



NORTH BRANCH

—Minnesota—

Sara Paul
Chair

Dennis Johnson
Vice Chair

Jessica Thelander
Commissioner

Marshall Saunders
Commissioner

Patrick Meachem
Councilmember

Cassie Koecher
Commissioner

Kevin Schieber
Mayor

**ECONOMIC DEVELOPMENT AUTHORITY
REGULAR AGENDA
TUESDAY, DECEMBER 9, 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 November 18, 2025 EDA Minutes

ACTION

7. PUBLIC HEARINGS

a. Public Hearing - Approval of Resolution R-272-2025 - EDA Approval of the Sale of Real Property in North Branch and dispensing with review of the sale by the North Branch Planning Commission **ACTION**

8. 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. | Consider Approval of the 2026 Budget | ACTION |
| g. | Consider Approval of Residential Lease Agreement - Interstate Business Park | ACTION |
| h. | Consider approval of Minnesota Rail Service Improvement (MRSI) Grant | ACTION |
| i. | Consider Support of Approval of Resolution R-273-2025 approving engineering service contract with WSB for the Fletcher Ave Street and Utility Extension Project | ACTION |

9. NEXT MEETING - January 20, 2026

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.



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 11/18/2025

Board & Commission: Economic Development Authority

Subject: Approval of November 18, 2025 EDA Minutes

Approval of November 18, 2025 EDA Minutes

Voting Requirements:

Voting Options Simple Majority



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**ECONOMIC DEVELOPMENT AUTHORITY
REGULAR AGENDA
TUESDAY, NOVEMBER 18, 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, November 18, 2025

1. CALL TO ORDER

Chair Sara Paul called the Economic Development to order at 3:30 PM.

2. PLEDGE OF ALLEGIANCE

Chair Sara Paul led the Pledge of Allegiance.

3. ROLL CALL

Present: Mayor Kevin Schieber, Commissioner Marshall Saunders, Councilmember Patrick Meacham, Commissioner Sara Paul, Commissioner Jessica Thelander, Commissioner Cassie Kecher

Absent: Commissioner Dennis Johnson

Remote:

Others Present:

Notes:

4. PUBLIC COMMENT

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5. AGENDA APPROVAL

a. Approve Agenda

ACTION

Amendment to add a budget discussion to 7E in the Reports.

RESULT: Passed

MOVER: Jessica Thelander

SECONDER: Marshall Saunders

AYES: Kevin Schieber, Marshall Saunders, Patrick Meacham, Sara Paul, Jessica Thelander, Cassie Kecher

ABSENT: Dennis Johnson

NOTES:

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 October, 21 2025 Meeting Minutes

ACTION

RESULT: Passed

MOVER: Marshall Saunders

SECONDER: Jessica Thelander

AYES: Kevin Schieber, Marshall Saunders, Patrick Meacham, Sara Paul, Jessica Thelander, Cassie Kecher

ABSENT: Dennis Johnson

NOTES:

7. REPORTS

a. Chisago County HRA-EDA Update

VERBAL
UPDATE

Community Development Director Sondrol provided the update for the Chisago County HRA-EDA noting they have been doing a lot of work on marketing. He noted Nancy Hoffman presented at the Industrial Summit last Friday to over 250 people in attendance. He added that they were planning to attend a housing summit on December 5th. He also informed that the HRA-EDA is working on two new business grants, entrepreneurs and small business building improvement grants, providing access to capital for improving the quality of the building owner lease.

He also informed that the retail trade analysis will be completed around December 2nd, and that a presentation would be conducted to present the results.

b. North Branch Area Chamber of Commerce Update

VERBAL
UPDATE

No update was given.

c. North Branch Area Schools Update

VERBAL
UPDATE

Chair Sara Paul gave the update for the North Branch Area Schools noting the District had Veterans Day celebrations across the District this past week, and we're very privileged to be part of seeing how much

our students respect and value the sacrifices made by our veterans. Our youngest students had a chance to interact with veterans. The veterans were greeted at our Middle School and had breakfast, they had a concert from our elementary students, and one of our teachers wrote a song. The day ended with a full gymnasium of our high school students who were part of a time-honored tradition of honoring our veterans.

On more of a logistics side, the District did a year-long study of our facilities noting that they are a growing community and want to make sure that we are positioned for growth. The District is coming up on at a time to renew the community's investment in the capital projects levy, we'll be looking for voter approval on that in February.

d. EDA Executive Director Update

VERBAL
UPDATE

Community Development Director Sondrol provided the Executive Director Updates. He informed the EDA of the tree lighting ceremony and parade on December 6th noting that Sunrise River School choir will be caroling, the scouts will be doing smores, and Santa will be making an appearance.

He added that LiUNA project has taken off and made great progress. He also noted that the Grocery Feasibility study results would be presented in December. He noted the comp plan discussions are continuing and the website is coming along, hoping to go live in early December. Lastly, he added that business expansion and retention is something the EDA will be focusing on in the upcoming year.

e. Resolution Adopting the Final 2026 EDA Tax Levy for the North Branch
Economic Development Authority

ACTION

Finance Director Wright provided an update on Budget discussions noting to remove \$50,000 of the \$185,000 transferred from the General Fund to the EDA budget to fund some things that are necessary in the general fund. Wright explained the challenges of funding police car replacements and that moving the \$50,000 into the general fund would help with that issue, and this would be a one-time expense. Wright explained that she was looking for feedback, prepping for the December 9th meeting, and she wanted to make sure it didn't surprise anyone and that the EDA is aware of what is being considered.

There was a discussion on adopting the final 2026 EDA tax levy for the North Branch Economic Development Authority, which is at \$309,510, not \$311,890, which is what it stated in the resolution. Motion to adopt the EDA tax levy in 2026 in the amount of \$309,510

RESULT: Passed

MOVER: Jessica Thelander

SECONDER: Marshall Saunders

AYES: Kevin Schieber, Marshall Saunders, Patrick Meacham, Sara Paul, Jessica Thelander, Cassie Kecher

ABSENT: Dennis Johnson

NOTES:

f. Resolution Adopting the Final 2025 HRA Tax Levy for the North Branch
Economic Development Authority

ACTION

Motion to adopt the HRA tax levy in 2026 in the amount of \$315,827

RESULT: Passed

MOVER: Jessica Thelander

SECONDER: Marshall Saunders

AYES: Kevin Schieber, Marshall Saunders, Patrick Meacham, Sara Paul, Jessica Thelander, Cassie Koecher
ABSENT: Dennis Johnson
NOTES:

g. Comprehensive Economic Development Strategy (CEDs) Survey ACTION

Community Development Director Sondrol presented an overview the Comprehensive Economic Development Strategy survey request from the ECRDC to identify priorities.

The EDA discussed and recommended approval of the following: 1) Industrial Park Street and Utility infrastructure expansion; 2) Future I35 interchange; 3) Rail Spur Development; 4) BRE; 5) Housing and Workforce; 6) Marketing

Motion for the projects identified, 1-5, to be included in the survey that we return to the Easy Central Regional Development Commission.

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

8. CLOSED SESSION

Motion to go into Closed Session to talk about real estate transactions at 4:35 pm.

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

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, North Branch, Minnesota INFO

- b. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of ACTION 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
- c. Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of INFO real property identified at 38791 Forest Blvd

Motion to go into open session at 5:18 PM.

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

Motion by Koecher to approve holding a public hearing to consider a purchase agreement for 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

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

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

NOTES:

The next meeting will be moved to December 9th, 2025 at 3:30 PM.

10. ADJOURNMENT

Chair Sara Paul adjourned the meeting at 5:20 PM.

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



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/02/2025

Board & Commission: Economic Development Authority

Subject: Public Hearing - Approval of Resolution R-272-2025 - EDA Approval of the Sale of Real Property in North Branch and dispensing with review of the sale by the North Branch Planning Commission

PUBLIC HEARING

Background Info

On May 12, 2025, staff received notice of a Request-for-Proposal (RFP) from Greater MSP and DEED for a manufacturing company seeking either land or an existing facility that required a rail-served sites, heavy power and relative proximity to the airport. Staff connected with local partners (City, MERC, XCEL, ECE, Great River Energy, East Central Solid Waste St Croix Valley Rail, BNSF, Chisago County and HRA/EDA, DEED, Greater MSP) and submitted a proposal for the Interstate Business Park on May 19, 2025. The City/EDA were notified on June 26, 2025 that North Branch Interstate Business Park had been identified as one of multiple sites that the company was interested in conducting a site visit on July 17, 2025. The City/EDA and representatives from all local partners and DEED met with representatives from LP to conduct the site visit. LP conducted a second site visit on September 10 – 11 with city/eda and local representatives. There were continued discussions between all parties following this and led to the development of a purchase agreement.

There were several investments previously made by the City and EDA including planning efforts such as development and upkeep of the Alternative Urbanwide Area Review (AUAR), obtaining Shovel Ready Certification, two (2) BDPI Infrastructure grants and the construction of street and utility construction and investments

Project Info

At this time Louisiana Pacific (LP) is proposing a 250,000 square foot facility manufacturing facility on 120 acres located in the northeast portion of the Interstate Business Park. See attached site plan. LP corporation employs approximately 4,300 people overall and are expecting around 100 jobs at this location and an investment of over \$150 million. The

manufacturing at this facility will include LP’s Expert finish facility which specializes in pre-finishing engineered wood siding trim with durable, factory applied paint in various colors, reducing the installation time and labor for builders by eliminating field painting and caulking needs. The site will require the outdoor storage of materials on the site.

Purchase Agreement Terms

The terms of the purchase agreement include the purchase price of \$5,250,000 with \$50,000 earnest money applied and 180 day due diligence period. There are conditions precedent prior to the closing:

- 1. Public Hearing on Sale of Property (Dec 9, 2025)
- 2. Plans and Specifications to be submitted by buyer (received)
- 3. Private Financing (demonstration of sufficient funds)
- 4. Tax Increment Financing (TIF) Agreement (in process)
- 5. Executing Lease to Purchase Agreement with Chisago Co HRA/EDA and transfer to North Branch EDA (completed)
- 6. Payment of Release Price and Partial Release of Mortgage for Lease Revenue Bonds.
- 7. Subdivision and Platting (in process)
- 8. Existing Tenancies released. (in process)
- 9. Form of Limited Warranty Deed.
- 10. Title
- 11. Approval

As part of the agreement with LP and the North Branch Economic Development Authority (EDA), the EDA/City would be responsible for extending the streets and utilities (water, sewer, storm) in Fletcher Ave and to connect with the existing segment of Fletcher Ave to the north. The city would utilize a combination of land sale proceeds a BDPI grant, and potential TIF funds. The city received a BDPI grant that will be utilized to assist with the funding of this and is proposing to submit an additional BDPI application to support this project.

The EDA met on November 18, 2025 and directed Staff to call for a public hearing to consider the sale of land for 120 acres of land located in the southwest corner of 410th Street and County Road 30, constituting approximately 120 acres in size, and consisting of portions of 5 individual parcels of land identified by Chisago County, parcel identification numbers 11.01072.02, 11.01072.13, 11.01072.33, 11.01072.10, and 11.01072.25.

Requested Action

Approve Resolution R-272-2025 adopting a resolution approving the purchase agreement

Staff is also recommending that the EDA direct staff to proceed with support on the Minnesota Forward Fund application, BDPI application and TIF application.

Voting Requirements:

Voting Options Simple Majority

NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION R-272-2025

A RESOLUTION BY THE NORTH BRANCH ECONOMIC DEVELOPMENT
AUTHORITY APPROVING THE SALE OF REAL PROPERTY IN NORTH BRANCH,
MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE NORTH
BRANCH PLANNING COMMISSION

- WHEREAS, the North Branch Economic Development Authority (“EDA” or “Seller”) owns certain real property constituting approximately 120 acres in size, consisting of portions of 5 individual parcels of land identified by Chisago County, parcel identification numbers 11.01072.02, 11.01072.13, 11.01072.33, 11.01072.10, and 11.01072.25, as generally depicted in the attached Exhibit A (referred to herein collectively as the “Property”); and
- WHEREAS, Louisiana-Pacific Corporation, a corporation under the laws of the State of Delaware, 1610 West End Ave., Suite 200, Nashville, TN 37203 (“Buyer”) has submitted a proposal to purchase the Property for the development and construction of a commercial manufacturing facility and outside storage, and related improvements (the “Project”); and
- WHEREAS, the EDA, pursuant to Minnesota Statutes, Section 469.105, did place a notice, a copy of which with proof of publication is on file in the office of the EDA, of a public hearing of the proposed sale of the Property in a legal newspaper, said hearing to be held to determine the advisability of the sale; that the sale and conveyance are in the public interest, the best interests of the City of North Branch (“City”), the EDA district, and its people, and that the transaction furthers the EDA’s general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108; and
- WHEREAS, pursuant to Minnesota Statutes, Section 469.105, Subd. 7, a conveyance of the Property must not be made until the Buyer gives the EDA plans and specifications for the Project to develop the Property sold by the EDA to the Buyer, and the EDA must approve the plans and specifications in writing; and
- WHEREAS, the EDA has investigated the facts of the proposed sale of said Property, the terms and conditions of said sale, received and reviewed the Project plans and specifications, the proposed use of said Property, and the relation of the Project use to the EDA general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108; and
- WHEREAS, the Buyer of the Property is willing to purchase the Property from the EDA subject to negotiation, approval and execution of Tax Increment Financing Agreement between the Buyer and the City of North Branch (the “TIF Agreement”); and

WHEREAS, a draft Purchase Agreement and Limited Warranty Deed for conveyance of the Property for the Project has been prepared and is attached hereto as Exhibit A, and the same contains certain terms and conditions to closing as well as required stator deed restrictions; and

WHEREAS, in accordance with the attached draft Purchase Agreement, the EDA and Buyer expressly understand and agree that the sale of the Property is contingent upon approval by the Board of Commissioners of the EDA; and

WHEREAS, if any transaction approval as provided in the Purchase Agreement is not obtained by the closing date stated in the Purchase Agreement, the Purchase Agreement shall then be null and void, without further obligation by either party; and

WHEREAS, Minnesota Statutes, Section 462.356, Subd. 2, provides that no publicly owned interest in real property within a municipality shall be acquired or disposed of until after the planning agency has reviewed the proposed acquisition or disposition and reported in writing to the governing body of the EDA its findings as to compliance of the proposed acquisition or disposition with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the governing body may, by resolution adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive plan; and

WHEREAS, the proposed conveyance of the Property presented by the Buyer for the Project meets the terms and conditions set forth by the EDA in its general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108 in determining if such proposals are in the best interest of the EDA district and the public.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the North Branch Economic Development Authority that:

1. The Board of Commissioners hereby finds, determines, and declares that it is in the best interest of the City of North Branch, the EDA district, and the people thereof and in furtherance of the general EDA plan to sell the Property to the Buyer for the Project pursuant to the plans and specification for the Project on the Property.
2. The Board of Commissioners hereby approves the Project plans and specifications for the Project as submitted by the Buyer attached hereto as Exhibit B and finds, determines and declares that the same are in the best interest of the City of North Branch, the EDA district, and the people thereof and in furtherance of the general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108.

3. The Board of Commissioners hereby finds that the proposed sale of the Property has no relationship to the North Branch Comprehensive Plan, and therefore review of the proposed sale by the North Branch Planning Commission is not required under Minnesota Statutes, Section 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.
4. The actions of the Executive Director of the EDA in causing public notice of the proposed sale and in describing the terms and conditions of such sale and Project, which have been available for inspection by the public at the office of the EDA from and after the publication of the hearing notice, are in all respects ratified and confirmed.
5. The Property is being sold for \$5,250,000 in accordance with the terms and conditions contained in the Purchase Agreement and Limited Warranty Deed attached hereto as Exhibit A.
6. The Board of Commissioners hereby approves the attached Purchase Agreement and exhibits thereto as to form and authorizes and directs the Chair and Executive Director of the EDA to: (a) execute the Purchase Agreement substantially in the form hereby approved and allowing any necessary minor or technical changes as determined by the City Attorney; (b) execute such other documents, including but not limited to the approved Limited Warranty Deed, as are necessary to close on and accomplish the conveyance/sale of the Property by the EDA to the Buyer; and (c) require the Buyer to record the Limited Warranty Deed executed by the EDA following closing and any other requisite instruments of sale, as applicable or as required, with and in the Office of the Chisago County Recorder / Registrar of Titles, as applicable, and pay all related fees.

PASSED by the Board of Commissioners of the North Branch Economic Development Authority on this 9th day of December, 2025.

Chair

ATTEST

Executive Director

EXHIBIT A

Purchase Agreement

EXHIBIT B

Plans and Specifications for the Project

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “Agreement”) is made this ____ day of _____, 2025, by and between the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota, 6408 Elm Street, North Branch, MN 55056 (“EDA” or “Seller”), and Louisiana-Pacific Corporation, a corporation under the laws of the State of Delaware, 1610 West End Ave., Suite 200, Nashville, TN 37203 (“Buyer”); (collectively the “Parties”).

In consideration of the covenants and agreements of the Parties hereto, Seller and Buyer agree as follows:

1. **SALE OF PROPERTY.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following property (collectively the “Property”):
 - a. **Real Property.** The real property constituting approximately 120 acres in size, consisting of portions of 5 individual parcels of land identified by Chisago County parcel identification numbers 11.01072.02, 11.01072.13, 11.01072.33, 11.01072.10, and 11.01072.25, as generally depicted in the attached Exhibit A (collectively the “Land”) together with (i) all buildings and improvements constructed or located on the Land, and (ii) all easements and rights benefiting or appurtenant to the Land and improvements, including any right, title or interest in the bed of any street, road, highway or alley adjoining the Land (collectively the “Real Property”). The Parties understand that the Real Property shall be subdivided prior to the Closing Date of this Purchase Agreement, as described below, and that new legal descriptions shall be established and platted by the Seller as a condition precedent prior to the Closing Date.
 - b. **Personal Property:** All of the fixtures, if any, situated in or about the Real Property owned by Seller and relating to the use and operation of the Real Property (the “Personal Property”).
2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price (the “Purchase Price”) to be paid by Buyer to Seller for the Property is \$5,250,000.00 (Five Million Two Hundred and Fifty Thousand and No/100ths Dollars), which amount shall be paid as follows:
 - a. \$50,000.00 as earnest money due within 3 business days upon the full execution of this Purchase Agreement, the receipt of which is hereby acknowledged by Seller or the same has otherwise been paid to and is held by the Title Company (defined below), as applicable and provided herein (the “Deposit Funds”); and
 - b. \$5,200,000.00 paid on the Closing Date in immediately available funds.

