

2017 Economic Development Annual Report



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About Blaine

Blaine is a rapidly growing metropolitan community situated 11 miles north of downtown Minneapolis. The City encompasses 34 square miles with a population of 64,188. The City's park and recreation system provide a variety of leisure experiences. Blaine is also home to the National Sports Center, TPC golf course and Four Season's Curling Club.

Blaine is the fastest growing suburb in the Twin Cities metro area. Blaine's population has grown by 7,002 residents since the 2010 census. Blaine continues to rank high in new housing construction in the metro area.

Blaine has a strong and growing industrial and commercial business sector. Blaine is home to eleven industrial parks and nearly 1,400 businesses, including Aveda Corporation, Infinite Campus, Bermo Inc., Dayton Rogers Manufacturing and Northtown Shopping Mall. Over 23,000 people are employed in the City of Blaine by our businesses. With competitive land prices, a strong labor pool and excellent freeway access to Interstate 35W and Highways 10 and 65, Blaine has an abundant supply of development opportunities for growing and emerging businesses. The Anoka County Airport is located in Blaine, which is the Metro Area's busiest reliever airport.

Blaine Demographics and Employment

2016 Population: 64,188*

2016 Households: 23,586*

Median Household Income: \$79,900*

Median Home Value: \$189,100*

Number of Jobs: 23,986*

Number of Businesses: Over 1,400**

* Source: Metropolitan Council, 2016 Community Estimates

** Source: City of Blaine Business List



Construction Values

Year	Single Family Residential Valuation	Commercial/Industrial/Multi-Family Valuation*	Total
2017	\$93,423,052	\$67,251,694	\$160,674,746
2016	\$95,306,271	\$80,052,296	\$175,358,567
2015	\$89,062,293	\$61,837,777	\$150,900,070
2014	\$84,612,802	\$32,847,000	\$117,459,802
2013	\$88,709,550	\$30,725,000	\$119,424,550
2012	\$96,447,589	\$21,633,000	\$118,080,589

*Based on new construction, additions and tenant finish.

Source: City of Blaine Permit Records

Most Valuable Permits in 2017

Name	Address	Valuation	Description
Spring Lake Park Elementary	10365 Davenport St.	\$23,000,000	New Elementary School
Blaine Preserve Phase III	3705 95 th Ave.	\$8,992,700	248,000 sf. Industrial Warehouse/Office
Twin Cities Orthopedics	11225 Ulysses St.	\$7,212,000	50,000 sf. Medical Office
Harley Davidson	1355 98 th Ave.	\$7,212,000	63,000 sf. Motorcycle Showroom
Centennial Schools	4881 101 st Ln.	\$4,226,000	Classroom addition and building remodel
Emberwood Apartments	12664 Central Ave.	\$4,000,000	36 Unit – Phase III Market Rate Apartment

