



NORTH BRANCH

—Minnesota—

Kevin Schieber
Mayor

Robert Canada
Councilmember/Acting Mayor

Jeff Goulet
Councilmember

Jim Ibinger
Councilmember

Patrick Meacham
Councilmember

**CITY COUNCIL
REGULAR AGENDA
TUESDAY, APRIL 28, 2026 @ 6:00 PM
CITY HALL, 6408 ELM STREET, NORTH
BRANCH, MN 55056**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. AGENDA APPROVAL
 - a. Approve Agenda ACTION
5. STAFF REPORTS
 - a. Consideration of support for a TIF Application for the North Branch Independent Senior Living Facility ACTION
6. ADJOURNMENT

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided to the City Council on each Agenda item in advance from Staff and appointed Commissions; and decisions are based on this information and past experiences. In addition some items may also have been discussed preliminarily at Council Work Sessions. If you are aware of information that has not been discussed, please raise your hand to be recognized. Comments that are pertinent are appreciated. Items requiring excessive time may be continued to another meeting.



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 04/23/2026

Board & Commission: City Council

Subject: Consideration of support for a TIF Application for the North Branch Independent Senior Living Facility

Overview / Background

The City has received an application request for Tax Increment Financing (TIF) assistance from North Branch Independent Senior Living, LLC for the construction of a 105-unit multifamily senior independent residential development in North Branch. The proposed project is planned for the area located on the west side of Falcon Avenue south of the extension of 386th St. The property in consideration is currently utilized as vacant land that is zoned Business and guided as High Density Residential and an Independent Senior Community is a permitted use.

The proposed project would be required to provide public purpose and meet policy considerations. Attached is the city's housing policy.

Ehlers, the city's financial advisor, along with city staff and the developer will provide additional background relating to the project, TIF districts and preliminary findings at the meeting.

Enclosed is a memo from Ehlers, along with the applicants narrative and site plan concept for the site and the city's housing subsidy policy.

Requested Action

The developer is looking for initial City Council review and direction on the TIF application.

Voting Requirements:

Voting Options Simple Majority

MEMORANDUM

TO: Nate Sondrel – Community Development Director
 FROM: Schane Rudlang and Rebecca Kurtz - Ehlers
 DATE: April 23, 2026
 SUBJECT: North Branch Independent Senior Living – Preliminary Financial Review

The City of North Branch (“City”) received a request for public assistance for \$4,500,000 of Tax Increment Financing (“TIF”) from North Branch Independent Senior Living (“Developer”) for the construction of a 105-unit mixed income development currently called North Branch Apartments (“Project”). This memo summarizes a preliminary review of the financial request.

Project Background

The Project would be age restricted to those 55 and over and be targeted at ‘active adults’ without any specialized health or in-unit cleaning services. Tenants typically tend to be substantially older than the stated minimum age. Leases for this type of project are month to month, as opposed one year or longer leases. Twenty percent of the units would be restricted to those making 50% of area median income (“AMI”) or less, which would allow the Project to qualify as a Housing TIF District. The unit mix is as shown below.

Type	Market Rate	50% AMI	Total
1BR	34	15	49
2BR	23	6	29
1BR+Den	15	-	15
2BR+Den	12	-	12
Total	84	21	105
Percent	80.0%	20.0%	

TIF Estimate

Ehlers calculated the amount of TIF that would be generated by the Project using information from the assessor for the jurisdiction. Over 26 years, up to \$3 million of TIF could be generated. To arrive at that \$3 million estimate, an inflation rate on the value of 2% was included; if the actual value inflation rate is less than that then the total value of the district will be less.

Financial Review

The Developer submitted financial information (“Proforma”) for the Project to the City. Ehlers entered that information into an Ehlers Proforma model and reviewed the financials in the context of similar projects and relevant market information. Ehlers reviews the total development costs, loan parameters, equity amounts, rents, revenues, operating expenses, developer fees, and the cost of proving the affordable units to make sure they are within market norms. Ehlers then adjusted the Proforma to *stress test* whether the requested assistance is warranted, or if a lower amount of assistance is acceptable. Projects should perform well enough to receive bank financing and make a normal market profit on the equity invested, but the public assistance should not result in above-market profits.

The sources and uses for the project are as shown in the table below.

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	20,548,500	70%	195,700
Equity	8,806,500	30%	83,871
TOTAL SOURCES	29,355,000	100%	279,571

USES			
	Amount	Pct.	Per Unit
Acquisition Costs	800,000	3%	7,619
Construction Costs	24,399,191	83%	232,373
Professional Services	1,165,000	4%	11,095
Financing Costs	1,240,809	4%	11,817
Developer Fee	1,000,000	3%	9,524
Cash Accounts/Escrows/Reserves	750,000	3%	7,143
TOTAL USES	29,355,000	100%	279,571

TIF Range of Recommendation

At this stage of the review, some TIF is needed to make the project financially feasible that is likely to range between \$1.5 - 2.5 million (representing 10-20 years of TIF). The City is also desirous of construction some infrastructure that serves the Project but would also benefit adjacent sites. Some of the estimated \$3 million of TIF generated could be allocated to the infrastructure.

Lookbacks

Three lookbacks are standard in the industry and can be incorporated into a TIF agreement. These provisions allow public assistance to be reduced (right-sized) under the following circumstances and could be considered for this Project to measure its actual financial performance.

1. **Completion of Construction:** If actual development costs are lower than estimated.
2. **Stabilization:** Upon initial lease-up, if profitability exceeds current projections.
3. **Sale:** If the project is sold at some time in the future and annual income and sale price surpass estimates.

Summary

Ehlers will be prepared to discuss the current status of the financial review at the public meeting on April 28, 2026. As of the date of this memo, the Developer’s proforma is still being refined.

Exhibit A

North Branch Independent Senior Living

Project Narrative Statement

The forthcoming 105-unit senior independent living community in North Branch, Minnesota is thoughtfully designed to support active, healthy aging in a comfortable and engaging environment. The community will feature a diverse unit mix, including one-bedroom, one-bedroom plus den, and two-bedroom plus den residences, allowing residents to choose a home that fits their lifestyle and space needs. Each apartment will include a private patio or balcony, providing personal outdoor space and a strong connection to the surrounding neighborhood.

A wellness-focused design approach is central to the project, with a wide range of amenities that encourage physical activity, social connection, and everyday convenience. Residents will enjoy heated underground parking, a fully equipped fitness room, pickleball courts, community gardens, and multiple outdoor gathering and grilling areas. Indoor amenities will include an activities area, club room, and a coffee and snack bar, creating inviting spaces for residents to connect, relax, and participate in organized or informal activities.

This senior living community responds directly to the strong and growing demand for quality senior housing in the North Branch area. The site is located in a safe, well-lit, and walkable neighborhood that is experiencing continued growth and is conveniently close to local services and amenities. Together, the project's location, thoughtful unit design, and robust amenity package position it as a valuable addition to the community and an appealing option for seniors seeking independent living with a strong sense of place and well-being.

Project Description

- a. 105-unit Senior Independent Living/55+ Active Adult community on 5-acres to include heated underground parking along with indoor/outdoor amenities.
- b. Total building is 166,005 square feet. Three stories above grade at 41,967SF each level. 116 underground parking stalls.

Background and Experience of applicant in development

General partners of North Branch Independent Senior Living, LLC include Nate Wissink, Vishal Dutt, and Jeff Anneke.

NATE WISSINK

With over twenty-five years developing, investing, and constructing real estate, Nate Wissink is committed to placemaking with timeless architecture. Along with investing and developing multi-family projects, Nate is currently co-owner of Streeter Custom Builder (www.streeterhomes.com), a luxury residential construction company and owner of Curated by Streeter (www.curated.build), a national owner's representation firm. Noted for his ability to develop beautiful spaces, Nate is passionate about creating tangible experiences for the clients he serves.

As a project manager for Lander Group (www.landergroup.com), Nate oversaw the development of 9th Street Lofts, a 49 unit condo building in downtown St. Paul as well as West River Commons, a mixed use development with 50 apartments, 3 townhomes, and commercial space overlooking a public plaza. He was actively involved in the product development of Midtown Lofts (a 70 unit condo building on the Midtown Greenway), Printer's Row (a condo project in St. Paul), in addition to evaluating new project opportunities.

Initially serving as a project manager for Streeter & Associates, Inc. (www.streeterhomes.com), Nate has been an integral part of Streeter's growth over the last twenty years - locally as a custom home builder, and in the last five years, nationally as an owner's representative on significant residential projects. As co-owner of a 75 person firm, Nate has overseen hundreds of millions of dollars of construction in his tenure at Streeter, focusing on differentiated product and client experience. Currently, the owner's representation division of Streeter, Curated, is advising on more than \$100M in custom home and estate development.

Three notable developments that Nate has been involved with in the multifamily space over the last decade include: Gateway Four Seasons residences (product consulting for the ownership units), Eleven on the River (integral in the for-sale finish packages and buyer selection process for 100 units in the Robert AM Stern tower in downtown Minneapolis), and the development of a luxury 32 unit apartment building in Linden Hills, The Abbott (www.theabbottmpls.com).

