



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Details (With Text)

File #: EDA RES 17-05 **Version:** 1 **Name:** Purchase of 2111 105th & 10525 Nassau St.
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Title: PURCHASE OF 2111 105TH AVENUE NE & 10525 NASSAU STREET NE
Sponsors: Erik Thorvig
Indexes:
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Attachments: 1. Site Location Map

Date	Ver.	Action By	Action	Result
4/20/2017	1	EDA	Adopted	Pass

ECONOMIC DEVELOPMENT AUTHORITY- *Erik Thorvig, Economic Development Coordinator*

PURCHASE OF 2111 105TH AVENUE NE & 10525 NASSAU STREET NE

At the January 5, 2017 workshop staff presented information on redevelopment of the corner of 105th Ave. and Radisson Rd. The EDA was informed about the interest that Kwik Trip has in the Gabrelcik property which is now under contract. In addition, the owner of the two industrial properties directly west (10525 Nassau St. and 2111 105th Ave.) approached staff about plans for the area and asked whether the city may be interested in acquiring his properties. Direction was given to staff to negotiate with the property owner for a potential purchase.

The following is information on the two properties.

2111 105th Ave. (Main Business Building for Arkad Corp.)

2017 Anoka County Assessors Value: \$437,700

Size: .88 acres

Building Size/Year Built: 8,482 sf.; 1977

10525 Nassau St. (Secondary to the Business)

2017 Anoka County Assessors Value: \$457,200

Size: .73 acres

Building Size/Year Built: 9,040 sf.; 1974

After several discussions with the property owner the following are the general terms of the proposed purchase:

- Purchase Price: \$1,267,000. Staff reviewed comparable industrial building sales in Blaine over the last two years. In general those sales ranged from \$48.94/sf. - \$75.73/sf. The proposed sale price is \$72.30/sf., therefore in the comparable sale range.
- Closing would occur sometime in May, 2017.
- Arkad Corp. would vacate 10525 Nassau St. by 12/31/17. Arkad will remain in 2111 105th Ave. until 5/31/19 and rent the building from the EDA. Arkad will pay \$475/month in rent. The owner saw a benefit to staying in the building for an additional two years. Staff didn't have a concern with this as it generally aligns with Kwik Trip's development timeline. Arkad will maintain the property, pay utilities and maintain insurance for the two year period of occupancy.
- The EDA will pay the property taxes for 2011 105th Ave in 2018 and 2019 (approximately \$32,256) because the property is rented. Rent payments (\$11,400 over two years) will go towards property taxes. The property at 10525 Nassau St. becomes tax exempt in 2018 because it is not leased and will be vacant. An agenda item for approving the lease will be on the 5/4 EDA agenda.

Staff will have future discussion as to when it makes sense to demolish the buildings. Timing may depend on when Kwik Trip starts their construction. The EDA will also have a future discussion on whether to market the property or hold it for a larger redevelopment.

Funds for the purchase would come from pooled redevelopment TIF which currently has a balance of \$8,385,924.

The entire industrial park has been identified in the 2030 Comprehensive Plan as a redevelopment area and changes are beginning to occur in the park. In 2016 the Blaine EDA acquired 10610 Nassau St. and demolished the building and is currently marketing the property. The National Sports Center demolished the building at 10604 Nassau Street. Invictus Brewing has a purchase agreement for 2025 105th Ave. and hopes to begin construction of a brewery this spring. Three new businesses have relocated or expanded in the park and have made improvements to their properties (Gary Carlson Equipment, BioClean, ASAP Plastics). Purchasing the two properties would continue redevelopment of the industrial park.

Location Map

It is recommended that the EDA adopt the attached Resolution approving the purchase of the

property at 2111 105th and 10525 Nassau St. for the price of \$1,267,000.

BE IT RESOLVED by the Board of Commissions (the “Board”) of the Blaine Economic Development Authority (the “EDA”), as follows:

WHEREAS, it is one of the goals and purposes of the Blaine EDA to improve the community, strengthen the tax base and enhance employment opportunities; and

WHEREAS, redevelopment of 105th Avenue/Radisson Rd. industrial park has been identified as a redevelopment area in the 2030 comprehensive plan; and

WHEREAS, the properties at 10525 Nassau St. and 2111 105th Ave. is for sale and within the redevelopment area; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Blaine Economic Development Authority, City of Blaine, Minnesota, that the President and Executive Director of the Blaine Economic Development Authority are here authorized to execute any and all agreements and documents required for the purchase of 10525 Nassau St. and 2111 105th Ave. at the sale price of \$1,267,000.

PASSED by the Blaine Economic Development Authority this 20th day of April 2017.