Source: City of Blaine Permit Records

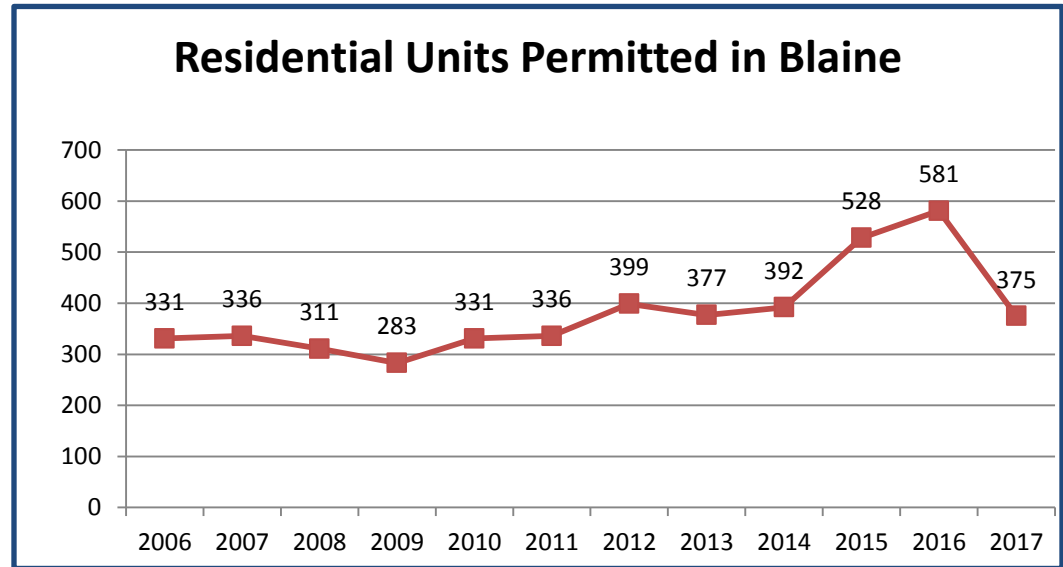


Residential Construction and Growth

In 2017, Blaine issued 327 residential permits which placed it 3rd among metro area cities, behind Lakeville and Plymouth. A total of 375 units were permitted in 2017. This was a drop from 581 units in 2016, however two large apartment buildings in 2016 accounted for the high number of units. This number could increase in 2018 again with several multi-family projects in various stages of approval. Blaine ranked tenth, for total units permitted in the Metro Area in 2017. The top three were Lakeville, Eagan and Apple Valley. Other suburban communities have seen high unit counts because of senior and apartment housing being built.

Blaine also saw an increase in single family home permits. A total of 326 single family permits were issued, up from 320 in 2016. The average permit value was \$285,697. With the residential growth, Blaine is now the largest city in Anoka County with over 64,000 residents.

Blaine celebrated the opening of the Parkway Off Central in August. This 192 unit market rate apartment located at 9436 Ulysses St. was one of two apartments completed in Blaine in 2017. The other was Emberwood Apartments at 125th Ave. and Highway 65. The Anoka County Community Action Program (ACCAP) also completed 30 rental townhome units at the northeast corner of 109th and University Ave. These units are income restricted for those making 80% of the area median income.



Industrial Development and Expansions

Blaine Preserve Phase III

- 248,000 sf. office/production facility in the Blaine Preserve Business Park.
- Expansion of Arrowhead Electric, already located in the business park.
- Estimated project cost of \$9,000,000.
- Completed in December.



Tolerance Masters Expansion

- 29,850 sf. addition to the building at 4444 Ball Rd.
- Estimated project cost of \$1,500,000.
- Completed in December

Other Expansions

- Fromm's Woodworking – 8300 W 35W Service Dr.
- Plant and Flanged Equipment – 10101 Xylite St.
- Shield Pattern – 1749 99th Ln.



Commercial Development

Under Construction

Invictus Brewery and Taproom

- 8,400 sf. brewery and taproom located at 2025 105th Ave. Expected to be open in March 2018.

Twin Cities Orthopedics

- New 50,000 sf. medical office at 11225 Ulysses Street. Expected to be open in summer 2018.

Harley Davidson Showroom

- New 63,000 sf. motorcycle sales showroom at 1355 98th Ave. Expected to be open in spring 2018.

Spring Lake Park School District Elementary School

- New elementary school located at 10365 Davenport St. for SLP District #16. Open for 2018 school year.



Approved in 2017

Kwik Trip (Two Stores)

- 10500 Radisson Road
- Northeast corner of Lexington Ave. and 122nd Ave.



Blaine Medical Center

- 111th Ave. and Ulysses St.
- 13,000 sf. medical office building developed by MSP Commercial.

US Nail Salon/Retail Center

- North of 117th and Ulysses St.
- 6,500 sf. nail salon and additional retail/restaurant space.



Central Avenue Acres

- South of 117th and Highway 65
- 11,050 sf. retail building adjacent to Petco/Marshalls.
- Developed by Ryan Companies.