Vishal Dutt

For more than 20 years, Mr. Dutt has specialized in ensuring financial and operational due diligence for all aspects of a real estate company, including capital and operating budgets, financial affairs, and capital stack structuring. He specializes in commercial real estate finance and structuring of deals for success.

Mr. Dutt has a long career of successfully transforming financial operations of real estate companies and restructuring and maximizing effectiveness of all aspects. Mr. Dutt is solutions-driven and prides himself on fully understanding the project at hand to ensure business plan is met.

Mr. Dutt has strong interpersonal skills to build effective relationships, positively influence decision-making to perform at optimal levels. Mr. Dutt's main attributes are leadership, change agent, trust, and persistence. These attributes have guided him personally and professionally. Mr. Dutt has previously co-sponsored a 120-unit multifamily development, Clover Ridge Apartments, in Chaska, MN. He also

co-sponsored a 150-unit multifamily development in Oakdale, MN, that was completed in 2023.

Jeff Anneke

Jeff Anneke, 57, is the Regional Vice President at DBS Group, LLC. Jeff has spent 6 years with DBS Group Jeff driving strategic partnerships with developers, real estate investors, business owners, and brokers primarily focused on the senior living and multi-family markets across the Upper Midwest. To bring projects forward, Jeff plays a key role in helping clients with project feasibility and financial viability through siteselection, planning, entitlements, incentives, and financing. Jeff also brings 25 years of expertise in developing, building, and managing investment properties.

Prior to his time at DBS Group, Jeff was an experienced Fortune 500 healthcare professional with twenty-years of experience holding positions of increasing responsibility in sales, major accounts and senior management working for Abbott Laboratories, Johnson & Johnson and Novo Nordisk, Inc.

Jeff holds a bachelor's degree in Business Administration from the University of Wisconsin-La Crosse. Always an active volunteer in the community, Jeff serves on the Board of Directors for the Two Rivers Habitat for Humanity and the Neuro Hospitality House. Jeff is also active with the Rochester Area Builders Association serving on the Commercial Builders Council Executive Committee. Jeff and his family live in Rochester, MN.

PARKING		
Level	Description	Count
Level 1	9' x 19' ADA Accessible	2
Level 1	9' x 19' Standard	52
Level -1	9' x 18' ADA Accessible	3
Level -1	9' x 18' Standard	113
		170

SURFACE PARKING	54
GARAGE PARKING	116
TOTAL PARKING (1.6 stalls/unit)	170

GROSS AREA TOTAL

Level 3	41,346 sf
Level 2	41,346 sf
Level 1	41,346 sf
Level -1	41,967 sf
Total	166,005 sf

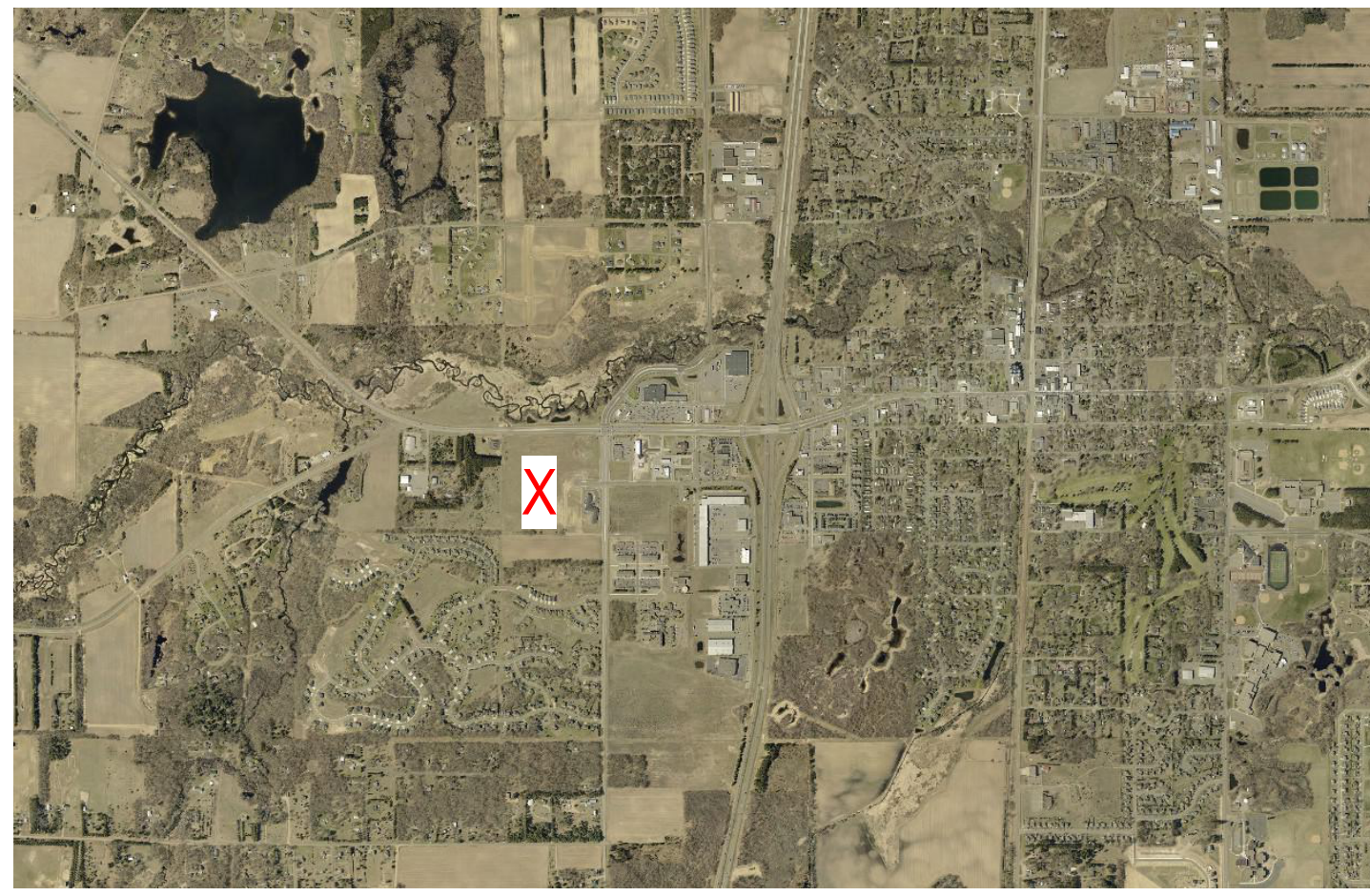
NET AREA UNIT MIX

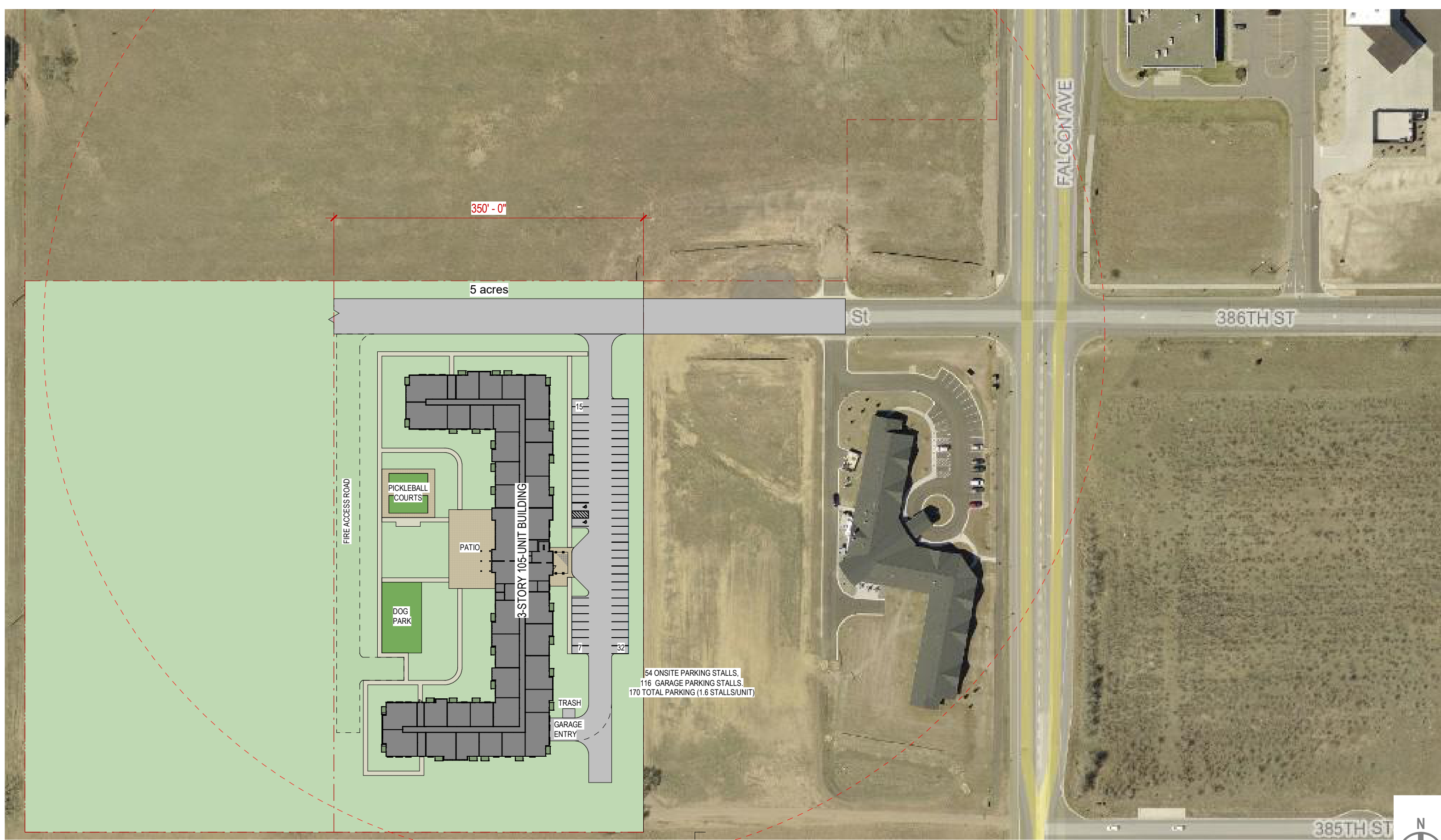
Name	Count	Unit Net
<u>1BR</u>		
Unit 1-0	27	667sf
Unit 1-1	22	716sf
<u>1BR+D</u>		
Unit 1-2	13	931sf
Unit 1-3	2	904sf
<u>2BR</u>		
Unit 2-0	11	983sf
Unit 2-1	12	1,036sf
Unit 2-2	6	1,038sf
<u>2BR+D</u>		
Unit 2-3	6	1,241sf
Unit 2-4	6	1,255sf
Total	105	

