



# NORTH BRANCH

## —Minnesota—

Sara Paul  
Chair

Dennis Johnson  
Vice Chair

Jessica Thelander  
Commissioner

Marshall Saunders  
Commissioner

Patrick Meachem  
Councilmember

Kevin Schieber  
Mayor

**ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR AGENDA  
TUESDAY, SEPTEMBER 16, 2025 @ 3:30 PM  
CITY HALL, 6408 ELM STREET, NORTH  
BRANCH, MN 55056**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENT

*Provides an opportunity for the public to address the Council on items that are not on the Agenda. Please raise your hand to be recognized. Please state your name and address for the record. This section is for the express purpose of addressing concerns of City services and operations. It shall not be used to clarify individual's views for political purposes.*

5. AGENDA APPROVAL

a. Approve Agenda

ACTION

6. CONSENT AGENDA

*All matters listed under Consent Agenda are considered routine and/or non-controversial and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.*

a. Approval of August 19, 2025 EDA Minutes

ACTION

7. REPORTS

a. Chisago County HRA-EDA Update

VERBAL  
UPDATE

b. North Branch Area Chamber of Commerce Update

VERBAL  
UPDATE

c. North Branch Area Schools Update

VERBAL  
UPDATE

- d. EDA Executive Director Update VERBAL  
UPDATE
  - e. Grocery Market Study ACTION
  - f. Interstate Business Park - Design Standards ACTION
  - g. 2026 EDA Budget ACTION
  - h. Comprehensive Plan Update INFO
  - i. EDA Commission Vacancy INFO
  - j. TIF Overview Presentation INFO
8. CLOSED SESSION
- a. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 3, Block 1, Essby Business Park 4th Addition, North Branch, Minnesota INFO
  - b. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as portions of Outlots C and F, Essby Business Park, Outlot A, portions of Essby Business Park 4th Addition Outlot F, Lot 1, Block 1, and Outlot A, Essby Business Park 3rd Addition and Lot 1, Block 2, North Branch Industrial Park, North Branch, Minnesota INFO
9. NEXT MEETING - October 21, 2025 - 330PM
10. ADJOURNMENT

**EDA Mission Statement.**

To be proactive in maintaining and enhancing the economic viability of North Branch through partnerships, innovation, and strategic action.

**EDA Goals:**

- Successfully become one of the first communities in the region mentioned as a choice for business location.
- Attract new industries that bring an enhanced tax base, quality jobs, and new capital into the community.
- Support existing businesses and encourage their continued prosperity and growth.
- Address critical systems that influence site location decisions.



# NORTH BRANCH

## —Minnesota—

Sara Paul  
Chair

Dennis Johnson  
Vice Chair

Jessica Thelander  
Commissioner

Marshall Saunders  
Commissioner

Patrick Meachem  
Councilmember

Kevin Schieber  
Mayor

**ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR AGENDA  
TUESDAY, AUGUST 19, 2025 @ 3:30 PM  
CITY HALL, 6408 ELM STREET, NORTH  
BRANCH, MN 55056**

### MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF NORTH BRANCH IN THE COUNTY OF CHISAGO AND IN THE STATE OF MINNESOTA

#### REGULAR MEETING

**Tuesday, August 19, 2025**

1. CALL TO ORDER

Chair Sara Paul called the Economic Development Authority meeting to order at 3:30pm.

2. PLEDGE OF ALLEGIANCE

Commissioner Dennis Johnson led the Pledge of Allegiance.

3. ROLL CALL

**Present:** Mayor Kevin Schieber, Councilmember Patrick Meacham, Commissioner Sara Paul,  
Commissioner Dennis Johnson, Commissioner Jessica Thelander

**Absent:** Commissioner Marshall Saunders

**Remote:**

**Others Present:**

**Notes:**

4. AGENDA APPROVAL

a. Approve Agenda

**ACTION**

**RESULT:** Passed

**MOVER:** Dennis Johnson

**SECONDER:** Jessica Thelander

**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelander

**ABSENT: Marshall Saunders**

**NOTES:**

5. PUBLIC COMMENT

6. CONSENT AGENDA

a. Approval of August 7, 2025 EDA Minutes

ACTION

**RESULT: Passed**

**MOVER: Dennis Johnson**

**SECONDER: Patrick Meacham**

**AYES: Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Theland**

**ABSENT: Marshall Saunders**

**NOTES:**

7. REPORTS

a. Chisago County HRA-EDA Update

VERBAL  
UPDATE

Nancy Hoffman, the Executive Director with the Chisago County HRA-EDA, let the EDA know that they were having a meeting date change for August on the last Tuesday of the month, at 8am instead of at noon. They are discussing changing the meetings to the last Wednesday of the month. The East Central Development Partnership is planning its annual meeting, and that will be September 19th, at the Braham Event Center. The topics will consist of the comprehensive economic development strategy and housing, which will be the primary topic. We have some unique stories about how different people are getting housing done. Nancy mentioned Shields Plaza in North Branch with Juanita McKay. She also mentioned that they are taking a group of relators on a tour of Highway 8. There will be a discussion about the reconstruction. They will start in Chisago and then go to Taylors Falls. After lunch, they would like to go to the I-35 stretch and come through North Branch. They're looking at bringing the various cities in to talk about their projects or location, anywhere from housing to industrial to redevelopment. The EDA is working with the North Central office with Director Katie Hefner. Katie is putting on rural business success stories. Nancy will send out information as to the dates once they are announced. In October, they're going to be doing morning marketing on the first Friday of the month. This will entail coming to their office and presenting some kind of marketing for 45 minutes. The Initiative Foundations is administering the Promise grants for the State of Minnesota. If you know somebody who meets the eligibility criteria, let them know.

b. North Branch Area Chamber of Commerce Update

VERBAL  
UPDATE

Community Development Director Nate Sondrol mentioned that there was a ribbon cutting at the Tanger Mall at 5pm 08/19/25, for Studio A Dance Academy.

c. North Branch Area Schools Update

VERBAL  
UPDATE

Chair Sara Paul gave the North Branch Area Schools Update. The District has been connecting with local relators to ensure they are aware of what is currently happening within the District, so that as they're working with families, they can share a little more of the story about what it's like to be a part of the School District. Last week, they hosted a relator breakfast, and 18 relators attended. Several relators grew up in North Branch, and they shared their stories about how the District has evolved. The District is excited to welcome families back to school.

d. EDA Executive Director Update

VERBAL  
UPDATE

Community Development Director Nate Sondrol updated the Council regarding business updates. He noted ECE has been running fiber throughout the entire community and they were looking to connect with current builders and developers to get fiber into the homes at the time of construction. He also noted that they will be holding a public hearing on amending the design standards map to modify the industrial park zone 2 designation to a zone 3 and allowing insulated metal panels as a material type at the September meeting.

Commissioner Meacham commented that staff did bring three different options/ideas of how to move forward, focusing on the industrial park. The idea is not to make changes to zone one just because it's along I-35; doing that would impact the rest of the City that has those design standards. Let's focus on where the need is, instead of potentially having some unintended consequences in other areas of the City that we don't meet to focus on.

e. Downtown Storefront Facade Program - 6354 Main St

ACTION

Community Development Director Nate Sondrol introduced an application that was received from Chet Morgan, from Acoustic Avenue located at 6354 Main Street, North Branch. Sondrol reminded the Commission that the storefront program is a 5-year loan program. No payments are required; each year, 20% is essentially forgiven. The applicants need to pay for all improvements, and once they're completed, they'll provide a copy of the receipts to us. Sondrol mentioned that there was a quote in the agenda packet. The total cost of the project would be \$20,969.81, and the 50% match would be \$10,484.90. The applicant is required to enter into a loan agreement and a promissory note, followed by a universal guarantee as part of the approval. Sondrol pointed out that on this particular application, the signs have been installed already. The applicant, Chet Morgan addressed the Commission explaining that he reached out to Nate to get more information regarding the program. He was working on getting quotes, but when it came to the sign, the vendor mentioned that the quote was only good for a certain amount of time, and with the looming tariffs and the product coming from overseas, the vendor required 50% up front. Chet explained that he paid the 50% thinking that the vendor would install it when he requested, but the vendor installed the sign without approval for installation.

Commissioner Thelander asked about whether there was a plan to cover the graffiti. Chet responded that yes, and explained that the graffiti happened right after he first purchased the building. Graffiti hasn't been an issue since. There are plans to do a mural on that wall. Commissioner Thelander also asked if the proposal falls under the grant's parameters. Sondrol responded that the improvements would fall under the categories of the storefront facade program.

Chair Sara Paul asked that, with the new program, as procedures are put together, what flexibility do we have to understand the content? With this application, which has been presented in terms of the sequencing of putting the signage up before approval. Sondrol replied that the original parameters did say that any improvement should be completed after approval. It is a new program, and the applicant did reach out prior to the installation and talked about the facade application programs, as it is unfortunate that the sign was installed prior. It is at the discretion of the EDA. Chair Paul pointed out that she understands how the sequencing can get off, but that the EDA should be consistent. Chair Paul asked the commission what they thought. Commissioner Thelander mentioned that the looming tariffs disrupted everyone in business this year. The applicant did reach out before ordering and installing the sign; it would be different if all of the work had been completed. Commissioner Meacham said that he understands the concerns about the timeline, but as we know, business and everything else intensive is that we gotta pull the trigger to make sure it works for us now.

Mayor Kevin Schieber asked about the language regarding the footings in the proposal and what the requester would do with the footings or any type of structural issue that's affecting the facade as well. The applicant explained that the whole wall is sinking or settling, the East wall. He had gotten some other basement work done by Innovative Basement Authority. The East wall was leaning; this has been patched. There is a hairline crack, which means it's still moving. He doesn't know if it's going to keep settling. Mayor Schieber explained that this is a new program and we're still trying to tweak a few things. We're trying to spruce up downtown, and he was in favor of approving this application.