3. **CLOSING AND POSSESSION.** Unless otherwise agreed to by Buyer and Seller, the closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur within fifteen (15) business days following expiration of the Contingency Period (defined below), as the same may be extended, or such earlier date mutually acceptable to Seller and Buyer (the “Closing Date”). The Seller agrees to deliver exclusive possession of the Property to Buyer not later than the Closing Date upon consummation of the Closing. Closing shall take place at the North Branch City Hall, at the Title Company, through escrow with the Title Company, or at such other place as may be agreed to mutually by the Parties.

a. **Seller’s Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively the “Seller’s Closing Documents”):

i. Limited Warranty Deed. Attached hereto and made a part hereof as Exhibit B is the required Limited Warranty Deed containing the terms, covenants, and conditions upon which the sale of the Real Property is based. The Limited Warranty Deed shall contain the following restrictions, covenants, and conditions:

1. Until the date that is thirty-six (36) months from the date of the Deed, the Real Property herein conveyed may only be used for one or more of the following purposes in accordance with plans and specifications approved by Seller: commercial, light industrial, manufacturing, warehousing, and outside storage (the “Use Restriction”). The Use Restriction shall expire thirty-six (36) months from the date of the Deed and thereafter the Real Property may be used for any legally conforming use.

2. The Buyer shall: (a) commence work on the project as provided in the Seller approved plans and specifications (the “project”) within one year from the date of the Deed; and (b) cause the project to be substantially complete and operating as its intended use within three (3) years from the date of the Deed. If the Buyer fails to commence work on time or fails to cause the project to be substantially complete and operating as its intended use within such time periods, title to the Real Property shall revert to Seller, at Seller's election, and, in that event, Buyer shall promptly offer a deed to the Real Property legally described herein to Seller, who will then pay Buyer an amount equal to the amount of the Purchase Price paid by Buyer to Seller, without interest, less any taxes and other encumbrances affecting marketability of title. If Buyer is working in good faith to substantially complete the project and, despite its good faith efforts, is unable to substantially complete the project within such three (3) year period, the deadline for substantially completion of the project shall be extended for a period of six (6) months. Notwithstanding the foregoing, Seller may, at its option, consider an extension of time

for good cause shown by Buyer. In the event an extension is granted, such extension: (a) shall be to a date certain, (b) may be conditioned by Seller to protect the public interest, and (c) during the period Buyer shall not transfer title to the Real Property without the express written consent of Seller.

After the Buyer has devoted the Real Property to its intended use in accordance with approved plans and specifications for the development of the Real Property submitted to the Seller, the Seller shall provide to Buyer a certificate of compliance / completion in recordable form within 30 days from the determination thereof by Seller.

3. Incorporated herein by reference are all of the conditions of Minnesota Statutes, Sections 469.090 to 469.108, and all of said conditions and the conditions stated herein relative to the use of the real property are covenants running with the land.
 4. The Buyer shall not transfer title to the real property within one (1) year after the date of this Deed without the express written consent of the Seller.
 5. Any transfer of title to the Real Property made pursuant to the provisions of paragraph 4 hereof shall be made only to a party who demonstrates to the satisfaction of the Seller that such party has the ability to perform in place of the Buyer.
 - ii. Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
 - iii. Other Affidavits. Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or Minn. Stat. § 115B.16 or other applicable provisions of law.
 - iv. Other. Such other documents as may reasonably be required to transfer fee title to the Property to Buyer in the condition required under this Agreement.
- b. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and/or deliver, as applicable, to Seller the following (collectively, "Buyer's Closing Documents):
- i. Purchase Price. The Purchase Price, minus the Deposit Funds, by wire transfer.
 - ii. Certificate of Real Estate Value. A Certificate of Real Estate Value.

4. **CONDITIONS PRECEDENT.** The obligations of the Parties to perform under this Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions prior to or on the Closing Date:
- a. **Public Hearing.** Sale of the Real Property is contingent upon a determination by the EDA of the advisability of making the sale; that the sale and conveyance are in the public interest, the best interests of the City, the EDA district, and its people, and that the transaction furthers the EDA’s general plan of economic development and the aims and purposes of Minnesota Statutes, Sections 469.090 to 469.108, after a public hearing required by Minnesota Statutes, Section 469.105.
 - b. **Plans and Specifications.** Prior to the above public hearing required by Minnesota Statutes, Section 469.105, Subd. 2, and pursuant to Minnesota Statutes, Section 469.105, subd. 7, the Buyer shall submit to the Seller for approval plans and specifications for the development of the project on the Real Property, which approval by the EDA shall be in writing and shall not be unreasonably withheld. The Buyer has submitted a proposal to purchase the Property for the development and construction of a manufacturing facility, and related outside storage, approximately 200,000 square feet in size, and related improvements (the “project”). Prior to the transfer of title of the Real Property to Buyer, the Buyer shall submit to the Seller plans and specifications for the development of the Real Property for the project. No transfer of the Real Property shall be made unless and until such plans are approved in writing by the Seller in accordance with this paragraph (b) above. The detail of the plans and specifications shall be such as will enable the Seller to determine with reasonable certainty that the project on the Real Property is or will be in compliance with the law and will, if carried out, provide for the intended use.
 - c. **Private Financing.** Buyer demonstrating, by Seller’s review of Buyer’s most recent 10Q or 10K filing, Buyer has sufficient funds to construct and complete the development project on the Real Property.
 - d. **Tax Increment Financing Agreement.** The North Branch City Council shall have approved tax increment financing for the development project on the Real Property, and the Buyer has executed such tax increment financing agreement on such form as approved by the City Council of the City of North Branch. The EDA will work with City staff, City bond counsel and financial consultants, and the City Council to draft a TIF Agreement for the Property being sold in order for the EDA to be reimbursed for the value of the Property and eligible incurred EDA and City of North Branch expenses as required and allowed under applicable City Code and State law.
 - e. **Executing Lease to Purchase with Chisago County HRA/EDA, and transfer of Property to the North Branch EDA.** The North Branch City Council shall have executed its option to purchase parcel ID 11.01072.25, which is currently subject

to a Lease to Purchase Agreement dated December 8, 2006 which is attached hereto as Exhibit C and incorporated by reference (the “Lease to Purchase Agreement”). Upon execution of the option to purchase the above-referenced real property pursuant to the Lease to Purchase Agreement, the North Branch City Council is requested close on the same and thereafter take all necessary steps to transfer parcel 11.01072.25 via Quit Claim Deed to the EDA prior to the Closing Date.

- f. **Payment of Release Price and Partial Release of Mortgage for Lease Revenue Bonds.** The EDA has paid the release price and provided the required survey to the trustees in accordance with the Indenture process hereinafter described, and obtained and recorded a corresponding partial release of mortgage on the Property with respect to the same. Description of release price process: the original bonds that financed the Industrial Park in 2009, within which the Real Property is located, were refunded in 2017 by the EDA’s Taxable Refunding Lease Revenue Bonds (the “Bonds”). The principal and interest on the Bonds are paid with an annual levy; however, there is no General Obligation pledge from the City of North Branch to pay debt service on the Bonds. Therefore, to make the Bonds marketable, the EDA secured them with a mortgage on the industrial park property, which includes the Real Property. When land within the industrial park is sold to a private party, it must be released from this master mortgage securing the Bonds pursuant to the process contained in the Second Amended and Restated Mortgage and Security Agreement and Indenture of Trust to which the EDA is an obligated party (the “Indenture”). This Indenture specifies the flow of funds from the EDA to the Trustee of the Bonds, who in turn pays the bondholders. Based on the forgoing, the EDA must pay a release price to the Trustees in order to release the Real Property for sale thereof to the Buyer. The payment of the release price shall be made in strict accordance with the provisions of Section 10.7 of the Lease to Purchase Agreement.
- g. **Subdivision and Platting.** The EDA shall take all necessary steps to subdivide and plat the Real Property in accordance with the terms of this Agreement, to establish new lots and legal descriptions for the Real Property, consistent with the depictions of the Real Property attached as Exhibit A.
- h. **Existing Tenancies released.** Seller agrees to deliver the Real Property free and clear of any tenant leases or other encumbrances for the farmhouse, agricultural crops or any other portion of the Real Property subject to any lease agreements.
- i. **Form of Limited Warranty Deed.** Attached hereto and made a part hereof as Exhibit B is the form of the Limited Warranty Deed required containing the terms, covenants, and conditions upon which the sale of the Real Property is based.
- j. **Title.** On the Closing Date, title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 11 of this Agreement regarding title examination.

- k. **Approval.** The Parties understand and agree that the sale/purchase of the Real Property is contingent upon approval by the Board of Commissioners of the EDA. Seller's obligation to perform hereunder is contingent upon Seller obtaining, before the Closing Date, approval of the transaction contemplated by this Agreement. Notwithstanding anything in this Agreement to the contrary, if such approval has not been obtained by the Closing Date, this Agreement shall be null and void and the Deposit Funds shall be returned to Buyer . Execution of this Agreement by any person on behalf of the Seller prior to obtaining the necessary approvals provided herein shall not confer any personal authority nor create any personal liability on the signer for the obligations of Seller under this Agreement.

The conditions precedent and contingencies in this Section of this Agreement are solely for the benefit of, and may at any time be waived by, the Party so benefitted. If any approval as provided herein is not obtained, or any condition precedent not satisfied, by the Closing Date, this Agreement shall be null and void and the Deposit Funds shall be returned to Buyer.

5. **CONDITION SUBSEQUENT.** Within 180 days of Closing and prior to Buyer/ Developer proceeding with the development project, if determined applicable to the proposed project by the City of North Branch, the Buyer/Developer shall execute a development agreement with the City of North Branch as approved by the North Branch City Council for the development project on the Real Property on such form as required and approved by the City Council of the City of North Branch and approved by Buyer. If this condition subsequent is not satisfied within 180 days of Closing, title to the Real Property shall revert to Seller, at either party's election, and, in that event, Buyer shall promptly offer a deed to the Real Property legally described herein to Seller, who will then pay Buyer an amount equal to the amount of the Purchase Price paid by Buyer to Seller, without interest, less any taxes and other encumbrances affecting marketability of title.
6. **LIMITATION OF THIS AGREEMENT.** Buyer acknowledges and agrees that this Agreement is limited only to the purposes stated herein for the purchase and sale of the Real Property by the EDA and nothing more and shall not be construed to and does not constitute approval of the project referenced herein, except to the extent necessary for the EDA to approve this Agreement pursuant to Minnesota Statutes, Section 469.105. Buyer, following Closing, is solely responsible and liable, at Buyer's cost and expense, for obtaining all such permits and governmental approvals from the City of North Branch, and such other governmental agencies having jurisdiction over the same, as are necessary and required by law for the development of the project within the City of North Branch. Buyer hereby indemnifies, waives and releases the EDA from any and all claims of any kind or nature whatsoever arising from or related to any subsequent governmental approvals or permits associated with Buyer's project.
7. **DUE DILIGENCE CONTINGENCY PERIOD.** Buyer shall have 180 days from the Date of this Purchase Agreement, to perform its due diligence investigation of the Property ("Contingency Period"), including, but not limited to, matters related to financing,

applicable disclosures, feasibility, governmental approvals, zoning, title and survey, rail, environmental and other physical conditions (“Buyer’s Contingencies”), during which time Buyer may elect to cancel escrow for any reason and the Deposit Funds shall immediately be refunded to Buyer. Seller shall provide Buyer reasonable access to the Real Property to perform its due diligence. Buyer shall indemnify, hold harmless and insure Seller and its respective officers, directors, employees and members and agents, from and against any and all claims and demands for, or litigation with respect to, all damages, including expenses, reasonable attorneys’ fees, and costs of alternative dispute resolution, which may arise out of or be caused by Buyer or its agents, employees, members, guests, customers, or invitees, with respect to Buyer’s use of and work on the Property. If the Seller has not already provided the same pursuant to the early access License Agreement between the Parties, within a reasonable time following the Date of this Purchase Agreement, Seller shall deliver to Buyer copies of the following documents with respect to the Real Property if and to the extent that such documents are in Seller’s possession or control: surveys, topographical maps, geotechnical reports, environmental reports, and governmental notices with respect to the condition of the Real Property, and thereafter (i) Seller shall provide such additional documents in Seller’s possession or control as reasonably requested by Buyer, and (ii) Seller shall cooperate with Buyer in furtherance with Buyer’s due diligence investigation of the Real Property as reasonably requested by Buyer, provided that such cooperation shall be at no cost to Seller.

Following the initial Contingency Period, Buyer shall have the option to extend the Contingency Period for up to two additional 30-day periods (each, an “Additional Contingency Period”). For each Additional Contingency Period, Buyer shall deposit an additional \$25,000.00 of Deposit Funds to Escrow as refundable earnest money.

During any Additional Contingency Period Buyer may elect to cancel escrow for any reason and the Deposit Funds shall immediately be refunded to Buyer.

8. **PURCHASE, AS-IS.** The Real Property is being sold in an “as-is” and with “all faults” condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. Buyer’s acceptance of title to the Real Property shall represent Buyer’s acknowledgment and agreement that, except as expressly set forth in this Agreement: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer’s intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity, or under a federal, state, or local statute, rule, or regulation) whether past, present, or future, existing or contingent, known or unknown, contemplated or un contemplated, suspected or unsuspected, arising out of,

resulting from, or relating to the condition of the Real Property, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.

- a. For purposes of this Section, the following terms have the following meanings:
 - i. “Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1201 et seq., the Clean Water Act, 33 U.S.C. § 1321 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 33 U.S.C. § 1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and
 - ii. “Hazardous Substance” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.
 - iii. “Claim” or “Claims” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

9. **WELLS AND INDIVIDUAL SEWAGE TREATMENT SYSTEMS.** The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.

10. **PRORATIONS.** Seller and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

- a. **Deed Tax.** Seller shall pay all state deed tax regarding the Deed to be delivered by Seller under this Agreement.
- b. **Real Estate Taxes and Special Assessments.** Seller shall pay real estate taxes and installments of special assessments payable therewith on the Real Property in all years prior to the year of Closing. Real estate taxes and any special assessments payable in the year of Closing shall be prorated between Seller and Buyer to the

Closing Date. The Buyer shall thereafter pay real estate taxes and any special assessments payable therewith on the Property.

- c. **Recording Costs.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title.
- d. **Other Costs.** All other operating costs of the Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs accruing on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date. Each party shall pay one-half of the Title Company's closing fee.
- e. **Attorneys' Fees.** Each of the Parties will pay its own attorneys', accountants' and consultants' fees.

11. TITLE EXAMINATION.

- a. **The Delivery of the Title Commitment.** Buyer may obtain, at its option and expense, a commitment for an owner's policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company (Minneapolis) (the "Title Company"). Buyer shall pay all costs associated with obtaining the Title Commitment, including, but not limited to, as applicable, updating the abstract or obtaining a new abstract, or obtaining a registered property abstract of title for the Real Property, and title examination fees. The Title Commitment shall be based upon the description of the Real Property provided herein and shall show fee title in the Seller, subject only to those encumbrances waived in writing by Buyer, and shall provide for extended coverage risks and include special endorsements for zoning, contiguity and such other matters as Buyer may request. Buyer shall pay the premium for any title insurance policy obtained by Buyer (the "Title Policy") and the cost of any endorsements thereto. At Buyer's option and expense, Buyer may obtain a survey of the Real Property (a "Current Survey"). The Title Commitment and any Current Survey ordered by Buyer within five (5) business days following Buyer's receipt of the Title Commitment is referred to as the "Title Evidence."
- b. **The Making and Curing of Title Objections.** Buyer shall be allowed fifteen (15) business days after receipt of the last of the Title Evidence in which to make objections to the content of the Title Evidence, said objections to be made in writing. Any matter reflected in the Title Evidence not so objected to shall constitute a "Permitted Exception." Permitted Exceptions shall also include the restrictions, covenants, and conditions identified in Section 3.a.i. above. If any objection is so made, Seller shall use commercially reasonable efforts to cure such objections prior to the Closing Date, provided that Seller shall not be required to expend more than \$5,000 in the aggregate to cure such objection(s). If there are any objections to the title which are not remedied sixty (60) days from the date of receipt

of said written objections in which to remedy said objections.

- c. **The Consequences of Failing to Cure Title Objections.** If said objections are not remedied within sixty (60) days from the date of Seller's receipt of said objections, then Buyer shall have the following two alternatives:
 - i. Buyer may accept title to said Real Property subject to said objections; or
 - ii. Buyer may declare this entire transaction to be null and void, in which case, the Deposit Funds shall immediately be returned to Buyer.

12. **ENTIRE AGREEMENT; MODIFICATION.** This written Agreement constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the Parties.

13. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.