GROSS AREA UNIT MIX

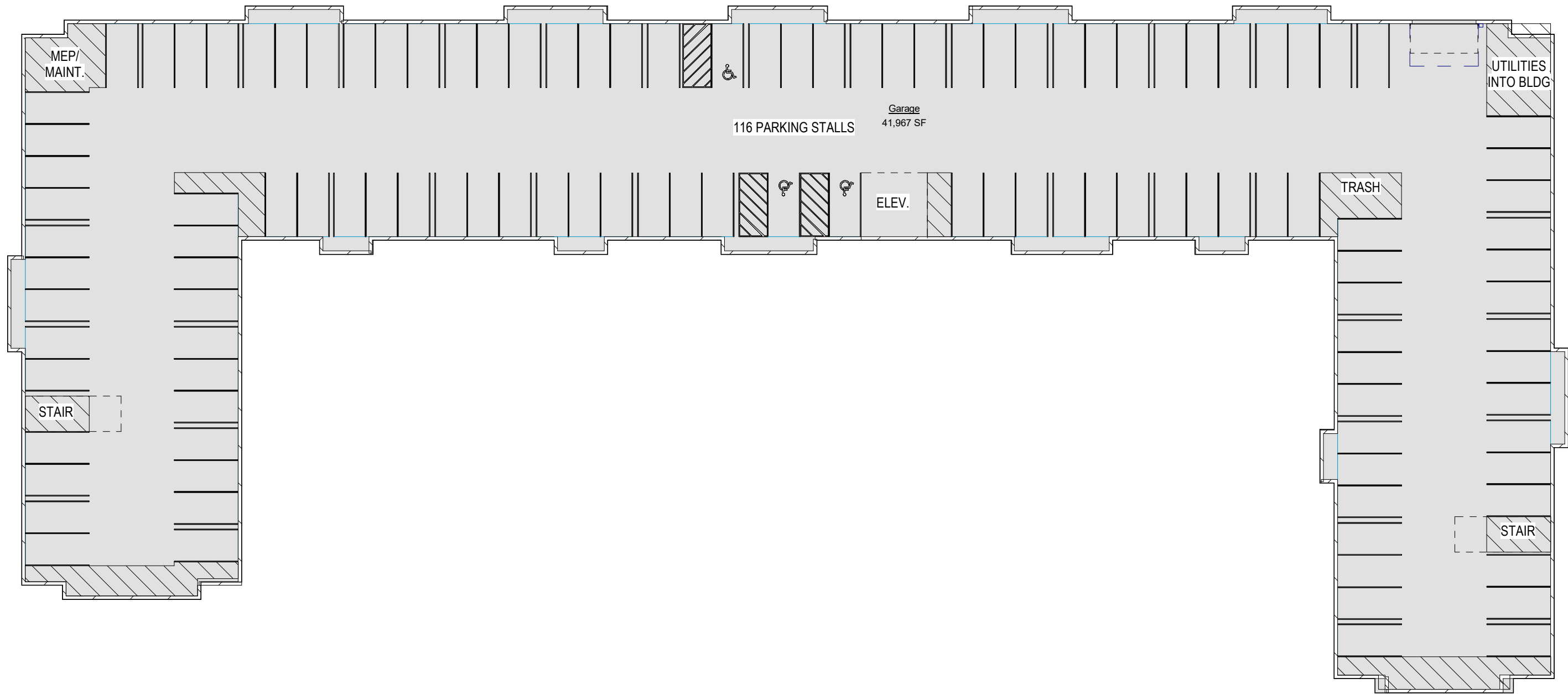
Name	Count	Unit Gross	Total Area	%
<u>1BR</u>				
Unit 1-0	27	718sf	19,386 sf	19.7%
Unit 1-1	22	770sf	16,940 sf	17.2%
<u>1BR+D</u>				
Unit 1-2	13	995sf	12,935 sf	13.1%
Unit 1-3	2	945sf	1,890 sf	1.9%
<u>2BR</u>				
Unit 2-0	11	1,050sf	11,550 sf	11.7%
Unit 2-1	12	1,105sf	13,260 sf	13.6%
Unit 2-2	6	1,108sf	6,648 sf	6.7%
<u>2BR+D</u>				
Unit 2-3	6	1,320sf	7,920 sf	8%
Unit 2-4	6	1,333sf	7,998 sf	8.1%
Total	105		98,107 sf	100%

Area Map (not to scale)





① SD Site Plan
1" = 100'-0"



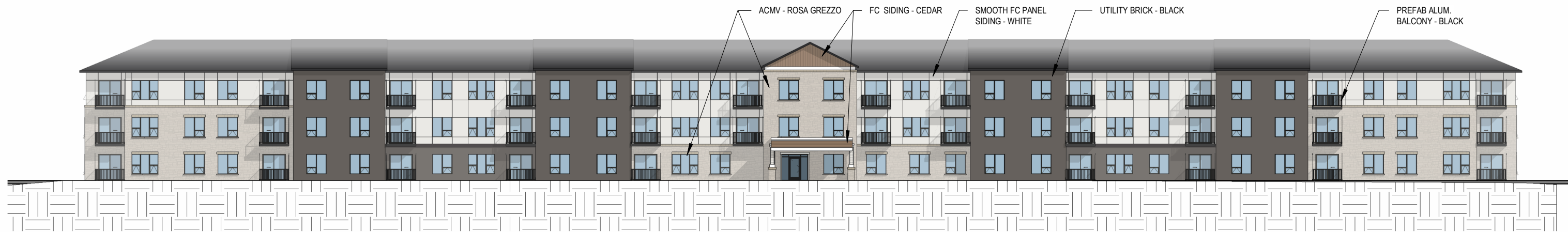
1 Garage Level
1" = 30'-0"



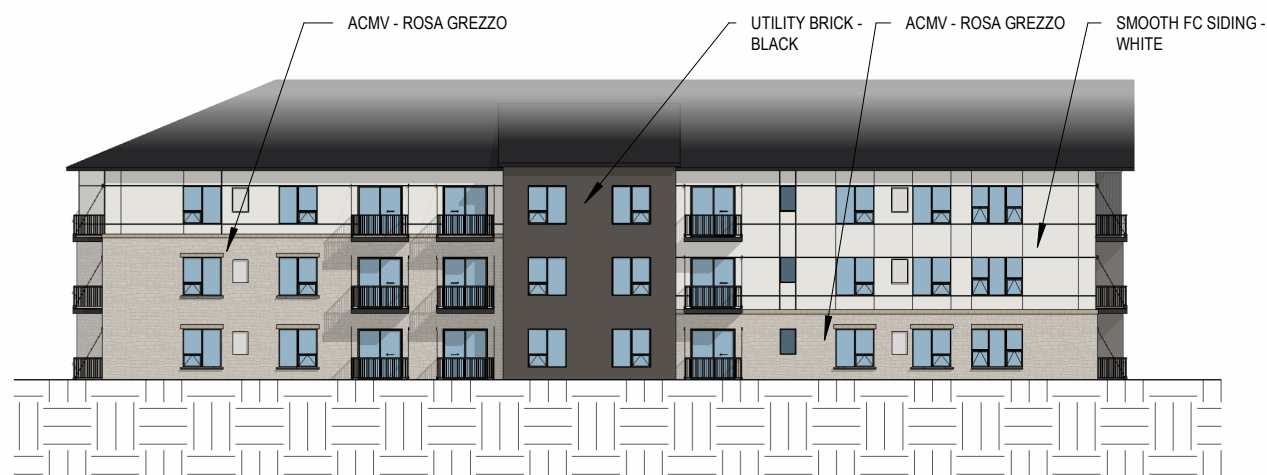


① Second & Third Floor
1" = 30'-0"