Commissioner Thelander made a motion to approve the facade grant for Acoustic Avenue.

**RESULT:** Passed  
**MOVER:** Jessica Thelander  
**SECONDER:** Patrick Meacham  
**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelander  
**ABSENT:** Marshall Saunders  
**NOTES:**

f. License Agreement

ACTION

Director Sondrol brought to the commission a license agreement for a request to conduct a site evaluation that would allow for access onto the property to conduct activities such as surveying and evaluating physical conditions, taking soil samples and boring, and geotechnical and other inspections, analyses, tests, and studies. The agreement should have a sunset date of having everything completed by the end of the year. We do have a farm lease and occupancy agreement on that property.

Commissioner Thelander made a motion to agree to the license agreement for doing the testing.

**RESULT:** Passed  
**MOVER:** Jessica Thelander  
**SECONDER:** Dennis Johnson  
**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelander  
**ABSENT:** Marshall Saunders  
**NOTES:**

Mayor Kevin Schieber pointed out that there's a little bit of wording that may need to be changed in the beginning, because it almost spoke like they were already the owners of that property. Sondrol said that the City Attorney did draft the agreement.

Commissioner Paul offered an amendment pending final administrative review.

**RESULT:** Passed  
**MOVER:** Sara Paul  
**SECONDER:** Patrick Meacham  
**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelander, Sara Paul  
**ABSENT:** Marshall Saunders  
**NOTES:**

g. Comprehensive Plan Update

INFO

City Administrator Matthew Hill gave a brief update with regard to the Comprehensive Plan Review process. There was a steering committee meeting on Thursday, August 7th, at 5:30 pm to discuss the Comprehensive Plan. An overview of the survey results was provided along with the feedback forms from previous meetings, and a decision was made to create small groups to organize and review the values and vision section along with each of the individual groups, small groups of the individual portions of the comp plan, those review processes will then be brought back to the larger steering committee groups and ultimately to the City Council for approval. Each of those sections does include members who assisted in the open houses, and with the option of adding other interested parties from our survey results and from the feedback forms that we received at our open houses, we will be setting meeting days and deadlines for the completion of this next step in the review process, and keep the EDA and other commissions in the loop regarding the progress on our update plan. There is currently a survey online on our website. The survey wraps up at the end of the month. If you haven't filled it out, we encourage everybody to take a look at it and help the City by providing their feedback with regard to the comp plan and what their needs and wants are for the City as we move forward.

Mayor Schieber added that during the steering committee meeting, there was a mention of the importance of including the school district, as people move into our community, and the impact on the school district. Chair Paul agreed and brought up that the District did undergo about a year-long facility study and that it would make sense to update the rest of the community about what we've learned through the study and what some of the anticipated changes are.

h. Grocery Market Study

ACTION

Community Development Director Nate Sondrol brought the commissioners a proposal that was provided in the agenda packet for \$8,000 to do a feasibility study that takes approximately 45 days to determine the results of the study. DBS Group received a proposal to conduct a feasibility analysis for another grocery store in North Branch. DBS group has constructed a dozen grocery stores over the last 4 years, and this is always the first step. Once the study is complete, the info will be shared with the wholesalers for analysis and review. This is where these opportunities can quickly get traction. DBS currently has this process underway in two locations, the south and west suburbs of the Twin Cities. The cost of the study is \$8,000. DBS group is inquiring whether the City/EDA would be willing to fund the study. The final report would become the city's data.

Chair Paul asked if we would want to know the broader success of a grocery store, not just one specific site that is proposed with this analysis. Commissioner Meacham and Mayor Schieber agreed. Mayor Schieber said that he'd like to see a little broader scope, not just a specific location, maybe the best location. Director Sondrol explained that the analysis is what's needed in order to work with grocers, not just one individual. After some discussion regarding requesting more clarification of what the definition of format means, the council would like to get more clarification. The council made a consensus to table the motion until the September 16th EDA Meeting.

i. Retail Trade Analysis

ACTION

Community Development Director Sondrol explained that staff contacted the U of M Extension office to provide info on their ability to provide support on conducting a Retail Trade Analysis (RTA) of the North Branch Area. The U of M extension office noted that they have the ability to provide support to conduct the RTA and provide a customized report for the North Branch area. A Retail Trade Analysis would help understand the retail sales potential, which retailers can be attracted to here, and then provide accurate local sales data, a community plan for business expansion, and expansion recruitment. Nancy Hoffman from the Chisago County EDA thinks this is something that the HRA, EDA would be willing to pay for and get the information out to the County.

Motion to support the authorization and approval of Chisago County EDA to be the lead agency conducting the RTA study for North Branch.

**RESULT:** Passed  
**MOVER:** Dennis Johnson  
**SECONDER:** Jessica Thelander  
**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelander  
**ABSENT:** Marshall Saunders  
**NOTES:**

j. 2026 EDA Budget INFO

Community Development Director Sondrol said that in September, we'll be discussing adopting the 2026 preliminary budget for the EDA. Some items that have been discussed are signage, getting some tighter numbers from the EDA, and increasing the marketing budget up to about \$30,000. Chair Paul asked if a video about the opportunities at the Interstate Business Park could be considered. Sondrol mentioned that the City Council has authorized the update of our website, and the City is going to ask the EDA to provide the content they would like to see on the website.

k. EDA Commission Vacancy ACTION

This discussion is tabled until the EDA September Meeting.

8. CLOSED SESSION

Motion to move into closed session pursuant to Minn. Stat. 13D.05 (c) to consider the sale of real property identified as portions of Outlots C and F, Essby Business Park, Outlot A, portions of Essby Business Park 4th Addition Outlot F, Lot 1, Block 1, and Outlot A, Essby Business Park 3rd Addition and Lot 1, Block 2, North Branch Industrial Park, North Branch, Minnesota at 4:36pm.

**RESULT:** Passed  
**MOVER:** Dennis Johnson  
**SECONDER:** Jessica Thelander  
**AYES:** None  
**ABSENT:** Marshall Saunders  
**NOTES:**

a. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as portions of Outlots C and F, Essby Business Park, Outlot A, portions of Essby Business Park 4th Addition Outlot F, Lot 1, Block 1, and Outlot A, Essby Business Park 3rd Addition and Lot 1, Block 2, North Branch Industrial Park, North Branch, Minnesota INFO

9. NEXT MEETING - September 16, 2025 - 3:30 PM

10. ADJOURNMENT

Motion to return to open session at 5:18pm.

**RESULT:** Passed  
**MOVER:** Dennis Johnson  
**SECONDER:** Patrick Meacham

**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelandt  
**ABSENT:** Marshall Saunders  
**NOTES:**

The meeting adjourned at 5:18pm.

**RESULT:** Passed  
**MOVER:** Sara Paul  
**SECONDER:** Dennis Johnson,  
**AYES:** Kevin Schieber, Patrick Meacham, Sara Paul, Dennis Johnson, Jessica Thelandt  
**ABSENT:** Marshall Saunders  
**NOTES:**



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter:**

**Date: 09/09/2025**

**Board & Commission:**

**Subject: Chisago County HRA-EDA Update**

---

Chisago County HRA-EDA Update

**Voting Requirements:**



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter:**

**Date: 09/09/2025**

**Board & Commission:**

**Subject: North Branch Area Chamber of Commerce Update**

---

North Branch Area Chamber of Commerce Update

**Voting Requirements:**



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission:**

**Subject: North Branch Area Schools Update**

---

North Branch School Update

**Voting Requirements:**



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission:**

**Subject: EDA Executive Director Update**

---

The EDA Executive Director will provide an update at the meeting

**Voting Requirements:**



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission: Economic Development Authority**

**Subject: Grocery Market Study**

---

### **Background Info**

DBS Group received a proposal to conduct a feasibility analysis for another grocery store in North Branch. DBS group has constructed a dozen grocery stores over the last 4 years, and this is always the first step. Once the study is complete, the info will be shared with the wholesalers for analysis and review. This is where these opportunities can quickly gain traction. DBS currently has this process underway in two locations, south and west suburbs of the twin cities.

The cost of the study is \$8,000 plus travel costs and optional additional format analysis. DBS group is inquiring whether the City/EDA would be willing to fund the study. The final report would become the city's data. Attached is the proposal.

The EDA discussed this at the August 19, 2025, meeting and recommended that a study should focus on the entire community. Staff obtained a revised project scope to complete study based on the revised scope for the same dollar amount. The scope allows for different formats (store size/type i.e. supermarket, small format, specialty, value). to be analyzed. Chisago County HRA/EDA discussed this at their August meeting and recommended approval of \$4,000 towards the study.

### **Requested Action**

DBS group is requesting feedback on if the City/EDA would be willing to fund (\$4,000 - \$6,000) for the study.