14. **CONTROLLING LAW.** The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement. The Parties have equal bargaining power and intend the plain meaning of the provisions of this Agreement. In the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the ambiguity or dispute shall not be resolved by application of any rule that provides for interpretation against the drafter of the Agreement. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

15. **DATES AND TIME PERIODS.** Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

16. **NOTICES.** Any notice required or permitted to be given by any Party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering to an officer of Buyer; or if mailed by United States registered or certified mail; return receipt requested, postage prepaid; or if sent via electronic mail with notice also sent by United States first class mail on the same; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Buyer: Louisiana-Pacific Corporation
Attn: Bob Hopkins

1610 West End Ave.
Suite 200
Nashville, TN 37203
Phone: 615-986-5600
Email: bob.hopkins@lpcorp.com

If to Seller: North Branch Economic Development Authority
Attn: Nathan Sondrol
6408 Elm Street
North Branch, MN 55056
Phone: 651-497-0155
Email: nathans@ci.north-branch.mn.us

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other party shall commence to run two (2) business days after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

17. **REMEDIES.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within thirty (30) days after receipt of such written notice, this Agreement will terminate, and upon such termination Seller will retain any Deposit Funds as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Deposit Funds, if any, will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement, Buyer may elect, as its exclusive remedies, to either (a) terminate the Agreement upon thirty (30) days' written notice to Seller (Seller having cure rights during the 30-day period), and upon such termination, the Deposit Funds, if any, shall be refunded to Buyer and thereafter, neither Party shall have any further rights or obligations hereunder, or (b) seek specific performance of this Agreement by Buyer, provided that no such action for specific performance shall be commenced more than ninety (90) days after the date on which Seller defaults. Buyer's failure to timely pursue specific performance shall be deemed a waiver of such remedy.

18. **MISCELLANEOUS PROVISIONS.**

- a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. **Authorized Signatories.** The Parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities

represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each Party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

- c. **Data Practices.** The Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- d. **Assignment.** This Agreement may not be assigned by either Party without the written consent of the other Party, provided that Buyer may assign this Agreement to a subsidiary of Buyer upon written notice to Seller. Any assignment of this Agreement by a Party will not relieve such Party of its obligations under this Agreement that accrue prior to Closing.
- e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- f. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect after the Closing and shall not be deemed to have merged into any of the Closing Documents.
- g. **Other Documents.** Each party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other party in order to complete the transactions contemplated by this Agreement.
- h. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract. The transmission of a signature page by DocuSign (or similar electronic signature application) or email shall be valid and binding for all purposes of this Agreement.

Remainder of this page intentionally left blank.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed effective as of the day and year first set forth above.

SELLER:

**NORTH BRANCH ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Sara Paul, Its Chair

By: _____
Nathan Sondrol, Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Sara Paul as Chair, and by Nathan Sondrol as Executive Director, of the North Branch Economic Development Authority, a body politic and corporate under the laws of the state of Minnesota, Seller.

Notary Public

EXHIBIT A TO PURCHASE AGREEMENT

DEPICTION OF REAL PROPERTY



EXHIBIT B TO PURCHASE AGREEMENT

FORM OF LIMITED WARRANTY DEED

(Top 3 inches reserved for recording data)

LIMITED WARRANTY DEED

eCRV number: _____

DEED TAX DUE: \$ _____

DATE: _____, 2026

FOR VALUABLE CONSIDERATION, the North Branch Economic Development Authority, a body politic and corporate under the laws of the State of Minnesota (“**Grantor**”), hereby conveys and quitclaims to Louisiana-Pacific Corporation, a corporation under the laws of the State of Delaware (“**Grantee**”), real property in Chisago County, Minnesota, legally described as:

The real property described in Exhibit A, which is attached hereto and incorporated herein by reference.

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto; and subject to the following restrictions, covenants, and conditions:

1. Until the date that is thirty-six (36) months from the date of the Deed the Real Property herein conveyed may only be used for one or more of the following purposes in accordance with plans and specifications approved by Grantor: commercial, light industrial, manufacturing, warehousing, and outside storage (the “Use Restriction”). The Use Restriction shall expire thirty-six (36) months from the date of this Deed and thereafter the Real Property may be used for any legally conforming use.
2. The Grantee shall: (a) commence work on the project as provided in the Grantor approved plans and specifications (the “project”) within one year from the date of the Deed; and (b) shall cause the project to be substantially complete and operating as its intended use within three (3) years from the date of the Deed. If the Grantee fails to commence work on time or fails to cause the project to be substantially complete and operating as its intended use within such time periods, title to the Real Property shall

revert to Grantor, at Grantor's election, and, in that event, Grantee shall promptly offer a deed to the Real Property legally described herein to Grantor, who will then refund to Grantee an amount equal to the amount of the Purchase Price paid by Grantee to Grantor, without interest, less any taxes and other encumbrances affecting marketability of title. If Grantee is working in good faith to substantially complete the project and, despite its good faith efforts, is unable to substantially complete the project within such three (3) year period, the deadline for substantially completion of the project shall be extended for a period of six (6) months. Notwithstanding the foregoing, Grantor may, at its option, consider an extension of time for good cause shown by Grantee. In the event an extension is granted, such extension: (a) shall be to a date certain, (b) may be conditioned by Grantor to protect the public interest, and (c) during the period Grantee shall not transfer title to the Real Property without the express written consent of Grantor.

3. After the Grantee has devoted the Real Property to its intended use in accordance with approved plans and specifications for the development of the Real Property submitted to the Grantor, the Grantor shall provide to Grantee a certificate of compliance / completion in recordable form within 30 days from the determination thereof by Grantor.
4. Incorporated herein by reference are all of the conditions of Minnesota Statutes, Sections 469.090 to 469.108, and all of said conditions and the conditions stated herein relative to the use of the real property are covenants running with the land.
5. The Grantee shall not transfer title to the real property within one (1) year after the date of this Deed without the express written consent of the Grantor.

This Deed conveys after-acquired title. Grantor warrants that Grantor has not done or suffered anything to encumber the property.

The Grantor certifies that the Grantor does not know of any wells on the described real property.

Grantor

**North Branch Economic Development
Authority**

By: _____
Sara Paul, Its Chair

By: _____
Nathan Sondrol, Its: Executive Director

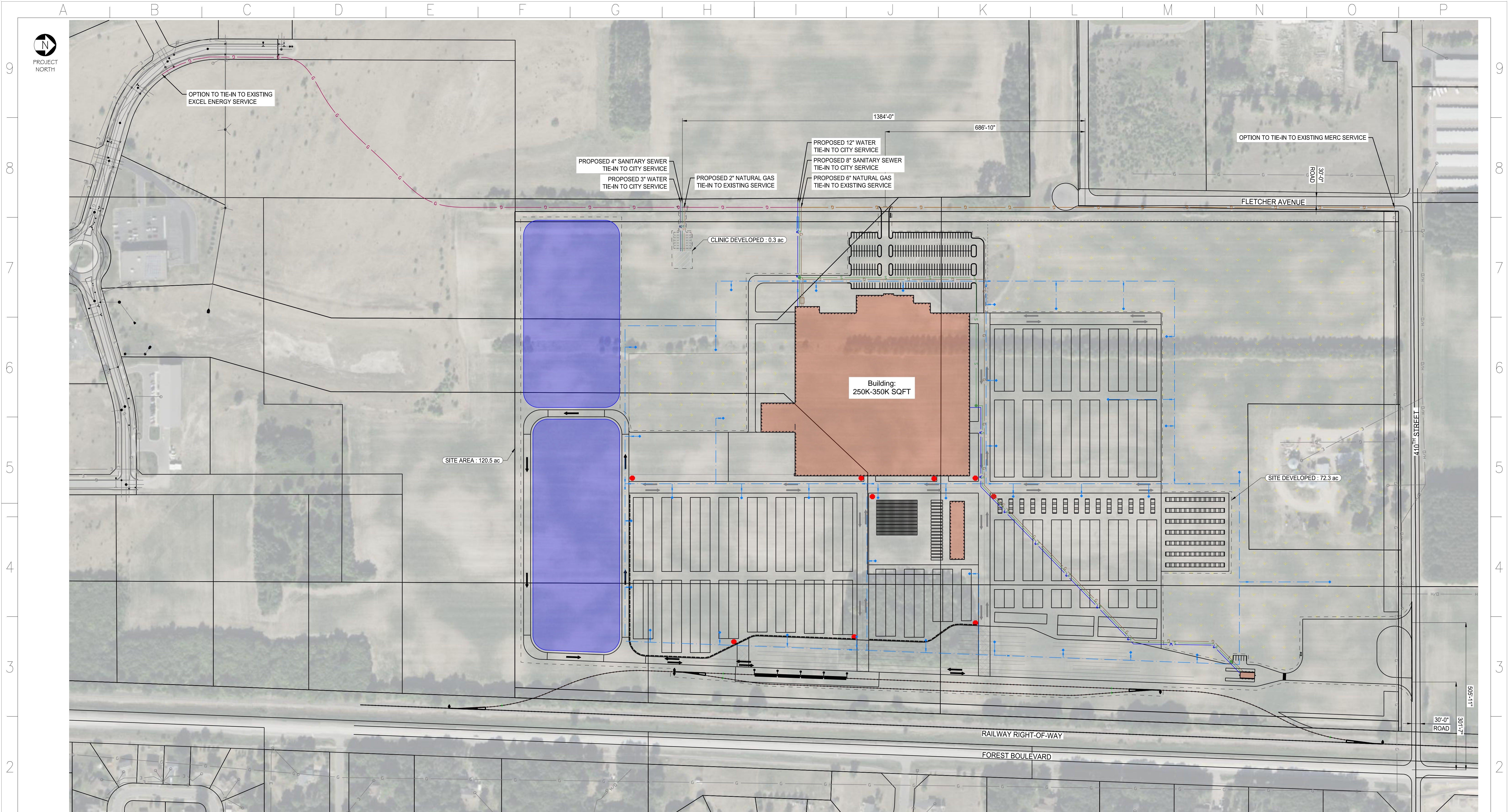
EXHIBIT A TO LIMITED WARRANTY DEED

LEGAL DESCRIPTION OF REAL PROPERTY

[INSERT LEGAL DESCRIPTIONS ONCE PLATTING HAS BEEN COMPLETED]

EXHIBIT C TO PURCHASE AGREEMENT

LEASE TO PURCHASE AGREEMENT



LEGEND:

- | | | | | | | | | | |
|-------------------------|--|---------------------------------|--|------------------------|--|--------------------------------------|--|----------------------|--|
| BUILDING | | STORM WATER POND | | NATURAL GAS SERVICE | | HYDRANT | | EXCEL ENERGY SERVICE | |
| DEDICATED CROSSING ZONE | | TRUCK TRAFFIC DIRECTION ARROW | | SANITARY SEWER SERVICE | | VALVE | | MERC SERVICE | |
| FUTURE PRODUCT STORAGE | | FORK LIFT AISLE DIRECTION ARROW | | SANITARY SEWER MANHOLE | | HEALTH CLINIC NATURAL GAS SERVICE | | | |
| | | | | WATER SERVICE | | HEALTH CLINIC SANITARY SEWER SERVICE | | | |
| | | | | FIREWATER SERVICE | | HEALTH CLINIC WATER SERVICE | | | |

PRELIMINARY

NOT FOR CONSTRUCTION

DRAWING WORK PACKAGE
N/A

NO.	ISSUE	DR.	DATE	APP	ZONE	NO.	REVISION	DR.	DATE	APP	ZONE	DRAWING NO.	REFERENCE DRAWING
0	ISSUED FOR INFORMATION	EL	2025.11.26										

VENDOR INFORMATION:

PROJECT: 2502665

TOLERANCES

UNLESS OTHERWISE SPECIFIED

FRACTIONS ± 1/64

DECIMALS .XX ± 0.010

XXX ± 0.005

ANGLES ± 0'-5"

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Louisiana-Pacific Corporation

<http://www.lpcorp.com/>

SCALE: 1" = 150'-0"	Title: EXPERT FINISH MILL 4	Project Number	Drawing Number	Sheet	Rev
DRAWN: SP	DATE: 2025.11.26	PFN-2024021	01-C06-1000	1 of 1	0
CHECKED: EL	DATE: 2025.11.26				
APPROVED:	DATE:				



Prepared By: Nathan Sondrol, Community Development Director

Presenter:

Date: 12/02/2025

Board & Commission:

Subject: Chisago County HRA-EDA Update

Chisago County HRA-EDA Update

Voting Requirements:



Prepared By: Nathan Sondrol, Community Development Director

Presenter:

Date: 12/02/2025

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: 12/02/2025

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: 12/02/2025

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: 12/01/2025

Board & Commission: Economic Development Authority

Subject: Grocery Market Study

Background Info

DBS Group contacted City and EDA staff to discuss 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 and would be complete by ROIC Analytics. DBS group requested whether the City/EDA would be willing to fund the study with the understanding that the final report would become the city's data.

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. The EDA considered this at the September 16, 2025, meeting and recommended approval of up \$6,000 from the EDA to complete the study with ROIC Analytics.

ROIC Analytics completed the study looking at different formats, including both a small and larger format store. Attached are the results of the study.

Requested Action

Requesting discussion and input from the EDA on the study.

Voting Requirements:

Voting Options **Simple Majority**



New Grocery Store Location
North Branch, Minnesota

Sales Forecast

November 2025

Prepared for the City of North Branch, Minnesota by



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Study Overview

At the request of the city of North Branch, Minnesota, ROIC analytics has evaluated multiple sites for a new grocery store near the core retail area in town at the southeast corner of the intersection of I-35 and St. Croix Trail. Several grocery store sites are available in this area and offer comparable sales potential. To focus the discussion on that potential, one site has been selected for this report—at the southeast corner of Falcon Avenue and 386th Street. Different formats have been considered for this location, including a smaller value retailer like Aldi and a larger one such as Walmart Neighborhood Market.

Trade Area Overview

Residents in this area routinely travel long distances for groceries. Based on mobile location data from Cub Foods and Walmart Supercenter in surrounding cities (see maps on pages 9 and 10) and County Market in North Branch, the trade area has been designed to capture the bulk of the cross shopping extending north to Pine City, west to Cambridge, and south to Wyoming and Lindstrom.

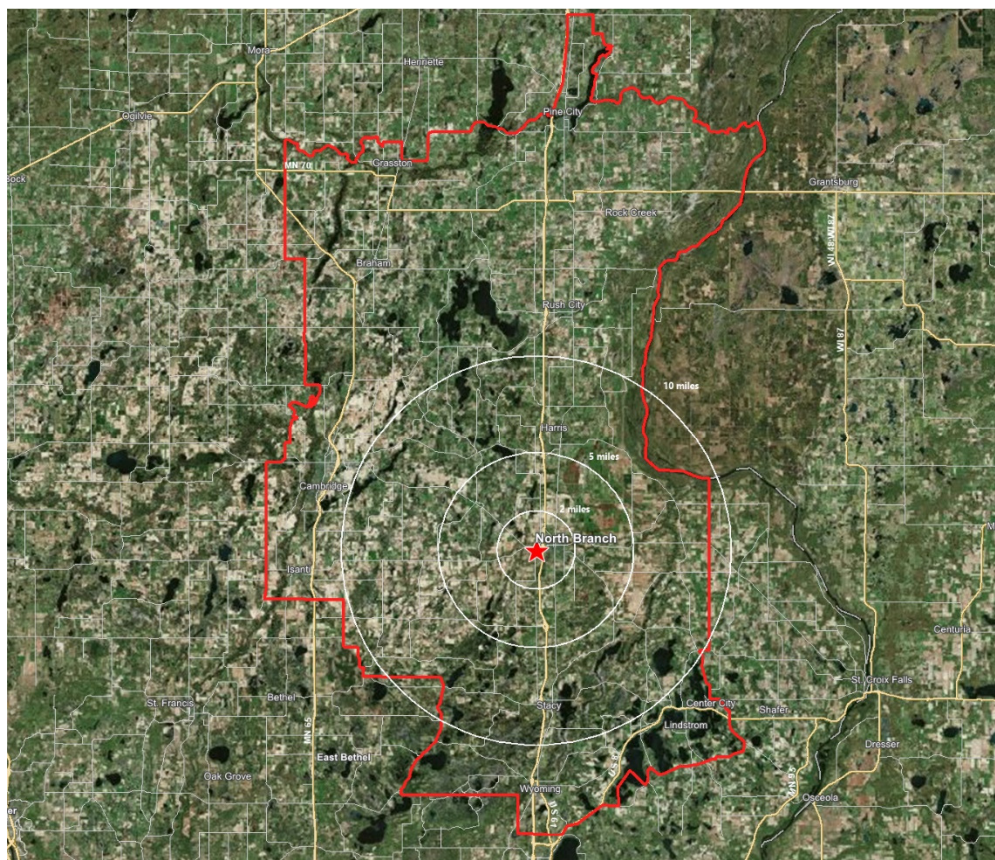


Image Assignment

Gravity models like the one used for sales projections here use each market competitor's size, sales, and location relative to competition and sister stores to assign an "image" or acceptance rating to each store in the model during the balancing phase of analysis to set up a picture of today's market. Images here range from 58 to 150 with 100 considered average. Images assigned by the model and analyst to existing competitors in the market during the balance phase are then used as a guideline for projecting new sites and remodels during the sales projection phase of the analysis. Images will vary throughout a trade area, with some clusters of stores imaging lower than their counterparts elsewhere in the trade area.

Because two formats are being tested, two different images have been used to project sales at the site. For a smaller-format value operator such as Aldi, we have used images of existing Aldi stores in Pine City and Cambridge as benchmarks. Both have an image score of about 115, so the site has been assigned the same value when modeled as an Aldi.

Walmart has no Neighborhood Markets impacting this trade area but the average image of the four Walmart Supercenters drawing customers from the trade area is 140. Because the Neighborhood Market format is a smaller version of the Supercenter format, we have used the average 140 image for this site as a Neighborhood Market.

Executive Summary – Aldi Format

SEC Falcon Ave & 386th
North Branch, Minnesota

Store Characteristics

Store Size	15,000 SF
General Merchandise/Pharmacy	No

Trade Area Overview

Population	93,187
Per Capita Expenditure, Average	x \$57.69
Available Grocery Dollars	\$ 5,376,033

Market Assumptions

The store will open in 2026.

No new competitors will open during the period of our estimates.

