



# NORTH BRANCH

## —Minnesota—

Sara Paul  
Chair

Dennis Johnson  
Vice Chair

Jessica Thelander  
Commissioner

Marshall Saunders  
Commissioner

Patrick Meachem  
Councilmember

Cassie Keocher  
Commissioner

Kevin Schieber  
Mayor

**ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR AGENDA  
TUESDAY, JANUARY 20, 2026 @ 3:30 PM  
CITY HALL, 6408 ELM STREET, NORTH  
BRANCH, MN 55056**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. OATH OF OFFICE

a. Oath of Office - Cassandra Keocher

VERBAL  
UPDATE

5. 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.*

6. AGENDA APPROVAL

a. Approve Agenda

ACTION

7. 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 December 9, 2025 EDA meeting minutes

ACTION

8. REPORTS

- |    |   |                  |
|----|---|------------------|
| a. | Chisago County HRA-EDA Update   | VERBAL<br>UPDATE |
| b. | North Branch Area Chamber of Commerce Update                                | VERBAL<br>UPDATE |
| c. | North Branch Area Schools Update  | VERBAL<br>UPDATE |
| d. | EDA Executive Director Update   | VERBAL<br>UPDATE |
| e. | Comprehensive Plan Update   | INFO             |
| f. | Appoint Chair and Vice Chair for 2026                                       | ACTION           |
| g. | Consider approval of the 2026 EDA Meeting Calendar                          | ACTION           |
| h. | Interstate Business Park Platting - Essby Business Park 5th Addition        | VERBAL<br>UPDATE |
| i. | Consider Approval of Residential Lease Agreement - Interstate Business Park | ACTION           |
9. NEXT MEETING - February 17, 2026 - 3:30 PM
10. CLOSED SESSION
- |    |  |      |
|----|--|------|
| a. | Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 3, Block 1, Essby Business Park, North Branch, Minnesota | INFO |
|----|--|------|
11. 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: 12/17/2025**

**Board & Commission: Economic Development Authority**

**Subject: Approval of December 9, 2025 EDA meeting minutes**

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Approval of December 9, 2025 EDA Minutes

**Voting Requirements:**

**Voting Options          Simple Majority**



# 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**

## **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, December 9, 2025**

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

Commissioner Marshall Saunders 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 Koecher

**Absent:** Commissioner Dennis Johnson

**Remote:**

**Others Present:**

**Notes:**

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.*

Jim Swenson, County Commissioner, signed up for Public Comment.

Tim MacMillian, North Branch School Board Chair, signed up for Public Comment.

5. AGENDA APPROVAL

a. Approve Agenda

ACTION

**RESULT:** Passed

**MOVER:** Jessica Thelander

**SECONDER:** Marshall Saunders

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

**ABSENT:**

**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 November 18, 2025 EDA Minutes

ACTION

**RESULT:** Passed

**MOVER:** Marshall Saunders

**SECONDER:** Jessica Thelander

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

**ABSENT:**

**NOTES:**

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

Community Development Director Nate Sondrol presented the 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.

Motion to open Public Hearing at 3:45 PM.

**RESULT:** Passed

**MOVER:** Patrick Meacham

**SECONDER:** Jessica Thelander

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

**ABSENT:**

**NOTES:**

Kelly Neider and Tim MacMillian spoke in support of the sale of the property.

Motion to close the Public Hearing at 3:49 PM.

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

Motion for 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

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

8. REPORTS

a. Chisago County HRA-EDA Update VERBAL  
UPDATE

Community Development Director Nate Sondrol gave the Chisago County HRA-EDA Update. The HRA EDA has two new grant programs that they will be giving more information about soon. They have received the Retail Trade Analysis Report, and they will have a presentation in late January or February. County Commissioner Jim Swenson announced that Nancy Hoffman received the Executive Director of the Year for Minnesota. Kudos to Nancy for all of her hard work!!

b. North Branch Area Chamber of Commerce Update VERBAL  
UPDATE

Community Development Director Nate Sondrol gave the North Branch Area Chamber of Commerce update. The Chamber is in the process of getting its new Board of Directors. The Chamber also had its Holiday Party today.

c. North Branch Area Schools Update VERBAL  
UPDATE

Chair Sara Paul gave the North Branch Area Schools Update. She noted students sang at the Chamber Holiday Party, and also at the Tree Lighting this past weekend.