### **Voting Requirements:**

**Voting Options**                      **Simple Majority**



# Statement of Work

Grocery Market Study

August 2025

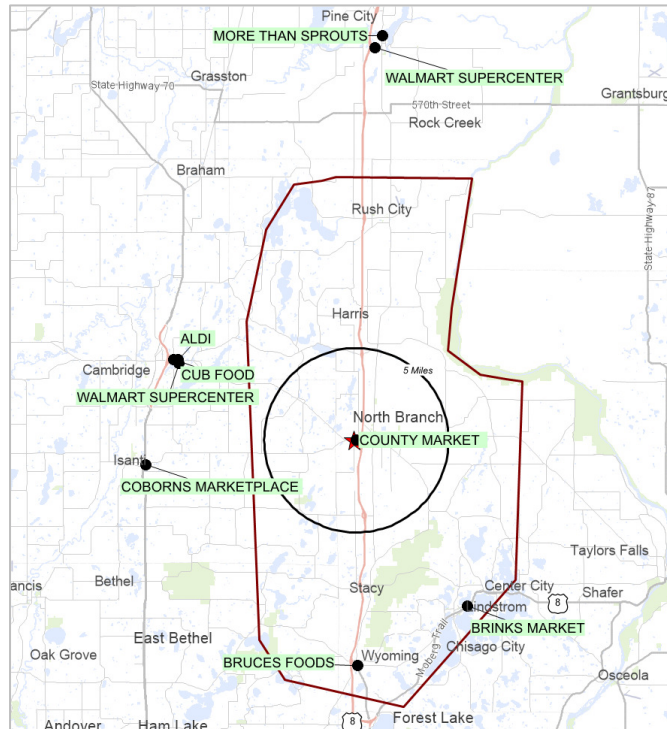
Prepared by  
ROIC analytics, LLC  
For  
DBS Group

# Scope of Services

## Models & Analytics, ROIC analytics, LLC

The following sets forth the Service(s) to be provided upon your signed acceptance, together with Cost and Timing for each Service.

Services	Cost	Timing***
<p><b>Grocery Sales Forecasting Field Study.</b> A gravity-based analysis and write up that provides a sales forecast for a grocery site to be determined in North Branch, MN. The study will evaluate the sales potential for a site and a format to be determined by the client. Alternate formats can be tested as well. Please see the scope of the proposed analysis (trade area in brown on the map below). An ROIC analytics analyst from the Minneapolis area will visit the grocery stores shown on the map below and will meet with anyone from the city who would like to discuss grocery potential in North Branch.</p> <p>This project includes fieldwork (a visit to the site and surrounding existing grocery stores by an ROIC analytics analyst) and a full written report including an overview of the demographic composition of the trade area, competition, site evaluation, sales forecast and relevant maps.</p>	<p>\$8,000 for a write up of one format. If additional formats are written up, the cost will be an additional \$500 per format. (travel costs will be billed separately but will not exceed \$2000)</p>	<p>Estimated delivery date 45 days after the start of fieldwork.</p>
<p>Total</p>	<p>\$8,000</p>	<p>-</p>



## Scope of Services and Signatures Page

The total cost for the scheduled Services is due as follows. 100% of the project cost will be billed at the completion of the study. This Scope of Services supersedes all previous contracts except where indicated on the previous pages. Any additional Services will be quoted and/or agreed to and billed separately.

The Services herein are governed by the terms of the Professional Services Master Agreement (PSMA) on file. If no PSMA is on file, the client will be required to agree to the terms of service in writing of this statement of work before any work will begin. Timing is an estimate of project duration only, and the project officially starts after all the client contractual and data obligations are met. If this statement of work includes licensing of products or services not provided directly by ROIC analytics, including software or data, the client will be required to agree to the provider's terms of service.

This proposal is for the client only and should not be shared without the express written consent of ROIC analytics, LLC. This proposal expires 30 days from the date on page one if not signed.

### **Agreed and Accepted:**

#### **City of North Branch, Minnesota**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### **ROIC ANALYTICS, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Please return signed agreement to ROIC analytics via e-mail to [danielle.yanskey@siteseer.com](mailto:danielle.yanskey@siteseer.com)

## Appendix A: About ROIC analytics

ROIC analytics, LLC provides analytic services and partner solutions to help corporate-owned and franchised chain businesses of all sizes expand confidently, grow sales, and compete more effectively. We empower decision-makers with real-time customer and competitive intelligence, predictive models for accurate site selection and sales forecasting, and powerful and easy to use tools that fit one's needs and budget.

ROIC analytics offers our clients:

- Experience. Your project team members are all seasoned professionals with proven experience delivering results. We understand the “science” of retail analytics and continually develop the “art” necessary to make it effective in the real world. All of our professional services staff members honed their craft as senior-level analysts and management at major retailers including Albertsons before joining our team as consultants. Since then we have worked with Fortune 100 corporations and the smallest startups across all classes of retail and service. When we aren't helping our clients expand their business, we are found walking the aisles of our clients' stores and competition in markets across the country. We live retail analytics.
- Partnership. We understand the risks involved in trusting an outside company to assist with important strategic and tactical decisions. We take your need for confidentiality seriously and work closely with you throughout our relationship to ensure that you are in control and your executive team is empowered to make better decisions.
- Proven Solutions. Analytics is all we do. We leverage the best tools available for retail research as well as build our own software and models from the ground up to ensure that your results are accurate as possible and flexible to your unique requirements. We partner with software companies that share our values.
- Trusted Data. Our data sources are the same ones trusted by the nation's top retailers. When needed, we supplement this data with intelligence gathered in the field to ensure our research is based on accurate and up-to-date facts.
- Commitment. Most of our business comes from word of mouth and recommendations from our existing clients. Many of our clients have been with us for years and look to us first when a new challenge comes their way. We appreciate this loyalty and try to never take it for granted. We believe in continuously earning your business.



**Prepared By: Ryan Saltis, City Planner**

**Presenter: Ryan Saltis, City Planner**

**Date: 09/09/2025**

**Board & Commission: Planning Commission**

**Subject: Interstate Business Park - Design Standards**

---

**Background Info**

The EDA, Planning Commission and City Council have been discussing a variety of ways to encourage and promote development within Interstate Business Park. One of the items that has been discussed included modifications to the design standard requirements. The Planning Commission has been discussing design standards over the past couple months and recently held a public hearing on September 2, 2025, to consider amending the design standards zone map in the Interstate Business Park. The proposed changes would modify the map from zone 1 (along I35 and 400th) and zone 2 (interior) to zone 2 (along I35 and 400th) and zone 3 (interior) and to allow for insulated metal panels in zone 2.

The Planning Commission recommended approval of the proposed changes at their meeting.

Attached is the staff memo from the planning commission meeting.

**Requested Action**

To provide a recommendation on the proposed amendments to the design standards zone map and adding insulated metal panels to permitted class 2 materials.

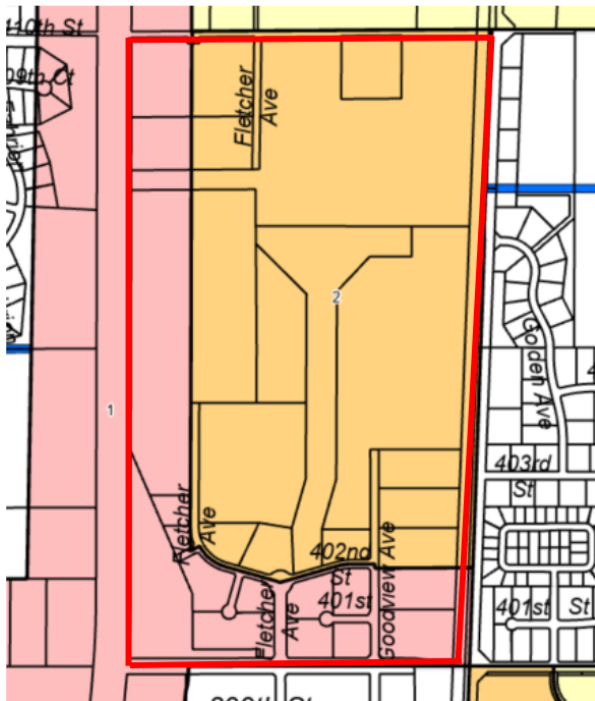
**Voting Requirements:**

**Voting Options          Simple Majority**

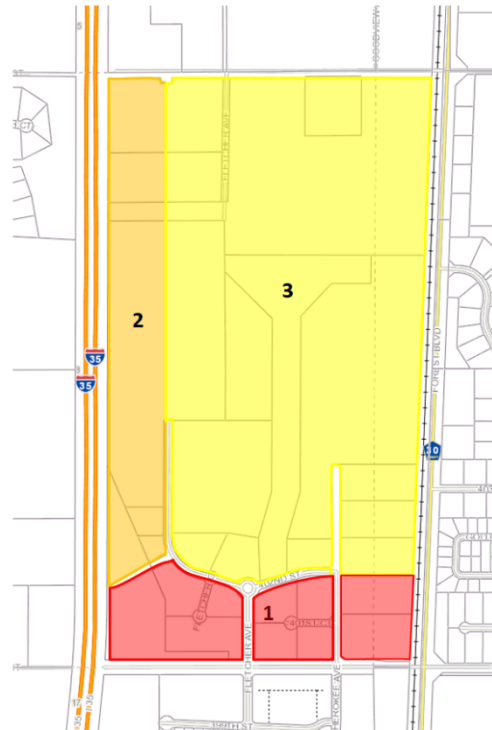
## Industrial Park Design Standards Research

At the August 5<sup>th</sup> Planning Commission Meeting, discussion was had with city staff and planning commission members to modify design standards within the Industrial Park. City staff provided research for North Branch's current design standards and options for modifying them. The Industrial Park is located in Design Standard Zones 1 and 2, with these zones requiring a percentage of the building façade to include durable and high end materials. These requirements lead to higher priced buildings and can be a determining factor for whether or not a company decides to have their business in North Branch. The Planning Commission and city staff analyzed the area around the Industrial Park when making decisions for design standard zones, with proximity to I-35 and future planning for the interchange at 400<sup>th</sup> Street. These areas remained a priority for higher design standards than interior lots in the Industrial Park. After discussion, it was determined that lots along the I-35 Corridor will be modified from Design Standard Zone 1 to Zone 2, giving this area more flexibility by reducing the percentage for required Class 1 materials from 65% to 50%. Industrial park lots along 400<sup>th</sup> Street and south of Fletcher Ave and 402<sup>nd</sup> Street will remain within Design Standard Zone 1 to prepare for the increased visibility this area will obtain from the future interchange. Interior lots within the Industrial Park are proposed to change from Design Standards Zone 2 to Zone 3. These changes are illustrated in the Proposed Design Standard Zones Map below:

Current Design Standard Zones Map:



Proposed Design Standard Zones Map:



- Design Standard Zone 1 is shown in red. This is the most restrictive zone for design standards, requiring 65% of the facade to be a Class 1 material.
- Design Standard Zone 2 is less restrictive than Zone 1, but still requires at least 50% of the building façade to be a Class 1 material.
- Design Standard Zone 3 is the least restrictive. Structures in this zone are not subject to material composition requirements by Class. Buildings constructed in Zone 3 shall have a minimum of two complementary color tones or two materials incorporated on all sides of the building.