Brinks Market (Map Key 3) in Chisago City will expand by 9,000 square feet. Walmart Supercenter (Map Key 11) in Cambridge will remodel their grocery department. Both competitor changes will be completed by the first projection year.

Adequate parking, signage, and ingress/egress will be present to allow shoppers to find and access the store.

Forecast	Year 1	Year 2	Year 3
Weekly Sales (est)	\$ 212,259	\$ 220,749	\$229,239

Sister Store Sales Impacts

Less than 2% impact on any sister store.

Executive Summary – Walmart Neighborhood Market

SEC Falcon Ave & 386th
North Branch, Minnesota

Store Characteristics

Store Size	50,000 SF
General Merchandise/Pharmacy	Yes

Trade Area Overview

Population	93,187
Per Capita Expenditure, Average	x \$57.69
Available Grocery Dollars	\$ 5,376,033

Market Assumptions

The store will open in 2026.

No new competitors will open during the period of our estimates.

Brinks Market (Map Key 3) in Chisago City will expand by 9,000 square feet. Walmart Supercenter (Map Key 11) in Cambridge will remodel their grocery department. Both competitor changes will be completed by the first projection year. This remodel offsets any sister store sales impacts from the site.

Adequate parking, signage, and ingress/egress will be present to allow shoppers to find and access the store.

Forecast	Year 1	Year 2	Year 3
Weekly Sales (est)	\$ 612,008	\$ 636,489	\$660,969

Sister Store Sales Impacts

Walmart Supercenter – Pine City = 3%

Walmart Supercenter – Forest Lake = 5%

Site Overview



SITE 996: SEC Falcon Ave & 386th, North Branch, MN

City of North Branch Aerial Map



★ Site

Trade Area Demographics

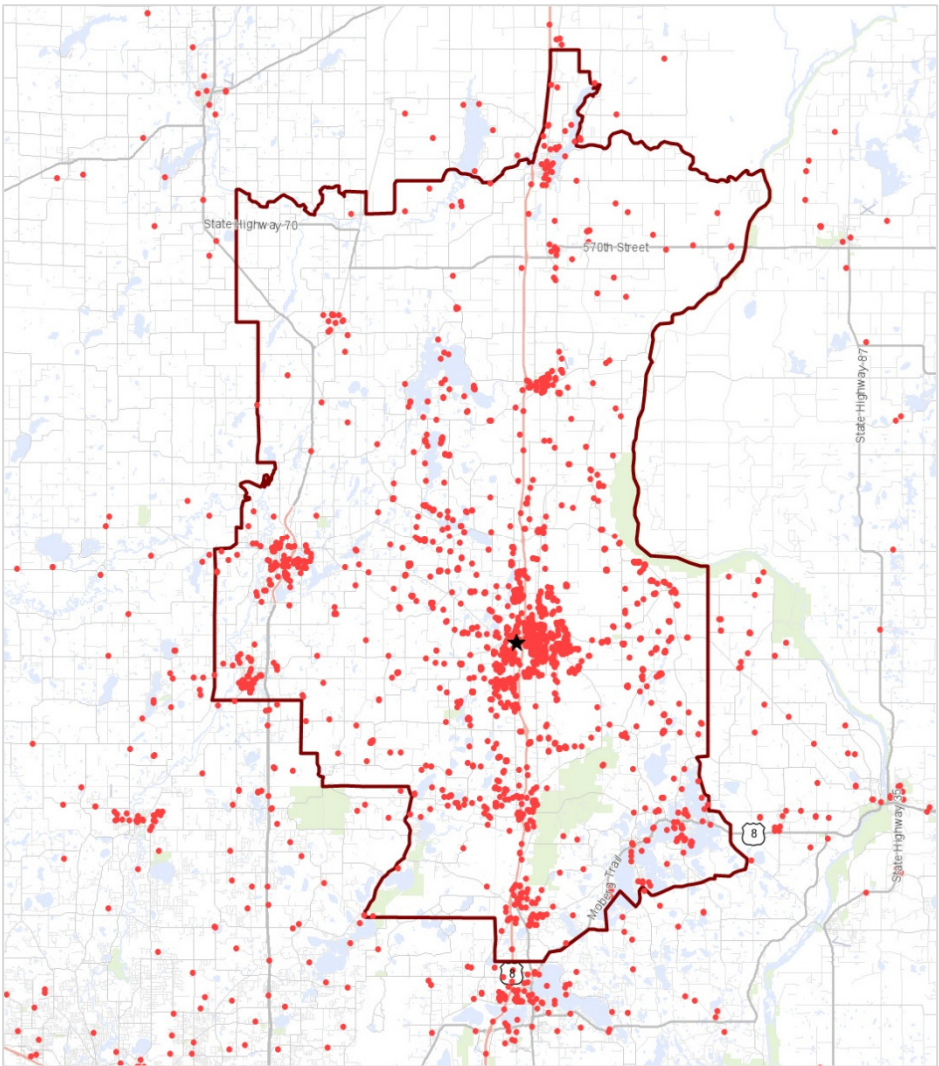
	Trade Area
Population	
2025 Population (estimate)	94,743
Group Quarters Population	1,556
Total Non-Institutional Population	<u>93,187</u>
2030 Population (projected)	93,978
Estimated % Growth per year	-0.2%
Households	
2025 Households (estimate)	35,852
2030 Households (projected)	36,286
Estimated % Growth per year	0.2%
Persons per HH	2.59
Ethnicity	
White	90.6%
Black	1.3%
Asian	1.6%
Hispanic	2.5%
Other	<u>4.1%</u>
TOTAL	100.0%

	Trade Area
Age	
% Under 18	21.3%
% Over 65	19.5%
Household Income	
Under \$25,000	10.4%
\$25,000 TO \$50,000	15.5%
\$50,000 TO \$75,000	15.1%
\$75,000 TO \$100,000	14.9%
\$100,000 TO \$150,000	23.5%
Over \$150,000	<u>20.6%</u>
TOTAL	100.0%
Median Household Income (\$)	\$88,900
Education	
Under 9th Grade	1.5%
Some High School	4.5%
High School Graduate	34.1%
Some College / Associate Degree	38.8%
Bachelor's Degree	14.9%
Master's Degree or Higher	<u>6.3%</u>
TOTAL	100.0%

Source: Q1 2025 STI: PopStats

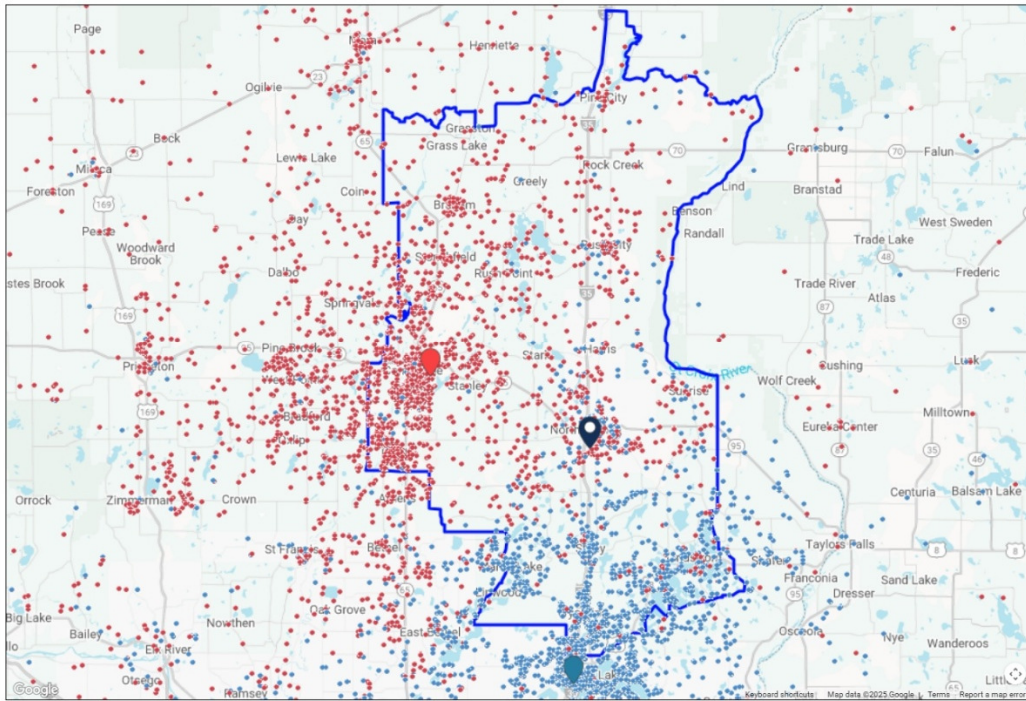
Map: Mobile Location Visitors

Below is a map showing the location of mobile location visitors to the County Market in North Branch. These visitors helped define the main trade area for North Branch and gave a clearer idea of where potential shoppers for the site might come from. Following are maps of the mobile location visitors to larger competitors in surrounding cities to highlight where North Branch shoppers are traveling to shop today.

