NORTH BRANCH
——Minnesota——

ECONOMIC DEVELOPMENT AUTHORITY
REGULAR AGENDA
TUESDAY, DECEMBER 10, 2024 @ 3:30 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. PUBLIC COMMENT

6. MINUTES

7. PUBLIC HEARINGS
   a. Interstate Business Park - Occupancy and Rental Lease Agreement — ACTION

8. REPORTS
   a. 2025 Interstate Business Park Farm Lease — ACTION
   b. Downtown Storefront Facade Program — ACTION
   c. Chisago County HRA-EDA Update — VERBAL UPDATE
   d. North Branch Area Chamber of Commerce Update — VERBAL UPDATE

e.	North Branch Area Schools Update	VERBAL UPDATE
f.	EDA Executive Director Update	VERBAL UPDATE
g.	Downtown Improvements Subcomittee	VERBAL UPDATE
h.	Resolution Adopting the Final 2025 EDA Tax Levy for the North Branch Economic Development Authority	ACTION
i.	Resolution Adopting the Final 2025 HRA Tax Levy for the North Branch Economic Development Authority	ACTION

9. CLOSED SESSION

a.	Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 4 and Lot 5, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota	ACTION
b.	Closed meeting pursuant to Minn. Stat. 13D.05, sub. 3 (c) to consider the sale of real property identified as Lot 2 and Lot 3, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota	ACTION

10. NEXT MEETING - 1/21/25 330pm

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.

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission: Economic Development Authority

Subject: Interstate Business Park - Occupancy and Rental Lease Agreement

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Background Info

The North Branch Economic Development Authority (EDA) entered into an Occupancy Agreement on July 31, 2003, with Arthur and Evelyn Engdahl that allowed for a life estate that would allow them to reside on the property (PID 11.01072.02) at 6247 410th Street, North Branch, as long conditions of the agreements were met.
City Staff were recently informed of the passing of Evelyn Engdahl and, upon her death, the agreement included rights to Barry Engdahl to continue to occupy the property in accordance with the terms of the agreement.

Based on the terms of the contract, the EDA had the ability to terminate such rights at any time by providing not less than sixty (60) days written notice to Barry Engdahl.

At the October 15, 2024, EDA meeting, the commission recommended terminating the occupancy agreement and to send Mr Barry Engdahl the 60-day notice of termination.

Mr Engdahl received notice of termination on November 15, 2024, and expressed his desire to lease the property and is agreeable to the terms below:

PID: 11.01072.02	**6247 410th St**		
Terms - Monthly Rate			Total
House	$2,000		**$2,000**
Outbuildings	Sq Ft	Sq Ft Rate	Total
Building 1	3500	0.5	1750
Building 2	3800	0.5	1900
(Including Grain Bins)			**3650**

Home, Outbuildings and Grain Bins (monthly)	**$5,650**

The lease would be the same as the existing lease for the property that the city owns on 400th St.

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

Minn. State 469.029 subd.2 requires that a lease or sale may be made without public bidding but only after a public hearing, after published notice, by the authority at least once not less than ten days nor more than 30 days prior to the date of the hearing upon the proposed lease or sale and the provisions thereof.

Requested Action

The requested action is for the EDA to hold the public hearing and to make a recommendation on the approval of the lease agreement to Barry Engdahl

Voting Requirements:

Voting Options **Simple Majority**

OFFICE OF COUNTY RECORDER
Chisago County, Minnesota
I hereby certify that this document was filed in this office on 10/01/2003 at 4 05 00 PM and was duly recorded as document number A-414578
ELAINE OFTELIE – County Recorder, by ____Deputy
p
Well Certificate ___ Received ___ Not Required

Fees

ELECTRONIC FILING FEE	$ 50
EQUIPMENT FUND	1.00
STATE SURCHARGE	4 50
GENERAL ABSTRACT	14.00
Total	$20 00

Received from/return to
MILLER LAW OFFICE, PA
OAK POINT OFFICE CTR, STE 6
26357 FOREST BLVD, BOX 807
WYOMING, MN 55092

414578

[reserved for recording information]

OCCUPANCY AGREEMENT

THIS OCCUPANCY AGREEMENT ("Agreement") is made and entered into this 31st day of July, 2003, by and between **ARTHUR C. ENGDAHL and EVELYN J. ENGDAHL,** husband and wife, (hereinafter referred to as the "Occupants") and the **NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY**, a political subdivision, under the laws and constitution of the State of Minnesota (hereinafter referred to as the "Owner")

RECITALS

A. The Owner is the fee owner of a parcel of real property located in the City of North Branch, County of Chisago, State of Minnesota, located at 6247 – 410th Street North, North Branch, MN 55056, and legally described on Exhibit A hereto (the "Occupancy Parcel"); and

B. Occupants and Owner enter into this Agreement, pursuant to a Real Estate Purchase Agreement dated February 26, 2003 on the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration in hand paid to the Owner by the Occupants the receipt and sufficiency of which is hereby acknowledged by the Owner, it is hereby agreed as follows:

1. Occupancy Agreement. Owner agrees that Occupants (or the survivor thereof) will be allowed to occupy the Occupancy Parcel until the earlier of:

(a) Subject to Paragraph 3 hereof, the death of the last to survive of the Occupants;

(b) Both Occupants (or the survivor of the Occupants) voluntary absence from Occupancy Parcel for a continuous period of twelve (12) months or more;

(c) Both Occupants (or the survivor of the Occupants) involuntary absence from the Occupancy Parcel, such as due to illness or an accident that results in requiring a period of care or convalescence, for a continuous period of twelve (12) months or more. For involuntary absences of less than twelve (12) months, Occupants (or the survivor of the Occupants) rights hereunder shall continue so long as at least one Occupant resumes residency on the Occupancy Parcel within two (2) months following the termination of the condition leading to such involuntary absence or prior to the end of such twelve (12) month period, whichever occurs first;

(d) Occupants abandonment of the Occupancy Parcel; or

(e) Occupants written agreement to terminate their occupancy right hereunder.

Subject to Paragraph 3 hereof, the occupancy right granted hereunder is personal to the Occupants and may not be sold, transferred, conveyed or assigned, voluntarily or involuntarily, by the Occupants or either of them. Prior to the termination of Occupants occupancy rights granted hereunder, Occupants shall be responsible for the payment of all taxes, special assessments, utilities and other costs of occupying and maintaining the Occupancy Parcel including, if Occupants choose or are required to do so, any charges to connect to the City's sewer and/or water lines (SAC/WAC charges). Occupants shall obtain a renters policy of insurance, naming the Owner as an additional insured thereunder, at such levels and covering such claims as are reasonably deemed necessary by Owner Such insurance shall include the operations of Occupants and their son, Barry Engdahl in farming any of the real property owned by the Owner. Owner will insure the Occupancy Parcel under an Owners policy of insurance against property damage and liability claims deem appropriate by Owner, but as to property damage, not less than full replacement value. Occupants shall provide Owner with a Certificate of Insurance satisfying the foregoing requirements at the time of execution of this Agreement and annually thereafter. In case of casualty loss, Occupants shall have the option of requiring Owner to rebuild any building destroyed or substantially damaged by fire or other covered casualty but only to the extent of actual insurance proceeds received by the Owner as a result of such loss or vacating the Occupancy Agreement if the Occupants so vacate the Occupancy Parcel, Owner shall be entitled to retain any such insurance proceed. If Occupants elect to rebuild, they must commence construction within six (6) months of settlement of their insurance claim and must substantially complete construction within four (4) months of commencing construction. All such construction must be done in a workmanlike manner and in compliance with all applicable statutes and ordinances.