The Planning Commission also discussed types of building materials allowed in each class. Specifically, insulated steel panels were analyzed whether they should be permitted in certain classes of building materials. The Planning Commission agreed that they would like insulated steel panels added to the permitted materials list within Class 2. Classes of materials are listed below:

1. Class I consisting of:
  - i. Brick,
  - ii. Natural stone (or similar appearing, high quality manufactured stone),
  - iii. Glass curtain wall,
  - iv. Copper,
  - v. Other comparable or superior materials, or
  - vi. New materials that meet the intent of the preamble above.
2. Class II consisting of:
  - i. Specialty concrete block such as burnished, textured or rock face,
  - ii. Architecturally precast concrete panels having an exposed aggregate, light sandblast, acid etch, form liner, smooth as cast, tooled, natural stone veneer, brick face and/or cast stone type finish,
  - iii. Masonry stucco,
  - iv. Fiber-cement exterior siding,
  - v. Other comparable or superior materials,
  - vi. New materials that meet the intent of the preamble above.
  - vii. Exterior finish installation system (EFIS),
  - viii. Opaque panels,
  - ix. Ornamental metal,
  - x. Smooth concrete block,
  - xi. Scored concrete block,
  - xii. Smooth concrete tilt-up panels,

- xiii. Glazed block,
- xiv. Glass block,
- xv. Ceramic,
- xvi. Other comparable or superior materials, or
- xvii. New materials that meet the intent of the preamble above.

The full Design Standards Section from the North Branch City Code is found below:

**Sec 66-943 Design Standards**

- a) The zones set forth in this Section are defined in the design overlay [district map](#) on record with the City Clerk.
- b) Architectural Standards. The requirements contained within this Division shall not apply to any structure in the Agricultural, Rural Residential or Park/Open Space districts. It shall apply to all structures used for commercial purposes in Single-Family Residential, Medium Density Residential, and High Density Residential, all structures in the Central Business, Commercial, and Industrial Districts.

These standards are intended to ensure coordinated design of new and existing building exteriors, including additions and accessory structures, in order to prevent visual disharmony; minimize adverse impacts on adjacent properties from buildings which detract from the character and appearance of the district; and aid in improving the overall economic viability of the district. These standards are further intended to prevent use of materials that are unsightly, subject to rapid deterioration or which contribute to depreciation of property values or cause urban blight. It is not the intent of this Section to unduly restrict design freedom when reviewing and approving project architecture in relationship to the proposed land use, site characteristics and interior building layout. While the City of North Branch has not established a theme or particular style of architecture that must be adhered to, a general goal of creating a professional appearance with architectural appeal associated with a small city atmosphere is desired within the City of North Branch.

- (1) Architectural plans shall be prepared by an architect or other qualified person (as determined by the Zoning Administrator) and shall show the following:
  - (a) Elevations of all sides of the building.
  - (b) Type and color of exterior building materials.
  - (c) Typical floor plans.
  - (d) Dimensions of all structures.
  - (e) The location of trash containers and of exterior electrical, heating, ventilation, and air conditioning equipment.
  - (f) Utility plans including water, sanitary sewer, and storm sewer.
  - (g) Additional plans deemed necessary by the Zoning Administrator.

- (2) Exterior building materials shall be subject to Zoning Administrator approval and the following:
- (a) Zone 1: Structures must provide a cohesive architectural appearance reflecting its functional purpose and must be composed of at least sixty-five percent (65%) Class I materials; not more than thirty-five percent (35%) percent Class II materials.
  - (b) Zone 2: Structures must provide a cohesive architectural appearance reflecting its functional purpose and must be composed of at least fifty percent (50%) Class I materials; not more than thirty-five percent (50%) percent Class II materials.
  - (c) Zone 3: Structures must provide a cohesive architectural appearance reflecting its functional purpose. Structures in this zone are not subject to material composition requirements by Class. All other design standards in this Section apply unless otherwise listed.
  - (d) Classes of materials. For the purposes of this subdivision, exterior materials shall be divided into Class I and Class II categories as follows:
    - 1. Class I consisting of:
      - i. Brick,
      - ii. Natural stone (or similar appearing, high quality manufactured stone),
      - iii. Glass curtain wall,
      - iv. Copper,
      - v. Other comparable or superior materials, or
      - vi. New materials that meet the intent of the preamble above.
    - 2. Class II consisting of:
      - i. Specialty concrete block such as burnished, textured or rock face,
      - ii. Architecturally precast concrete panels having an exposed aggregate, light sandblast, acid etch, form liner, smooth as cast, tooled, natural stone veneer, brick face and/or cast stone type finish,
      - iii. Masonry stucco,
      - iv. Fiber-cement exterior siding,
      - v. Other comparable or superior materials,
      - vi. New materials that meet the intent of the preamble above.
      - vii. Exterior finish installation system (EFIS),
      - viii. Opaque panels,

- ix. Ornamental metal,
  - x. Smooth concrete block,
  - xi. Scored concrete block,
  - xii. Smooth concrete tilt-up panels,
  - xiii. Glazed block,
  - xiv. Glass block,
  - xv. Ceramic,
  - xvi. Other comparable or superior materials, or
  - xvii. New materials that meet the intent of the preamble above.
- (e) A distinctly different color of brick may be considered as a second Class I material, however, minor blended color combinations shall not be considered as a separate material.
  - (f) Buildings may be constructed primarily of one (1) specific Class I material provided that the design fits the purpose of the building and is obviously superior to the general intent of this Division to provide visual interest, variation in detailing, and eliminate long wall sections without windows.
  - (g) Buildings constructed in Zone 3 shall have a minimum of two complementary color tones or two materials incorporated on all sides of the building. This can be completed through wainscoting, columns, pilasters, or other ornamentation as determined by the Zoning Administrator.
  - (h) Garish or bright accent colors for awnings, trim, banding, walls, entries or any portion of the building shall be minimized, but in no case shall such coloring exceed five percent (5%) of each wall area.
  - (i) In Zones 1 and 2 exposed roof materials shall be similar to, or an architectural equivalent of a high quality asphalt shingle (300# or better), wood shingle, standing seam metal roof, or better.
  - (j) In Zone 3, roof materials shall be of a finished material and all fasteners and connectors shall be the same color as the roof material.
- (3) The overall architectural character shall have a consistent architectural expression on all sides of the building and be compatible with its surroundings.
  - (4) Windows or simulated windows shall be used on the ground level of any wall parallel to or nearly parallel to a street.
  - (5) All structures, including parking ramps shall be designed to be architecturally integrated into the overall site and be made of comparable materials and decorative elements.
  - (6) All façade treatments shall be maintained so as to not be unsightly in appearance or in a state of disrepair, nor shall harmful health or safety conditions be present for the life of the project.

- (7) Prohibited Exterior Materials in Zone 1 and 2:
  - (a) Vinyl Siding.
  - (b) Metal Siding, except as provided above.
  - (c) Formed Metal Panels with exposed fasteners.
  - (d) Pre-engineered post-frame structures with agricultural grade metal wall and roof panels, commonly called “pole barns” are not permitted.
- (8) Prohibited Exterior Materials in Zone 3:
  - (a) Unfinished steel on walls or roofs.
  - (b) Unfinished aluminum on walls or roofs.
  - (c) Reflective materials.
- (9) Exceptions – The following exceptions to the exterior building material requirements may apply:
  - (a) The use is an essential service as defined by this Division; or
  - (b) The applicant shall have the burden of demonstrating that:
    - 1. The proposed building maintains the quality in design and materials intended by this Division,
    - 2. The proposed building design and materials are compatible and in harmony with other structures within the district,
    - 3. The justification for deviation from the requirements of this section shall not be based on economic considerations.
  - (c) Sides of a building which are not visible from any public road may use any combination of Class I or II materials, if approved by the Planning Commission and City Council. The applicant must be able to demonstrate that said side of building is not visible from any public road.
  - (d) Garage doors, window trim, flashing, accent items and the like, shall not constitute required materials that make up the exterior finish of a building for the purposes of this section.
  - (e) Building Additions. Properties zoned I - Industrial and I2 - Heavy Industrial may be excepted from the minimum exterior building material standards for additions onto existing buildings. This exception only applies to additions of not more than 75 percent of the gross floor area of the initial principal building constructed on the property. The type and percent composition of the material(s) on the new addition(s) must be equal to or greater than the material(s) on the existing principal building. Additions exceeding 75 percent are required to meet the minimum exterior material standards for that Zone. In this case, the property owner may opt to satisfy the minimum standards on both the addition(s) and existing building. This exception does not apply to new

secondary buildings and accessory structures on the property, if permitted by zoning.

Recommended Planning Commission Action:

- Motion to approve the Design Standards Zone Map modifications as presented
- Motion to add "insulated metal panels" to permitted Class 2 materials within Sec 66-943(2)(d)1.