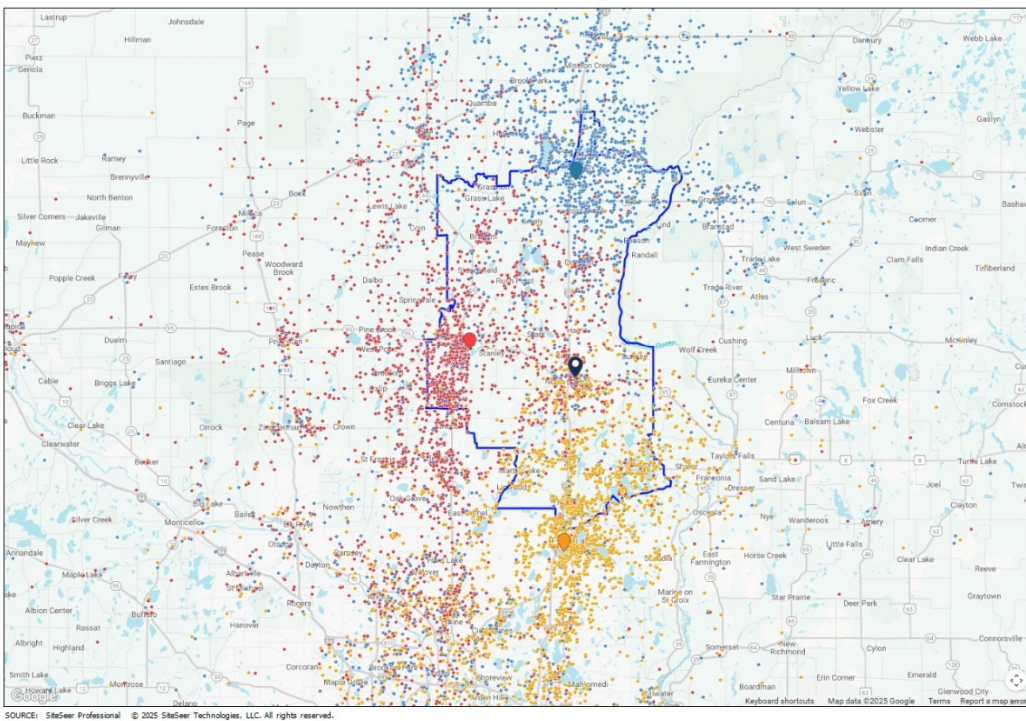


Source: Azira, October 2025

**Cub Foods
Mobile Location Visitors**

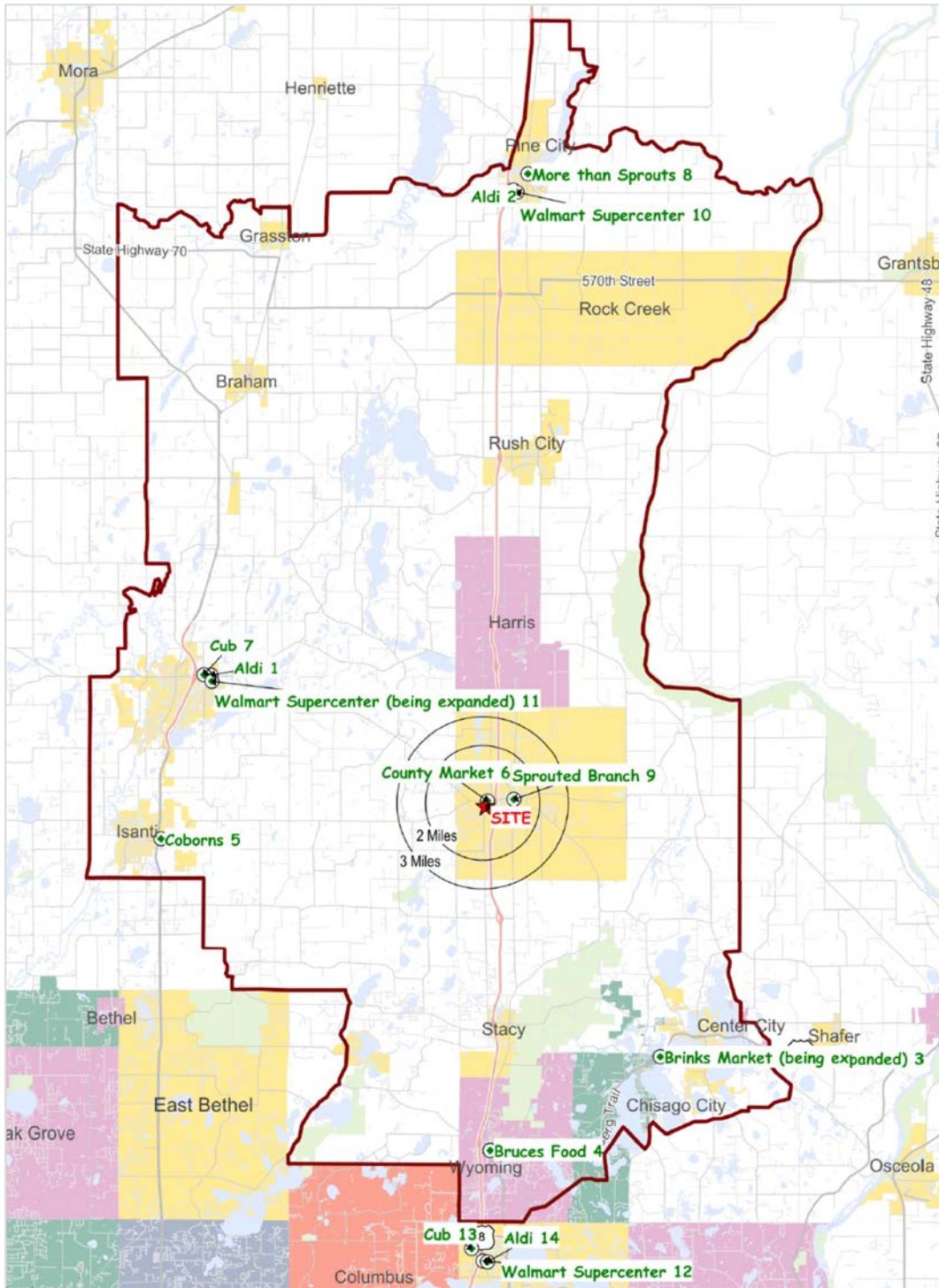


**Walmart Supercenter
Mobile Location Visitors**



Source: PlacIQ, October 2025

Trade Area Competition Map



- ★ Site
- Competitor

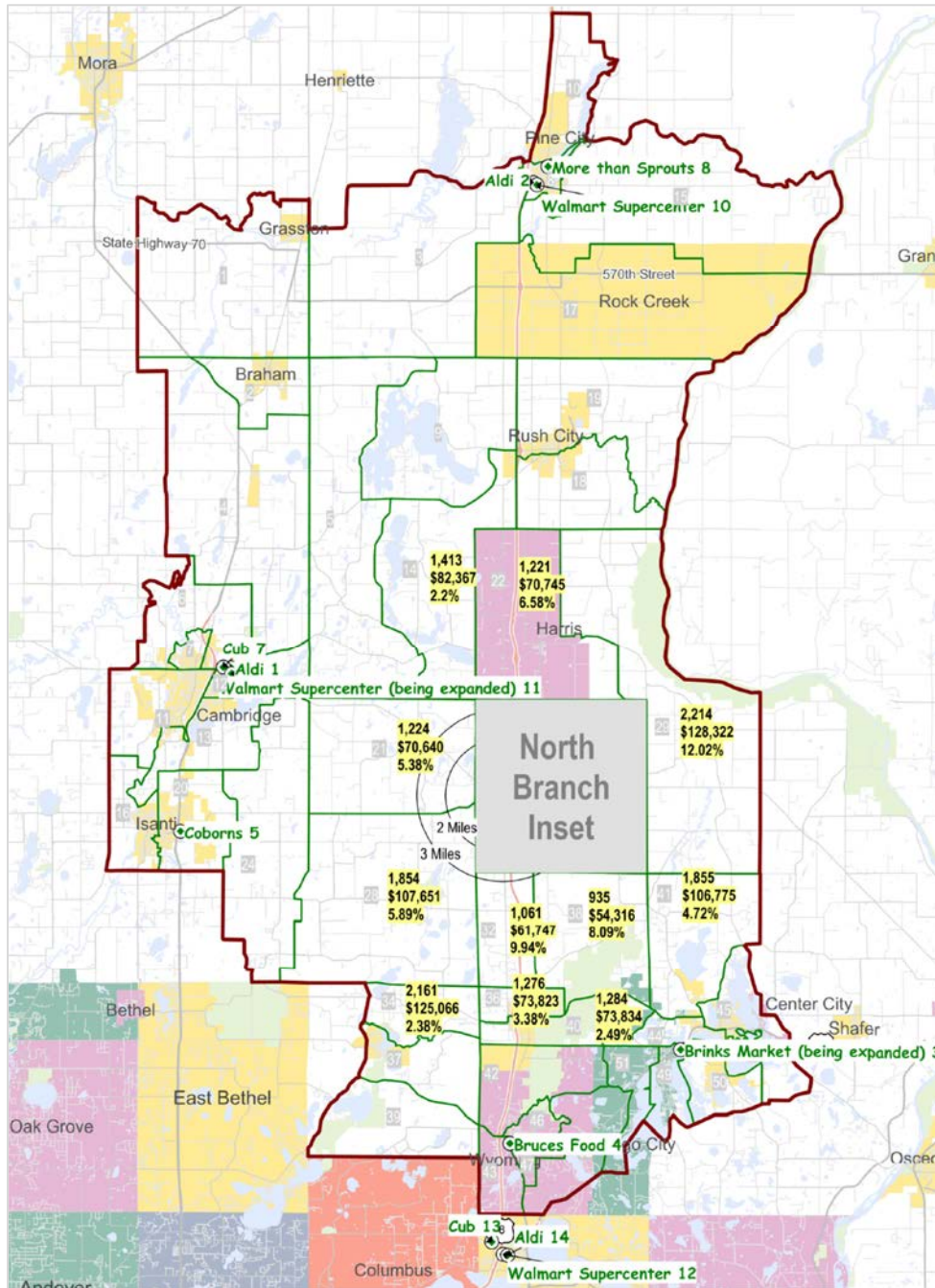
Source: Fieldwork, October 2025

Primary Trade Area Competition

Map Key	Store	Address	City	ST	Total Estimated Size	Total Estimated Weekly Sales
1	Aldi	160 Balsam St N	Cambridge	MN	17,000	\$ 310,000
2	Aldi	100 Evergreen Square	Pine City	MN	12,000	\$ 195,000
3	Brinks Market (being expanded)	11460 Brink Ave	Chisago City	MN	28,500	\$ 200,000
4	Bruces Food	5358 Wyoming Trl	Wyoming	MN	19,000	\$ 160,000
5	Coborns	209 6th Ave NE	Isanti	MN	45,000	\$ 365,000
6	County Market	5418 Saint Croix Trl	North Branch	MN	53,000	\$ 570,000
7	Cub	100 Opportunity Blvd N	Cambridge	MN	60,000	\$ 520,000
8	More than Sprouts	245 5th St SE	Pine City	MN	2,500	\$ 60,000
9	Sprouted Branch	38811 Forest Blvd	North Branch	MN	3,000	\$ 45,000
10	Walmart Supercenter	950 11th St SW	Pine City	MN	70,000	\$ 930,000
11	Walmart Supercenter (being expanded)	2101 2nd Ave SE	Cambridge	MN	70,000	\$ 1,300,000
12	Walmart Supercenter	200 12th St SW	Forest Lake	MN	70,000	\$ 1,500,000
13	Cub	2013 W Broadway Ave	Forest Lake	MN	60,000	\$ 925,000
14	Aldi	289 12th St SW	Forest Lake	MN	16,000	\$ 225,000

Source: Fieldwork, October 2025

Site: Aldi Market Share Map

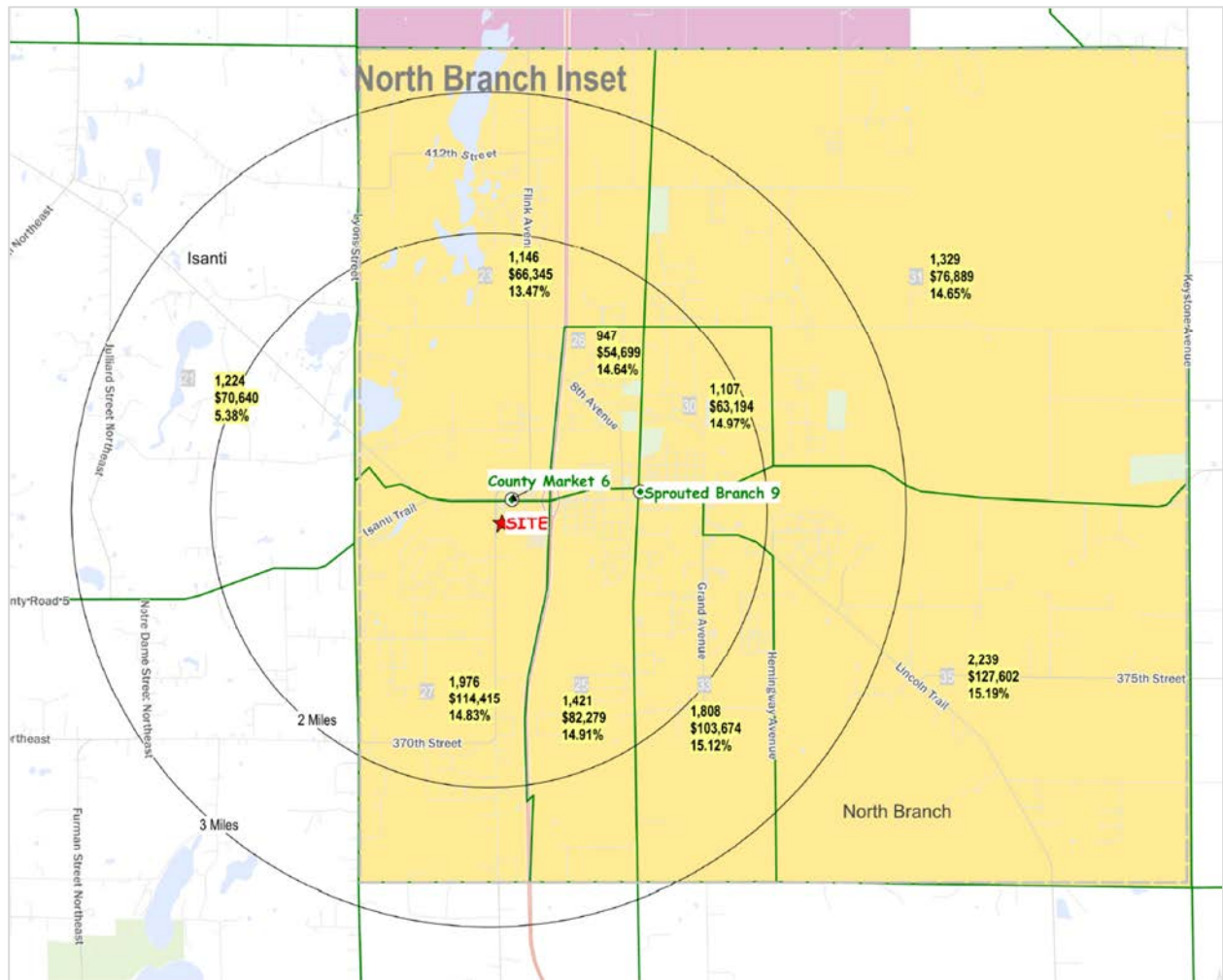


Population
Available Grocery Dollars
Market Share

- ★ Site
- Competitor

Note: all sectors with no data displayed have less than 2% market share

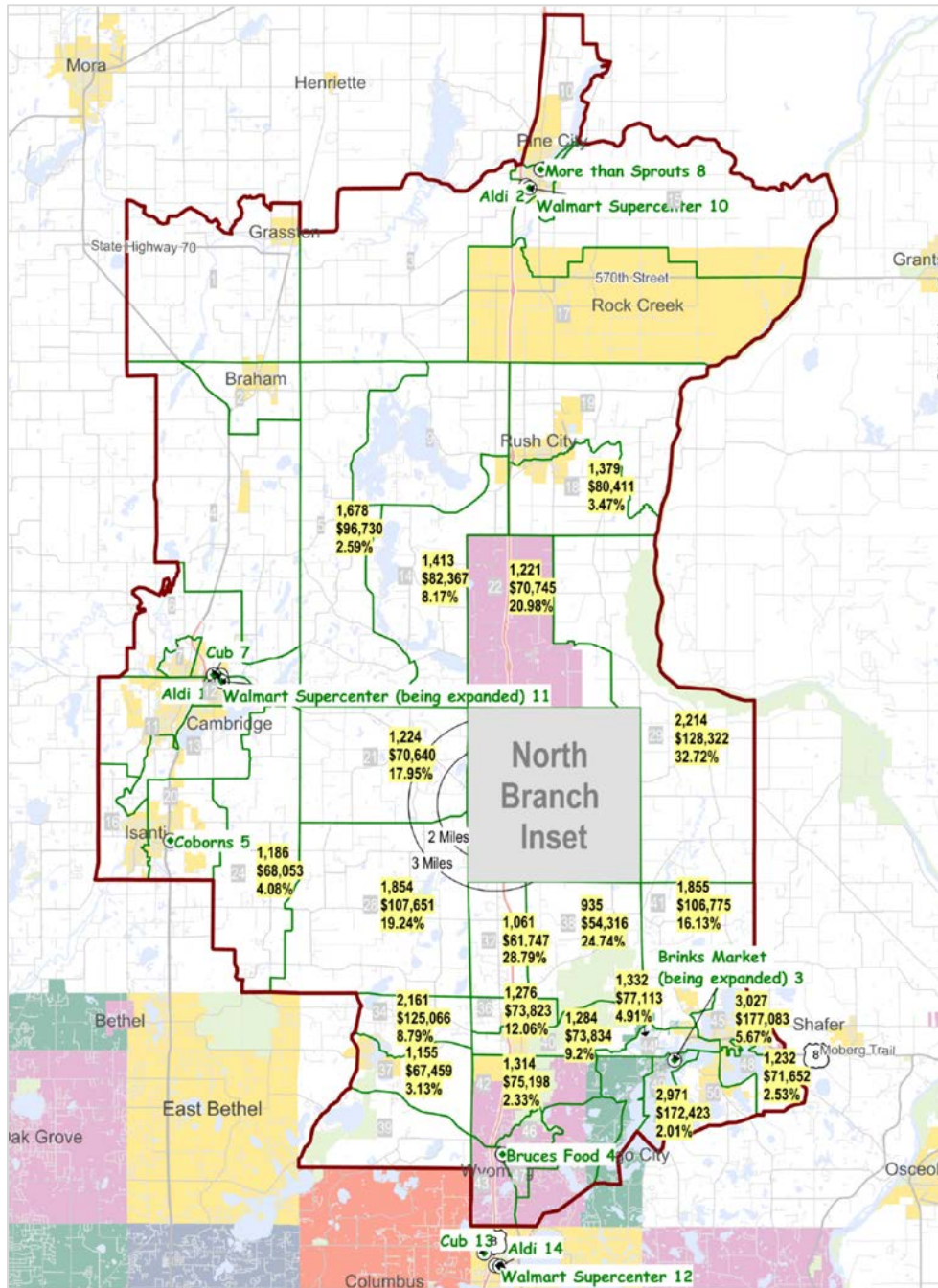
Site: Aldi Inset Market Share Map



- Population
- Available Grocery Dollars
- Market Share
- ★ Site
- Competitor

Note: all sectors with no data displayed have less than 2% market share

Site: Walmart Neighborhood Market Market Share Map

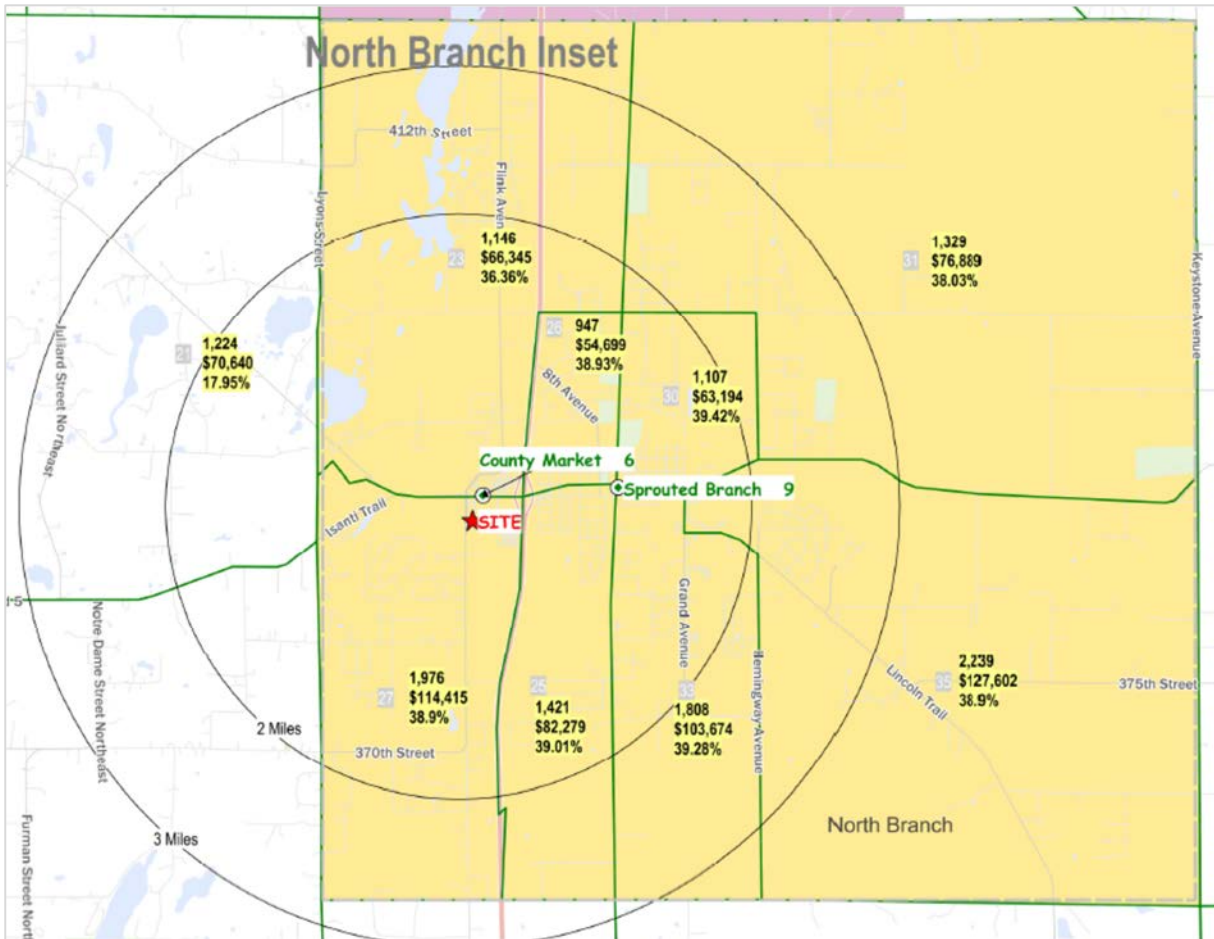


Population
Available Grocery Dollars
Market Share

- ★ Site
- Competitor

Note: all sectors with no data displayed have less than 2% market share

Site: Walmart Neighborhood Market Inset Market Share Map



- Population
- Available Grocery Dollars
- Market Share
- ★ Site
- Competitor

Note: all sectors with no data displayed have less than 2% market share

Appendix A

Glossary of Terms

Draw: Percent of a store's business captured within the defined primary trade area (PTA). A draw of 90 represents 90% of the store's business coming from within the PTA with 10% coming from beyond the trade area boundaries (see also "Beyond Sales"). Stores on the edges of the PTA typically have lower draws because they are serving shoppers inside and outside the trade area.

Beyond Sales: Sales gained from people living outside the PTA. These shoppers may be frequenting the store because they work nearby but live outside the PTA or are passing by for another reason such as heading to a destination like a beach or tourist attraction or may be visiting the area.

Curve: Curve simulates the distribution of market share over distance like the bell-shaped curve from statistics and represents a store's ability to pull shoppers to the facility. Stores with higher curves will have higher market share in the map sectors close to the store and those market shares will taper off quickly as distance from the store increases. A smaller neighborhood grocery might have a curve 10 points higher than a supercenter, for example.

Image: Gravity models use draw and curve in conjunction with each market competitor's size, sales, location relative to competition and sister stores to assign an "image" or acceptance rating to each store in the model during the balancing phase of analysis (see also "Balance"). Images typically range from 50 to 150 with 100 considered average. Images assigned by the model and analyst to existing competitors in the market during the balance phase are then used as a guideline for projecting new sites and remodels during the projection phase (see also "Projection") of the analysis.

Balance: The beginning phase of gravity modeling is the balance. During balancing, the analyst pulls in information about the PTA residents by map sector (including current and projected population and per capita weekly expenditure), competitor size and sales plus any barriers to travel that may exist throughout the trade area (lakes, rivers, freeways with no places to cross, for example). The analyst assigns draw and curves to each competitor and balances the model to allocate the available dollars in each map sector to the stores in a logical manner. During this balancing process, the model assigns an image to each store. By evaluating the market share distribution for each store and each store's image relative to its sister stores and competitors, the analyst creates a modeled replication of the PTA that simulates the flow of grocery dollars from residents (demand) to market competitors (supply).

Projection: The projection phase of gravity modeling follows the balance and allows the analyst to take the simulation of the current market established in the balance and layer in future market changes. Population growth (if applicable) plus store openings, closings and remodels are added to the model to project the future market. During projection, any store added to the model is assigned a draw, curve and image by the analyst using the balanced model as a guide. Once changes are made, the future market is projected.