2. Rights of Surviving Occupant. Upon the death of one of the Occupants, the surviving Occupant shall have all of the rights and obligations granted to the Occupants hereunder.

3. Rights of Barry Engdahl. Upon the death of the last to die of the Occupants, Barry Engdahl shall have the right to continue to occupy the Occupancy Parcel subject to and in accordance with the terms of this Agreement provided however that the rights granted to Barry Engdahl hereunder are personal to him alone and further provided that the Owner may terminate such rights at any time by providing not less than sixty (60) days written notice of such termination to Barry Engdahl at his last known address.

4. Notices. Except as otherwise provided herein, all communications, demands, notices, or objections permitted or required to be given or served under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or if telegraphed, by prepaid telegram, and addressed to a party to this Agreement, to the address set forth below, or if a person not a party to this Agreement, to the address designated by a party to the Agreement in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing

manner. Commencing on the tenth (10^{th}) day after the giving of the notice, the newly designated address shall be that party's address for the purposed of all communications, demands, notices, or objections permitted or required to be given or served under this Agreement.

OCCUPANTS ADDRESS:

Arthur Engdahl and Evelyn Engdahl
6247 – 410^{TH} St. No.
North Branch, MN 55056

OWNER'S ADDRESS:

North Branch EDA
P.O Box 910
North Branch, MN 55056
Attn: Executive Director

BARRY ENGDAHL ADDRESS:

Barry Engdahl
41228 Goodview Ave No.
North Branch, MN 55056

5. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties hereto and the assigns, executors, heirs, and successors of the parties

6 Amendment, Modification, or Waiver. No amendment, modification, or waiver of any condition, provision, or term shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or a duly authorized representative, and specifying with particularity the extent and nature of such amendment, modifications, or waiver Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties hereto under and pursuant to this Agreement.

7 Severable Provisions. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section,

sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8 Captions, Headings, or Titles. All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement as a limitation of the scope of the particular paragraphs or sections to which they apply.

9. Reference to Gender Where appropriate, the feminine gender may be read as the masculine gender or the neuter gender; the masculine gender may be read as the feminine gender or the neuter gender; and the neuter gender may be read as the masculine gender or the feminine gender.

10. Minnesota Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

11. Termination In addition to the termination provisions set forth in Paragraph 1 hereof, this Agreement may be terminated by (i) a written instrument signed by the parties hereto or their respective heirs, successors or assigns, or (ii) the Owner upon sixty (60) days written notice to the Occupants (or the survivor of the Occupants) of the occurrence of any of the events described in Paragraph 1 hereof (other than the death of the survivor of the Occupants or the occupancy by Barry Engdahl pursuant to Paragraph 3 hereof) or other default hereunder provided that during such sixty (60) days the Occupants fail to cure any default thereunder or fails to commence arbitration to resolve the issue of the Owner's right to so terminate this Agreement pursuant to Paragraph 11 hereof or (3) immediately upon the death of the survivor of the Occupants.

Upon the termination of this Agreement, the Occupants shall execute a quit claim deed or other instrument necessary to record evidence of such termination.

12. Arbitration. In addition to all other remedies available to the Owner, if a dispute arises, the Occupants and the Owner may demand that such dispute be resolved by final and binding arbitration before a single arbitrator to be agreed upon by Occupants and the Owner or failing such agreement, pursuant to rules for commercial arbitrations adopted by the American Arbitration Association Owners and Occupants will each pay one-half (½) of the cost of such arbitrator unless the arbitrator determines that such proceeding was brought or defended in bad faith whereupon the arbitrator may award all of his or her costs against such party who is determined to have acted in bad faith.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the day and year first set forth above

OCCUPANTS:

By: ______________________
Arthur Engdahl

By: ______________________
Evelyn Engdahl

OWNER:
NORTH BRANCH EDA

By: ______________________
Rodney Lofquist
Its: Chairperson

By: ______________________
Bridgitte Konrad
Its: Secretary

STATE OF MINNESOTA)
)SS.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this 31st day of July, 2003, by Arthur Engdahl and Evelyn Engdahl, husband and wife

THOMAS F. MILLER
NOTARY PUBLIC - MINNESOTA
My Commission Expires 1-31-2005

____
Notary Public

STATE OF MINNESOTA)
)SS.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this 31st day of July, 2003 by Rodney Lofquist and Bridgitte Konrad the Chairperson and Secretary, respectively, of the North Branch Economic Development Authority, a Minnesota political subdivision on behalf of the Authority.

____
Notary Public

THOMAS F MILLER
NOTARY PUBLIC - MINNESOTA
My Commission Expires 1-31-2005

THIS INSTRUMENT WAS DRAFTED BY:

Thomas F. Miller, Esq. (#155676)
Miller Law Office, P.A.
26357 Forest Boulevard, Suite 6
P.O. Box 807
Wyoming, MN 55092
Phone 651-462-0206

<u>Legal Description</u>

Lot 1, Block 2, North Branch Industrial Park, according to the plat thereof on file and of record in the office of the County Recorder in and for Chisago County, Minnesota.

OFFICE OF COUNTY RECORDER
Chisago County, Minnesota

I hereby certify that this document was filed in this office on 10/01/2003 at 4:05:00 PM and was duly recorded as document number A-414579
ELAINE OFTELIE – County Recorder, by ____ Deputy
p

Well Certificate ___ Received ___ Not Required

Fees:

ELECTRONIC FILING FEE	$ 50
EQUIPMENT FUND	1 00
STATE SURCHARGE	4 50
GENERAL ABSTRACT	14 00
Total	$20.00

Received from/return to
MILLER LAW OFFICE, PA
OAK POINT OFFICE CTR, STE 6
26357 FOREST BLVD, BOX 807
WYOMING, MN 55092

414579

CERTIFICATE OF TRUST

STATE OF MINNESOTA)
) ss.
COUNTY OF CHISAGO)

Arthur C. Engdahl and Evelyn J. Engdahl, being first duly sown on oath, say that:

1. The name of the Trust is: Evelyn J. Engdahl Revocable Trust dated April 21, 1999.

2 The date of the trust is April 21, 1999.

3. The name of each Grantor of the Trust is: Evelyn J. Engdahl.

4. The name of each original Trustee of the Trust is: Arthur C. Engdahl and Evelyn J. Engdahl.

5. The name of each Trustee empowered to act under the Trust Instrument at the time of execution of this Certificate is. Arthur C. Engdahl and Evelyn J. Engdahl.

6. The Trustee is authorized by the Instrument to sell, convey, pledge, mortgage, lease or transfer title to any interest in real or personal property, Except as limited as follows: NONE.

7. Other Trust provisions included by the Grantor or Trustee: NONE.

8 The Trust Instrument has not been terminated or revoked.

9. The Grantor has executed this document with the intention that it may be relied upon as a true and correct statement of provisions of the Trust Instrument as quoted herein. There are no other provisions in the Trust Instrument or amendments to it that limit the

powers of the Trustee to sell, convey, pledge, mortgage, lease, or transfer title to interests in real or personal property.