She added that the District has gone through a year-long Facilities Study and as a result of the study, the District will be moving a few programs. She noted the following move a grade level from Sunrise, and they will be creating an early learning center at the Education Center. The District Center staff will be moving to the Middle school and this does not require asking for additional money.

Sh noted the District is going out for a Technology Levy, which is a renewal that supports Technology throughout the District. There will be no change in taxes, and it is a renewal. This vote will be February 10th, 2026.

d. EDA Executive Director Update

VERBAL  
UPDATE

Community Development Director Nate Sondrol gave the EDA Executive Director Update.

e. Grocery Market Study

ACTION

Community Development Director Nate Sondrol introduced the Grocery Market Study. He informed ROIC Analytics completed the study, looked at different formats, including both a small and a larger format store, and looking at multiple areas of North Branch. The smaller market store, such as Aldi or a Walmart Neighborhood store, would be the best fit for North Branch after looking at the impact on sister stores and the demographics of North Branch.

Motion to accept the Grocery Market Study Reports from ROIC Analytics.

**RESULT:**

**MOVER:** Patrick Meacham

**SECONDER:** Jessica Thelander

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

**ABSENT:**

**NOTES:**

f. Consider Approval of the 2026 Budget

ACTION

Finance Director Sharon Wright presented the 2026 Budget for the EDA. 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. She noted there is an overall increase in revenue from the 2025 budget. She added that 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.

Motion was made to accept the 2026 Budget.

**RESULT:** Passed

**MOVER:** Marshall Saunders

**SECONDER:** Jessica Thelander

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

**ABSENT:**

**NOTES:**

g. Consider Approval of Residential Lease Agreement - Interstate Business Park ACTION

Community Development Director Nate Sondrol presented the consideration for approval of the Residential Lease Agreement for the Interstate Business Park. 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 was 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.

Motion made 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.

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

h. Consider approval of Minnesota Rail Service Improvement (MRSI) Grant ACTION

Community Development Director Nate Sondrol presented the consideration of approval of the Minnesota Rail Service Improvement (MRSI) Grant. 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 of the land sale is rail access to the site. The Minnesota Department of Transportation has a Minnesota Rail Service (MRSI) Grant currently available, providing 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

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

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

**ABSENT:**

**NOTES:**

- 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

Community Development Director Nate Sondrol presented considering the support of approval of Resolution R-273-2025 approving engineering service contract with WSB for the Fletcher Avenue Street and Utility Extension Project.

He noted that the Fletcher Avenue Road and Utility Extension Project will include the extension of Fletcher Avenue 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" water main 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" water main will be included for the length of the road extension. This roadway and water main is planned to be bid as an alternate. Construction costs for the alternate have not been included in the \$4,108,846.35 budget.

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.

Motion to recommend providing support to the city council to approve Resolution R-273-2025 approving the engineering service contract with WSB for the Fletch Avenue Street and Utility Extension Project.

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

**ABSENT:**

**NOTES:**

9. NEXT MEETING - January 20, 2026

10. ADJOURNMENT

The Economic Development Authority Meeting was adjourned at 4:45 PM.

**RESULT:**           **Passed**

**MOVER:**           **Patrick Meacham**

**SECONDER:**       **Jessica Thelander**

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

**ABSENT:**

**NOTES:**



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

**Presenter:**

**Date: 01/12/2026**

**Board & Commission:**

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

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Chisago County HRA-EDA Update

**Voting Requirements:**



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

**Presenter:**

**Date: 01/12/2026**

**Board & Commission:**

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

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North Branch Area Chamber of Commerce Update

Below is a link to the January 2026 Chamber update

<https://vimeo.com/1154409513?fl=pl&fe=sh>

**Voting Requirements:**



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

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

**Date: 01/12/2026**

**Board & Commission:**

**Subject: North Branch Area Schools Update**

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North Branch School Update

**Voting Requirements:**



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

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

**Date: 01/12/2026**

**Board & Commission:**

**Subject: EDA Executive Director Update**

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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, Matthew Hill, City Administrator**

**Date: 01/12/2026**

**Board & Commission: Economic Development Authority**

**Subject: Comprehensive Plan Update**

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#### **Background Info**

The Comprehensive Plan Steering Committee requests that the Planning Commission review two specific sections of the 2018 Comprehensive Plan:

- **Section 2: Values and Vision (all groups will review this section)**
- **Section 5: Economic Development**

Your focused review is vital as we move toward the final revision of the plan. This should include a thorough overview of the current language, and listing any changes that the group feel necessary due to the changes and growth of the City.