Appendix B - Aldi Projected Marketplace

Facility Map Key	Name	Forecast 2025		Current 2025		Fcst Total		
		Volume	/SqFt	Volume	/SqFt	Area	Draw	Image
1	Aldi	\$ 295,469	\$ 17.38	\$ 310,000	\$ 18.24	17,000	60	117
2	Aldi	\$ 189,330	\$ 15.78	\$ 195,000	\$ 16.25	12,000	60	116
3	Brinks Market (being expanded)	-closed-	-----	\$ 200,000	\$ 7.02		96	58
3.1	Brinks Market (being expanded)	\$ 236,476	\$ 6.31	\$ -	\$ -	37,500	96	58
4	Bruces Food	\$ 150,462	\$ 7.92	\$ 160,000	\$ 8.42	19,000	90	67
5	Coborns	\$ 354,067	\$ 7.87	\$ 365,000	\$ 8.11	45,000	65	76
6	County Market	\$ 473,668	\$ 8.94	\$ 570,000	\$ 10.75	53,000	82	112
7	Cub	\$ 500,698	\$ 8.34	\$ 520,000	\$ 8.67	60,000	76	97
8	More than Sprout	\$ 58,181	\$ 23.27	\$ 60,000	\$ 24.00	2,500	30	83
9	Sprouted Branch	\$ 37,913	\$ 12.64	\$ 45,000	\$ 15.00	3,000	85	90
10	Walmart Supercenter	\$ 912,617	\$ 13.04	\$ 930,000	\$ 13.29	70,000	60	132
11	Walmart Supercenter (being expanded)	-closed-	-----	\$ 1,300,000	\$ 18.57		69	145
11.1	Walmart Supercenter (being expanded)	\$ 1,283,688	\$ 18.34	\$ -	\$ -	70,000	69	150
12	Walmart Supercenter	\$ 1,414,994	\$ 20.21	\$ 1,500,000	\$ 21.43	70,000	39	136
13	Cub	\$ 877,056	\$ 14.62	\$ 925,000	\$ 15.42	60,000	38	105
14	Aldi			\$ 225,000	\$ 14.06	16,000	29	66
996.1	Site Aldi	\$ 212,259	\$ 14.15	\$ -	\$ -	15,000	80	115
	Totals *	\$ 7,209,033		\$ 7,305,000				
	Averages	\$ 480,602	\$ 13.11	\$ 521,786	\$ 13.89	36,667		

The low draw for forecast volumes is 29.99

* Forecast total includes low draw stores whose volumes are not shown

Appendix B – Walmart Neighborhood Market Projected Marketplace

Facility Map Key	Name	Forecast 2025		Current 2025		Fcst Total		
		Volume	/SqFt	Volume	/SqFt	Area	Draw	Image
1	Aldi	\$ 276,357	\$ 16.26	\$ 310,000	\$ 18.24	17,000	60	117
2	Aldi	\$ 180,782	\$ 15.07	\$ 195,000	\$ 16.25	12,000	60	116
3	Brinks Market (being expanded)	-closed-	-----	\$ 200,000	\$ 7.02		96	58
3.1	Brinks Market (being expanded)	\$ 224,071	\$ 5.98	\$ -	\$ -	37,500	96	58
4	Bruces Food	\$ 140,556	\$ 7.40	\$ 160,000	\$ 8.42	19,000	90	67
5	Coborns	\$ 341,802	\$ 7.60	\$ 365,000	\$ 8.11	45,000	65	76
6	County Market	\$ 321,329	\$ 6.06	\$ 570,000	\$ 10.75	53,000	82	112
7	Cub	\$ 477,999	\$ 7.97	\$ 520,000	\$ 8.67	60,000	76	97
8	More than Sprout	\$ 55,447	\$ 22.18	\$ 60,000	\$ 24.00	2,500	30	83
9	Sprouted Branch	\$ 26,935	\$ 8.98	\$ 45,000	\$ 15.00	3,000	85	90
10	Walmart Supercenter	\$ 885,968	\$ 12.66	\$ 930,000	\$ 13.29	70,000	60	132
11	Walmart Supercenter (being expanded)	-closed-	-----	\$ 1,300,000	\$ 18.57		69	145
11.1	Walmart Supercenter (being expanded)	\$ 1,204,171	\$ 17.20	\$ -	\$ -	70,000	69	150
12	Walmart Supercenter	\$ 1,336,845	\$ 19.10	\$ 1,500,000	\$ 21.43	70,000	39	136
13	Cub	\$ 831,345	\$ 13.86	\$ 925,000	\$ 15.42	60,000	38	105
14	Aldi			\$ 225,000	\$ 14.06	16,000	29	66
996	Site WMNM	\$ 612,008	\$ 12.24	\$ -	\$ -	50,000	80	140
	Totals *	\$ 7,116,109		\$ 7,305,000				
	Averages	\$ 474,407	\$ 12.16	\$ 521,786	\$ 13.89	39,000		

The low draw for forecast volumes is 29.99

* Forecast total includes low draw stores whose volumes are not shown

Appendix C - Aldi Chain Summary

Chain Name	# of Facs	----- Chain Total -----				Vol/ SqFt	Avg Image	Market Share
		Volume	Average	Size	Average			
* Aldi	3	\$ 696,954	\$ 232,318	45,000	15,000	\$15.49	100	6.56
Brinks Market	1	\$ 236,476	\$ 236,476	37,500	37,500	\$ 6.31	58	4.22
Bruces Food	1	\$ 150,462	\$ 150,462	19,000	19,000	\$ 7.92	67	2.52
Coborns	1	\$ 354,067	\$ 354,067	45,000	45,000	\$ 7.87	76	4.28
County Market	1	\$ 473,668	\$ 473,668	53,000	53,000	\$ 8.94	112	7.22
Cub	2	\$ 1,377,754	\$ 688,877	120,000	60,000	\$11.48	101	13.28
More than Sprout	1	\$ 58,181	\$ 58,181	2,500	2,500	\$23.27	83	0.32
Sprouted Branch	1	\$ 37,913	\$ 37,913	3,000	3,000	\$12.64	90	0.6
WMSC	2	\$ 2,196,305	\$ 1,098,152	140,000	70,000	\$15.69	141	26.66
Walmart Supercenter	1	\$ 1,414,994	\$ 1,414,994	70,000	70,000	\$20.21	136	10.26
Site Aldi	1	\$ 212,259	\$ 212,259	15,000	15,000	\$14.15	115	3.16
Totals	15	\$ 7,209,033		550,000				79.09
Averages			\$ 480,602		36,667	\$13.11	101	

* Chain includes facilities with draw less than 29.99

Appendix C – Walmart Neighborhood Market Chain Summary

Chain Name	# of Facs	----- Chain Total -----				Vol/ SqFt	Avg Image	Market Share
		Volume	Average	Size	Average			
* Aldi	3	\$ 657,633	\$ 219,211	45,000	15,000	\$14.61	100	6.18
Brinks Market	1	\$ 224,071	\$ 224,071	37,500	37,500	\$ 5.98	58	4
Bruces Food	1	\$ 140,556	\$ 140,556	19,000	19,000	\$ 7.40	67	2.35
Coborns	1	\$ 341,802	\$ 341,802	45,000	45,000	\$ 7.60	76	4.13
County Market	1	\$ 321,329	\$ 321,329	53,000	53,000	\$ 6.06	112	4.9
Cub	2	\$ 1,309,344	\$ 654,672	120,000	60,000	\$10.91	101	12.63
More than Sprout	1	\$ 55,447	\$ 55,447	2,500	2,500	\$22.18	83	0.31
Sprouted Branch	1	\$ 26,935	\$ 26,935	3,000	3,000	\$ 8.98	90	0.43
WMSC	2	\$ 2,090,139	\$ 1,045,069	140,000	70,000	\$14.93	141	25.34
Walmart Supercenter	1	\$ 1,336,845	\$ 1,336,845	70,000	70,000	\$19.10	136	9.7
Site WMNM	1	\$ 612,008	\$ 612,008	50,000	50,000	\$12.24	140	9.11
Totals	15	\$ 7,116,109		585,000				79.09
Averages			\$ 474,407		39,000	\$12.16	103	

* Chain includes facilities with draw less than 29.99

Appendix D - Aldi Store Volume by Sector

Facility Map Key = 996 (Aldi)			Oct-25		Draw = 80 Market Share Cutoff = 2		
Sector Map Key	Sector Share	Expected Volume	Pop.	Potential	Float	Miles	
14	2.2	\$ 1,812	1,413	\$ 82,367	27.77	8	
21	5.38	\$ 3,800	1,224	\$ 70,640	23.77	4.31	
22	6.58	\$ 4,653	1,221	\$ 70,745	26.01	6.53	
23	13.47	\$ 8,940	1,146	\$ 66,345	18.2	1.7	
25	14.91	\$ 12,271	1,421	\$ 82,279	17.26	1.29	
26	14.64	\$ 8,008	947	\$ 54,699	14.91	1.05	
27	14.83	\$ 16,973	1,976	\$ 114,415	17.16	1.19	
28	5.89	\$ 6,338	1,854	\$ 107,651	25.47	5.56	
29	12.02	\$ 15,428	2,214	\$ 128,322	25.13	6.44	
30	14.97	\$ 9,460	1,107	\$ 63,194	15.42	1.74	
31	14.65	\$ 11,261	1,329	\$ 76,889	20.42	3.52	
32	9.94	\$ 6,140	1,061	\$ 61,747	24.29	4.73	
33	15.12	\$ 15,681	1,808	\$ 103,674	17.76	2.01	
34	2.38	\$ 2,971	2,161	\$ 125,066	25.13	8.24	
35	15.19	\$ 19,383	2,239	\$ 127,602	20.56	3.53	
36	3.38	\$ 2,494	1,276	\$ 73,823	24.32	7.39	
38	8.09	\$ 4,395	935	\$ 54,316	24.38	6.06	
40	2.49	\$ 1,841	1,284	\$ 73,834	23.31	8.15	
41	4.72	\$ 5,037	1,855	\$ 106,775	22.68	8.83	
Sub Total	9.54	\$ 156,885	28,471	\$ 1,644,384	21.95		
Other Sectors	0.35	\$ 12,922	64,716	\$ 3,731,649	20.45		
TA Total	3.16	\$ 169,807	93,187	\$ 5,376,033	20.91		
Outside TA		\$ 42,452					
Sales Forecast		\$ 212,259					

Appendix D – Walmart Neighborhood Market Store Volume by Sector

Facility Map Key = 996			Oct-25		Draw = 80 Market Share Cutoff = 2		
Sector Map Key	Sector Share	Expected Volume	Pop.	Potential	Float	Miles	
5	2.59	\$ 2,505	1,678	\$ 96,730	26.84	10.39	
14	8.17	\$ 6,728	1,413	\$ 82,367	27.77	8	
18	3.47	\$ 2,794	1,379	\$ 80,411	29.79	11.4	
21	17.95	\$ 12,682	1,224	\$ 70,640	23.77	4.31	
22	20.98	\$ 14,845	1,221	\$ 70,745	26.01	6.53	
23	36.36	\$ 24,125	1,146	\$ 66,345	18.2	1.7	
24	4.08	\$ 2,779	1,186	\$ 68,053	21.4	8.46	
25	39.01	\$ 32,100	1,421	\$ 82,279	17.26	1.29	
26	38.93	\$ 21,293	947	\$ 54,699	14.91	1.05	
27	38.9	\$ 44,503	1,976	\$ 114,415	17.16	1.19	
28	19.24	\$ 20,715	1,854	\$ 107,651	25.47	5.56	
29	32.72	\$ 41,988	2,214	\$ 128,322	25.13	6.44	
30	39.42	\$ 24,908	1,107	\$ 63,194	15.42	1.74	
31	38.03	\$ 29,241	1,329	\$ 76,889	20.42	3.52	
32	28.79	\$ 17,778	1,061	\$ 61,747	24.29	4.73	
33	39.28	\$ 40,727	1,808	\$ 103,674	17.76	2.01	
34	8.79	\$ 10,991	2,161	\$ 125,066	25.13	8.24	
35	38.9	\$ 49,634	2,239	\$ 127,602	20.56	3.53	
36	12.06	\$ 8,904	1,276	\$ 73,823	24.32	7.39	
37	3.13	\$ 2,109	1,155	\$ 67,459	23.1	10.19	
38	24.74	\$ 13,437	935	\$ 54,316	24.38	6.06	
40	9.2	\$ 6,795	1,284	\$ 73,834	23.31	8.15	
41	16.13	\$ 17,226	1,855	\$ 106,775	22.68	8.83	
42	2.33	\$ 1,755	1,314	\$ 75,198	19.67	10.43	
44	4.91	\$ 3,783	1,332	\$ 77,113	16.12	9.95	
45	5.67	\$ 10,044	3,027	\$ 177,083	20.65	11.24	
48	2.53	\$ 1,813	1,232	\$ 71,652	21.64	13.33	
49	2.01	\$ 3,463	2,971	\$ 172,423	17.22	11.83	
Sub Total	18.56	\$ 469,665	43,745	\$ 2,530,506	21.73		
Other Sectors	0.7	\$ 19,941	49,442	\$ 2,845,527	20.18		
TA Total	9.11	\$ 489,607	93,187	\$ 5,376,033	20.91		
Outside TA		\$ 122,402					
Sales Forecast		\$ 612,008					

About

ROIC analytics

ROIC analytics, LLC provides innovative and proven solutions to help our clients make strategic market decisions that lead to successful retail stores and vibrant communities. We have assembled a team of the most experienced market analysts in the industry and provided them with the best technology and data available to ensure that our results are both accurate and actionable. Our analysts have completed projects in most major metropolitan areas in the country and numerous small cities and towns and continually expand our local knowledge through frequent market visits.

ROIC analytics has helped our grocery and specialty retail clients with all areas of strategic capital planning from market research through effective site selection and sales forecasting. Additionally, we leverage our deep retail market experience to help communities and shopping center developers position themselves to attract and support successful retail operators.

This study uses proven methodologies trusted by leading grocers to forecast the performance of a proposed store site. As in any forward-looking analysis, this process can produce highly reliable results in many cases and great variance in others. The accuracy of the results is dependent on numerous factors that cannot be controlled, such as changes in population and competition; store offering, pricing, and operations, and ultimately consumer acceptance of the new store. As such, ROIC analytics provides no warranty to the data or projections in this report. The client of this study assumes all risks associated with using the data or projections herein.

Sources

Population and demographic data are sourced from Hubexo, October 2025 and STI: PopStats from Q1, 2025. STI: PopStats are registered trademarks of Synergos Technologies, Austin, TX. All Rights Reserved.

All competitive data is from October 2025 original fieldwork conducted by ROIC analytics.

Contact

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(208) 859-8672



Prepared By: Nathan Sondrol, Community Development Director, Sharon Wright, Finance Director

Presenter: Nathan Sondrol, Community Development Director, Sharon Wright, Finance Director

Date: 12/02/2025

Board & Commission: Economic Development Authority

Subject: Consider Approval of the 2026 Budget

Background Info

The North Branch Economic Development Authority (EDA) discussed the budget proposals and recommended tax levies over the past few months. The EDA approved the EDA and HRA levies in the amounts of \$309,510 and \$315,827, respectively, at the November 18, 2025, meeting. The combined projected revenue total is \$625,337. The majority of the revenue supports repayment of debt tied to the Business Park. The action sets both final levies at the maximum allowed under State Statute. The City Council will be taking formal consideration of the EDA and HRA levies at the December 9, 2025, council meeting.

The 2026 budget includes an improvement program, debt payments, and an increased amount for marketing and includes a reduction in the amount being transferred from the city's general fund. There is an overall increase in revenue from the 2025 budget.

State Statute allows cities to establish EDA and HRA tax levies for the purpose of economic development; both of these are levied by the North Branch EDA. The Statutory maximum for the EDA levy is 0.01813% of the City's Estimated Market Value (EMV); the HRA levy is 0.01850% of the same EMV. For payments in 2026, the North Branch EMV is \$1,707,171,700. Based on those factors, the maximum EDA and HRA levies are \$309,510 and \$315,827, respectively, for a combined total of \$625,337.

The EDA and HRA levies are considered special purpose levies, meaning those funds may only be used for specific purposes as allowed by State Statute.

Requested Action

Approval of the 2026 EDA Budget

Voting Requirements:

Voting Options Simple Majority

EDA Fund

2026 Revenue and Expenditure Budget

Description	July 2025				
EDA Revenue	2023 Actual	2024 Actual	2025 Adopted	Actual	2026 Proposed
Current Ad Valorem Taxes - HRA	\$ (164,530)	\$ (284,194)	\$ (283,356)	\$ -	\$ (315,827)
Current Ad Valorem Taxes - EDA	-	(278,519)	(277,689)	-	(309,510)
Delinquent Ad Valorem Taxes	(1,741)	-	-	-	-
Application Fees	(1,000)	-	-	-	-
Mkt Value Credit	(812)	(1,185)	-	-	-
Other Revenues	-	-	(4,066)	(15,600)	-
Interest Earnings	-	(3,936)	-	(3,798)	(200)
Other Rents and Royalties	(3,600)	(3,600)	(3,600)	(17,700)	(3,600)
Transfer From Other Fund	-	(185,000)	(185,000)	-	(135,000)
Total Revenue	\$ (171,683)	\$ (756,434)	\$ (753,711)	\$ (37,098)	\$ (764,137)

Description	July 2025				
EDA Expenditures	2023 Actual	2024 Actual	2025 Adopted	Actual	2026 Proposed
Employees Wages & Salaries	\$ 117,208	\$ 51,415	\$ 77,990	\$ 37,515	\$ 95,675
PERA	6,881	3,544	5,850	2,796	7,175
FICA and Medicare	7,228	3,883	5,966	2,691	7,319
Employer Paid Health	5,439	2,680	14,038	6,626	18,325
Worker s Comp Insurance	-	-	750	-	750
Operating Supplies	-	941	200	-	500
Professional Svcs	13,457	53,142	-	(15,568)	15,000
Auditing and Acct g Services	1,486	(404)	1,000	649	1,054
Engineering Fees	7,695	9,199	10,000	-	10,000
Attorneys Fees	14,250	18,250	10,000	9,239	10,000
Travel Expenses	30	75	2,500	212	1,100
Conference & Training	263	20	1,735	425	1,700
Meeting Expense	-	307	-	-	-
Marketing	4,281	1,181	5,200	-	30,000
Legal Notices Publishing	-	-	120	-	120
Insurance	880	1,157	960	-	1,200
CBD Improvement Fund	-	-	75,000	-	75,000
Dues and Subscriptions	985	1,520	895	1,180	2,300
Recording Fees	56	-	-	-	-
PropTaxes/ Assessments	858	-	29,375	-	-
Transfer Out	-	341,579	364,000	-	345,000
Total Expenditures	\$ 180,998	\$ 488,488	\$ 605,579	\$ 45,764	\$ 622,218



NORTH BRANCH
City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/03/2025

Board & Commission: Economic Development Authority

Subject: Consider Approval of Residential Lease Agreement - Interstate Business Park

Background Info

The North Branch Economic Development Authority (EDA) approved a residential lease agreement effective January 2, 2025, with Barry Engdahl that allows for the use of the property including the house and outbuildings located on the property (PID 11.01072.02) located at 6247 410th Street. The property previously included a life estate that allowed the Engdahl family the use of the property. Mr Engdahl is currently also in a lease agreement with the EDA to farm the land within the Industrial Park. The current rental lease includes a one (1) year term effective through January 15, 2026, and a month-to-month term thereafter. The current rate for the term is \$5,200/month. The property at 6247 410th Street is located within the boundary of a potential purchase agreement and is scheduled to be removed with the closing of the property. The purchase agreement is scheduled to allow for a 180-day due diligence period (June 7, 2026) to allow for closing. The closing could take place any time prior to this. Mr Engdahl has expressed a desire to continue with the residential lease, but at the current rate and uncertainty of the state of the property for the upcoming year, he would only be interested at a reduced rate of \$3,500/month during the due diligence period. If the property were not to close during the due diligence period, the rate would go back to an effective rate of \$5,200/month.