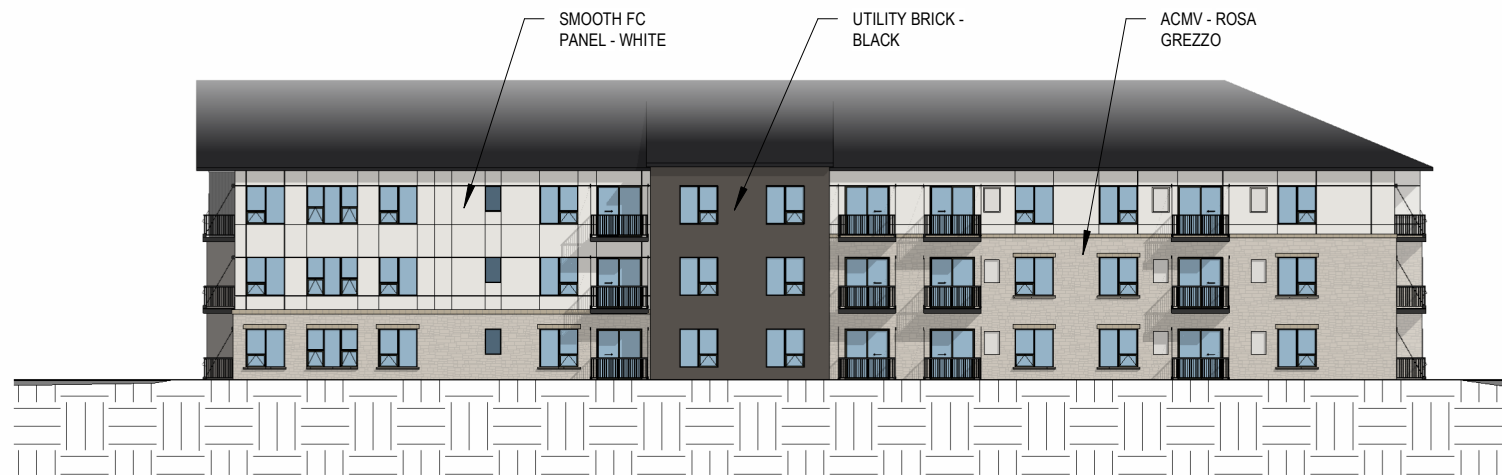




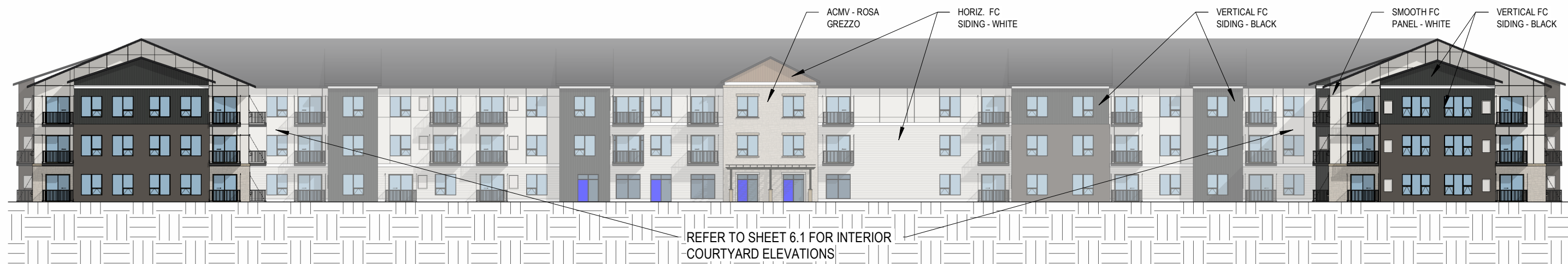
1 East Elevation
1" = 30'-0"



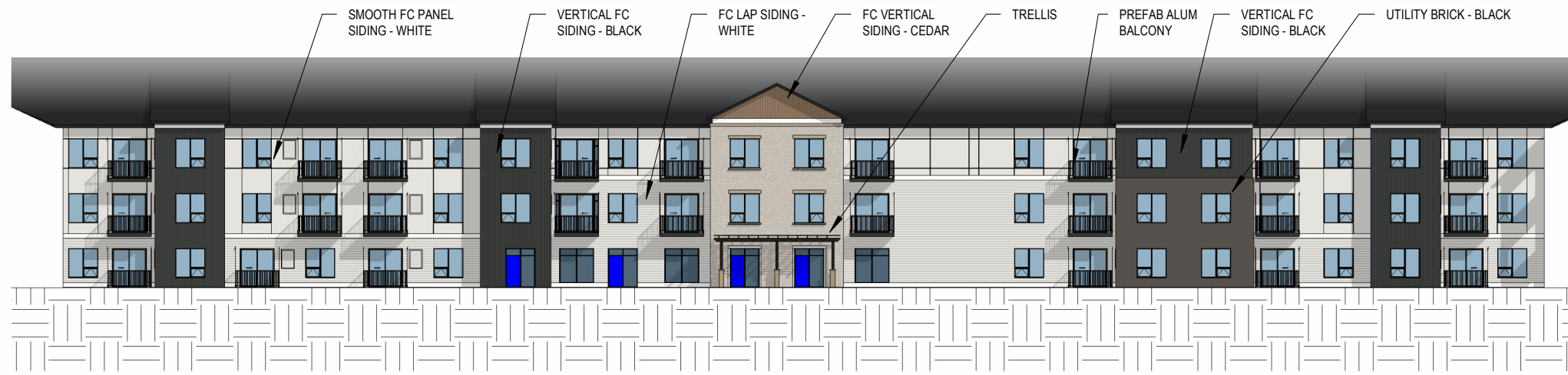
2 North Elevation
1" = 30'-0"



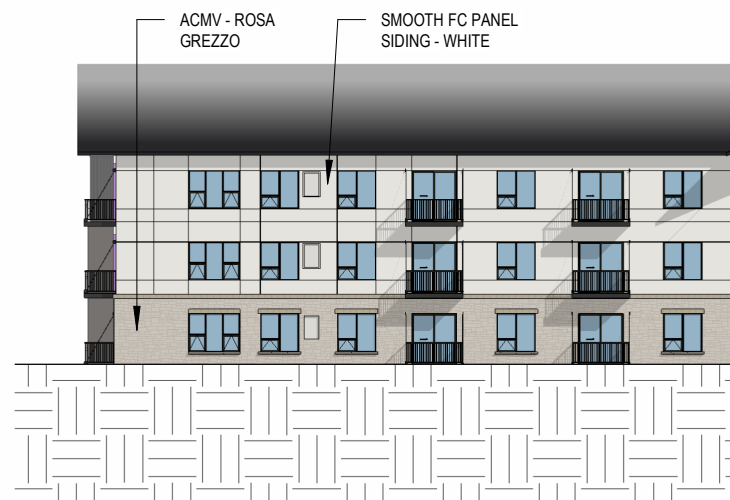
3 South Elevation
1" = 30'-0"



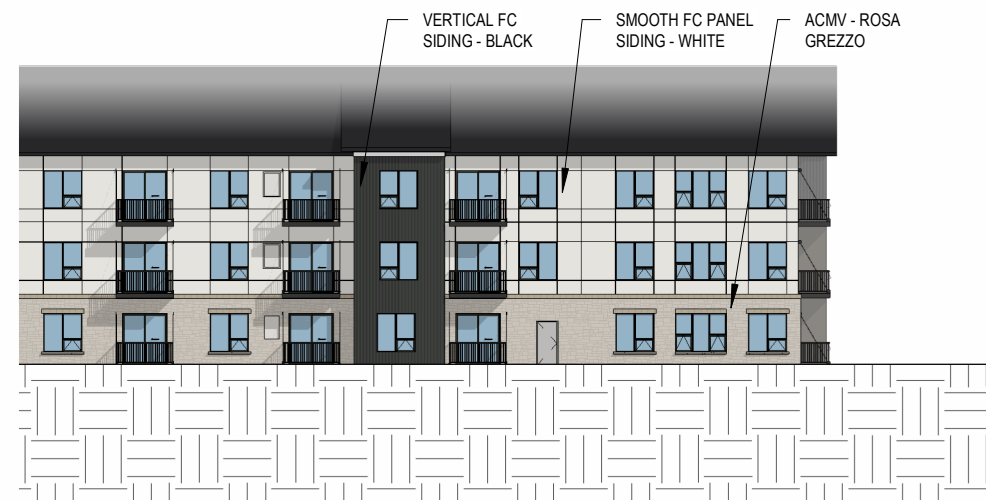
4 West Elevation
1" = 30'-0"