We are establishing the following timeline for the process:

- **March 2026:** The Comprehensive Plan Steering Committee will convene to review the individual group findings.
- **April or May 2026:** Presentation of the Comprehensive Plan review results to the Planning Commission for consideration and Council approval in June.

Supporting documents are attached, including:

- Sections 2 and 5 of the Comprehensive Plan, and a link to the entire document <https://www.northbranchmn.gov/228/Comprehensive-Plan>
- Summary of the feedback forms from the community questionnaires

Staff are also requesting to begin working on identifying goals for the upcoming year and are looking to begin discussion on these.

**Requested Action**

To review the attached documents and be prepared for full discussion at the February 17, 2026 meeting.

**Voting Requirements:**

**Voting Options          Simple Majority**

# 2

## VALUES AND VISION

### Values

Residents and other stakeholders were asked what they loved about North Branch at the Community Expo, at a chamber meeting, and at the first community café. The values expressed most often were:

**THE STRONG SENSE OF COMMUNITY**

**A HOME TOWN FEEL**

**THE CITY'S COMMITMENT TO ITS PARKS AND TRAILS**

**A COMMUNITY THAT ENCOURAGES BIKING AND WALKING**

**QUALITY SCHOOLS**

These values were reiterated at each of the other three community cafes and served as the foundation for the vision statements expressed below.

### *Vision for North Branch in 10 years .....*

North Branch is a growing and safe community with outstanding natural and recreational amenities and opportunities for all, and well maintained infrastructure, vibrant business districts and neighborhoods, and provides residents with an excellent quality of life.

### *Vision for Land Use*

The City of North Branch is a complete community that provides a well-balanced and wide range of places to live, work, shop and play. Land uses make efficient use of existing infrastructure, contribute to a strong local economy, preserve natural resources and contribute to a high quality of life.

#### Residential Uses

A diverse housing stock allows people at any stage in their life to be able to find a home in North Branch. Older housing is well maintained while new development expands housing options to complement existing neighborhoods.

#### Commercial and Industrial Uses

A significant amount of commercial and industrial uses can be found within the City that allow residents to work in North Branch, while also being able to meet all of their day-to-day needs. Commercial and industrial uses are compatible with their surrounding land uses.

#### Public/Institutional

Public and institutional uses are viewed as valued resources to the community and contribute to making North Branch a better place to live and do business.



*North Branch is a growing and safe community with outstanding natural and recreational amenities and opportunities for all, and well maintained infrastructure, vibrant business districts and neighborhoods, and provides residents with an excellent quality of life.*

### Parks, Open Spaces and Trails

Quality parks and open space are within close proximity to all residents, providing recreational opportunities to encourage an active lifestyle. A wide variety of community facilities are provided to serve a range of interests. The City of North Branch has a proposed trail system that will allow bicycle and pedestrian access to most of the major pedestrian generators within the city, including schools, shopping areas, and parks. Many of the proposed trails are destinations in themselves, offering scenic walks or rides around many of the city's scenic views. With recreational activities such as running, bicycling, and walking increasing in popularity, the city's trail system will not only offer a recreational opportunity in itself, but will also help to connect the community's parks with the neighborhoods.

### *Vision for Economic Development*

A strong business community is the cornerstone of a vibrant city. Economic development encompasses the policies and activities that improve the long term economic and social wellbeing of the community. Communities with strong economies have financial resources to support the levels of service that their residents need and desire. Successful communities realize that economic development is about bringing together social, natural, infrastructure, and economic assets in the community to sustain the "whole" community.

### *Vision for Municipal Utilities*

The City of North Branch, individually and in collaboration with the North Branch Water & Light Utility, has a significant investment in its existing public utilities systems (water, wastewater and stormwater). The continued expansion and development within the Urban Service Area will require the extension of public utilities. In general, the existing infrastructure system is well-positioned and of adequate size to support expansion. However, coordination will be required between community development and the required expansion of the utility system. In some cases, the cost of providing utility service may dictate where and when future growth will occur.