414579

Dated this 31st day of July, 2003.

Grantor:

Arthur C. Engdahl

Evelyn J. Engdahl

Subscribed and sworn to before me this
31st Day of July, 2003.

Notary Public

JAMES HURD ANDERSON
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan 31, 2005

This instrument drafted by:

James H. Anderson
Stern & Anderson
247 Third Avenue South
Minneapolis, MN 55415

Schedule A

Parcel No. 1.

The East Half of the Northeast Quarter (E ½ of NE ¼) of Section Eight (8) and the Northeast Quarter of the Southeast Quarter (NE ¼ of Se ¼) of Section Eight (8), Township Thirty-five (35), Range Twenty-one (21) excepting the following parcel:

Beginning at the SE corner of said NE ¼ of Se ¼ of said Section 8, thence running North on the East line thereof a distance of 16 rods and 2 feet; thence West at right angles to said line a distance of 37 rods; thence South 16 rods and 2 feet to the South line thereof; thence East 37 rods, to the place of beginning

Parcel No. 2.

The part of the West Half of the Northwest Quarter (W ½ of NW ¼) of Section Nine (9), lying West of the right of way of the Northern Pacific Railway all of said Property lying and being in Township Thirty-five (35), Range Twenty-one (21)

Parcel No. 3.

The Northwest Quarter of the Northeast Quarter (NW ¼ of NE ¼) Section Eight (8), Township Thirty-five (35), Range Twenty-one (21) except the following described parcel: That part of the NW ¼ of NE ¼ of Section 8, Township 35 North, Range 21 West, which lies westerly of a line parallel with and distant 100' easterly of the following described line: Beginning at a point on the north line of said Section 8, distant 169 46 feet easterly of the north quarter corner of said Section 8, thence run southerly at an angle of 90°34'55" with said north section line (when measured from east to south) for 1418 67 feet and there terminating

RESIDENTIAL LEASE AGREEMENT

THIS RESIDENTIAL LEASE AGREEMENT ("Lease") is made and entered into effective the___day of ________ 2023. 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 the **CITY OF NORTH BRANCH**, a Minnesota municipal corporation. The word "Tenant" as used in this Lease means __________ and ________, individually and collectively.

1. Description of Leased Premises. The term "Leased Premises" as used in this Lease means the house and related improvements located at 6247 410th Street, North Branch, County of Chisago, State of Minnesota.

2. Acceptance of Leased Premises. Tenant has thoroughly inspected the Leased Premises and accepts the Leased Premises in its present "As-Is" condition without any further improvements thereto by the Landlord.

3. Term of Lease. This is an approx., one (1) year Lease commencing on the date hereof and continuing thereafter until December 31, 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 $5,650.00 per month and the rent payment for each month must be paid before the first 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 $5,650.00 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

excepted. 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 (5^{th}) 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 reasonably 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 is such violation would reasonable 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: City of North Branch, Attention City Administrator, 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 stand 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.

26.5 Entire Agreement. This Lease contains the entire agreement of the parties hereto with respect to the matters contained herein. All negotiations, considerations, representations and understandings, between the parties hereto are incorporated herein and may be modified or altered only by agreement in writing between the parties hereto.

26.6 No Recording. Tenant shall not record this lease without the prior written consent of the landlord.

26.7 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this Lease effective on the day and year first above written.

LANDLORD:
NORTH BRANCH EDA

TENANT:

____

RESIDENTIAL LEASE AGREEMENT

THIS RESIDENTIAL LEASE AGREEMENT ("Lease") is made and entered into effective the ______of ____________, __________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. <u>Description of Leased Premises</u>. The term "Leased Premises" as used in this Lease means the house and related improvements located at 6247 410"· Street, North Branch, County of Chisago, State of Minnesota.

2. <u>Acceptance of Leased Premises.</u> 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. <u>Term of Lease</u>. This is an approx., one (1) year Lease commencing on the date hereof and continuing thereafter until January 1, 2025 (the "Lease Term"). At all times, this Lease shall be subject to all of the same covenants, agreements, te1ms, 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 te1ms 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 thi1iy (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 Te1m as to all or a p01iion 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. <u>Rent</u>. Tenant agrees to pay as rent for the Leased Premises the sum of$5,650 per month and the rent payment for each month must be paid before the first 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. <u>Security Deposit</u>. Tenant agrees to pay Landlord $5,650 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 thi1ty (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 pem1ission 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 Tenn 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 po11ions 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 an1ount 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 pai1. 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 fo1ih 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 reasonably 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 Leas and such violation remains uncured for a period of ten (10) day after notice therof in writing, provided that is such violation would reasonable require more than ten (10) days to cure, then Tenant shall not be deemed to be in default if Tenet 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 te1minate 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 fo1ih in this Lease. Tenant shall neither use nor permit on the Leased Premises any act, sale or storage that may be prohibited under stand 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 party 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.

26.5 Entire Agreement. This Lease contains the entire agreement of the parties hereto with respect to the matters contained herein. All negotiations, considerations, representations and understandings, between the parties hereto are incorporated herein and may be modified or altered only by agreement in writing between the parties hereto.

26.6 No Recording. Tenant shall not record this lease without the prior written consent of the landlord.

26.7 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this Lease effective on the day and year first above written.

LANDLORD:	**TENANT:**
NORTH BRANCH ECONOMIC	
DEVELOPMENT AUTHORITY	
______________________	______________________
Nathan Sondrol	Barry Engdahl
Its Executive Director	

NORTH BRANCH

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission: Economic Development Authority

Subject: 2025 Interstate Business Park Farm Lease

Overview / Background

The North Branch Economic Development Authority (EDA) has approved an annual lease, allowing for farming of land owned by the EDA in the North Branch Interstate Business Park. The agreement is with Mr. Barry Engdahl. Parcels subject to the agreement and related farm activities are shown on the attached map. Farming of the land with Mr. Engdahl have been part of the life estate agreement on the property. As a result, neither the EDA nor City may permit farming by any other person. Given this, Mr. Engdahl was given the go-ahead to commence farming activities. The life estate has a termination date in January 2025. Mr Engdahl has expressed a desire to continue farming the property.

Attached is the lease agreement from previous years where Mr. Engdahl paid rent to the EDA to cover the property taxes due for 2024; not to exceed $7,500. The lease agreement did not prohibit the EDA from marketing, selling and developing land in the Interstate Business Park.

Recommended Action

Discuss and recommend terms and consider to approve a Farming Lease Agreement with Barry Engdahl, allowing farming of EDA-owned land in the North Branch Interstate Business Park.

Voting Requirements:

Voting Options **Simple Majority**

FARMING LEASE AGREEMENT

THIS FARMING LEASE AGREEMENT ("Agreement") is made and entered as of this 11th day of April, 2024 ("Effective Date") by and between **BARRY ENGDAHL** ("Tenant") and the **NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY** ("Landlord"), a political subdivision, under the laws and constitution of the State of Minnesota.

RECITALS

A. The Landlord is the fee owner of a parcel of real property located in the City of North Branch, County of Chisago, State of Minnesota, located east of Interstate Highway 35 and depicted on Exhibit A hereto as the North Branch EDA Parcel (such area not otherwise excluded from the parcel shall be referred to as the "Leased Premises") which is generally held by Landlord for commercial development and resale ("Development Activities").