The tenant would continue to be responsible for utilities and insurance on personal property and the EDA would continue to pay for the insurance on the buildings.

Requested Action

To approve the amendment to the lease agreement to continue the lease with Mr. Engdahl on a month-to-month basis at the reduced rate of \$3,500/month and to return the rate to \$5,200/month in the event the property does not close during the due diligence period.

Voting Requirements:

Voting Options Simple Majority

RESIDENTIAL LEASE AGREEMENT

THIS RESIDENTIAL LEASE AGREEMENT ("Lease") is made and entered into effective the 2nd of January, 2025. It is a legally enforceable agreement between the Tenant and the landlord to rent the Leased Premises described below. The word "Landlord" as used in this Lease means North Branch Economic Development Authority, a political subdivision, under the laws and constitution of the State of Minnesota. The word "Tenant" as used in this Lease means Barry Engdahl, an individual.

1. Description of Leased Premises. The term "Leased Premises" as used in this Lease means the house and related improvements located at 6247 410th Street, North Branch, County of Chisago, State of Minnesota.
2. Acceptance of Leased Premises. Tenant has thoroughly inspected the Leased Premises and accepts the Leased Premises in its present "As-Is" condition without any further improvements thereto by the Landlord.
3. Term of Lease. This is an approx., one (1) year Lease commencing on the date hereof and continuing thereafter until January 15, 2025 (the "Lease Term"). At all times, this Lease shall be subject to all of the same covenants, agreements, terms, conditions, exceptions and reservations as contained in this Lease. The parties may agree to mutually extend the Lease under the same terms as set forth herein, except that the rent shall be increased by an amount agreed to by the parties. In the event, Tenant remains in possession of the Leased Premises for any period after the expiration of the Lease Term ("Holdover Period") a new month-to-month tenancy shall be created subject to the same terms and conditions of this Lease at the then applicable monthly rental rate of the same in this Lease unless otherwise agreed by the Parties in writing. Such month-to-month tenancy shall be terminable on thirty (30) days' notice by either Party or on longer notice if required by law. Notwithstanding the foregoing, the Landlord reserves the right to terminate the Lease Term as to all or a portion of the Leased Premises, upon 90 days written notice to Tenant, if deemed necessary by the Landlord for the construction of public utilities and/or road infrastructure.
4. Rent. Tenant agrees to pay as rent for the Leased Premises the sum of \$5,200 per month and the rent payment for each month must be paid before the fifteenth (15th) day of each month during the Lease Term, at Landlord's address set forth in this Lease. Landlord does not have to give notice to Tenant to pay the rent required under this Lease. Upon execution of the Lease, Tenant shall pay the first month's rent.
5. Security Deposit. Tenant agrees to pay Landlord \$5,200 as a security deposit, which amount shall be due and payable upon execution hereof. The security deposit will be retained by Landlord as security for Tenant's performance of its obligations under this Lease. The security deposit may not be used by Tenant as the last month's rent of the Lease Term. If Tenant fails to perform any term in this Lease, Landlord may use the security deposit for payment of money that Landlord may spend or damages that Landlord suffers because of Tenant's failure to maintain the Leased Premises and/or for any damage to the Lease Premises caused by Tenant or Tenant's guests or invitees. Tenant will be entitled to a full refund of the security deposit if Tenant returns possession of the Leased Premises in

the same condition as accepted, ordinary wear and tear expected. Within thirty (30) days after termination of this Agreement, Landlord will return the security deposit to Tenant, minus any amounts applied by Landlord in accordance with this paragraph. Any reason for retaining a portion of the security deposit will be explained in writing. Interest shall accrue on the security deposit as required by Minnesota Statutes Sec. 504B.178.

6. Quiet Enjoyment. If Tenant pays the rent and complies with all other terms of this Lease, Tenant may use the Leased Premises for the Lease Term of this Lease.

7. Use of Leased Premises. The Leased Premises shall be used and occupied as a personal residence as shall be allowed by local ordinance. No pets or animals shall be allowed.

8. Right of Entry. Landlord and Landlord's agents may enter the Leased Premises at reasonable hours and upon reasonable prior notice to Tenant, to repair or inspect the Leased Premises and perform any work that Landlord decides is necessary. Landlord may show the Leased Premises to possible or new tenants at reasonable hours, and upon reasonable prior notice to Tenant, during the last ninety (90) days of the Lease Term or if the Lease Term is month to month to month tenancy, then such right of entry shall exist at all times.

9. Assignment and Subletting. Tenant may not assign this Lease, lease the Leased Premises to anyone else (sublet), sell this Lease or permit any other person to use the Leased Premises without the prior written consent of Landlord, which consent may be withheld for any or no reason. If Tenant violates the foregoing provision, Landlord may terminate this lease as described in Paragraph 20 of this Lease. Any assignment or sublease without Landlord's written consent will not be effective. Tenant must get Landlord's permission each time Tenant wants to assign or sublet, and Landlord's permission shall be good only for that specific assignment or sublease. Landlord may assign its interest in this Lease without Tenant's consent.

10. Utilities and Household Expenses. Tenant shall pay for all utilities and services provided to the Leased Premises during the Lease Term, including the payment for electricity, gas, water, sewer and refuse removal. Tenant shall also pay for all telephone services and cable hook-up and monthly expenses. In the event the Tenant fails to pay for such utilities or services, Landlord may make such payments and shall be entitled to reimbursement by Tenant as additional rent.

11. Maintenance and Repair.

11.1 By Landlord. Landlord promises to keep the structural elements (i.e. walls and roof) in reasonable repair during the Lease Term of the Lease, except when the damage is caused by the intentional or negligent action of Tenant or Tenant's agents, employees or guests. For purposes of this Lease, structural portions of the Leased Premises shall mean the foundation, floor, exterior and load bearing walls and roof of the Leased Premises.

11.2 By Tenant. Tenant promises, at Tenant's expense, to maintain the Leased Premises in a clean, safe and condition and Tenant shall make all repairs (other than to structural elements), lawn care and inside/outside maintenance necessary to keep the Leased Premises in good condition during the Lease Term of this Lease, including any extensions of this Lease, and shall eliminate any violation of health and safety laws that result from Tenant's agents or guests. Tenant shall be responsible for the normal upkeep of the windows, heating, ventilation and air conditioning systems servicing the Leased Premises.

Tenant shall be responsible for repairing any damage to structural elements or common areas of the building caused by the intentional or negligent act of Tenant, Tenant's agents or guests. Tenant shall be responsible for reporting to Landlord any needed repairs for which the landlord is responsible.

12. Alterations. Tenant must obtain Landlord's prior written consent to make any alterations to the Leased Premises if alterations exceed the cost of \$500.00. Tenant must not change the heating, electrical, plumbing, ventilation or air conditioning or make any other changes without the prior written consent of Landlord. No wall coverings or painting without prior approval.

13. Liability. Landlord is not responsible for any loss or damage incurred by Tenant, or by Tenant's guests, invitees, or agents or injury that is done to Tenant or its property, whether by fire, water, explosion, theft, or any other cause, and Tenant shall indemnify Landlord, shall hold Landlord harmless against any such claims, provided, however, that Tenant shall not be responsible for loss or damage caused by Landlord, its employees and/or agents. Landlord shall indemnify Tenant and shall hold Tenant harmless against claims arising from activities of Landlord, its employees and/or agents on the Leased Premises.

14. Surrender of Leased Premises. Tenant shall move out of the Leased Premises when this Lease ends if the Lease is not renewed by mutual agreement of the parties. When Tenant moves out, Tenant shall, at Tenant's expense, leave the Leased Premises in as good condition as when the Lease started, with the exception of reasonable wear and tear.

15. Abandonment. If Tenant moves out of the Leased Premises before the end of this Lease, Landlord may bring a legal action to recover possession of the Leased Premises. Landlord may rent the Leased Premises to someone else. Any rent received by Landlord for the re-entering shall be used first to pay Landlord's expenses for re-renting the Leased Premises and second to pay any amounts Tenant owes under this Lease. Tenant shall be responsible for paying the difference between the amount of rent owed by Tenant under this Lease and the amount of rent received by Landlord from the new tenant, together with any court costs and attorney's fees. If Landlord recovers possession of the Leased Premises after Tenant moves out, Landlord may consider Tenant's personal property to also have been abandoned. Landlord shall be free from liability from the disposal of said personal property in any manner that the Landlord thinks is proper.

16. Damage to Leased Premises. If the Leased Premises is destroyed or damaged not due to the fault of Tenant or Tenant's guests, and the Leased Premises, or any substantial part thereof, is unfit for use as a personal residence, Tenant shall not be required to pay rent for the time the Leased Premises cannot be used. If part of the Leased Premises cannot be used, or can only be partially used, Tenant must only pay rent for the usable part. If the Leased Premises is substantially damaged or destroyed (meaning 50% or more of the structure is unusable). Either Landlord or Tenant may terminate this Lease by written notice to the other within thirty (30) days of the event causing the damage or destruction and Landlord shall have no obligation to Tenant to rebuild or repair the Leased Premises.

17. Insurance. Landlord shall maintain fire insurance with extended coverage endorsement and broad peril coverage for Landlord's benefit during the term of this Lease. Tenant shall be responsible for any and all insurance covering Tenant's personal property located on the Leased Premises and shall hold Landlord harmless from any claims for damage to or destruction of such personal property.

18. Condemnation. If any part of the Leased Premises is taken or condemned for a public or quasi-public use, or any transfer made in lieu of condemnation, and a part of the Leased Premises remains which is suitable for the use contemplated by this Lease, this Lease shall terminate only as to the part so taken and shall continue in full force as to the remaining part. The date of termination as to a part so taken shall be the date on which the condemnor takes title. The rent payable after that date shall be adjusted so that Tenant shall pay only such portion of the rent as the value of the part remaining bears to the total value of the Leased Premises on the date of the taking. If all of the Leased Premises is taken or condemned, or so much is taken that the use by Tenant shall be substantially impaired, Tenant may terminate this Lease. All compensation awarded upon any condemnation or taking shall go to Landlord.

19. Late Payment and Interest. All payments required to be paid by Tenant under the provisions of this Lease shall bear interest at the greater of the following rates:

- a.) Eighteen percent (18%) per annum; or
- b.) The highest rate allowed by applicable law.

Interest shall accrue commencing on the due date of each such payment and continuing until the date such payment is actually received by Landlord. In addition to the foregoing interest, a late penalty charge on all payments paid after the fifth (5th) day of the calendar month in which such payment is due and in the amount of five percent (5%) of the monthly rental due shall become due and payable to Landlord.

20. Default and Remedies. The occurrence of any one or more of the following events shall constitute a default by Tenant under this Lease which default shall provide the Landlord with the remedies set forth below.

20.1 If Tenant fails to pay any rent within five (5) days of its due date, Landlord shall be entitled to recovery of unpaid rent, together with all costs and expenses (including attorney's fees) lawfully and reasonably incurred in enforcing payment of such rent, together with interest as herein provided. Tenant shall also indemnify Landlord against all reasonable costs and expenses (including attorney's fees) agreement of Tenant herein contained.

20.2 If Tenant shall fail to perform any act on its part to be performed under this Lease, and such failure shall continue for a period of ten (10) days after written notice thereof from Landlord, Landlord may, but shall not be obligated to, perform such act without waiving or releasing Tenant from any of its obligations relative thereto. All sums paid or costs incurred by Landlord in so performing such acts, together with interest at the rate provided in this Lease, from the date each payment or costs were made or incurred by Landlord, shall be payable by Tenant to Landlord as additional rent on demand.

20.3 Any of the following events shall occur:

- i. Vacation or abandonment of the Leased Premises by Tenant;
- ii. Appointment of a receiver or trustee for Tenant in any Court, which appointment is not vacated within thirty (30) days;
- iii. Tenant is adjudicated bankrupt or insolvent or makes an assignment for the benefit of creditors;

- iv. Tenant fails to make timely payment of any rent due under this Lease;
- v. Tenant violates any of the other covenants, terms or conditions of this Lease and such violation remains uncured for a period of ten (10) days after notice thereof in writing, provided that if such violation would reasonably require more than ten (10) days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within the 10-day notice period and thereafter promptly and continuously prosecutes such cure to completion;

20.4 In the event of default as above defined, which default has not been timely cured after Tenant has been given notice of default as required herein, Landlord may, without notice or any form of legal process re-enter up and take possession of the Leased Premises or any part thereof and remove and sell the equipment, trade fixtures and personal property as are on the Leased Premises and owned by Tenant. If any of Tenant's property is disposed of as herein provided, ten (10) days prior notice to Tenant of disposition shall be deemed to be commercially reasonable and Landlord may apply the proceeds of any such disposition to any payments to which Landlord is then entitled under this Lease. If Landlord is entitled to or does re-enter, Landlord may terminate this Lease giving notice thereof, and in such event Tenant shall immediately vacate and surrender the Leased Premises.

20.5 Without limiting any other provision of this Lease, if Landlord re-enters or if this lease is terminated, Tenant shall pay to Landlord on demand as follows:

- i. Rent up to the time of re-entry or termination;
- ii. All reasonable expenses incurred by Landlord in performing any of Tenant's obligations under this Lease, re-entering or termination and re-letting, collecting sums due or payable by Tenant, including Landlord's reasonable attorney's fees and the expense of keeping the Leased Premises in good order and repair;
- iii. All damages for the loss of income of Landlord expected to be derived from the Leased Premises, less the amount, if any, received by Landlord from other tenants leasing the Leased Premises. Such damages shall be payable on the first day of each month during the period which would have constituted the unexpired term of the Lease had this Lease not been terminated.

21. Invalidity of Particular Provisions. In the event any provision of this lease is or becomes invalid, void, illegal or unenforceable, it shall be considered separate and severable from the Lease and the remaining provisions shall continue in force as though such provision had not been included.

22. Heirs and Assigns. The terms of this Lease apply to the Tenant and Landlord and to their heirs, legal representatives, successors and assigns.

23. Subordination. Tenant agrees that this Lease shall be subordinate to any mortgage that may hereafter be placed upon the property of which the Leased Premises is a part and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof. Tenant further agrees that upon notification by Landlord to Tenant, this Lease shall

be or become prior to any mortgage that Tenant may or may attempt to be placed on the Leased Premises. Tenant shall execute and deliver whatever instruments may be required for the above purposes, and failing to do so within ten (10) days after demand in writing, does hereby make, constitute and irrevocably appoint Landlord as its attorney-in-fact and in its name, place and stead so to do.

24. Notices. All notices, demands and requests which may or are required to be given by either party to the other shall be in writing and shall be deemed given when sent by United States Certified mail, postage prepaid: (a) if for Tenant, addressed to Tenant at the address of the Leased Premises; or (b) if for Landlord, addressed to Landlord at: North Branch EDA, Attention EDA Executive Director, P.O. Box 910, North Branch, MN 55056 or such other place as Landlord may from time to time designate by written notice to Tenant. Notices shall also be deemed given if and when given to the other party in person.

25. Restrictions On Use. Tenant shall not use or permit the Leased Premises, or any part of the Leased Premises, to be used for any purposes other than those set forth in this Lease. Tenant shall neither use nor permit on the Leased Premises any act, sale or storage that may be prohibited under standard forms of fire insurance policies, including the installation of a wood burning stove in the house or garage. In addition, no use shall be made or permitted to be made on the Leased Premises or any part thereof that shall result in: (a) waste on the Leased Premises; or (b) a public or private nuisance. Tenant shall comply with all governmental regulations and statutes affecting the Leased Premises either now or in the future.

26. Miscellaneous Provisions. The following miscellaneous provisions are hereby made an integral part of this Lease:

26.1 No Joint Venture. Nothing contained in this Lease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or a partnership or a joint-venture between the parties hereto.

26.2 Gender. Whenever herein the masculine gender is used, the same shall include the feminine and neuter genders and the singular number shall include the plural.

26.3 Remedies. The various rights and remedies contained in this lease and reserved to each of the parties hereto shall not be considered as exclusive of any other right or remedy of such a party, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other part of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

26.4 Headings. The headings of the several articles and paragraphs contained herein are for convenience only and do not define, limit or construe the contents of such articles.



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/03/2025

Board & Commission: Economic Development Authority

Subject: Consider approval of Minnesota Rail Service Improvement (MRSI) Grant

Background Info

The EDA has received a purchase agreement for the sale of 120 acres of land in the Interstate Business Park. One of the key components to the land sale is rail access to the site. The Mn Department of Transportation has a Minnesota Rail Service (MRSI) Grant currently available provides grants for freight rail service improvement projects that support economic development. City staff have been in contact with members of the local rail authority, and they have been successful in obtaining funding through this program in the past with the use of the consulting company, Prime Focus LLC. City staff have contacted Prime Focus LLC, and they have provided a flat fee amount of \$7,500 for their services to submit a grant application. The maximum amount of funding available is \$1 million per grant application and does not require matching funding.