### *Vision for Transportation*

North Branch is located at the cross roads of I35 and TH95, providing for ease in and out of the city. Within the city limits, however, these features will require a coordinated approach to providing movement of traffic through the city to local destinations, safe pedestrian and bike corridors, and improved intersections to safely serve the increasing number of commercial vehicles passing through North Branch.

### *Vision for the Environment and Sustainability*

Natural infrastructure includes all systems that relate to natural resources and contribute to an improved public life. Natural infrastructure considers the full range of natural resource uses including economic, environmental, health, cultural, and aesthetic. This broad view leads us to include surface water, groundwater, stormwater, wastewater, drinking water, geology, topography, soils, natural areas, open space, green spaces, urban forest, habitat, vegetation, scenic views, and parks and trails in natural infrastructure.

Natural infrastructure is a key element in planning where development should or should not take place within a city. This element is important to communities and development as it avoids certain development hazards, provides health benefits to citizens, protects ecological systems and enhances biological diversity, and offers communities unique quality of life components. Consideration of natural infrastructure ensures that homes are built upon stable dry soils, provides clean drinking water, accounts for resource based economic activities, provides scenic views and open spaces, and plans development that respect the integrity of natural systems and incorporate natural features into development.

### *Minnesota GreenStep City*

In 2018, the Mayor and City Council approved a resolution to make North Branch a GreenStep City through the MPCA and League of Minnesota Cities' program. Minnesota GreenStep Cities is a voluntary challenge, assistance and recognition program to help cities achieve their sustainability and quality-of-life goals. This free continuous improvement program, managed by a public-private partnership, is based upon 29 best practices. Each best practice can be implemented by completing one or more actions at a 1, 2 or 3-star level, from a list of four to eight actions. These actions are tailored to all Minnesota cities, focus on cost savings and energy use reduction, and encourage civic innovation. North Branch is currently a Step 1 City. As North Branch plans for the future, it will continue to consider GreenStep City Best Management Practices as they relate to the goals and objectives of this comprehensive plan.



# 5

## ECONOMIC DEVELOPMENT

### *Introduction*

A strong business community is the cornerstone of a vibrant city. Economic development encompasses the policies and activities that improve the long term economic and social wellbeing of the community. Communities with strong economies have financial resources to support the levels of service that their residents need and desire. Successful communities realize that economic development is about bringing together social, natural, infrastructure, and economic assets in the community to sustain the “whole” community.

The City’s Economic Development Authority recently adopted a strategic plan to guide and inform its decision making over the next 3 - 5 years. The EDA identified the following strategic priorities:

- Expansion of broadband (high speed internet)
- Business growth, including continued land sales and development
- Transportation
- Community
- Housing

### *Inventory and Analysis*

#### **Existing Characteristics of the Economy**

A significant number of North Branch residents commute to work, but have indicated via survey and other tools, that they would prefer to work in the city if comparable jobs were available. Therefore, retaining and attracting jobs is an ongoing objective for the City of North Branch. As of 2018 Assessment Year, non-residential property values amounted to \$146,754,700, as follows: commercial \$91,277,300, industrial \$22,953,100 and apartments \$32,524,300. The Minnesota Department of Employment and Economic Development estimates the unemployment rate in Chisago County at 3 percent, higher than the state average of 2.9 percent.

Table 5-A shows the employment and business profile of North Branch. The highest employment industry is health care and social assistance which provides 17.5 percent of all jobs in North Branch. Educational services is the second highest source of employment (13.1 percent), and construction, and other services provide about 12.6 percent each of the community’s total jobs. (Data-USA.com)

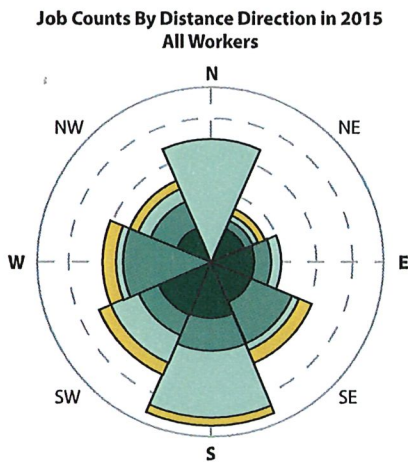
**Table 5 -A Business and Employment Statistics**

