



City of Blaine Anoka County, Minnesota Minutes - Final

Blaine City Hall
10801 Town Sq Dr NE
Blaine, MN 55449

EDA

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

Thursday, December 1, 2016

7:20 PM

Council Chambers

1 Call to Order

The meeting was called to order at 7:30 p.m. by President Ryan followed by the Roll Call.

2 Roll Call

Quorum Present.

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

Present: 6 - President Ryan, Commissioner Clark, Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King

Absent: 1 - Commissioner Bourke

3 Minutes

3-1 [MIN 16-38](#)

NOVEMBER 3, 2016 EDA MINUTES

Moved by Commissioner Herbst, seconded by Commissioner King, that the Minutes of November 3, 2016, be approved.

Motion adopted 4-0-2. President Ryan and Commission Clark abstained due to their absence.

Aye: 4 - Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King

Abstain: 2 - President Ryan, and Commissioner Clark

4 New Business

**4-1 [EDA RES 16-15](#) AMENDING TAX INCREMENT FINANCING PLAN FOR
TIF DISTRICT 1-13**

Finance Director Huss stated staff is proposing to amend the EDA's Tax Increment Financing (TIF) Plan, specifically TIF District 1-13 (Donnay's). The district was established for the redevelopment of the old Donnay community center and pool which occurred during the late 1990's. The amendment reflects revenues which may be characterized as tax increments and increases the authorized expenditures to conform with budgeting and reporting requirements and authorize expenditures in connection with development and redevelopment anticipated to occur within Housing and Redevelopment Project No. 1 and Development District No. 1 (collectively, the "Project Area"). It was noted there will be no other changes to the tax increments financing plans for this TIF District. Staff reported the Planning Commission reviewed the amendment at their November 9 meeting and determined the amendment is consistent with the City's Comprehensive Plan.

Moved by Commissioner Clark, seconded by Commissioner Herbst, that Resolution No. 16-15, "A Resolution Amending the Tax Increment Financing Plan for TIF District 1-13," be approved.

Motion adopted unanimously.

Aye: 6 - President Ryan, Commissioner Clark, Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King

**4-2 [EDA RES 16-16](#) CONSIDERATION OF A DEMOLITION LOAN FOR 11161 ULYSSES
STREET NE**

Economic Development Coordinator Thorvig stated the property at 11161 Ulysses St. (former Betterley Tools) is scheduled to be purchased on November 30, 2016. Staff outlined the details of the site and proposed plans. It was noted the developer has requested a \$40,000 loan from the EDA to assist in the up-front demolition cost of the building. Staff is proposing the following conditions under which the loan would be paid back.

- 1.) Upon sale of the property from the developer to another entity.
- 2.) Commencement of development.
- 3.) June 30, 2018 if neither of the previous occurs.

Economic Development Coordinator Thorvig reported a pre-development agreement would be executed by both parties and recorded against the property to ensure the terms of the agreement are memorialized. It is recommended that the EDA consider the request and adopt a Resolution approving the loan request for the demolition of 11161 Ulysses Street.

Duane Lund, 11161 Ulysses Street NE, thanked staff for their thorough report. He indicated he closed on the property yesterday and was looking forward to the site being redeveloped. He explained new signage would be posted on the

site next week and the goal would be to bring a new medical tenant to Blaine.

Commissioner Clark asked if this building represented an unsafe condition for the public or if the demolition could wait until the site redevelops. Economic Development Coordinator Thorvig indicated the vacant building was an eyesore and would improve the area once demolished.

Commissioner Herbst questioned if interest would be charged on the loan. Economic Development Coordinator Thorvig reported staff did not recommend interest be charged, however the EDA could make a decision to charge interest.

Commissioner Herbst supported the building being demolished and believed the property would be easier to market once the site was clear. He suggested the EDA consider charging 2% to 3% interest on the demolition loan, payable upon sale of the property.

Moved by Commissioner Herbst, seconded by Commissioner Clark, that Resolution No. 16-16, "A Resolution Considering a Demolition Loan for 11161 Ulysses Street NE," be approved.

Amended motion adopted unanimously.

Aye: 6 - President Ryan, Commissioner Clark, Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King

Moved by Commissioner Herbst, seconded by President Ryan, to amend the motion to charge the applicant interest at a rate of 3.5% which would be payable upon sale of the property or on June 30, 2018.

Amendment adopted unanimously.

Aye: 6 - President Ryan, Commissioner Clark, Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King

5 Other Business

None.

None.

6 Adjournment

Moved by Commissioner Herbst, seconded by Commissioner Hovland, to adjourn the meeting at 7:41 p.m.

Motion adopted unanimously.

Aye: 6 - President Ryan, Commissioner Clark, Commissioner Herbst, Commissioner Hovland, Commissioner Swanson, and Commissioner King