Blaine Business Employment

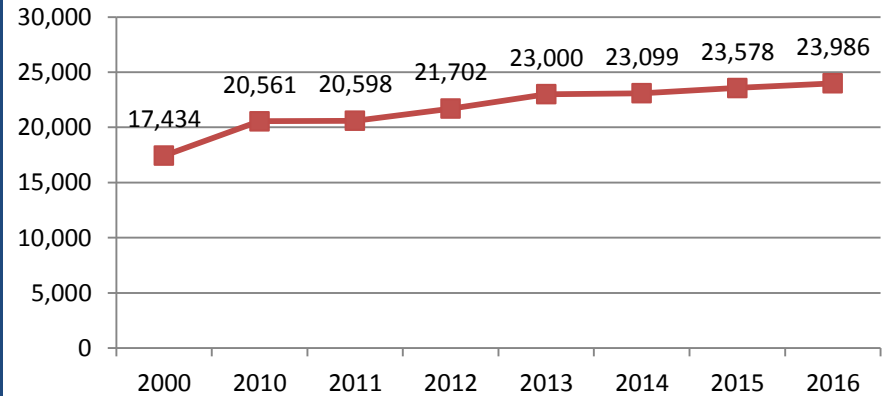
The highest number of jobs ever in the City of Blaine occurred during 2017 with almost 24,000 jobs. Employment has continued to rise since the end of the Great Recession and this trend is anticipated to continue. Metropolitan Council forecast over 31,000 jobs in Blaine by 2040. This is a positive indicator of the business growth that is occurring.

2017 saw an overall decline in unemployment rates beginning at 3.0% in January and falling to 2.3%. Unemployment rates are better than pre-recession rates and the 2.3% is the lowest since 2000. Unemployment rates peaked in July, 2009 at 8.6% and have been continuously declining since.

Blaine's top employers currently are:

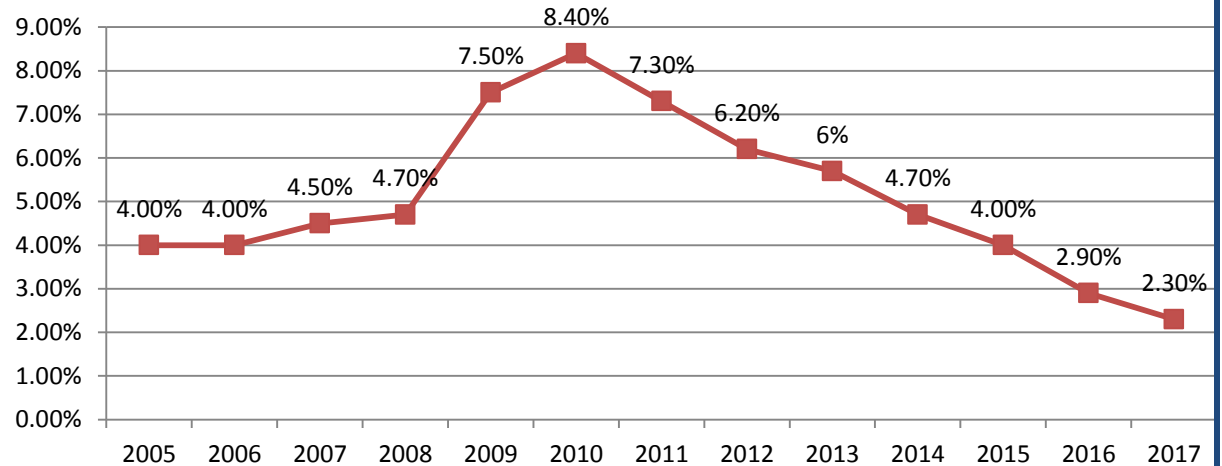
- Aveda - 730 employees
- Infinite Campus - 450
- Cub Foods - 433
- Carley Foundry - 420
- Walmart Stores - 312
- National Sports Center - 297
- Target Stores – 270
- Home Depot Stores - 237
- Bermo, Inc. - 236

Blaine Business Employment



Source: Minnesota DEED, Quarterly Census of Employment and Wages.

Blaine 2005-2017 Year End Unemployment Rate



Source: Minnesota DEED, Local Area Unemployment Statistics.



Business Outreach

3M Golf Tournament

The City of Blaine hosted a hospitality tent at the 3M Championship in August. Blaine staff was present Thursday – Sunday. Unfortunately due to weather Thursday activities were limited. Friday morning focused on economic development partnerships with Anoka County cities. Friday– Sunday had a filled tent with Blaine businesses, real estate brokers/developers and other invited guests. For the second year in a row, all allotted tickets were distributed to our guests attending the event.