Name	Industry	Approximate # of Employees
North Branch School District	Education	388
Villages of North Branch	Elder Care	185
Andersen Windows	Manufacturing	180
Lakes Region EMS	Emergency Medical Services	92
County Market	Retail	90
Fairview Health System	Health Care	85
Branch Manufacturing	Manufacturing	72
Environmental Stoneworks	Manufacturing	69
Zinpro	Manufacturing	62
ShopKo	Retail	60
Wisconsin Coil Spring	Manufacturing	56

**Commuting**

According to the US Census as of 2015, 59.4 percent of North Branch residents commute more than 10 miles to work, resulting in an average commute time of 32.3 minutes trip.

**Figure 5-1: Commute Distances**



**Jobs by Distance | Work Census Block to Home Census Block**

2015

	Count	Share
<b>Total Primary Jobs</b>	3,366	100.0%
<b>Less than 10 miles</b>	1,368	40.6%
<b>10 to 24 miles</b>	1,148	34.1%
<b>25 to 50 miles</b>	614	18.2%
<b>Greater than 50 miles</b>	236	7.0%

## **Finance Tools**

Community development actions require a framework for financial decision-making. The investment of public dollars to achieve community development objectives should be guided by several key principles:

- Financial resources are limited. The city has limited funding to apply to community development initiatives, so the use of resources must be targeted to achieve the greatest effect on community needs.
- Financial decisions require a long-term perspective. The current use of financial resources may reduce monies available in the future. In evaluating short-term opportunities, it is important to question the long-term impact on community development.
- Public funds should lead to private investment. While this section focuses on public finance actions, the Comprehensive Plan cannot become reality without private investment. The use of public funds should be targeted to actions that encourage private investment in North Branch.

The area of North Branch located north of TH95 received Opportunity Zone designation by the US Department of Treasury. While the tax credit opportunities that this designation allows are a private sector concern, the City will promote this designation as a tool for land sales and development in the City's Interstate Business Park as well as the other undeveloped portions of the City within the designated Opportunity Zone census tract.

## **Tax Increment Financing**

Tax increment financing (TIF) is the primary development finance tool available to Minnesota cities (Minnesota Statutes, Sections 469.174 through 469.179). TIF is simple in concept, but complex in its application. Through tax increment financing, the property taxes created by new development (or redevelopment) are captured and used to finance activities needed to encourage the development. The challenge in using TIF lies with the complex and ever-changing statutory limitations.

## **Tax Abatement**

Tax abatement acts like a simpler and less powerful version of tax increment financing. With TIF, the city controls the entire property tax revenue from new development. Under the abatement statute (Minnesota Statutes, Sections 469.1812 through 469.1815), the city, county and school district have independent authority to grant tax abatement.

## **Special Assessments**

Public improvements are often financed using the power to levy special assessments (Minnesota Statutes Chapter 429). A special assessment is a means for benefiting properties to pay for all or part of the costs associated with improvements, and to spread the impact over a period of years. This tool can be applied to both the construction of new improvements and the rehabilitation of existing improvements.

## Grant Programs

Cities can leverage funding from various grant programs to help take on economic development initiatives. There are numerous grant programs available to cities provided by various state and federal agencies related to economic development and downtown redevelopment. The Community Development Block Grant program (CDBG) administered by the U.S. Department of Housing and Urban Development (HUD) provides grants on an annual basis to states and eligible local governments for community development activities. In some cases, communities may choose to use these dollars for business retention and job growth activities. The City should also explore the use of these dollars for downtown redevelopment. The Minnesota Department of Employment and Economic Development is another agency with financial assistance available to local governments for business development, infrastructure, community development and site cleanup and redevelopment. Many other funding sources exist and city staff should monitor and pursue these opportunities when appropriate.





*A significant number of North Branch residents commute to work, but have indicated via survey and other tools, that they would prefer to work in the city if comparable jobs were available.*

# GOAL 1

*Encourage economic growth to meet the demand for commercial and industrial development.*

## *Vision for Economic Development*

The City of North Branch will remain focused on retaining a high quality of life, while at the same time working to encourage and facilitate job growth in its commercial and industrial sectors.