B. Tenant desires to lease the Leased Premises from Landlord and to plant, cultivate and harvest agricultural crops ("Farming Activities") on the Leased Premises.

C. In order to protect the Leased Premises, until such time as Landlord implements Development Activities on the Leased Premises, or described portions thereof, Landlord shall allow Tenant to conduct such Farming Activities on the Leased Premises in consideration of Tenant's payment of the 2024 property taxes, per Section 4 – Rent of this Agreement, for the Leased Premises.

D. Landlord and Tenant desire to set out the mutual rights and obligations of each in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration in hand paid to the Landlord by the Tenant the receipt and sufficiency of which is hereby acknowledged by the Landlord, it is hereby agreed as follows:

1. <u>Commencement and Termination Dates.</u> The provisions of this Agreement shall commence on the Effective Date and shall terminate on December 31, 2024 ("Termination Date").

2. <u>Farming Activities; Termination by Landlord.</u> Landlord agrees that from and after the Effective Date and until the Termination Date, unless earlier terminated by Landlord, Tenant shall be allowed to enter on the Leased Premises for the sole purpose of and conducting Farming Activities thereon provided however that as to all or any described portion of the Leased Premises. Landlord may terminate this Agreement, in whole or in part as to portions of the Leased Premises that are the subject of Development Activities as described in section 3 below, on not less than thirty (30) days written notice to Tenant

("Termination Notice"). Except in the case of the termination of this Agreement by Landlord, if Tenant plants crops, grows hay or commences Farming Activities on the Leased Premises, Tenant shall be obligated to complete such Farming Activities commenced by Tenant in a manner so as to return the Leased Premises to Landlord on the Termination Date in substantially the same condition as existed prior to this Agreement. In no event will Farming Activities include the raising of livestock on, construction of fences on, construction of improvements to, or other non-crop production activities on the Leased Premises.

3. Development Activities. Tenant acknowledges that as part of its Development Activities, Landlord intends to subdivide, plat and/or develop the Leased Premises for purposes of selling all or designated portions of the Leased Premises to third parties ("Release Parcel"). Accordingly, Tenant agrees to cooperate with Landlord in all activities conducted by Landlord with respect to or relating to the Development Activities, including but not limited to ceasing any Farming Activities on such portion or portions of the Leased Premises as are described in the Termination Notice on the date specified in such Termination Notice. Landlord agrees that, if Tenant has commenced Farming Activities on a Release Parcel, and as a result of a Termination Notice, Tenant is not able to harvest and use or sell the crops being grown thereon, Landlord shall pay Tenant the actual expenses incurred up to a maximum of $350.00 per acre ("Termination Payment") for each acre (to the nearest acre) and the portion of the taxes for the same acreage contained in the Release Parcel or the portion thereof subject to this Agreement.

4. Rent. Landlord believes that Tenant's conducting Farming Activities on the Leased Premises will help to preserve the Leased Premises until such time or times as Landlord desires to conduct Development Activities thereon. Accordingly, the parties acknowledge that Tenant's rent for conducting the Farming Activities on the Leased Premises will be payment to Landlord of the property taxes for the Leased Premises due and payable in 2024, provided that such amount shall not exceed $7,500.00. Tenant shall pay the real estate tax (rent) amount in two equal installments on May 1, 2024 and October 1, 2024. This agreement is intended to cover parcels 11.01072.10, 11.01072.13,11.01072.33, 11.01072.30, 11.01072.29, 11.01072.28, 11.00359.26 and 11.00359.27, as adjusted or renumbered from time to time, as graphically depicted on Exhibit A.

5. Agreement Personal to Tenant. The rights granted hereunder are personal to the Tenant and may not be sold, transferred, conveyed or assigned, voluntarily or involuntarily, by the Tenant without the prior written consent of Landlord.

6. Tenant's Responsibilities. Prior to the termination of Tenant's rights granted hereunder, Tenant shall be responsible for conducting Farming Activities on the Leased Premises in a manner at all times consistent with good and prudent crop farming practices. Tenant shall provide Landlord with a summary of the planned Farming Activities to be conducted during the term of this Agreement and such operations shall be subject to Landlord's consent, which shall not be unreasonably withheld or delayed.

7. Insurance. Tenant shall insure Tenant's Farming Activities on the Leased Premises against liability claims at levels acceptable to the Landlord. Tenant shall provide Landlord with a Certificate of Insurance satisfying the foregoing requirements on the date of execution of this Agreement.

8. Indemnification. Tenant does hereby agree that he will at all times hereinafter during the existence of this Agreement indemnify and hold harmless the Landlord, its officers, employees and all elected and appointed officials against any and all liability, claims, loss, damages, costs or expenses, including all attorneys' fees and costs of litigation, which Landlord may hereafter sustain, incur or be required to pay:

    a. By reason of any action or inaction by Tenant which may cause someone personal injury, death or property loss or damages either while participating in or receiving services from Tenant, or while on the Leased Premises.

    b. By reason of Tenant causing injury to, or damage to property of another person during any time when Tenant is occupying the Leased Premises as provided under this Agreement.
    c. By reason of Tenant's failure to pay the rent payments as and when due under this Agreement.

    d. In the event any action is brought against the Landlord or any of its agents or employees because of the conduct of the Tenant or any of its employees, officers or agents, Tenant shall assume full responsibility for defense thereof, and upon its failure to do so upon proper notice, the Landlord reserves the right to defend such action and charge all costs thereto to Tenant.

9. Notices. Except as otherwise provided herein, all communications, demands, notices, or objections permitted or required to be given or served under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to a party to this Agreement, to the address set forth below, or if a person not a party to this Agreement, to the address designated by a party to the Agreement in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth (10^{th}) day after the giving of the notice, the newly designated address shall be the party's address for the purpose of all communications, demands, notices, or objections permitted or required to be given or served under this Agreement.

TENANT'S ADDRESS	**LANDLORD'S ADDRESS**
Barry Engdahl	North Branch EDA
48473 Forest Blvd	6408 Elm Street, PO Box 910
Rush City, MN 55069	North Branch, MN 55056
	Attn: Jason Ziemer, Executive Director

10. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties hereto and the assigns, executors, heirs and successors of the parties. It is understood and agreed that this Agreement shall not be deemed to be nor intended to give rise to a partnership relation. Neither party shall have the right to bind the other without written consent.

11. Amendment, Modification, or Waiver. No amendment, modification, or waiver of any condition, provision, or term shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or a duly authorized representative, and specifying with particularity the extent and nature of such amendment, modifications, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties hereto under and pursuant to this Agreement.

12. Severable Provisions. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

13. Captions, Headings, or Titles. All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement as a limitation of the scope of the particular paragraphs or sections to which they apply.

14. Reference to Gender. Where appropriate, the feminine gender may be read as the masculine gender or the neuter gender; the masculine gender may be read as the feminine gender or the neuter gender; and the neuter gender may be read as the masculine gender or the feminine gender.

15. Minnesota Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

16. Termination. Except for termination by Landlord as provided in Section 3 hereof, Landlord may terminate this Agreement on not less than 30-days written notice and without financial obligation (including costs and damages) to Landlord. Further, if Tenant abandons or fails to complete his obligations hereunder, Landlord shall be entitled to receive its actual costs and damages, including reasonable attorneys' fees resulting therefrom and Tenant shall not be entitled to any Termination Payment or other payment from Landlord.

