

**UNAPPROVED**

**CITY OF BLAINE  
BLAINE ECONOMIC DEVELOPMENT AUTHORITY**

Thursday, December 15, 2016  
7:15 P.M.

Blaine City Hall  
Council Chambers  
10801 Town Square Drive

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 7:15 p.m. by President Ryan followed by the Roll Call.

**PRESENT:** President Tom Ryan, Commissioners Dave Clark, Russ Herbst, Jason King, and Dick Swanson.

**ABSENT:** Commissioners Mike Bourke and Wes Hovland.

Quorum Present.

**ALSO PRESENT:** City Manager Clark Arneson; City Attorney Patrick Sweeney; Planning and Community Development Director Bryan Schafer; Finance Director Joe Huss; Police Chief/Safety Services Manager Chris Olson; City Engineer Jean Keely; Economic Development Coordinator Erik Thorvig; Communications Technician Roark Haver; Senior Engineering Technician Al Thorp; and City Clerk Cathy Sorensen.

**APPROVAL OF THE MINUTES**

Moved by Commissioner Herbst, seconded by Commissioner Swanson, that the Minutes of December 1, 2016, be approved.

Motion adopted unanimously.

**NEW BUSINESS**

Resolution No. 16-17, Consideration of the Sale of EDA Wetland Credits for Harley Davidson.

Moved by Commissioner Swanson, seconded by Commissioner Herbst, that Resolution No. 16-17, "Approving the sale of up to one-half acre of wetland credits to assist site development for Harley Davidson (DWR Holdings, LLC)," be approved.

Planning and Community Development Director Schafer explained DWR Holdings, LLC (the owner of the Harley Davidson franchise at 85<sup>th</sup> and Hwy 65) is proposing to relocate and build a new larger format store for Harley Davidson motorcycles. The proposed location is the undeveloped commercial property located between Super America and U-Haul on the west side of Hwy 65 (see area map). The site is just over 9 acres but has a significant wetland and storm drainage pond on the site's west half. Additionally, there are a couple smaller wetland pockets scattered on the site.

Planning and Community Development Director Schafer indicated the site plan that has been developed is based on filling a small portion, about a quarter acre, of wetland to make the project configuration work. They

have indicated to the EDA and Coon Creek Watershed that they would like to purchase the necessary .432 acres of wetland credits from the EDA Wetland Bank which meets the mitigation requirements of the watershed. This means .432 acres (18,818 square feet) of wetland credits would need to be purchased from the EDA at the established sales price of \$2 per square foot or in this case approximately \$37,636. He reported the EDA's Wetland Bank currently has just over 47 acres currently available. Staff discussed the request in further detail and recommended approval.

Commissioner Herbst believed the wetland credit program has been a great investment.

President Ryan agreed.

Motion adopted unanimously.

Resolution No. 16-18, Authorize Loan to City of Blaine Open Space Fund.

Moved by Commissioner Clark, seconded by Commissioner King, that Resolution No. 16-18, "Approving the Loan to the City of Blaine Open Space Fund," be approved.

Finance Director Huss stated in 2012, the EDA began in earnest to bank wetland credits as a tool to enhance and assist economic development in the City. In 2014, the City, through its Open Space Fund, began developing a wetland credit account of its own. The purpose identified for the City's wetland credit account was to help fund the development of the Blaine Wetland Sanctuary (BWS). While the EDA has about 50 acres of wetland credits in its account, there are not yet any credits in the City's account and none are expected until the early part of 2018. In the meantime, there is some desire to begin development of the BWS, and staff has solicited bids for two contracts totaling roughly \$1.5 million for work to be performed in 2017. Currently, there are not sufficient funds in the City's Open Space Fund to complete these contracts, and with the prospect of not having wetland credits to sell to provide funding for Open Space projects until 2018, staff is requesting the EDA approval of a loan of EDA general funds to the City to provide the funding necessary to get the BWS project off the ground. Staff reviewed the terms of the loan in detail with the Commission and recommended approval.

Commissioner Swanson asked how the loan would be repaid. Finance Director Huss explained this would be completed through the generation of its own wetland credits. He estimated 70 acres of wetland credits would be created through this development.

Commissioner King questioned if pulling \$400,000 from this fund would have any impact on commercial development in the City. Economic Development Coordinator Thorvig reported staff had addressed this concern and it was determined the EDA had a healthy general fund balance that would be able to absorb the proposed loan amount.

Motion adopted unanimously.

Resolution No. 16-19, Authorizing the Blaine Economic Development Authority, having all the powers of a Housing Redevelopment Authority, to Levy Taxes upon the Taxable Property in the City of Blaine for Collection for the year 2017.

Moved by Commissioner Herbst, seconded by President Ryan, that Resolution No. 16-19, "Approve Authorizing the Blaine Economic Development Authority, Having All the Powers of a Housing Redevelopment Authority, to Levy Taxes Upon the Taxable Property in the City of Blaine for Collection for the Year 2017," be approved.

Finance Director Huss explained Minnesota statutes allow special taxing districts to certify property tax levies on all real property within their jurisdiction. The Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under state law. From the City's 2030 Comprehensive Plan, adopted in December 2009, the EDA will encourage "development that creates access to sustainable jobs for the residents of Blaine. Development of corporate offices, professional and financial services, research, medical manufacturing and medical services, education and emerging industrial technology will be focal points in helping to create a well-balanced and vital economy for the City and its residents." The City, through its EDA will also "dedicate staff resources to monitoring the economic health of the city and assisting businesses in relocation or expansion within the City."

Finance Director Huss reported earlier this year, City Finance staff conducted a thorough analysis of the EDA fund and on September 1, the EDA gave preliminary approval for a 2017 property tax levy of \$650,000. At subsequent budget discussions, the EDA confirmed this levy amount, and at the annual Truth-in-Taxation hearing, the EDA directed staff to bring forward this dollar amount as the 2017 EDA property tax levy. The 2017 levy of \$650,000 allows the overall tax rate for the City of Blaine, including all City-levied and EDA-levied taxes, to remain at the 2016 overall tax rate of 35.901%.

Motion adopted unanimously.

Resolution No. 16-20, Adopting the 2017 EDA Budget.

Moved by Commissioner Swanson, seconded by Commissioner King, that Resolution No. 16-20, "Adopting the 2017 EDA Budget," be approved.

Finance Director Huss explained the EDA discussed its 2017 budget at the City's annual Truth-In-Taxation public hearing on December 8, 2016. Staff presented the 2017 budget in further detail and recommended approval.

Motion adopted unanimously.

**OTHER BUSINESS**

None.

**ADJOURNMENT**

Moved by Commissioner Herbst, seconded by President Ryan, to adjourn the meeting at 7:25 p.m.

Motion adopted unanimously.

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Tom Ryan, President

ATTEST:

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Catherine Sorensen, City Clerk

*Submitted by TimeSaver Off Site Secretarial, Inc.*