## *Goals, Objectives, and Policies*

The following section outlines the primary goals for economic development, followed by a series of objectives and policies intended to influence future economic development efforts that align with the community visions in this plan.

### **OBJECTIVE 1.1**

#### **DEVELOP THE INTERSTATE BUSINESS PARK.**

##### *Policy 1.1.1*

*Strive to maximize the community's strategic location as a valuable resource, promoting the Opportunity Zone designation whenever possible.*

##### *Policy 1.1.2*

*Actively target companies, both large and small, that offer good employment prospects, draw from the local labor pool, and are good corporate citizens.*

##### *Policy 1.1.3*

*Work to maintain a labor force in the immediate area that supports the growth of business and industry in the Interstate Business Park, including but not limited to expanding the inventory of affordable housing, providing transportation alternatives and encouraging expansion of services.*

##### *Policy 1.1.4*

*Coordinate with stakeholders and regional partners to identify users of rail and support development of rail spur adjacent to the Interstate Business Park.*



**OBJECTIVE 1.2**

**REVITALIZE THE HISTORIC DOWNTOWN AREAS OF NORTH BRANCH.**

*Policy 1.2.1*

*Address unique development challenges including the reuse and redevelopment of vacant buildings in the historic downtown areas.*

*Policy 1.2.2*

*Explore and implement plans to enhance pedestrian friendly features, promote available parking, and collaborate with Minnesota Department of Transportation to establish safe pedestrian crossings at intersections within the downtown area.*

# GOAL 2

*Balance the use of undeveloped land and infill development throughout the City.*

## **OBJECTIVE 2.1**

**CONTINUE AND EXPAND REDEVELOPMENT EFFORTS.**

### *Policy 2.1.1*

*Foster private investment and economic activity without compromising community objectives to maintain and enhance North Branch's natural environment.*

### *Policy 2.1.2*

*Promote the areas north of TH95 as being designated for Opportunity Zone tax treatment to further enhance private investment in those areas.*



### **OBJECTIVE 3.1**

#### **RETAIN AND SUPPORT LOCAL BUSINESS AND INDUSTRY.**

##### **Policy 3.1.1**

*Set attracting new, and retention of existing, businesses and industries as a priority of the City's economic development plan.*

##### **Policy 3.1.2**

*Continue outreach by City Staff and Elected Officials whereby the City representatives meet periodically on an individual basis with businesses and industries to listen to concerns and discuss opportunities for success. During these meetings, identify any perceived or real barriers or obstacles (such as overly restrictive ordinances) that the City could potentially remove or minimize to help industries and businesses prosper, while still protecting the overall health, safety and welfare of the community.*

##### **Policy 3.1.3**

*Coordinate with regional organizations, the North Branch School District, higher education institutions, and others in their efforts to promote training opportunities that can help businesses and industries prosper. If appropriate, co-sponsor and/or offer City facilities and/or meeting space for employee training programs.*

##### **Policy 3.1.4**

*Continue to promote North Branch's high quality of life as a means to help attract new businesses and industries.*

##### **Policy 3.1.5**

*Continue to work with local businesses and industries to ensure needs for expansion and development are adequately met.*

##### **Policy 3.1.6**

*Pursue ways to streamline the development approval process while still maintaining high quality development standards, by using consistent work flow practices, checklists, and hosting developer information sessions regularly.*

##### **Policy 3.1.7**

*Periodically review and promote economic development incentive programs such as Tax Increment Financing (TIF), Tax Abatement, utility energy and water efficiency design and improvement programs, county and state waste and pollution prevention assistance and other regional, state and national loan, grant and incentive programs to support business growth and development.*

# GOAL 3

*Enhance North Branch's reputation as a resource to new and expanding businesses.*



# Comprehensive Plan Questionnaire: Key Patterns and Trends

## 1. Community Strengths and Identity

Across the early sections of the questionnaire (pages 2–3), respondents consistently highlight:

- A strong sense of community pride and belonging.
- The small-town feel and safety that make the area family-friendly.
- Deep appreciation for natural spaces, recreation, and access to the outdoors.
- Recognition that schools and local events form the heart of community identity.

**Trend:** The community’s greatest strength lies in its cohesion and shared values. Schools, local partnerships, and volunteerism serve as anchors of civic pride and engagement.