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission: Economic Development Authority**

**Subject: 2026 EDA Budget**

---

Attached is the DRAFT preliminary 2026 EDA budget along with the current debt schedule for Industrial Park.

**Recommended EDA Action**

To provide a recommendation on approval of the 2026 EDA Preliminary Budget

**Voting Requirements:**

**None.**

# EDA Fund

## 2026 Revenue and Expenditure Budget

<b>Description</b>	<b>2024 Actual</b>			<b>2025 YTD</b>	
<b>EDA Revenue</b>	<b>2023 Actual</b>	<b>(Unaudited)</b>	<b>2025 Adopted</b>	<b>Actual</b>	<b>2026 Proposed</b>
Current Ad Valorem Taxes	\$ (164,530)	\$ (560,111)	\$ (561,045)	\$ -	\$ (617,543)
Delinquent Ad Valorem Taxes	(1,741)	-	-	-	-
Application Fees	(1,000)	-	-	-	-
Mkt Value Credit	(812)	(1,185)	-	-	-
Other Revenues	-	-	(4,066)	-	-
Interest Earnings	-	(3,936)	-	-	(200)
Other Rents and Royalties	(3,600)	(3,600)	(3,600)	-	(63,600)
Transfer From Other Fund	-	(185,000)	(185,000)	-	(185,000)
<b>Total Revenue</b>	<b>\$ (171,683)</b>	<b>\$ (753,832)</b>	<b>\$ (753,711)</b>	<b>\$ -</b>	<b>\$ (866,343)</b>

<b>Description</b>	<b>2024 Actual</b>			<b>2025 YTD</b>	
<b>EDA Expenditures</b>	<b>2023 Actual</b>	<b>(Unaudited)</b>	<b>2025 Adopted</b>	<b>Actual</b>	<b>2026 Proposed</b>
Employees Wages & Salaries	\$ 117,208	\$ 51,415	\$ 77,990	\$ -	\$ 95,675
PERA	6,881	3,544	5,850	-	7,175
FICA and Medicare	7,228	3,883	5,966	-	7,319
Employer Paid Health	5,439	2,680	14,038	-	18,325
Worker s Comp Insurance	-	-	750	-	750
Operating Supplies	-	941	200	-	500
Professional Svcs	13,457	53,142	-	-	15,000
Auditing and Acct g Services	1,486	(404)	1,000	-	1,054
Engineering Fees	7,695	9,199	10,000	-	10,000
Attorneys Fees	14,250	18,250	10,000	-	10,000
Travel Expenses	30	75	2,500	-	1,100
Conference & Training	263	20	1,735	-	1,700
Meeting Expense	-	307	-	-	-
Marketing	4,281	1,181	5,200	-	5,200
Legal Notices Publishing	-	-	120	-	120
General Notices	-	-	-	-	-
Insurance	880	1,157	960	-	1,200
CBD Improvement Fund	-	-	75,000	-	75,000
Dues and Subscriptions	985	1,520	895	-	2,300
Recording Fees	56	-	-	-	-
PropTaxes/ Assessments	858	-	29,375	-	-
Transfer Out	-	341,579	364,000	-	345,000
<b>Total Expenditures</b>	<b>\$ 180,998</b>	<b>\$ 488,488</b>	<b>\$ 605,579</b>	<b>\$ -</b>	<b>\$ 597,418</b>

## Professional Services

Acct 50300

<u>What</u>	<u>Cost</u>	<u>Qty</u>	<u>Total</u>
Market Analysis	15,000.00	1	15,000.00
			<u>15,000.00</u>

## Travel Expenses

Acct 50331

<u>What</u>	<u>Cost</u>	<u>Qty</u>	<u>Total</u>
EDAM Conference Hotel (2 nights)	300.00	2	600.00
EDAM Conference Mileage (220 miles @ 2025 Standard Rate)	0.70	220	154.00
General Other Meeting Mileage	0.70	400	280.00
			<u>1,100.00</u>

## Conference & Training

Acct 50332

<u>What</u>	<u>Cost</u>	<u>Qty</u>	<u>Total</u>
EDAM Winter or Summer Conference	400.00	1	400.00
Ehlers Conference	300.00	1	300.00
MNCAR Expo	500.00	1	500.00
			<u>1,700.00</u>

## Marketing

Acct 50343

<u>What</u>	<u>Cost</u>	<u>Qty</u>	<u>Total</u>
NBACC Bronze Sponsor	699.00	1	699.00
NBACC Golf Tourney Hole Sponsorship	350.00	1	350.00
NB Beautification Flower Basket	125.00	1	125.00
Old Highway 61 Coalition	200.00	1	200.00
MNCAR Expo Sponsor (Tote Bag or Expo Booth)	1,200.00	1	1,200.00
General Marketing	2,626.00	1	2,626.00
			<u>5,200.00</u>

## Dues and Subscriptions

Acct 50433

<u>What</u>	<u>Cost</u>	<u>Qty</u>	<u>Total</u>
EDAM	\$ 320.00	1	320.00
MNCAR Membership	\$ 325.00	1	325.00
ECDP	\$ 900.00	1	900.00

NBACC Chamber Luncheons (Annual fee and meeting fee)	\$	740.00	1	740.00
				<hr/>
				2,300.00
				<hr/>

## DEBT SCHEDULE

Fund 387 - Taxable Refunding Lease Revenue Fund  
2017 EDA

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>	<u>BALANCE</u>
2026	280,000.00	61,016.00	341,016.00	1,490,000.00
2027	290,000.00	50,981.50	340,981.50	1,200,000.00
2028	300,000.00	40,300.00	340,300.00	900,000.00
2029	310,000.00	28,951.50	338,951.50	590,000.00
2030	315,000.00	17,012.75	332,012.75	275,000.00
2031	275,000.00	5,458.75	280,458.75	-

## DEBT SCHEDULE

Fund 476 - Industrial Park/ESSBY Fund

County Lease Purchase

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>	<u>BALANCE</u>
2026	153,256.00		153,256.00	-



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission: Economic Development Authority**

**Subject: Comprehensive Plan Update**

---

The Council is looking for discussion and input on the Comprehensive Plan from the EDA as specifically as it relates to Economic Development and Housing as well as the rest of the plan. There have been 2 public input engagement meetings and the next steps will be to include to begin working on the vision. The results of the survey are in the process of being compiled.

**Voting Requirements:**

**Voting Options          Simple Majority**

Comprehensive Plan Review tentative dates:

10-Jun-25	City Council
3-Jun-25	Planning Commission
20-May-25	EDA
2-Jun-25	PTOS
17-Jun-25	Open House
24-Jun-25	City Council review of open house
1-Jul-25	Public Safety Committee review
TBD	Public Works Advisory Committee
1-Jul-25	Planning Commission
7-Jul-25	PTOS
8-Jul-25	Chamber Board Meeting
<b>10-Jul-25</b>	<b>Comp Plan Steering Committee</b>
15-Jul-25	EDA
15-Jul-25	Open House
22-Jul-25	City Council review of open house
1-Aug-25	PTOS
2-Aug-25	Planning Commission
12-Aug-25	Chamber Board Meeting
19-Aug-25	EDA
19-Aug-25	Potential Open House #3 if required or all Council/Commi
26-Aug-25	City Council first review of final update materials
2-Sep-25	Planning Commission public hearing on Comp Plan
16-Sep-25	Council work session
14-Oct-25	City Council approval of Comp Plan

TBD - Special work groups for specific needs if required

TBD - Steering Committee review meetings

TBD - NB 1st meeting

TBD - Other outside groups need to be identified by Steering Committee

Completed  
Completed  
Completed  
Completed  
**Completed**

.ssioner meeting

## Comprehensive Plan Review Feedback - 6/17/2025

### Vision:

Small town feel

Keep/add to the vision/values

Strong thriving business community

Inviting business corridor

\*How to lower tax base

\*City leaders should live in North Branch

\* Happy with how North Branch Schools have changed

### Parks:

Please have the restrooms open at Central Park during daylight hours. It is needed

Would like to have the warming house manned during the winter months. No one was e

Would love to see walking trails, adult-children exercise stations, dog park, park

Bike trail down Falcon connected to main trail

Maintain Pollinators area

Maintain Trails

Trail system with the new housing to be connected to the paths to school

### Transportation:

A re-route of Hwy 95 is absolutely necessary. We need to keep semi and camper traf

### Public Safety:

Substation by the waterplant/ecumen for police and fire - Charlie Kloop

Public Safety

### EDA:

Promote Small Businesses

Help promote small business

I have been disappointed with the state of the Tanger Mall for 20 years now, Can we

Encourage new businesses to come in that fit our community

Support and encourage existing small businesses/larger business too.

Remember employees can come from the Cities to work and benefit from going away fro

Let's advertise North Branch Tanger Mall need re-vitalizing with events/food trucks

We need to revitalize big box stores. People used to come from everywhere to Tanger

Promote Small Businesses - not in the camp of big box stores as the focus, needs to

Farmer's Market - wouldn't allow sign, restricted on State Hwy 95 (policy decision

We can have it all on I-35, where is the Walgreen's, Aldi, Home Depot. Need more c

Attract industry

Retail businesses - place to spend \$

Restaurants provide attraction and value to residents

Balanced approach to growth, housing growth needs commercial and industry

Sick of the tire businesses

Housing:

concern with senior housing becoming non-senior long term

How to grow without risk of higher taxes to home owners.

Pro senior living

Pro ADUs for seniors/kids/AB&B

Small homes

Too much storage

Links to housing studying to support new families moving to town.

Like to discuss options for ADUs.