Business Visits

This year staff and elected officials visited with 20 Blaine Businesses. The visits presented a great opportunity to gain insight into each company's business condition, employment size and operations.

Arkad Corporation
General Pattern
Carley Foundry
Connexus Energy
Northtown Mall

Aveda
3M Championship
Protofab Manufacturing
National Sports Center
Imagine Smiles

Streamworks
Turfco
Sunrise Packaging
Blisstopia Yoga
Kraus-Anderson

Fogerty/Four Seasons Curling
Anoka County Library
Rasmussen College
Adhue Graphic Resources
Walters Recycling

Anoka County Brokers Event

On October 11, 2017 the City of Blaine in partnership with Anoka County and other cities hosted the 3rd Annual Upriver Broker's Event at the National Sports Center. Over 80 real estate brokers and developers attended the event to hear about opportunities in Blaine and Anoka County.

Community Representation

Blaine Economic Development staff represents Blaine on the Anoka County Workforce Development Board, GreaterMSP Partner Council and the Anoka Technical College Advisory Committee.



Blaine Home Loan Improvement Program

Maintaining existing housing stock is a key component to a strong economic climate in the City of Blaine. According to the Metropolitan Council, the average home value in Blaine is \$189,000. This is slightly below the average for Anoka County which is \$193,200. There are a little over 20,000 housing structures in Blaine with 29% of those constructed prior to 1980. Though the home loan program is available to any home owner, the general focus is to encourage those with older homes to make improvements and maintain the housing stock. Changes were made in 2016 that increased the maximum loan amount from \$25,000 to \$50,000. Income limits were also removed which opened the program to any Blaine homeowner. There are currently 53 outstanding loans with 10 new loans originated in 2017, totaling \$127,494.

Blaine EDA Fire Suppression Grant Program

In 2016, the Blaine EDA reestablished the fire suppression grant program to encourage owners of commercial and industrial buildings to install fire suppression. In 2017, \$80,770 in grant funds were provided to five different property owners to install fire suppression. This was an increase of over \$27,000 in grants from the previous year.

EDA Land and Redevelopment Activity

Purchase and Sale of 10501 University Ave.

The Blaine EDA purchased 10501 University Ave. in March. The site formally was used for a gas station however had been vacant for several years with the property becoming blighted. The EDA tore down the structure and marketed the site to sell. The site is under purchase agreement with Linn Companies who is proposing to construct a Tumble Fresh Laundry in 2018.

Purchase of 10525 Nassau St. and 2111 105th Ave.

The EDA purchased 10525 Nassau St. and 2111 105th Ave. in June. Arkad Corporation, the seller, is leasing back the building at 2111 105th Avenue to operate their business until 2019. It's anticipated the building at 10525 Nassau St. will be



demolished in 2018, and the other building demolished in 2019. This activity is part of a continued effort to redevelop portions of the 105th Ave. /Radisson Rd. corridor.

Town Square Drive Property Adjacent to City Hall

The City of Blaine owns 7.39 acres of land along Town Square Drive, adjacent to Blaine City Hall. This land was deeded by the Blaine EDA to the City of Blaine in 2014. The site was identified as the preferred community center site in 2016; however the referendum to build a community center did not pass. The owner of Imagine Smiles Dentistry is proposing to build a 16,500 sf. multi-tenant office building on 1.58 acres of the property. The remaining 5.81 acres will be analyzed and discussed to determine the appropriate future use.

Pheasant Ridge Drive – Lexington Preserve Business Park

The Blaine EDA owns a 21.76 acre site on Pheasant Ridge Dr. This site was purchased in 1985 and portions of it have been sold for industrial development. In 2017, a wetland delineation was completed identifying 3.41 acres of upland within an approximately 7 acre buildable area. The city has been working with several potential businesses/developers to develop the site. It's likely the site can accommodate a 75,000 sf. industrial building.

8600 Central Avenue

The Blaine EDA owns 2.46 acres near 86th and Central Ave. Staff is actively marketing the site in hopes to find a quality user.

10610 Nassau St.

The Blaine EDA owns 2.43 acres of land at 10610 Nassau St. that it purchased in 2016. Several parties have been interested in the site however no offers have been submitted. This property is part of the overall efforts to redevelop portions of this industrial park.