17. Arbitration. In addition to all other remedies available to the Landlord, if a dispute arises, the Tenant and the Landlord may demand that such dispute be resolved by final and binding arbitration before a single arbitrator to be agreed upon by Tenant and the Landlord or failing such agreement, pursuant to rules for commercial arbitrations adopted by the American Arbitration Association. Landlord and Tenant will each pay one-half

(½) of the cost of such arbitrator unless the arbitrator determines that such proceeding was brought or defended in bad faith whereupon the arbitrator may award all of his or her costs against such party who is determined to have acted in bad faith.

18. No Right to Sublet. Landlord does not convey to the Tenant the right to lease or sublet any part of the Leased Premises or to assign this Agreement to any person or persons whomever.

19. Right of Entry. Landlord reserves the right, in person or by agent, to enter the Leased Premises at any reasonable time to: consult with Tenant or to make repairs, improvements, and inspections.

[Remainder of this page intentionally left blank.]

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

TENANT

____
Barry Engdahl

STATE OF MINNESOTA)
)ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this _____ day of __________, 2024 by Barry Engdahl.

____
Notary Public

LANDLORD
North Branch Economic Development Authority

____
Sara Paul, Chairperson

____
Jason Ziemer, Executive Director

STATE OF MINNESOTA)
)ss.
COUNTY OF CHISAGO)

The foregoing instrument was acknowledged before me this _____ day of __________, 2024 by Sara Paul and Jason Ziemer, Chairperson and Executive Director, respectively, of the North Branch Economic Development Authority, a Minnesota Political subdivision on behalf of the Authority.

____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

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

EXHIBIT A

FARMING
LEASED AREA

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission: Economic Development Authority

Subject: Downtown Storefront Facade Program

Overview / Background

The Economic Development Authority (EDA) budget for Fiscal Year 2024 included $75,000, allowing the EDA to establish a Storefront Rehabilitation Grant Program. The funding is intended to help incentivize façade restoration and enhancements by businesses and/or property owners that restore the "historic" existing buildings within the old downtown area. The program funding is set up as technically a 0% forgivable loan over a five (5) year term, with repayment waived 20% each year through the end of the term. At that time, the funding becomes a "grant." Should the property change hands at any time during the five (5) year timeline, the remaining balance would be due at the time of said transaction. The property owners would be required to agree to either a mortgage or some type of loan security.

The attached policy funds covering 50% of the improvement cost up to $25,000. This would allow for up to three (3) "grants". The EDA has discretion to approve a larger funding award to a business, if the project meets the program intent and also meets the program goals with the district, and also supports the vision and goals for the Central Business District / Downtown area. The program establishes guidelines and defines eligible and ineligible improvements for the funding, as well as maintenance requirements.

Funding is intended to restore the storefronts of the existing buildings to their original appearances as they existed at the time of their construction. Given the age of many of the buildings, and historic photos, those storefronts included large floor-to-ceiling windows with recessed doors. Most of the buildings were brick facades.

Although the focus is on restoration of existing buildings, the guidelines can serve as guidance to new buildings and/or restoration of newer buildings. Thus, the EDA has discretion to award funding to update and upgrade non-historic buildings within the district, but are still important to fund such improvements.

There has been interest expressed in the program and an application has been submitted by James Kolde from Minnesota Home Guys for improvements to their building located at 6434 Main Street. The proposed improvements are attached.

Recommended Economic Development Authority Action

To provide input and direction on the application submitted for the proposed façade improvements to building at 6434 Main Street.

Voting Requirements:

Voting Options **Simple Majority**

CITY OF NORTH BRANCH EST 1881

FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

APPLICANT / OWNER INFORMATION	
Full Name:	James Kolde
Address:	1650 Goose Lake LN Standfeild MN 55080
Phone:	612-363-1521
Email:	James@homeguysMN.com

BUSINESS INFORMATION			
Name of Business Owner:		X	Same As Applicant
Name of Business:	Minnesota Home Guys		
Name of DBA:	Minnesota Home Guys		

PROPERTY INFORMATION				
Site Address:	6434 Main St		PID	
Building Status:	Owner Occupied	✓		Tenant Lease
Use Type:	Office space			
Current Land Use:				
Current Zoning:	office retail			

FAÇADE IMPROVEMENTS							
X	Full Restoration		Masonry Repairs		General Maintenance		Windows & Doors
	Canopy & Awnings		Signage & Lighting		Other:		

PROJECT COST & TIMELINES					
PROJECT ESTIMATES *(Detailed opinion of probable cost required.)*					
Total Project	Eligible Costs	Private Match	Request	Start Date	Completion Date
$	$	$	$	/ /	/ /
CITY REVIEW					
Total Project	Eligible Costs	Private Match	Public Match	Grant Maximum	Review Date
$	$	$	$	$20,000.00	/ /

ARCHITECT/ CONTRACTOR INFORMATION	
Company Name:	INSPIRE
Company Contact:	Aaron Adkins
Address:	
Phone:	612-203-0814
Email:	aaron@inspirerenovation.com

PROJECT SUMMARY

In the space below provide a brief description of the proposed project (attach an additional sheet if necessary).

PROGRAM TERMS & CONDITIONS

PROGRAM FUNDING

Matching Grants range from a minimum of $5,000 to a maximum of $20,000 per storefront or building. All grants must be matched by the property owner. The Matching Grant will pay for only 50% of the total eligible project costs, up to the $20,000 grant limit. The approved Matching Grant amount will only be paid by the City upon completion of the work, and a formal written request for payment and final invoice is provided by the Applicant to the City.

TERMS & CONDITIONS

The Matching Grant is structured as a 5-year loan with no payments, with 20% of the loan being forgiven each year for 5 years. If the building is sold before 5 years, the balance of the loan must be repaid by the Applicant.

The City of North Branch has the right to terminate any agreement under the Façade Improvement Matching Grant Program, if an Applicant is found to be in violation of any conditions set forth in these guidelines, or if work is not completed within required timelines. If terminated by the City, the City shall not be obligated to make any payment to the Applicant. If at any point after the project is completed, the Applicant is found to have violated the terms and conditions of the Program or Grant Agreement with the City, the Applicant shall be responsible for repaying 100% of the Matching Grant to the City.

PROGRAM REQUIREMENTS

1. A signed and approved Grant Agreement is required for the applicant to be eligible to receive any funding from the Façade Improvement Matching Grant Program.
2. All work must be done in accordance with all local, state, and federal building codes, the City of North Branch Zoning Code, Downtown Design Guidelines, other applicable Downtown standards, and the rules and regulations for the Façade Improvement Matching Grant Program.
3. Labor costs are only eligible to be covered by the grant if the labor is done by a third party who has no financial interest in the building (i.e. building owners may not receive funds for labor that they completed on the project).
4. All construction must be completed in strict compliance with any approved plans and applicable local, state and federal rules and regulations.
5. All work must be completed within 6 months from the date the grant is approved by the City and any applicable agreements, as required by the City, are executed.
6. The Applicant may not assign the program obligations and/or payment of the Matching Grant to any other party or person.