As a North Branch Resident, I feel strongly that there should be a policy/code which

HOAs draw energy away from public involvement

Condensed developments

Housing growth is great, but need a community

d for folks of all ages throughout the day - Ben Hedberg  
ever there, even on the date posted open - Deb and Steve Schmitt  
benches thought Woldridge Park - Sara Wittenbel

ffic away from downtown. It is so dangerout to try to park and to walk and shop.

e please find out how to reinvogoate and fill it up?

om rush hour traffic  
s/signage  
r Mall. We need the revenue from larger businesses, we need to attract people here  
o be blended.  
that doesn't support farmers  
options and variety to broaden the tax base.

ch allows for ADUs in appropriate areas in North Branch

Doing this would bring in more boutiques and other shopping -Sarah Wittenbel

to shop and work. A tech company would draw people in from the City and they can



travel against traffic. Market what we do have better so people know wh



**NORTH BRANCH**  
**City of North Branch**  
**Staff Report**

**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission: Economic Development Authority**

**Subject: EDA Commission Vacancy**

---

**Background**

There is 1 current opening at the Economic Development Authority (EDA). This is an existing term that expires on December 31, 2025.

There have been 3 applications (attached) received for the position:

**Sec 2-152 Composition**

The economic development authority consists of a governing body of seven commissioners. Two of the commissioners shall be members of the city council and serve as commissioners of the economic development authority for terms coinciding with their term on office as members of the city council. All commissioners shall be appointed by the mayor with the approval if the city council.

**Requested Action**

To provide a recommendation to the City Council on an appointment to the EDA.

**Voting Requirements:**

**Voting Options          Simple Majority**



**Prepared By:**

**Presenter:**

**Date: 09/12/2025**

**Board & Commission: City Council**

**Subject: TIF Overview Presentation**

---

Ehlers will be conducting an overview of TIF at the City Council work session on Tuesday Sep 16 at 630 pm. The EDA is invited to attend.

**Voting Requirements:**

**Voting Options      Simple Majority**

## Housing Assistance Policy Application Process and Fees

The following outlines the process for the City to accept and consider requests for assistance for housing projects in the City of North Branch:

1. All applicants for housing assistance must complete and submit an Application for Public Financing form and the \$2500 fee to the City.
2. The applicant must provide all supplementary information and attachments as required in the Application for Public Financing.
3. The Application and fee will initiate the City's **preliminary** due diligence to ensure the project is consistent with the City's policies, demonstrates that the project will fill a public purpose and will be in compliance with Minnesota Statutes -- including the TIF Statutes, if TIF is requested -- and the City's land use requirements.
4. If staff determines that the preliminary due diligence requirements are met, then the City Council and their financial consultant shall conduct a preliminary proforma analysis to determine if the project has a financial gap and whether public assistance is needed.
5. After preliminary proforma analysis, staff will bring the project forward to the Council with a staff recommendation about whether the project warrants any financial assistance from the City and, if so, the amount and terms of such assistance. The staff recommendation will include an assessment of the public purpose and the City goals the project will fulfill if assistance is being recommended.

If an application is incomplete, the project does not meet minimum statutory requirements, or if the project is for a use (i.e., single family housing) that is prohibited by this Policy, it will not be brought forward by staff to the City Council.

6. The City Council will consider the staff recommendation and decide whether to provide conceptual approval of the assistance as recommended.
7. If the City Council provides conceptual approval for providing assistance to the project, the applicant shall deposit \$10,000 with the City to cover costs incurred by the City, including but not limited to, legal and consultant costs incurred as part of conducting any additional fiscal analysis that may be required to meet the requirements of utilizing any public financing, drafting and negotiating a development agreement, and establishing a TIF district or abatement.

If additional expenses are incurred beyond the \$10,000, prior to the execution of a development agreement, the City shall notify the applicant in writing, and the applicant will be required to deposit additional funds upon notice. Any unused portion of the deposit shall be returned to the applicant.

8. If the City decides to grant assistance to the applicant, the applicant and the City must enter into a Contract for Private Development containing at least the following elements:
  - a. A description of the business assistance, including the amount and type of assistance, and the type of district, if tax increment financing is provided

- b. A statement of the assistance's use and public purpose
- c. Measurable, specific, and tangible goals for the housing assistance, including income and/or rent restrictions
- d. A description of the recipient's financial obligations if the goals are not met
- e. A statement of why the subsidy is needed
- f. The City may require the application to retain ownership of the project for at least the period of time needed to complete the development and/or structure, to stabilize its occupancy, and to establish the project's management.
- g. The City may require the applicant to maintain a taxable property for an additional period of time **after** enough tax increment/abatement has been generated to repay the subsidy. This period of time is at the sole discretion of the City and will be determined on a case by case basis.

If at any point during the process the applicant or a member of the applicant's development team contacts a City Council or Economic Development Authority member, the Council member or EDA member will redirect the applicant to City staff. City Council and Economic Development Authority members will not meet directly with or have discussions with the applicant or a member of the applicant's development team.

# City of North Branch, Minnesota

## Housing Assistance Policy

### I. PURPOSE

The purpose of this policy is to establish the criteria and procedures by which public assistance – including tax increment financing and tax abatement -- may be used to incent and support the development of logical and efficient housing development in the City that addresses a public purpose that the private sector is not accomplishing in the community without assistance.

In certain situations, the cost of utilities, streets, eligible public improvements, affordable housing, City fees, redevelopment and environmental remediation, or site acquisition may make a housing project financially infeasible. In any of these situations, the City may consider providing financial assistance to fill a demonstrated financial gap in the project when it is determined that the proposed housing project will address a demonstrated public need. This policy shall be used as a guide in reviewing housing development applications for financial assistance.

### II. POLICY

It is the policy of the City of North Branch to provide financial assistance to housing projects to assist with certain development costs. A housing project receiving financing assistance must first demonstrate that it is addressing or responding to a housing need and, upon the showing of need, meet one of the City's two additional goals. Eligible projects must be a (1) rental housing project that meets or exceeds the income qualifications for tax increment financing as defined under Minnesota Statutes, Section 469.174 through 469.1794 and provides affordable rents to those units; or (2) provide for reuse or redevelopment of an existing property to increase the tax base. Housing projects may include workforce housing, senior developments, manufactured home developments and supportive housing. New construction of single-family developments and luxury rental housing are not eligible for public assistance unless they are part of a redevelopment project.

Priority will be given to projects meeting some or all the criteria below:

- Projects developed on City or EDA owned land
- Projects showing deeper levels of affordability that exceed the minimum requirements of the TIF Law
- Projects developing housing options not available in the City
- Projects including amenities that are not available in other housing developments within the community above and beyond what is typically required in developments
- Projects maximizing the density allowed under the zoning guidelines
- Projects incorporating energy efficiency and / or sustainable practices

Financial assistance may be considered to assist with the following eligible project costs:

- Construction of affordable housing
- Extending or relocating utilities or constructing utility infrastructure
- Street improvements or street assessments
- Site improvements
- Site acquisition

- Clearance and demolition expenses
- Environmental remediation
- City fees including park dedication, utility connection, or storm water fees
- Other eligible public improvements

Public assistance will be provided through issuance of a Pay-as-you-go Note, with the Developer providing the financing and being reimbursed per the terms of the Development Agreement. Assistance will be up to – and not exceed -- an amount that generates a return that is within the market return for a comparable project at the time of development.

### III. PROCEDURE

A developer may request assistance from the City by submitting a financial assistance application and supporting documentation, together with the non-refundable application fee to the City of North Branch. Significant additional information may be requested at any time by the City. This information may be in addition to the materials outlined in the financial assistance application. The Applicant shall be required to submit any and all information as requested by the City.

City staff and, as appropriate, the City’s municipal advisor shall review the application materials and make a preliminary recommendation to the City. The staff recommendation will include:

- a. The proposed amount of the financial assistance
- b. The proposed structure and terms of the financial assistance
- c. A rationale for the recommendation
- d. Eligible affordable housing project costs and the estimated cost of the project
- e. Past history of the developer’s performance after completing due diligence on the applicant

The City may either deny or grant approval of any assistance. Once the City has completed preliminary due diligence and financial review of the application, the developer applicant shall deposit additional funds in an amount established by the City, but not less than \$10,000 as an initial escrow, to cover legal and consultant costs incurred as part of establishing a tax increment financing district, drafting and negotiating a development agreement, and conducting any fiscal analysis that may be required to meet the requirements of utilizing any public financing to support the affordable housing project proposed. If additional expenses are incurred beyond the initial deposit, prior to the execution of a development agreement, the City shall notify the applicant in writing and the applicant will be required to deposit additional funds into the escrow upon notice. Unused applicant escrow funds on deposit shall be returned to the developer applicant.

### IV. GENERAL TERMS AND CONDITIONS

The project must comply with the rent and income restrictions for the term of the assistance and report the rents and incomes to the City for the term of the restrictions on an annual basis.

The City reserves the right to deny any application for financial assistance at any stage of the proceedings prior to adopting the resolution approving the financial assistance. The Applicant is not entitled to rely on any preliminary actions by the City or its staff prior to the adoption by City of a final resolution of approval of the financial assistance, and all expenditures, obligations,

costs, fees, or liabilities incurred by the Applicant in connection with the Project are incurred by the Applicant at its sole risk and expense and not in reliance on any actions of the City.

Any applicant who is not in good standing with the City, in regard to licenses, fees, taxes or other specific charges, will not be considered for receiving financial assistance.

The Applicant shall hold the City, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the project or financial assistance application, including but not limited to, any legal or actual violations of any State or Federal securities laws.

The City shall have the option of amending or waiving sections of this housing policy when they determine a change necessary or appropriate to continue to advance its housing goals.