① Courtyard - West Elevation
1" = 30'-0"



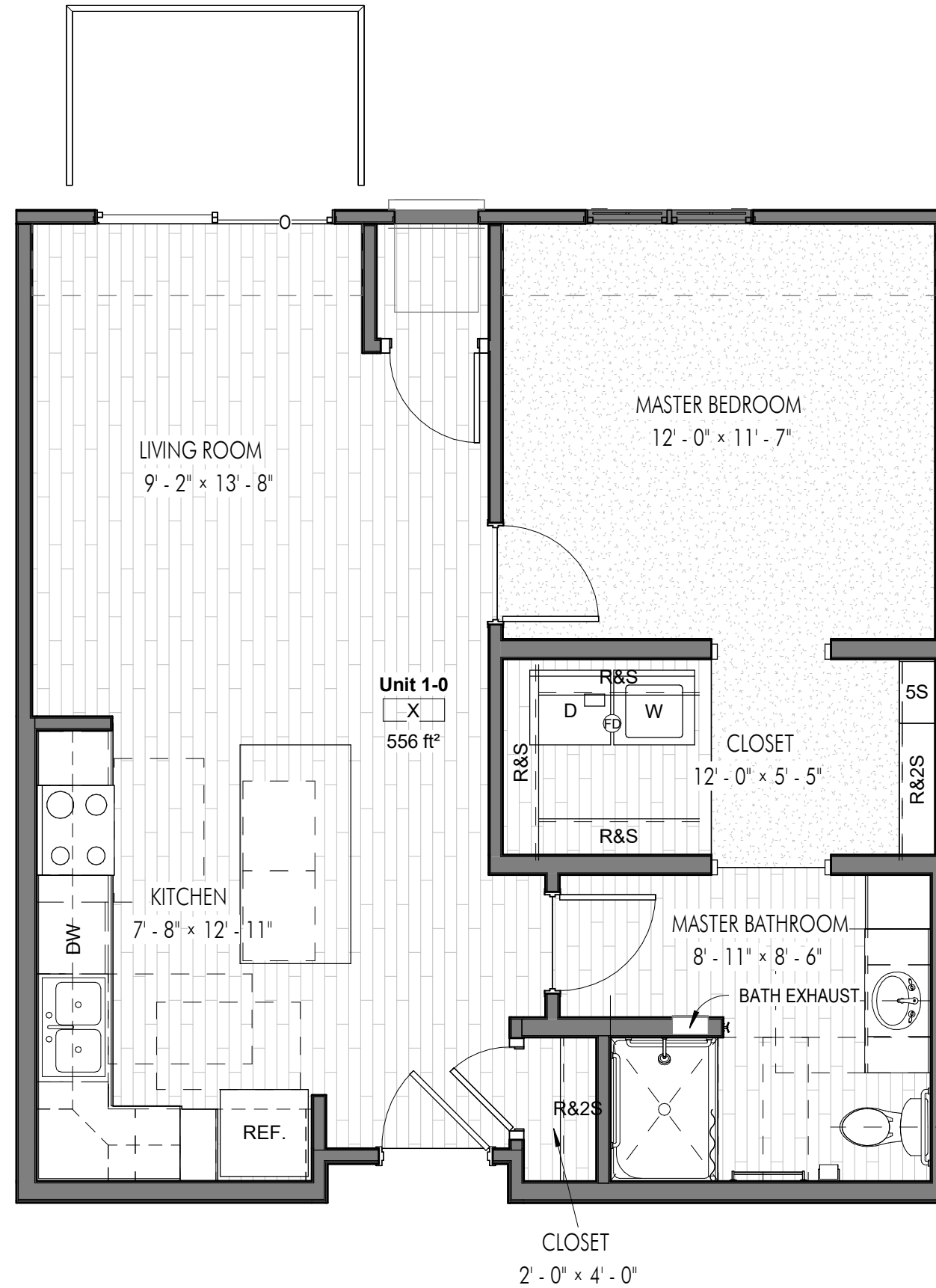
② Courtyard - North Elevation
1" = 30'-0"