NORTH BRANCH FAÇADE IMPROVEMENT FORGIVABLE LOAN PROGRAM

ACKNOWLEDGEMENT

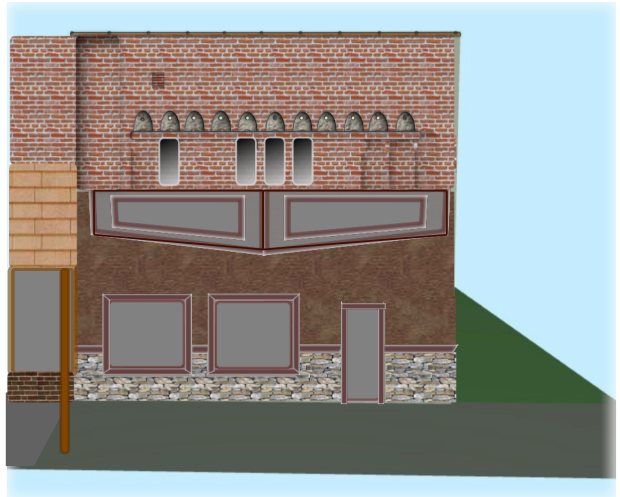
APPLICANT STATEMENT

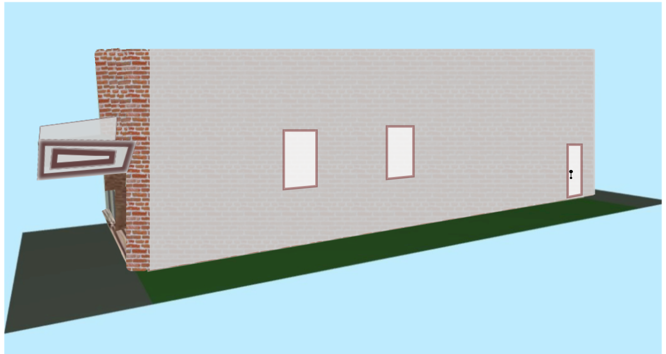
I acknowledge the Program Terms and Conditions, as stated herein, and to the best of my knowledge, all of the applicable materials and documents and information I have submitted are true and correct. I have read the Façade Improvement Matching Grant Program and Terms and Conditions, and understand the rules and regulations as set therein. I agree to hold harmless and indemnify the City, and its officers and employees, for any claims for damage to property or injury to persons which may be occasioned by any activity carried on under the terms of this license.

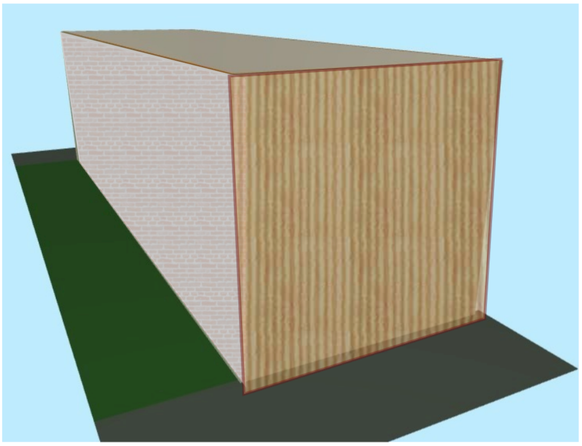
Applicant Signature

Nov 18 2024
Date

REQUIRED ATTACHMENTS	
Financial	Project budget with Opinion of Probable Cost and/or detailed, line-item estimate.
Architectural Drawings	Scaled drawings of proposed façade improvements with color renderings.
Photos	Pictures of current storefront.
Other	Other information as may be required by the City.







Proposal for Exterior Work

- Remove & dispose of existing (lower) facade cladding and sheathing, signage, doors, and window --> $2,675
- Remediate rust & repair marquee structure, install new fascia & trimwork --> $1,850
- Replace exterior lighting, including electrical work to lighting & new power to digital marquee signs --> $3,840
- Install 2x flat-panel digital marquee signage w/interior control --> $4,850
- Remove and replace 2x 4x6' concrete slab w/same, slope for accessible entrance --> $5,280
- Rebuild front facade, to include 3.5'H x building-width stone w/cap rail & coffered panel siding --> $8,975
- Install 2x 5'x6' prehung picture window w/temper & e-rated glazing --> $7,780
- Install new 36"W x 84"T glass entry door w/dual mortise lock & pull --> $2,400
- Scrape and paint brick on E side of building w/ customer choice color --> $2,625
- Replace soffitwork at rear exterior wall, install metal cladding to match existing on remainder of wall --> $6,180
- Designs, plans, permits, inspections --> $8,400

Sum total of repairs = $54,855

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission:

Subject: Chisago County HRA-EDA Update

Chisago County HRA-EDA Update

Voting Requirements:

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter:

Date: 12/04/2024

Board & Commission:

Subject: North Branch Area Chamber of Commerce Update

North Branch Area Chamber of Commerce Update

Voting Requirements:

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission:

Subject: North Branch Area Schools Update

North Branch School Update

Voting Requirements:

NORTH BRANCH

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

Board & Commission:

Subject: EDA Executive Director Update

The EDA Executive Director will provide an update at the meeting

Voting Requirements:

NORTH BRANCH

City of North Branch
Staff Report

Prepared By:

Presenter:

Date: 12/06/2024

Board & Commission: Economic Development Authority

Subject: Downtown Improvements Subcomittee

The EDA discussed the idea of starting a downtown improvements subcommittee at the November 2024 meeting.
Staff are looking for additional discussion on this.

Voting Requirements:

Voting Options **Simple Majority**

NORTH BRANCH

City of North Branch
Staff Report

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

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

Date: 12/09/2024

Board & Commission: Economic Development Authority

Subject: Resolution Adopting the Final 2025 EDA Tax Levy for the North Branch Economic Development Authority

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Background Info

The Economic Development Authority (EDA) reviewed the proposed Fiscal Year 2025 budget and related EDA and HRA tax levies at its August 20, 2024, meeting. EDA members directed approval of the budget and related tax levies, as presented by City staff at that meeting. The budget and tax levies are presented for approval - without changes - as directed by unanimous consent of the EDA at that meeting.

On August 20, 2024, the EDA approved establishing both preliminary tax levies at the maximum allowed by Minnesota Statute. The statutory maximum EDA levy is 0.01813% of the City's Taxable Market Value (TMV) as set by Chisago County; the maximum HRA levy is 0.0185% of the TMV. Based on County TMV estimates, those percentages yield revenue of $277,689 (EDA) and $283,356 (HRA).

Staff Recommendation

City staff recommend approval of the budget and two (2) resolutions as presented.

Recommended Economic Development Authority Action

Motion to approve the 2024 Economic Development Authority budget.

Motion to approve the resolutions authorizing the final EDA and HRA tax levies for taxes payable in 2025, as directed by the Economic Development Authority.