The grant application deadline is January 9, 2026

Additional information on the grant can be found at:

<https://www.dot.state.mn.us/ofrw/railroad/mrsi-grant.html>

Requested Action

To recommend authorizing approval of staff to submit an application to MRSI and to authorize an amount not to exceed \$7,500

Voting Requirements:

Voting Options **Simple Majority**



Prepared By:

Presenter:

Date: 12/05/2025

Board & Commission: City Council

Subject: Consider Support of Approval of Resolution R-273-2025 approving engineering service contract with WSB for the Fletcher Ave Street and Utility Extension Project

Background Info

The City Council will be considering the attached resolution at their meeting on Dec 9.

Requested Action

Requested action is support of the Resolution from the EDA

Voting Requirements:

Voting Options **Simple Majority**



NORTH BRANCH
City of North Branch
Staff Report

Prepared By: Justin Messner, City Engineer

Heidi Hamilton, Senior Project Manager

Presenter: Justin Messner, City Engineer

Date: December 9, 2025

Board & Commission: City Council

Subject: Resolution R-273-2025 Approving Engineering Services Contract for the North Fletcher Avenue Road and Utility Extension Project

Introduction:

The Fletcher Avenue Road and Utility Extension Project will include the extension of Fletcher Ave north from its current terminus north of Fletcher Court to the segment of Fletcher Avenue that extends south from 410th Street. The road will be designed to match the existing section and include an 8' bituminous trail on either side. The roadway is planned to be designated as a Municipal State Aid Street and will be designed to MSA Standards.

Utility extensions will include a 20" watermain in Fletcher Avenue and an 18" sanitary sewer line from the current Goodview Avenue terminus at 402nd Street.

The design project will also include the development of plans to extend Goodview Avenue 800' and include two 8' wide bituminous trails on each side of the roadway. A 12" watermain will be included for the length of the road extension. This roadway and watermain is planned to be bid as an alternate. Construction costs for the alternate have not been included in the \$4,108,846.35 budget.

Background Information:

This roadway and utility extension provides important infrastructure connections within the industrial Park. It is being proposed at this time to support the LP Siding project that is moving forward concurrently. The proposed scope of services includes all necessary surveying, preliminary and final design, development of construction documents including final plans and project specifications and bidding assistance. This work also includes construction administration, construction inspection and materials testing as required by the city.

Funding/Financing:

The total project budget is \$4,108,846.35. The project will be funded from a \$1,050,000 Business Development Infrastructure Program grant from the State of Minnesota, proceeds from the sale of land in the interstate business park and the City’s Street Improvement Fund. In the event, the sale of the land does not take place, the project scope for construction would be reduced to the limits of the existing BDPI project.

Next steps:

Council Authorize Plans and Specs, Award Consultant Contract	December 9, 2025
Council Authorizes Bid	December 9, 2025
Completion of Final Design	December 2025 - March 2026
Open Bids	April 2026
Council Awards Bid	April 2026

The first step for this project is to approve the engineering services contract with the City's Engineering Firm, WSB. The contract for services includes the preparation of the project design plans, materials testing, construction observation, bid preparation and publishing, creating the bid tabulation and bid verification with letter of recommendation for award of the project. I have included a copy of the full scope of services for your review. I am asking council to consider approving in the form a motion the following three items.

Staff Recommendation:

Motion to approve the resolution authorizing preparation of plans and specifications for the Fletcher Avenue Street and Utility Extension Project, authorizing advertisement for bids and approving attached engineering proposal with WSB.

Voting Requirements:

Majority vote.

Attachments:

1. WSB Proposal

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

CITY COUNCIL RESOLUTION NO. R-273-2025

Resolution R-273-2025 Approving Engineering Services contract for the Fletcher Avenue Street and Utility Extension Project

WHEREAS, the city has an Industrial Park that requires infrastructure improvements to support development, and

WHEREAS, WSB, the City Engineer, has estimated the cost of the North Fletcher Avenue Road and Utility Extension Project at \$4,108,846.35. The fees for WSB to complete the plans and specifications, ad for bid, construction inspection and observation, materials testing is estimated at a fee of \$504,301 as noted in the attached report.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH BRANCH, MINNESOTA THAT:

The City of North Branch Council approve the North Fletcher Avenue Road and Utility Extension Project Services Contract with WSB as presented, and that the total project budget is estimated at \$4,108,846.35 and includes construction costs as well as all survey, engineering, construction administration, inspection, materials testing and contingency costs. The project will be funded from a grant from the State of Minnesota and the City's Street Improvement Fund and with potential proceeds from the sale of land in the interstate business park.

Adopted by the council on this 9th day of December 2025.

Kevin Schieber, Mayor

Attested:

Matthew Hill, City Administrator



SCOPE OF SERVICES

North Fletcher Avenue Road and Utility Extension Project

FOR THE CITY OF NORTH BRANCH



December 9, 2025

Mr. Matthew Hill
City Administrator
City of North Branch
6408 Elm Street
North Branch, MN 55056

Re: North Fletcher Avenue Road and Utility Extension Project
Work Plan – Design & Construction Services

Dear Mr. Hill:

As requested, the following work plan outlines the scope of services and the associated engineering and construction fee necessary to complete the North Fletcher Avenue Road and Utility Extension Project, including survey, design, construction and final project closeout.

Enclosed you will find a proposal to complete the tasks associated with the referenced project. The proposal includes an hourly breakdown to complete each of the tasks necessary to complete the work.

We appreciate the opportunity to provide you with this proposal and are again looking forward to working with you and your staff toward the completion of this project. Please feel free to contact me directly with any questions or concerns you may have.

If you have questions about the content of this scope of services, please feel to reach out at jmessner@wsbeng.com or 612.388.9652.

Sincerely,

WSB

Justin Messner, PE
Director of Municipal Services



PROJECT UNDERSTANDING

It is our understanding that the City of North Branch seeks to extend North Fletcher Avenue north from its current terminus on the south end of the North Branch Industrial Park to the segment of Fletcher Avenue that extends south from 410th Street.

It is understood that the existing 36-foot roadway width will be matched, and the road will be designed to Municipal State Aid Standards including curb and gutter and stormwater drainage to the regional pond, and 8-foot wide bituminous trails on both sides of the roadway. A 20-inch watermain will be extended in Fletcher Avenue. An 18-inch trunk sanitary sewer will be extended north approximately 1,230 feet from the end of Goodview Avenue, west to approximately 1,000 feet to Fletcher Avenue, and then north 2,050 feet to the existing segment of Fletcher Avenue that extends south from 410th Street. See attached map titled Fletcher Avenue Extension Project.

In addition to Fletcher Avenue, the city desires a plan for the 800' extension of Goodview Avenue, including a 12-inch watermain extension. Goodview Avenue will be designed to match the existing road section, as a 32-foot wide local street with 8-foot wide bituminous trails on both sides. This will be included as an alternate in the bid documents and constructed if favorable bids are received and these improvements fall within the project budget.

The proposed scope of services will include all necessary surveying, preliminary and final design, development of construction documents including final plans and project specifications and bidding assistance. This work also includes construction administration, construction inspection and materials testing as required by the city.

PROJECT APPROACH/SCOPE OF SERVICES

The following approach will describe the professional services necessary to complete the requested scope of services.

Task 1 | Data Collection

WSB will collect existing information necessary to complete the design for this project. Scope of work for this task includes:

- Gopher State One Call - WSB will submit a Gopher State One Call Ticket for the project areas to assemble utility information which will be shown on the plans.
- Topographic Survey – WSB has completed topographic survey and drone survey as part of a separate project. WSB will perform additional site survey as needed to complete the road design.

Task 2 | Design and Bidding

WSB will provide design and complete the contract documents necessary to construct the project as described:

Subtask 1.1 – Preliminary and Final Design

WSB will complete the project design and contract documents for this project. Scope of work for this task includes:

- Perform initial Gopher State One Call and identify potential utility impacts.
- WSB will attend two meetings with city staff and project representatives if desired to review possible roadway alignments and utility requirements.



- Perform four soil borings once road corridor is defined. Provide soil boring report with improvement recommendations.
- Prepare a short memo that outlines the following natural resources considerations and ties-together the previous AUAR review. The memo will also revisit the relevant mitigation measures/commitments from the AUAR.
 - Wetland Conservation Act & U.S. Army Corps of Engineers wetland review. Should be a no-loss. Based on the cursory review, it does not appear there are any wetlands, also noted in the previous AUAR.
 - DNR-Minnesota Conservation Explorer (MCE)/Natural Heritage Information System (NHIS) data request.
 - USFWS – Information Planning and Consultation (IPaC) data request. This is outside of the rusty patched bumble bee zone.
 - Cultural – We have a letter on file from SHPO from the previous AUAR process, documenting clearance for this area. Per that letter, we understand no cultural resources review is required.
- Prepare 60% plan set for review by city staff.
- Coordinate with MnDOT State Aid office for project review and approval.
- Prepare and submit applications for the necessary permitting agencies. It is assumed the following permits will be needed for the project:
 - NPDES Storm Water Permit (MPCA)
 - MN Department of Health Watermain Plan Review
 - Sanitary Sewer Extension Permit (MPCA)
- Coordinate with private utility companies who may plan to locate in the improvement corridor. This coordination will include providing drawings to any affected utility companies and answering questions about the project.
- Prepare 100% plan set for review by city staff. The City Engineer will be integrally involved in the review of the project through the final design process to ensure the quality of the final plans and specifications.
- Finalize bidding documents, including engineer's cost estimate. City Council to authorize bidding.

Subtask 1.2 – Bidding

WSB will complete the project design and contract documents for this project. Scope of work for this task includes:

- Prepare and upload bidding documents to QuestCDN.
- WSB will field bidder's questions and attend the bid opening.
- Prepare a bid tabulation and letter of recommendation for the award of the project.

Task 3 | Construction Contract Administration, Observation

WSB will provide construction observation services for the project. It is assumed that construction will require full-time inspection of 16 weeks. This work includes the following:

Subtask 3.1 – Construction Contract Administration

WSB will provide contract administration for this project. Our project team will work with the contractor and the city to ensure construction work and activities will be constructed in accordance with the plans and standards and are correctly and adequately documented throughout the project. Scope of work for this task includes:



- Attend construction meetings for close coordination of day-to-day progress of work and ensure the project is completed as intended. It is assumed weekly construction meetings will be coordinated with WSB office hours.
- Communicate as needed with interested stakeholders to keep them informed regarding the impact of construction in the area.
- Review, document and file contractor permits, submittals, test reports, and certificates of compliance.
- Accurately verify contract pay items.
- Prepare all pay vouchers in accordance with project revenues and expenses.
- Prepare contract change documents and cost estimates with negotiations with the contractor on any contract changes.
- Respond to all contractor requests for information (RFI).
- Complete all necessary field finalizing of the project documentation in accordance with project specifications.

Subtask 3.2 – Construction Observation

WSB will provide Construction observation services through construction of the project and final project closeout. This will include:

- Construction survey and staking.
- Record all construction activities daily, making a complete and accurate record of all events.
- Ensure construction practices and materials used on site are compliant with project specifications.
- Accurately measure and record contract pay items daily.
- Perform daily reviews of construction signing, detour signing, and construction traffic control maintenance.
- Communicate regularly with the Project Manager, Contractor, City, and involved stakeholders.
- Perform reviews of temporary and permanent erosion control measures on the project for compliance with applicable permits and specifications.
- Provide services required under this contract as necessary to accommodate the contractors schedule and needs.
- Exercise the “Authority and Duties of the Inspector” as necessary

Task 4 | Material Testing

WSB will provide material testing services for construction based on the testing rates as defined in the City Standard Specifications for Construction.

SCHEDULE

It is understood that the grant funding received for this project requires the project to be completed during the 2026 summer construction season. To meet the desired project completion date, we propose the following schedule:

Authorization to begin Design.....	December 9, 2025
Survey	December 2025
Design	December 2025 - March 2026
Bid opening	April 2026
Begin construction.....	May 2026



Project closeout..... November 2026

PROPOSED FEE

WSB will provide the services as outlined in Project Approach / Scope of Services. Our budget was developed based on our understanding of the scope and experience with similar types of projects. The following is a summary of the costs for each phase of the project:

Task	Description	Fee
1	Plans/Specifications/Bidding	\$245,024
2	Platting (As Needed)	See Statement Below
2	Construction Survey/Administration/Observation	\$230,332
3	Material Testing	<u>\$28,945</u>
	Total	\$504,301

Based on the proposed task hour budget, WSB will complete the scope of services previously discussed on an hourly basis for an estimated fee of **\$504,301**. Platting services for the North Branch Industrial Park will be carried out as required, according to the existing contract with the North Branch EDA for ALTA/NSPS Surveys and Preliminary Plat Services.

If additional work outside of the above-described scope is determined to be necessary, it will proceed only after City approval. This additional work would be billed on an hourly basis in accordance with the WSB 2026 Fee Schedule.

ACCEPTANCE

This letter represents our entire understanding of the project scope. All work under this letter proposal will be governed by the Professional Services Agreement entered into between the City of North Branch and WSB on January 4, 2022. If the scope and fee appear to be appropriate, please sign on the space provided and return one copy to our office. We are available to begin work once we receive signed authorization.

ACCEPTED BY:

City of North Branch:

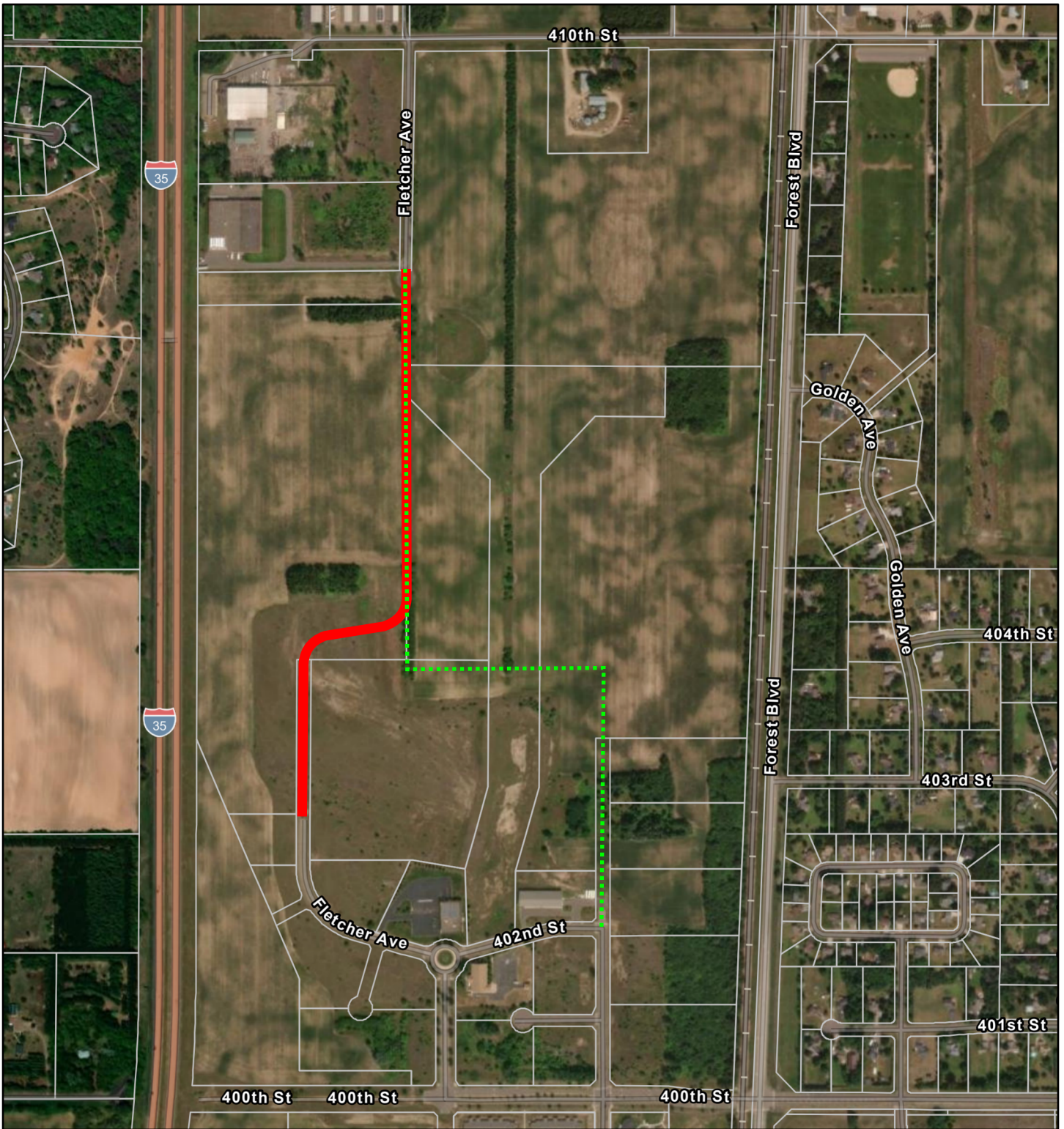
I hereby authorize WSB to proceed with the above-referenced work under the terms and conditions of the Professional Services Agreement entered into between City of North Branch and WSB on January 4, 2022.

Signature: _____

Name/Title: _____

Date: _____

Fletcher Avenue Extension Project



December 5, 2025

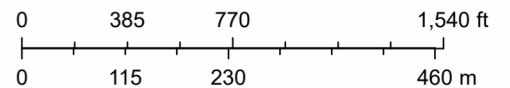
--- City Boundary

▭ Parcels

— Street Extension

- - - Proposed Sanitary Sewer

1:12,000



Vantor, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community

