Cities Orthopedics building on Ulysses St. The developer has been attempting to secure tenants in order to begin construction. The developer is now ready to proceed with the project. The project requires 2.186 acres of wetland credits. The developer has requested to purchase wetland credits from the EDA wetland bank (Branch 3) in the amount of \$2.50/sf. The total sale amount would be \$238,055. If the sale is completed, the EDA would have 24.2 acres of wetland credits available for future projects.

Moved by Commissioner Robertson, seconded by Commissioner Jeppson, that Resolution No. 21-17, "Wetland Credit Sale for Ulysses Street Office Building (11155 Ulysses Street NE)," be approved.

Motion adopted unanimously.

#### 4.4 EDA Resolution No. 21-18, Wetland Credit Sale for the Blaine Back 40 Plat.

Mr. Thorvig stated approvals were received in 2021 for the Blaine Back 40 plat located at 104<sup>th</sup> Avenue/Flanders Street. The plat creates two light industrial lots. The project requires .8476 acres of wetland credits. The developer has requested to purchase wetland credits from the EDA wetland bank (Branch 3) in the amount of \$2.50/sf. The total sale amount would be \$92,303.64. If the sale is completed, the EDA would have 23.3 acres of wetland credits available for future projects.

Moved by Commissioner Jeppson, seconded by Commissioner Massoglia, that Resolution No. 21-18, "Wetland Credit Sale for the Blaine Back 40 Plat," be approved.

Motion adopted unanimously.

### **OTHER BUSINESS**

Commissioner Massoglia stated he would like the council to have more time to ask questions and have open discussions at workshop meetings.

### **ADJOURNMENT**

Moved by Commissioner Robertson, seconded by Commissioner Jeppson, to adjourn the meeting at 8:35PM.

Motion adopted unanimously.

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Tim Sanders, President

ATTEST:

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Catherine Sorensen, City Clerk  
*Submitted by Minute Maker Secretarial*