Voting Requirements:

Voting Options **Simple Majority**

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ECONOMIC DEVELOPMENT AUTHORITY RESOLUTION NO. R-128-2024

RESOLUTION ADOPTING THE FINAL 2024 HRA TAX LEVY FOR THE NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, THE ECONOMIC DEVELOPOMENT AUTHORITY ("EDA") OF THE CITY OF NORTH BRANCH, MINNESOTA ("City") is a public body corporate and a political subdivision organized under Minnesota Statutes, Section §469.090 to §469.1082; and,

WHEREAS, the EDA is required by Minnesota Statute §275.065 to adopt and certify a final tax levy to Chisago County ("County") on or before December 30 of each year; and,

WHEREAS, pursuant to State Statute §469.107, the maximum EDA tax levy is set at .01813% of the total taxable market value of the City, making the estimated maximum tax levy amount for 2025 of $277,689; and,

WHEREAS, the North Branch Economic Development Authority ("EDA"), has determined the tax levy necessary to meet EDA objectives in 2025 to be in the amount of $277,689; and,

WHEREAS, the purpose of said funds shall be used by the EDA for repayment of debt of the Taxable Refunding Lease Revenue Bonds, Series 2017 and other operating costs as allowed by law, including, but not limited to: business retention and expansion activities and community promotion and marketing efforts necessary for such activities.

NOW THEREFORE BE IT RESOLVED, BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORTH BRANCH, MINNESOTA, hereby authorizes a final 2025 EDA tax levy in the amount of $277,689.

BE IT FUTHER RESOLVED, the City Administrator and Finance Director are hereby directed to submit this resolution and other required documentation to Chisago County for certification.

ECONOMIC DEVELOPMENT AUTHORITY (EDA)

REVENUES

Account Number		Description	2022 Actual	2023 Actual	2024 Adopt	2024 YTD	2024 PROJ	2025 Draft	+/-	Detail
201	31010	Current Ad Valorem Taxes (HRA)	$ -	$ -	($289,566.00)	$ -	$ (275,087.70)	($283,355.97)	$ 6,210.03	HRA Ad Valorem Taxes @ 0.01850% of EMV
201	31010	Current Ad Valorem Taxes (EDA)	$ (126,969.00)	$ (164,530.35)	($283,775.00)	$ -	$ (269,586.25)	($277,688.85)	$ 6,086.15	EDA Ad Valorem Taxes @ 0.01813% of EMV
201	31020	Delinquent Ad Valorem Taxes	$ (645.00)	$ (1,741.28)	$ -	$ -	$ -	$ -	$ -	
201	31080	EDA/HRA Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
201	32214	Licenses & Permits	$ -	$ (1,000.00)	$ -	$ -	$ -	$ -	$ -	
201	33402	Market Value Credit	$ (305.00)	$ (811.94)	$ -	$ -	$ -	$ -	$ -	
201	34950	Other Revenues	$ -	$ -	$ (4,024.00)	$ -	$ -	$ (4,066.44)	$ -	Engdahl/Property Tax Due City per Farm Lease
201	36210	Interest Earnings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
201	36220	Other Rents & Royalties	$ -	$ (3,600.00)	$ (3,600.00)	$ (2,100.00)	$ (3,600.00)	$ (3,600.00)	$ -	Lamar Advertising @ $300/month
201	39203	Transfer from Other Fund	$ -	$ -	$ (185,000.00)	$ -	$ (175,750.00)	$ (185,000.00)	$ -	Transfer In - General Fund / EDA operations
ECONOMIC DEVELOPMENT AUTHORITY (EDA)			**$ (127,919.00)**	**$ (171,683.57)**	**$ (765,965.00)**	**$ (2,100.00)**	**$ (724,023.95)**	**$ (753,711.26)**	**$ (12,253.74)**	

EXPENSES

Account Number			Description	2022 Actual	2023 Actual	2024 Adopt	2024 YTD	2024 PROJ	2025 Draft	+/-		Detail
201	46500	50101	Employee Wages & Salaries	$ 65,081.00	$ 117,207.86	$ 84,874.00	$ 43,776.84	$ 81,299.85	$ 84,006.00	$ (868.00)		60% ED/40% CDD - 1.2% GIS
201	46500	50121	PERA	$ 3,787.00	$ 6,881.32	$ 6,275.00	$ 3,095.69	$ 5,749.14	$ 6,300.00	$ 25.00		60% ED/40% CDD - 1.2% GIS
201	46500	50122	FICA & Medicare	$ 4,768.00	$ 7,228.30	$ 6,495.00	$ 3,501.15	$ 6,502.14	$ 6,427.00	$ (68.00)		60% ED/40% CDD - 1.2% GIS
201	46500	50131	Employer Paid Health	$ 9,144.00	$ 5,438.68	$ 4,074.00	$ 1,747.10	$ 3,244.61	$ 14,300.00	$ 10,226.00		60% ED/40% CDD - 1.2% GIS
201	46500	50151	Workers Compensation Insurance	$ 586.00		$ 625.00	$ -	$ -	$ 750.00	$ 125.00		
201	46500	50210	Operating Supplies	$ 1,850.00		$ 200.00	$ -	$ -	$ 200.00	$ -		
201	46500	50300	Professional Services	$ 12,479.00	$ 13,457.11	$ -	$ 21,633.25	$ 43,266.50	$ -	$ -	$ -	
201	46500	50301	Audting & Accounting Services	$ 1,004.00	$ 1,486.36	$ 1,000.00	$ 4,458.53	$ 5,573.16	$ 1,000.00	$ -		
201	46500	50300	Planning Services	$ -	$ -	$ 35,000.00	$ -	$ -	$ -	$ (35,000.00)		
											$ -	Downtown MP ($32,000 @ 100% CDD)
											$ -	Business Park MP (100% EDA)
201	46500	50303	Enginering Services	$ 13,781.00	$ 7,695.12	$ 16,500.00	$ 4,614.50	$ 9,229.00	$ 10,000.00	$ (6,500.00)		
											$ 10,000.00	General Engineering Services
											$ -	Downtown Parking ($23,000 @ 50% EDA)
201	46500	50304	Legal Services	$ -	$ 14,250.00	$ 3,000.00	$ 1,638.75	$ 3,277.50	$ 10,000.00	$ 7,000.00		
											$ 10,000.00	General Legal Services
201	46500	50331	Travel Expenses	$ 117.00	$ 30.13	$ 2,500.00	$ -	$ -	$ 2,500.00	$ -		
											$ 1,100.00	Conference Hotel (excl EDAM)
												Mileage
											$ 400.00	Conference Mileage (EDAM)
											$ 500.00	SLUC Lunceons Mileage
											$ 500.00	General Mileage
201	46500	50332	Conference & Training	$ 81.00	$ 262.90	$ 1,735.00	$ -	$ -	$ 1,735.00	$ -		
											$ 325.00	EDAM Winter Conferene
											$ 370.00	EDAM Summer Conference
											$ 500.00	MNCAR Expo
											$ 540.00	NBACC Chamber Luncheons
201	46500	50334	Meeting Expense	$ -	$ -	$ -	$ 306.58	$ 613.16	$ -	$ -		
201	46500	50343	Marketing Expense	$ 1,363.00	$ 4,280.53	$ 4,200.00	$ 210.00	$ 420.00	$ 5,200.00	$ 1,000.00		*NBACC Silver $1399, Gold $2499, Platinum $3599*
											$ 699.00	NBACC Bronze Sponsor
											$ 350.00	NBACC Golf Tourney Hole Sponsorship
											$ 115.00	NB Beautification Flower Basket
											$ 200.00	Old Highway 61 Coalition
											$ 1,200.00	MNCAR Expo Sponsor (Tote Bag or Expo Booth)