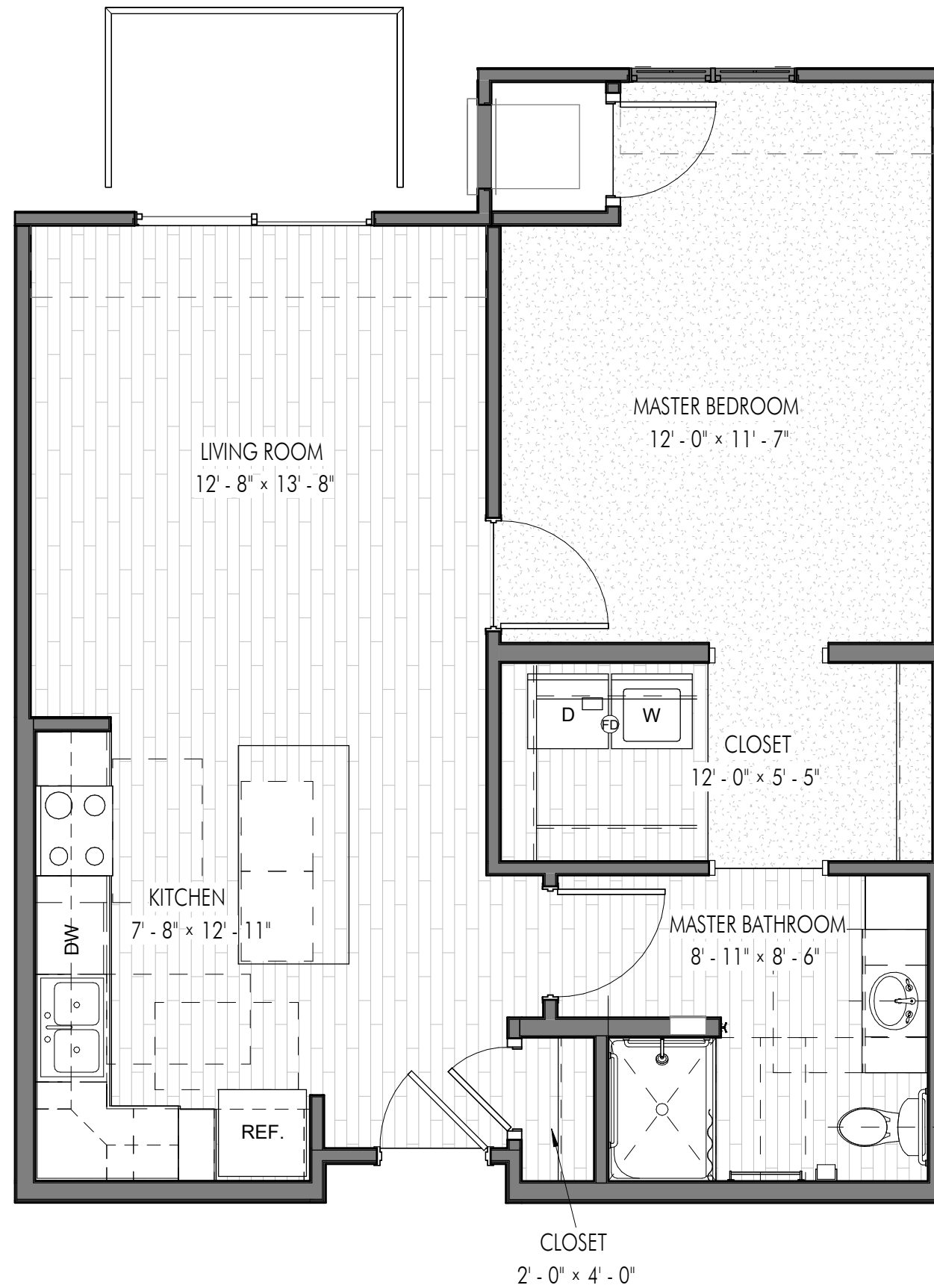


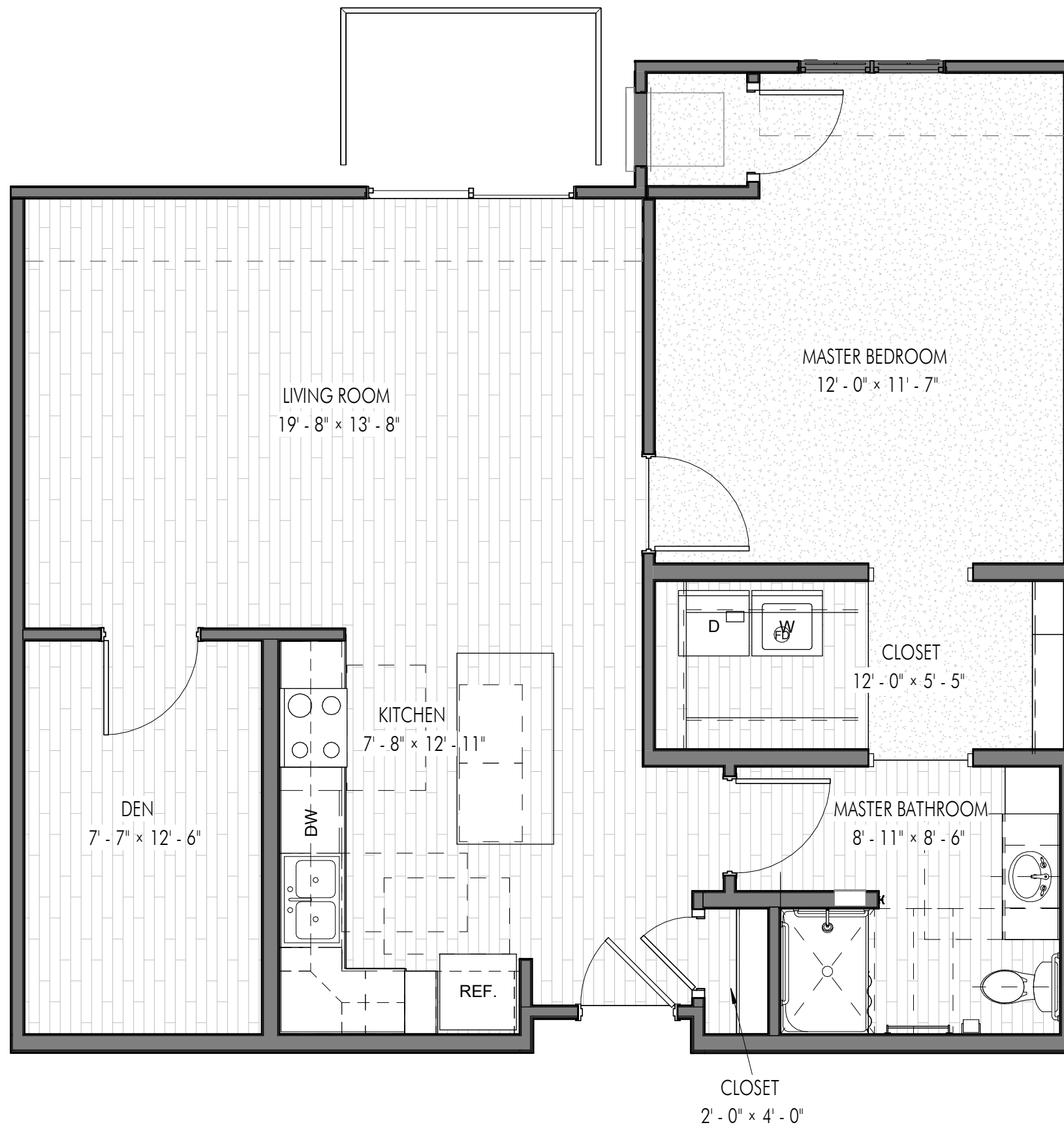
③ Courtyard - South Elevation
1" = 30'-0"