---

# CITY OF NORTH BRANCH, MINNESOTA

---

Update to the City's Business Subsidy, Tax Increment and Tax Abatement Policies

EDA Review and Approval Date: October 1, 2019

City Council Review and Approval Date: November 12, 2019

# Contents

Business Subsidy Policy .....	2
Introduction.....	2
Business Subsidy Public Purpose .....	2
Definitions.....	2
Business Subsidy Policies and Requirements .....	4
Tax Increment Financing Policy.....	5
Purpose.....	5
Authority.....	5
Public Purpose.....	5
Policy Statements.....	6
Application Process .....	7
Tax Abatement Policy.....	7
Purpose.....	7
Difference between Tax Abatement and Tax Increment Financing.....	7
Objectives of Tax Abatement .....	8
Policy Statement.....	8
Project Qualifications .....	8
Subsidy Agreement and Reporting Requirements .....	9
Application Process .....	9
Applications to other Taxing Entities .....	9

# Business Subsidy Policy

## Introduction

This Policy is adopted for the purposes of the business subsidies act (the “Act”), which is Minnesota Statutes, Sections 116J.993 through 116J.995, as amended. Terms used in this Policy are intended to have the same meaning as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extent required thereby.

To effectively promote economic development within the city, be competitive with other communities and meet the diverse and continued needs of business and industry, the City of North Branch (the “City”) and Economic Development Authority (the “EDA”) have determined to make use of all available local and state economic development incentives and tools. The use of these incentives and tools generally cannot be analyzed and reviewed using a single measurement but must rather be evaluated in terms of community needs and objectives, market trends, job creation, capital outlay and installation of public improvements.

## Intent to Retain Flexibility

It is not always possible to anticipate every type of project that may provide benefit to the City. The City shall retain the option to amend or waive sections of this policy when it is determined to be necessary and/or appropriate based on the changing needs of the community. Minnesota Statute 116J.994, Subd. 2 allows the City to deviate from its criteria by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual report to the State.

## Business Subsidy Public Purpose

Business Subsidies may be provided in order to achieve the following public purposes:

1. Enhance the economic diversity of the city
2. Create a variety of housing options
3. Job retention and growth
4. Create high quality jobs
5. Stabilization of the community
6. Increase of tax base

The public purpose(s) of the Business Subsidy may include, but not be limited to, increasing the tax base of the community. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable.

This policy is adopted in compliance with M.S. § 116J.994 Subd. 2.

## Definitions

“**Business Subsidy**” means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

Business Subsidies **do not** include the following:

1. Assistance of less than \$150,000.
2. Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of businesses, size, location or similar general criteria;

3. Public improvements to buildings or lands owned by the City of North Branch that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. Property polluted by contaminants being redeveloped as defined in M.S. § 116J.552, Subd. 3.
5. Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance to designated historic preservation sites or districts, provided that the assistance is equal to or less than 50% of the total cost of the development;
6. Assistance to provide job readiness and training services;
7. Assistance for housing;
8. Assistance for pollution control or abatement, including assistance from a TIF hazardous substances sub-district;
9. Assistance for energy conservation;
10. Tax reductions resulting from conformity with federal tax law;
11. Workers compensation and unemployment compensation;
12. Benefits derived from regulation;
13. Indirect benefits derived from assistance to educational institutions;
14. Funds from bonds allocated under M.S., Chapter 47A refunding bonds and 501(c)(3) bonds;
15. Assistance for collaboration between a Minnesota higher education institution and a business;
16. Assistance from a tax increment financing soils condition district as defined under M.S.469.174, subd.19;
17. Redevelopment when the Recipients or Qualified Business' investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current years estimated market value;
18. General changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. Federal assistance until the assistance has been repaid to and reinvested by the local governmental unit;
20. Funds from dock or wharf bonds issued by a seaway port authority;
21. Business loans and guarantees of \$150,000 or more,
22. Federal loan funds provided through United States Department of Commerce, Economic Development Administration and
23. Property tax abatements granted under MN Statutes 469.18 to property that is subject to valuation under Minnesota Rules, chapter 8100.

**“Business Subsidy Report”** means the annual reports submitted each year for each business receiving a business subsidy in the community. The report is submitted by the local government unit in order to comply with M.S. § 116J.994 Subd. 7. (b).

**“Criteria”** means the equitably applied, uniform standards by which the Economic Development Agency and /or the City bases its decision to award any business subsidy to a private business or development project establishing a business and creating jobs in the City of North Branch.

**“DEED”** means Minnesota Department of Employment and Economic Development.

**“Economic Development Agent”** means the city department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the City of North Branch. The Economic Development Agent for the **City of North Branch** shall be the North Branch Economic Development Authority (EDA), hereinafter “Agent”.

**“Recipient”** means any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with a city.

## Business Subsidy Policies and Requirements

The City of North Branch adopts the following:

1. Any time the City of North Branch provides a business subsidy to a Recipient, that business is subject to the wage levels, job creation and other criteria set forth in this policy and specified in the Business Subsidy Agreement made with the city.
2. The City of North Branch may authorize the Economic Development Authority (EDA) to act as its Economic Development Agent for certain types of projects for purposes of marketing the city, initiating & negotiating Business Subsidy Agreements, and executing Business Subsidy Agreements on its behalf.
3. Job Creation/Retention & Wage Requirements

### A. Job Creation/Retention Requirement

If the City determines that job creation is a goal of the project, at least 1 full-time or full-time-equivalent job must be created when assistance is provided.

Retention of existing jobs is acceptable, provided that the applicant can document that, absent the business subsidy, the job loss would be specific and demonstrable.

If the City determines that the creation or retention of jobs is not a goal of a specific project, the job creation goal may be set to zero (0).

### B. Wage Requirement

Wages paid (exclusive of benefits) for jobs created as a result of the Business Subsidy must be at least equal to 120% state minimum wage levels as of the date the business subsidy is approved.

4. The City of North Branch may deviate from the wage and job criteria in this section by documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.
5. A public hearing shall be held by the City of North Branch or EDA as provided by M.S. § 116J.994, when the value of the subsidy exceeds or is expected to exceed \$150,000 from local sources.

The purpose of the hearing is to identify and define the criteria that the recipient shall meet in order to be eligible to receive a business subsidy. The hearing shall specify all information required to be included in the Business Subsidy Agreement as listed in section 7 (a) (below).

As provided by M.S. 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, more than 10 days prior to the hearing identifying the location, date, and time of the hearing and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.

## 6. Business Requirements

The business must enter into a "Business Subsidy Agreement" with the City that includes:

- a. Description of the subsidy, including the amount and type of subsidy, and the type of district if the subsidy is tax increment financing;
- b. Statement of the public purpose(s) of the subsidy;

- c. Measurable, specific and tangible goals for the subsidy;
- d. Description of the financial obligation of the recipient if the goals are not met;
- e. Statement as to why the subsidy is needed;
- f. Commitment to continue operations in the jurisdiction where the subsidy is used for at least five years after the benefit date.
- g. Name and address of the parent corporation of the recipient, if any; and,
- h. A list of all financial assistance by all grantors for the project

Businesses failing to meet the goals agreed to in the Business Subsidy Agreement must repay the assistance provided with interest, which is set at no less than the implicit price deflator as defined in the Business Subsidy Statute, M.S. §§ 116J.993 - 116J.995. Repayment may be prorated to reflect partial fulfillment of goals.

## **Tax Increment Financing Policy**

### **Purpose**

The purpose of this policy is to ensure development receiving Tax Increment Financing (TIF) is consistent with the City's long-term goals and objectives. This is intended to be a guide for processing and reviewing TIF applications. The City of North Branch shall utilize TIF to encourage desirable development or redevelopment that would not otherwise occur but for TIF.

The City is authorized to use TIF through Minnesota Statutes 469.174 through 469.1794. The City's goal is to provide the minimum amount of TIF at the shortest term required for a project to proceed. The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Projects meeting policy criteria are not guaranteed the award of TIF. Approval or denial of a certain project is not a precedent for approval or denial of another project.

The City Council and Economic Development Authority can deviate from this policy for projects that supersede the objectives identified herein. The City Council and Economic Development Authority intend to focus the use of Tax Increment Financing for projects that provide additional benefits to the community that may include public improvements and other amenities.

### **Authority**

Minnesota Statutes 469.174 through 469.1794 govern the use of TIF and exceed any issues that conflict with this policy.

### **Public Purpose**

The City of North Branch will consider TIF for projects that achieve one or more of the following:

1. Demonstrate long-term benefits to the community.
2. Provide additional public amenities as project enhancements.
3. Retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits through:
  - a. Diversification of the local economy
  - b. Significant addition of permanent, high-wage, full-time jobs
  - c. Addition of jobs attractive to those unemployed or underemployed
4. Significantly increases the city's commercial and industrial tax base.
5. Demonstrates the ability to encourage unsubsidized private development through "spin off" development.
6. Facilitates the development process and achieves development on sites that would not develop "but for" the use of TIF.
7. Removes blight and/or encourages redevelopment of commercial and industrial areas resulting in high quality redevelopment and private reinvestment.
8. Offsets redevelopment costs (i.e. contaminated site cleanup) over and above the costs normally incurred in development.

## Policy Statements

1. The primary intent of TIF is funding for public improvements and secondarily for developer assistance.
2. The use of TIF shall be in accordance with state law. The more restrictive language will apply when a conflict exists between this policy and state law.
3. Projects must be consistent with the Comprehensive Plan.
4. Preferred projects promote the completion of major public improvement projects within the city such as the installation of trunk sewer and water lines and major transportation projects.
5. The level of assistance provided will be determined on a case-by-case basis as referenced in Public Purpose.