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## 2. Transportation and Accessibility

From the middle portion of the survey (around page 6), respondents discuss:

- A strong desire for safe biking and walking routes, particularly for students and families.
- Concerns about traffic flow near schools and main corridors.

**Trend:** Participants want more walkable, connected routes—aligning with health, safety, and sustainability goals. There is clear community interest in making it easier to move around town without a car.

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## 3. Education and Workforce Alignment

Later responses (pages 7–8) show widespread recognition of:

- Education quality as a defining strength of the community.

- Calls for more career-connected learning, technical training, and real-world skills.
- Alignment with the district’s goal of ensuring students graduate with a plan, not by chance.

**Trend:** The community supports educational innovation—especially programs that bridge academics with career readiness and local workforce opportunities.

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#### **4. Economic and Environmental Balance**

Responses from pages 9–10 highlight the desire to:

- Support small businesses and encourage local job creation.
- Promote sustainable growth that balances targeted industry development with environmental preservation.
- Explore renewable energy and responsible land use; Maintain and protect natural resources and open spaces.

**Trend:** Residents value a balanced approach—advancing economic opportunity while safeguarding the environment and rural character that define the community.

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#### **5. Community Engagement and Governance**

The final sections (page 11 and beyond) emphasize:

- Appreciation for transparent communication from local leaders.
- Calls for inclusive planning that welcomes voices from all age groups, especially youth and families.
- Recognition that civic collaboration is essential for moving forward.

**Trend:** There is strong appetite for collaboration and communication—people want to be informed, involved, and part of shaping the community’s future.



**Prepared By: Jason Ziemer**

**Presenter: Jason Ziemer**

**Date: 01/14/2026**

**Board & Commission: Economic Development Authority**

**Subject: Appoint Chair and Vice Chair for 2026**

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**Overview / Background:**

EDA bylaws require the annual appointment of a Chair and Vice Chair. This action is to occur at the first meeting of the year. Sara Paul was the Chair and Dennis Johnson the Vice Chair this past year. Bylaws do not permit any sitting Council member to serve as Chair or Vice Chair.

**Staff Recommendation:**

Appoint a Chair and Vice Chair for 2025.

**Recommended EDA Action:**

Motion to appoint a Chair and Vice Chair for 2025.

**Voting Requirements:**

**Voting Options      Simple Majority**



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

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

**Date: 01/15/2026**

**Board & Commission: Economic Development Authority**

**Subject: Consider approval of the 2026 EDA Meeting Calendar**

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**Overview / Background**

Per EDA bylaws, regular meetings of the EDA shall take place on the third Tuesday of each month at a time determined by the commission,(currently 3:30PM) or at such dates and times as determined by the EDA. Based on bylaws all meetings, except for the December meeting, shall occur on the third Tuesday of each month. The December meeting is required on the first Tuesday in order for the EDA to recommend its next year’s tax levy to the City Council for approval. The 2026 meeting dates are as follows:

January	20	July	21
February	17	August	18
March	17	September	15
April	21	October	20
May	19	November	17
June	15	December	01

**Staff Recommendation:**

Staff recommend formal adoption of the 2026 meeting calendar.

**Recommended EDA Action:**

Motion to set the 2026 EDA meeting calendar.

**Voting Requirements:**

**Voting Options            Simple Majority**



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

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

**Date: 01/15/2026**

**Board & Commission: Economic Development Authority**

**Subject: Interstate Business Park Platting - Essby Business Park 5th Addition**

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### **Background Info**

The North Branch EDA approved a purchase agreement with Louisiana Pacific (LP) for the sale of 120 acres in the Interstate Business Park at the December 9, 2026 meeting. LP is proposing a 200,000 + square foot manufacturing facility with outdoor storage of materials on the site.

The terms of the purchase agreement included a 180 day due diligence period with 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

City staff have been working with LP to address all of the conditions to allow for a closing. A public hearing has tentatively been scheduled on February 3, 2026 for the preliminary plat and conditional use permit for outdoor storage for the site.

**Requested Action**

Staff will provide a verbal update on the project and look for input and recommendations from the commission.I application and TIF application.

**Voting Requirements:**

**Voting Options          Simple Majority**



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

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

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

**Date: 01/16/2026**

**Board & Commission: Economic Development Authority**

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

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**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 15, 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.