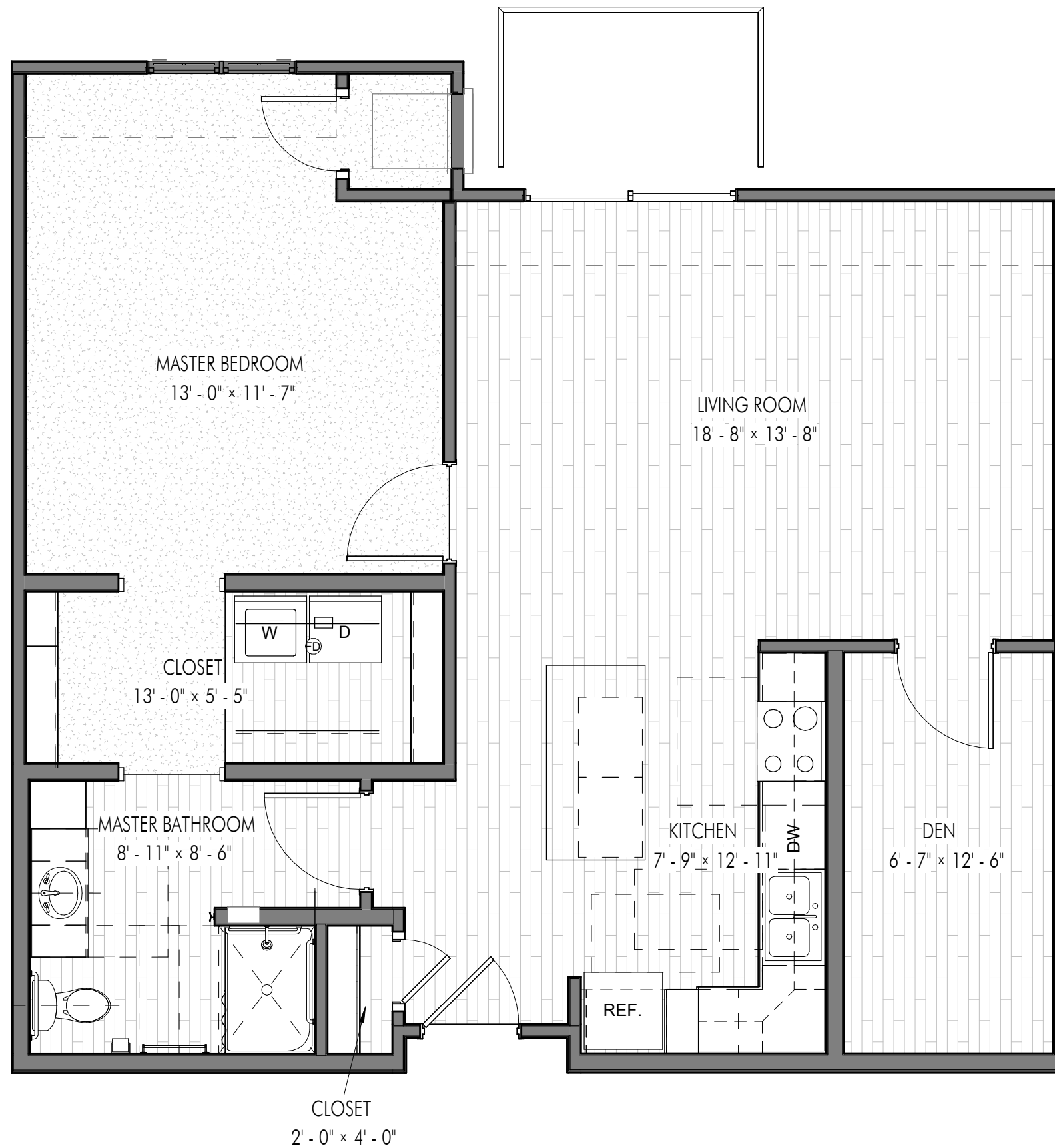


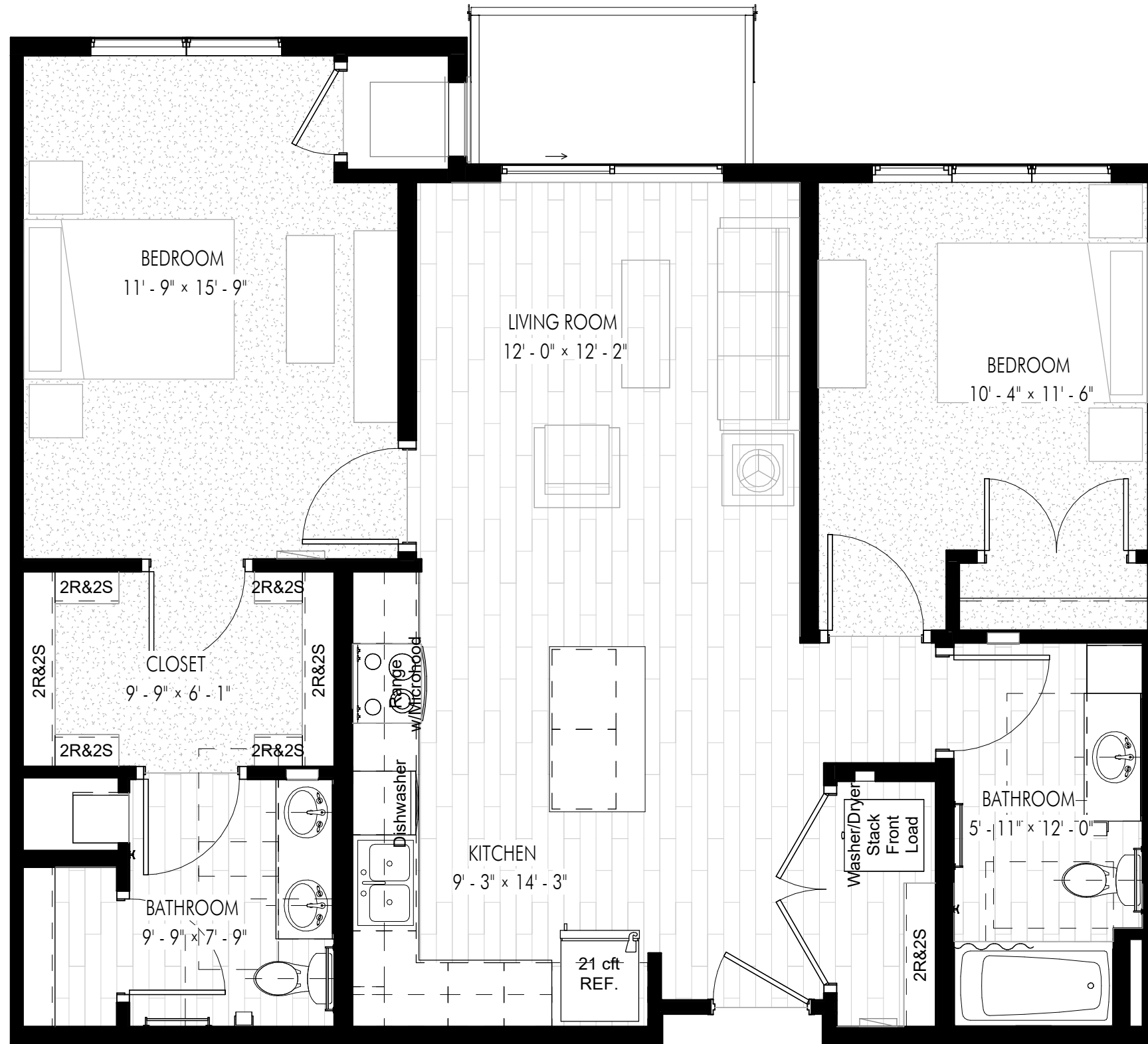
Schematic Design - Concept Image

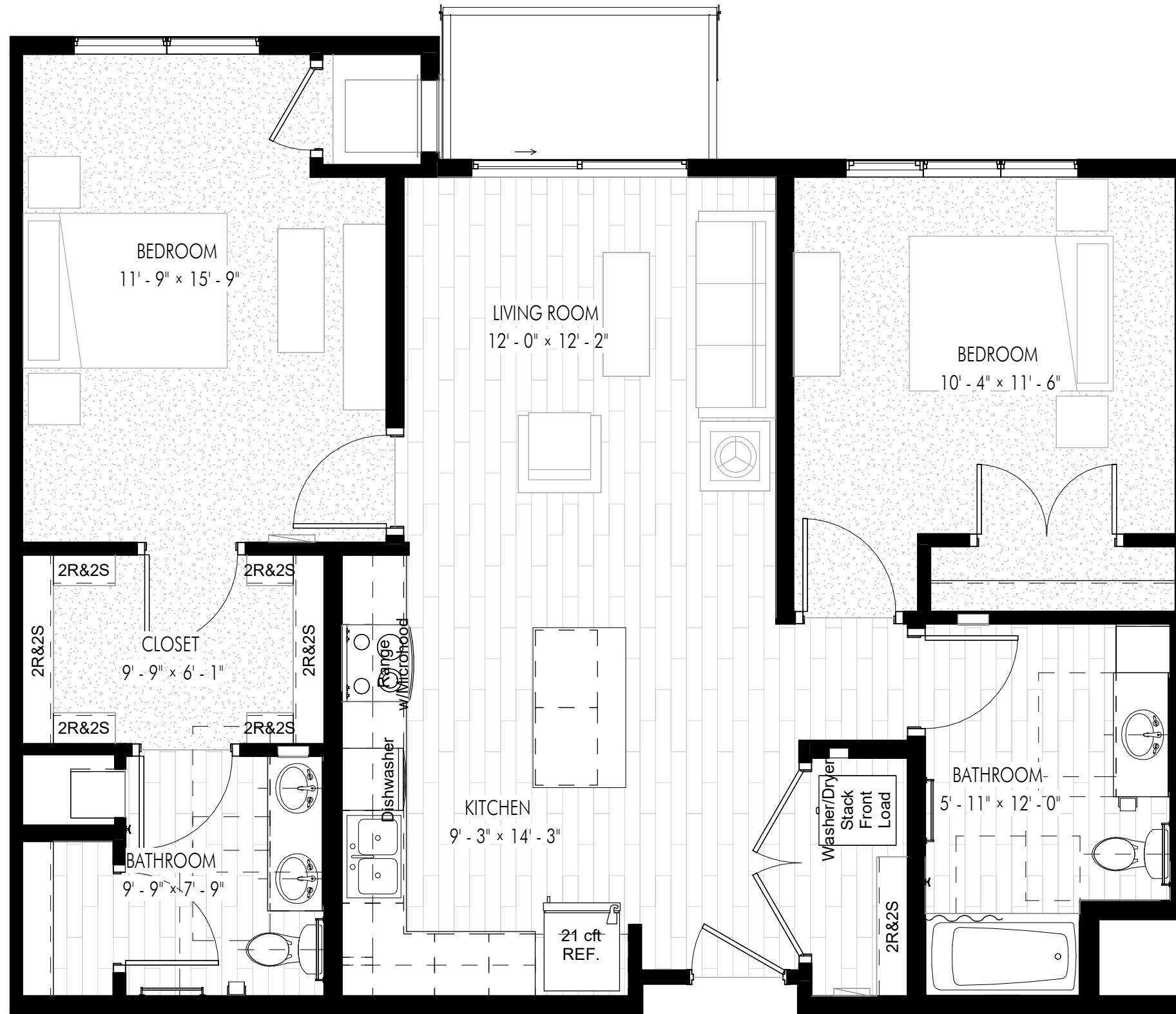




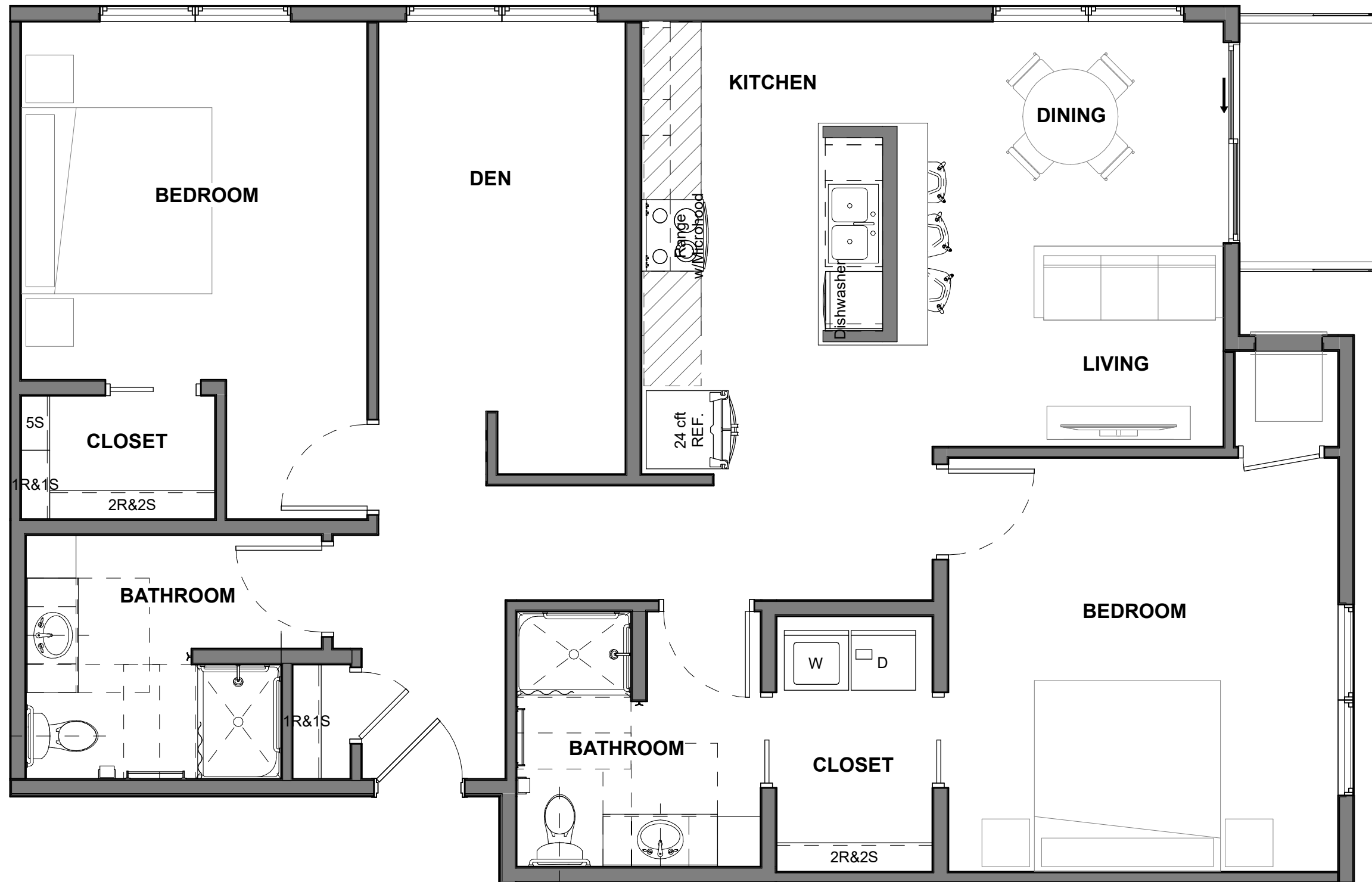


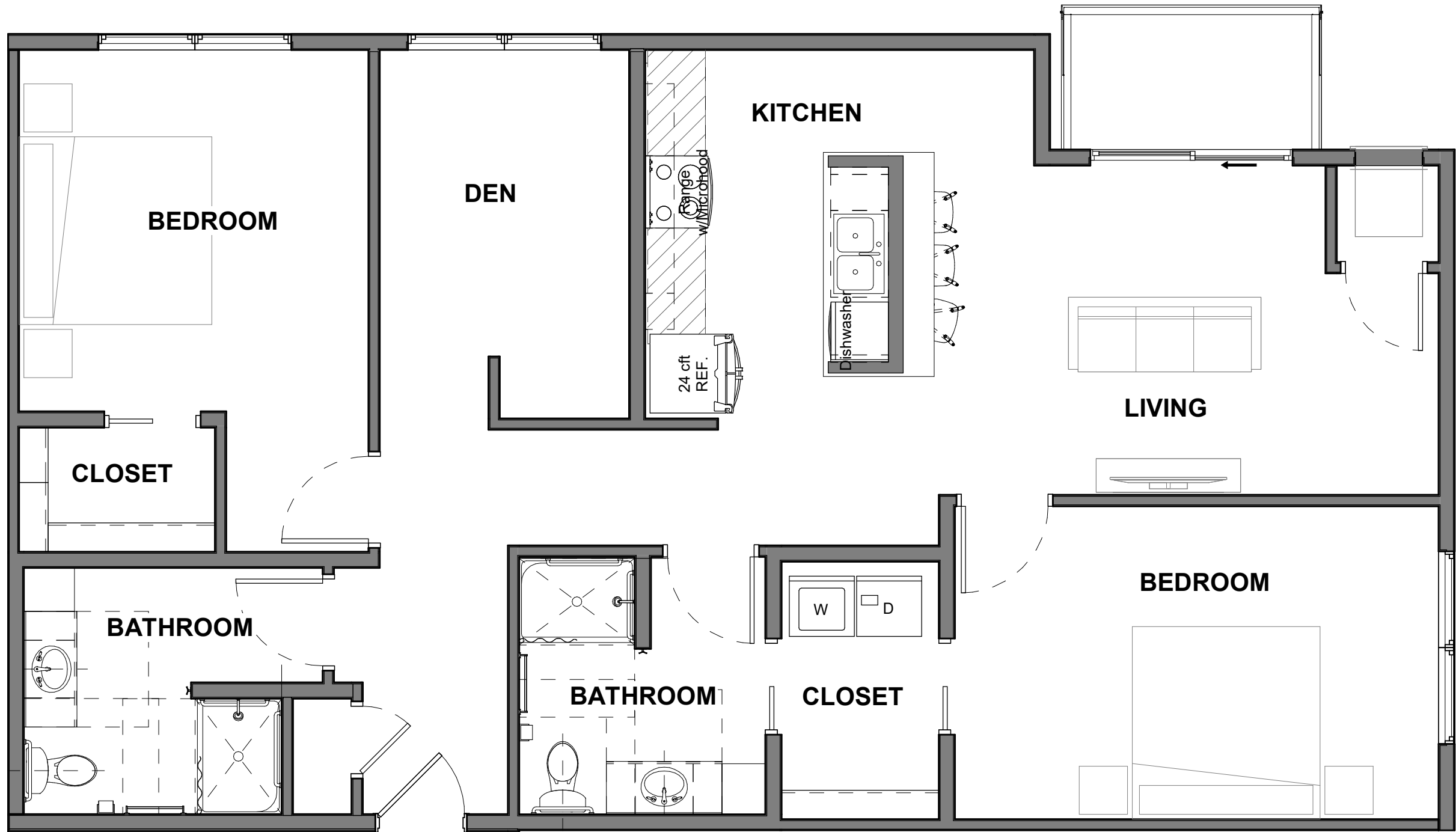




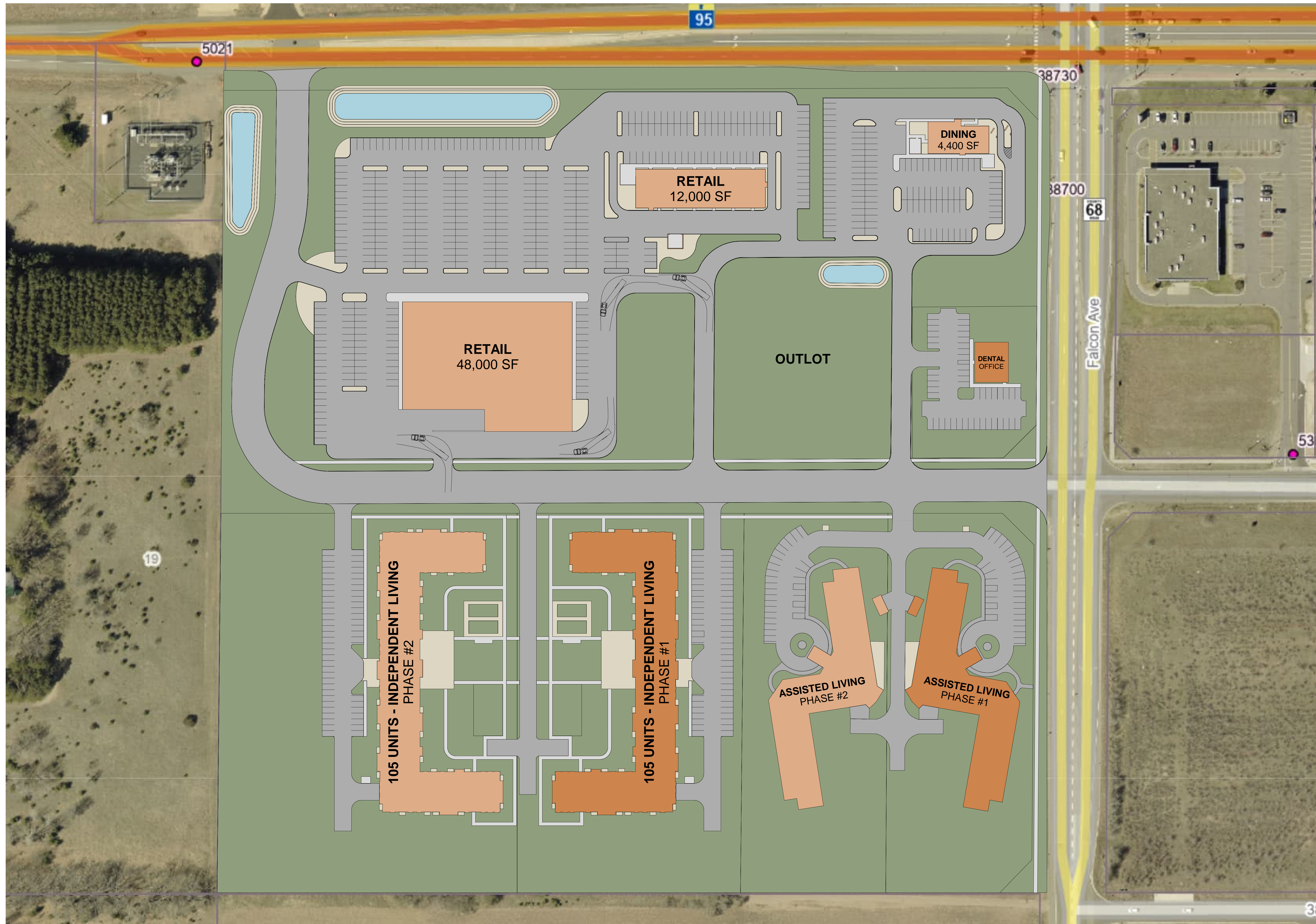








NORTH BRANCH DEVELOPMENT



THIS PLAN INCLUDING THE DESIGN AND CONCEPT, IS THE PROPERTY OF DBS GROUP AND IS PROTECTED UNDER COPYRIGHT LAW. UNAUTHORIZED USE OR DUPLICATION IS STRICTLY PROHIBITED.

1 SITE PLAN
A-000
1" = 60'-0"



Housing Assistance Policy Application Process and Fees

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

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

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

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

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

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

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

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

City of North Branch, Minnesota

Housing Assistance Policy

I. PURPOSE

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

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

II. POLICY

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

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

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

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

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

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

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

III. PROCEDURE

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

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

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

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

IV. GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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