Based on the extent to which the project achieves the policy statements (1-5 above), the city will consider TIF for projects in the following categories:

- a. Manufacturing
  - b. Major office warehouse/production facilities
  - c. Research and development
  - d. Commercial projects encouraging substantial redevelopment of substandard properties
  - e. Housing needs identified in the most recent city housing study
- 
1. Assistance for TIF is required to meet the uses identified by statute including, but not limited to the following:
    - a. Public improvements
    - b. Land acquisition and land write down
    - c. Loans
    - d. Site preparation and improvement
    - e. Demolition
    - f. Legal, administration, and engineering
  2. The preferred method of TIF is pay-as-you-go for eligible costs as reimbursement, upfront financing may be considered on a case-by-case basis.
  3. A maximum of ten percent (10%) of any tax increment received from the district shall be retained by the city to reimburse administrative costs.
  4. All TIF assistance must be accompanied by a signed development agreement including a minimum assessment value. The developer must provide additional financing guarantees to ensure completion of the project, including, but not limited to: letters of credit, personal guarantees, corporate guarantees, etc.
  5. TIF Districts shall be limited to the minimum term necessary to meet the project needs. Only projects exceeding the objectives identified in this policy will be considered to exceed the following general thresholds:
  6. Policy Considerations
    - a. Each project is required to meet the “but-for” test to determine the need for and level of assistance. This test and the amount of tax increment generated determines the district’s term. It is difficult to facilitate a redevelopment, housing or soils condition district for less than the maximum term as the extraordinary costs involved are usually significant. The term of the district could coincide with the amount of tax increment the city has to spend on its priorities within a project area.
    - b. Of all the TIF districts, the Economic Development District is most often the one limited to a lesser term. Economic Development Districts are really “incentive” districts where it is not so much the extraordinary costs as it is an “incentive” to get a business to locate in a community. In the other districts, the costs are easily identifiable and usually significant such as demolition, relocation, environmental remediation, and the cost differential between market rate and income/rent restricted housing.

7. Developers receiving TIF assistance shall provide a minimum of ten percent (10%) cash equity investment in the project. TIF will not be used to supplant cash equity.
8. TIF will not be used in circumstances where land and/or property price is in excess of fair market value. A third-party appraiser agreed upon by the city and developer will determine the fair market value of the land.
9. The developer shall demonstrate a market demand for a proposed project. TIF shall not be used to support purely speculative projects.
10. The developer shall adequately demonstrate, to the city's sole satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.
11. For the purposes of underwriting the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by the city or its consultants.
12. The City of North Branch shall only use TIF to encourage economic growth and development within the city limits.

### **Application Process**

1. Applicant submits a complete application and application deposit consistent with the City's adopted fee schedule. The application deposit will be used toward the cost of services provided in the evaluation of financial feasibility, establishment or modification of the district, and preparation of legal documents and agreements. An additional deposit of \$5,000 shall be required for projects requiring statutory redevelopment substandard tests. The applicant shall reimburse the city for professional services in excess of the initial deposit. Deposit portions not utilized shall be refunded.
2. City staff reviews the application for completeness and submits the application to the city's financial consultant for review and preparation of a financial analysis.
3. The EDA (as necessary) reviews the proposal and the recommendation to determine conformance with this policy. The authority makes a recommendation to the City Council.
4. After meeting the statutory requirements for establishing the Tax Increment District, the City Council holds a Public Hearing and takes action on the proposal (Approximately 45-60 days). Increment Financing Policy

## **Tax Abatement Policy**

### **Purpose**

The purpose of this policy is to establish the City of North Branch's position relating to the use of Tax Abatement for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting Tax Abatement assistance. The fundamental purpose of providing Tax Abatement in North Branch is to encourage desirable development or redevelopment that would not otherwise occur but-for the assistance provided through the Tax Abatement.

The City of North Branch is granted the power to utilize Tax Abatement by Minnesota Statutes, Sections 469.1812 to 469.1815 (the "Minnesota Tax Abatement Act"), as amended. It is the intent of the city to provide the minimum amount of Tax Abatement, as well as other incentives, at the shortest term required for the project to proceed. Preference is given to projects in which the total amount of Tax Abatement request includes participation from the county. The city reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of Tax Abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project

### **Difference between Tax Abatement and Tax Increment Financing**

The primary difference between Tax Abatement and Tax Increment Financing (TIF) is the way in which the dollars are awarded to the project. When TIF is awarded to a project by the city, the other taxing jurisdictions (the school district and the county) are required to contribute their portion of the increased taxes to the project. Conversely, when Tax Abatement is requested, each political subdivision has the option of granting

its portion of the increased taxes to the project. Subsequently, the dollars generated for the project with Tax Abatement are generally less than the dollars generated with TIF.

### **Objectives of Tax Abatement**

As a matter of adopted policy, the city will consider using Tax Abatement to assist private development projects to achieve one or more of the following objectives: •

- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits as defined in the city's Business Subsidy Policy. •
- To enhance and diversify the city of North Branch's economic base. •
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To facilitate the development process and to achieve development on sites which would not be developed without Tax Abatement assistance. •
- To remove blight and/or encourage redevelopment of commercial and industrial areas in the city that result in high quality redevelopment and private reinvestment. •
- To offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development. •
- To create opportunities for affordable housing. •
- To contribute to the implementation of other public policies, as adopted by the city from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government. •
- To significantly increase the City of North Branch's tax base.

### **Policy Statement**

1. Tax Abatement assistance will generally be provided to the developer upon receipt of taxes by the city, otherwise referred to as the pay-as-you-go method. Requests for up front financing will be considered on a case-by-case basis.
2. Any developer receiving Tax Abatement assistance shall provide a minimum of ten percent (10%) owner cash equity investment in the project.
3. Tax Abatement will not be used in circumstances where land and/or property price is in excess of fair market value.
4. Developer shall be able to demonstrate a market demand for a proposed project.
5. Tax Abatement will not be utilized in cases where it would create an unfair and significant competitive financial advantage over other projects in the area.
6. Tax Abatement shall not be used for projects that would place extraordinary demands on city services or for projects that would generate significant environmental impacts.
7. The developer must provide adequate financial guarantees to ensure completion of the project, including, but not limited to: agreements, letters of credit, personal guaranties, etc.
8. The developer shall adequately demonstrate, to the city's sole satisfaction, ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.
9. For the purpose of underwriting the proposal, the developer shall provide any requested market, financial, environmental, construction plans or other data requested by the city or its consultants.
10. Tax Abatement proposals shall not be used to support speculative office projects. Speculative projects are defined as those projects which have preleasing agreements or letters of intent for less than 50% of the available space.
11. All Tax Abatement proposals shall optimize the private development potential of a site.

### **Project Qualifications**

All Tax Abatement projects considered by the City of North Branch must meet each of the following requirements:

- The project shall meet at least one of the objectives set forth in this document.
- The use of Tax Abatement will be limited to:

- Industrial development, expansion, redevelopment, or rehabilitation; or
- Commercial redevelopment or rehabilitation; or
- Office facilities with a minimum new construction of 25,000 square feet
- Workforce housing
- The developer shall demonstrate that the project is not financially feasible without Tax Abatement. Evaluation of the project's financial feasibility without Tax Abatement shall be provided by the city's financial advisor on all requests of over \$25,000 total public investment.
- The project must be consistent with the city's Comprehensive Plan, Land Use Plan, and Zoning Ordinances.
- The project shall serve at least two of the following public purposes:
  - Job creation or job retention.
  - Significantly increase the tax base.
  - Enhancement or diversification of the city's economic base.
  - Development or redevelopment that will spur additional private investment in the area.
  - Fulfillment of defined city objectives.
  - Removal of blight or the rehabilitation of a high profile or priority site.

**Subsidy Agreement and Reporting Requirements**

All developers/businesses receiving Tax Abatement assistance from the City of North Branch shall be subject to the provisions and requirements set forth by the city's Business Subsidy Policy as amended and Minnesota Statutes Sections 116J.993 to 116J.995 (the "Minnesota Business Subsidy Law"), if applicable.

**Application Process**

1. Applicant submits the completed application along with an application deposit consistent with the City's adopted fee schedule, to be refunded for any portions not utilized if the project does not proceed. The application deposit will be used toward the cost of services provided in the evaluation of financial feasibility and preparation of legal documents and agreements. Projects that demand professional services in excess of the initial deposit shall be required to reimburse the city for the additional expenses.
2. City staff and consultant review the application.
3. Results of the review are submitted to the appropriate governing authority (EDA) for recommendation to the City Council of approval or denial of the request.
4. If preliminary approval is granted, all necessary notices, resolutions and agreements are prepared by city staff and/or consultants.
5. Public hearing(s) on the proposed request are held.
6. The City Council grants final approval or denial of the request.

**Applications to other Taxing Entities**

It is recommended that applicants intending to seek Tax Abatement from the County and/or School District make their applications to those bodies concurrent with their application to the City of North Branch.



**Prepared By: Nathan Sondrol, Community Development Director**

**Presenter: Nathan Sondrol, Community Development Director**

**Date: 09/09/2025**

**Board & Commission: Economic Development Authority**

**Subject: Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 3, Block 1, Essby Business Park 4th Addition, North Branch, Minnesota**

---

**Voting Requirements:**

**Voting Options      Simple Majority**



**Prepared By:**

**Presenter:**

**Date: 09/09/2025**

**Board & Commission:**

**Subject: Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as portions of Outlots C and F, Essby Business Park, Outlot A, portions of Essby Business Park 4th Addition Outlot F, Lot 1, Block 1, and Outlot A, Essby Business Park 3rd Addition and Lot 1, Block 2, North Branch Industrial Park, North Branch, Minnesota**

---

**Voting Requirements:**