The EDA discussed this at the December 9, 2025 meeting and recommended approval of the amendment to the lease at a reduced rate of \$3,500/month during the due diligence period.

Attached is the amendment to the lease.

**Requested Action**

To approve the attached first amendment to the lease agreement.

**Voting Requirements:**

**Voting Options          Simple Majority**



## FIRST AMENDMENT TO RESIDENTIAL LEASE

THIS FIRST AMENDMENT TO RESIDENTIAL LEASE AGREEMENT (the “First Amendment”) is made this 20th day of January, 2026, by and between the North Branch Economic Development Authority, a Minnesota municipal development organization, 6408 Elm Street, PO Box 910, North Branch, MN 55056 (“EDA”), and Mr. Barry Engdahl, a private individual located at 6247 410 Street, North Branch, MN 55056 (“LESSEE”); (collectively the “PARTIES”).

WHEREAS, on January 2, 2025, the EDA and LESSEE entered into a Residential Lease Agreement (the “Contract”), attached hereto as EXHIBIT A, leasing land owned by the EDA for residential purposes; and

WHEREAS, the original Contract term was for one year expiring on January 15, 2026, with the Contract then automatically converting to a month-to-month tenancy with which either party having the ability to terminate on 30 days advanced notice; and

WHEREAS, the EDA is currently under contract with a valid Purchase Agreement with the Louisiana Pacific Corporation, to sell the property on which the residential home sits to a for future commercial development purposes, which sale is currently in its due diligence period set to expire on June 15, 2026, although said due diligence period can be extended under the terms of the Purchase Agreement.

WHEREAS, the EDA and LESSEE have negotiated an agreement to lower the rent due under the Contract during the pendency of the due diligence period in exchange for the inconvenience of the site review work taking place on the property.

NOW, THEREFORE, for valuable consideration, the Contract is hereby amended as follows:

1. Rent Reduction. Section 4 of the Contract titled “Rent” shall be amended to the read (underlined language is new, other Contract language remains unchanged):

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. Rent shall be reduced to the sum of \$3,500 per month during the pendency of any due diligence period should the EDA enter into a contract to sell the property. The reduction shall remain in effect so long as the property is under a contract for sale and the due diligence period is still in effect as determined by the EDA at their sole discretion.

2. Recitals. The recitals hereto are made a part hereof.
3. Authorized Signatories. The Parties each represent and warrant to the other that (1) the persons signing this document are authorized signatories for the entities represented, and

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

4. Ratification. Except as amended herein, all provisions of the Contract are ratified and confirmed by both Parties.
5. Execution. This First Amendment may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document.

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF, the PARTIES have hereunto executed this First Amendment the day and year first above written.

**LESSEE: Barry Engdahl**

By: \_\_\_\_\_  
Barry Engdahl

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

**NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Sara Paul, Its Chair

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

By: \_\_\_\_\_  
Nathan Sondrol, Its Executive Director

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

**EXHIBIT A**

RESIDENTIAL LEASE AGREEMENT (attached hereto)

## RESIDENTIAL LEASE AGREEMENT

**THIS RESIDENTIAL LEASE AGREEMENT** ("Lease") is made and entered into effective the 2<sup>nd</sup> 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 410<sup>th</sup> 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 (15<sup>th</sup>) 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.

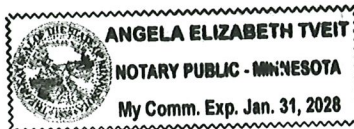
26.2 Gender. Whenever herein the masculine gender is used, the same shall include the feminine and neuter genders and the singular number shall include the plural.

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.



STATE OF MINNESOTA )  
 )  
COUNTY OF Isanti ) SS.



The foregoing instrument was acknowledged before me this 2 day of January, 2025 by Sara Paul and Nathan Sondrol, Chairperson and Executive Director, respectively, of the North Branch Economic Development Authority, a Minnesota Political subdivision on behalf of the Authority.

THIS INSTRUMENT DRAFTED BY:

City of North Branch  
6408 Elm Street, PO Box 910  
North Branch, MN 55056-0910  
Telephone: 651-674-8113  
Fax: 651-674-8262



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

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

**Date: 01/12/2026**

**Board & Commission: Economic Development Authority**

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

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**Voting Requirements:**

**Voting Options      Simple Majority**