											$ 2,636.00	General Marketing
201	46500	50351	Legal Notices Publishing	$ -	$ -	$ 120.00	$ -	$ -	$ 120.00	$ -		
201	46500	50352	General Notices & Public Information	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
201	46500	50360	Insurance	$ 875.00	$ 880.29	$ 800.00	$ 1,021.00	$ 1,021.00	$ 960.00	$ 160.00		
201	46500	50430	Miscellaneous Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
201	46500	50433	Dues & Subscriptions	$ 1,528.00	$ 985.44	$ 895.00	$ 850.00	$ 850.00	$ 895.00	$ -		
											$ 320.00	EDAM
											$ 325.00	MNCAR Membership
											$ 250.00	SLUC (Organizational)
201	46500	50443	Recording Fees	$ -	$ 56.00	$ -	$ -	$ -	$ -	$ -		
201	46500	50455	Property Taxes & Assessments	$ -	$ 858.00	$ 28,595.00	$ -	$ 28,595.00	$ 29,374.58	$ 779.58		*Coded to Fund 476. Cost shown is 2023 x 3.0%*
											$ 858.00	Cherokee Place Property taxes/11.00359.27
											$ -	11.00331.00 (NB EDA)
											$ 1,386.38	11.00359.26 (NB EDA)
											$ 1,126.82	11.00359.30 (NB EDA) - No Tax in 2022
											$ 4,066.44	11.01072.02 (NB EDA / FARM ESTATE-BILL BACK)
											$ 1,996.14	11.01072.05 (NB EDA)
											$ 1,740.70	11.01072.06 (NB EDA)
											$ 1,998.20	11.01072.07 (NB EDA)
											$ -	11.01072.10 (NB EDA / POND)
											$ 3,876.92	11.01072.13 (NB EDA)
											$ -	11.01072.16 (HRA-EDA)
											$ -	11.01072.17 (HRA-EDA)
											$ -	11.01072.18 (HRA-EDA)
											$ 1,246.30	11.01072.19 (HRA-EDA / ROW)
											$ -	11.01072.21 (HRA-EDA)
											$ 150.38	11.01072.24 (HRA-EDA)
											$ 531.48	11.01072.25 (HRA-EDA)
											$ 1,886.96	11.01072.26 (HRA-EDA)
											$ 1,563.54	11.01072.28 (NB EDA)
											$ 1,400.80	11.01072.29 (NB EDA)
											$ 1,394.62	11.01072.30 (NB EDA)
											$ 920.82	11.01072.31 (NB EDA)
											$ 943.48	11.01072.32 (NB EDA)
											$ 2,286.60	11.01072.33 (NB EDA)
201	46500		Transfers Out	$ -	$ -	$ 345,000.00	$ -	$ 345,000.00	$ 364,000.00	$ 19,000.00		
											$ 364,000.00	Business Park Debt - Principal + Interest + Fees
201	46510		Economic Development & Assistance	$ -	$ -	$ 75,000.00	$ -	$ -	$ 75,000.00	$ -		
											$ 75,000.00	Storefront Rehabiltation Program
											$ -	Business Assistance Program
ECONOMIC DEVELOPMENT AUTHORITY (EDA)				**$ 116,444.00**	**$ 180,998.04**	**$ 616,888.00**	**$ 86,853.39**	**$ 534,641.06**	**$ 612,767.58**	**$ (4,120.42)**		

ECONOMIC DEVELOPMENT AUTHORITY (EDA)	2022 Actual	2023 Actual	2024 Adopt	2024 YTD	2024 PROJ	2025 Draft	
EDA REVENUES	**$ (127,919.00)**	**$ (171,683.57)**	**$ (765,965.00)**	**$ (2,100.00)**	**$ (724,023.95)**	**$ (753,711.26)**	
EDA EXPENSES	**$ 116,444.00**	**$ 180,998.04**	**$ 616,888.00**	**$ 86,853.39**	**$ 534,641.06**	**$ 612,767.58**	
	$ (11,475.00)	**$ 9,314.47**	**$ (149,077.00)**	**$ 84,753.39**	**$ (189,382.89)**	**$ (140,943.68)**	**OVER / (UNDER)**

NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY Proposed Budget: 08-20-2024
PAY 2024 - BUDGET SUMMARY

Revenues		2022 Actual		2023* Actual		2024 Budget		2025 Proposed
Taxes	$	127,614	$	166,271	$	573,341	$	561,045
Licenses & Permits	$	-	$	-	$	-	$	-
Intergovernmental	$	305	$	1,812	$	-	$	-
Charge for Service	$	-	$	-	$	-	$	-
Other Revenues	$	3,709	$	3,600	$	7,624	$	7,666
Transfers In	$	-	$	-	$	185,000	$	185,000
Total Revenues	$	131,628	$	171,683	$	765,965	$	753,711

Expenditures		2021 Actual		2022 Actual		2023 Budget		2024 Proposed
Salaries & Benefits	$	83,366	$	136,756	$	102,343	$	111,783
Operating Supplies	$	1,850	$	-	$	200	$	200
Professional Services	$	28,139	$	37,769	$	56,300	$	21,000
Marketing, Travel& Training	$	3,089	$	5,615	$	9,450	$	11,410
Land & Property Taxes	$	-	$	858	$	28,595	$	29,375
Economic Development Assistance	$	-	$	-	$	75,000	$	75,000
Transfers Out	$	-	$	-	$	345,000	$	345,000
Total Expenditures	$	116,444	$	180,998	$	616,888	$	593,768

**Note: The 2023 EDA and HRA tax levies totalled $389,126. That revenue is not shown here as it was receipted into a debt service fund.*

EDA + HRA levies combined total.

Tranfers In are revenues from the General Tax Levy to support EDA operations; adjusted for inflation & value.

Tranfers Out are to the Debt Service Fund for Business Park debt payments; excludes County HRA-EDA payment.

NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY
PAY 2025 - EDA + HRA TAX LEVIES

8/4/2024

2024, Pay 2025		Prior Year	PROPOSED	
Estimated Market Value		$1,565,259,100	$1,531,653,900	$33,605,200
Taxable Market Value		$1,502,359,700	$1,442,224,900	$60,134,800
Local Net Tax Capacity		$15,975,003	$15,618,790	

2024, Pay 2025		$1,565,259,100	$1,531,653,900	
	EDA Pay 2024	$289,566	$277,689	0.01813%
	HRA Pay 2024	$283,775	$283,356	0.01850%
		$573,341	$561,045	

Tax Cap	$15,975,003	$15,618,790	
Tax Rate	3.58899%	3.59211%	Pay 2025

EX1: Actual Property Value

Pay 2025	EMV	$280,800		
	TMV	$268,800	$96.56	Pay 2025
Pay 2024	EMV	$280,800		
	TMV	$268,800	$96.47	Pay 2024
	EDA/HRA Levy	Diff +/(-)	$0.08	
		Diff / Mo	$0.01	

EX2: Median Property Value

Pay 2025	EMV	$316,400		
	TMV	$307,600	$110	Pay 2025
Pay 2024	EMV	$316,400		
	TMV	$307,600	$110	Pay 2024
	EDA/HRA Levy	Diff +/(-)	$0.10	
		Diff / Mo	$0.01	

EX3: Actual Property Value

Pay 2025	EMV	$370,600		
	TMV	$366,700	$132	Pay 2025
Pay 2024	EMV	$370,600		
	TMV	$366,700	$132	Pay 2024
	EDA/HRA Levy	Diff +/(-)	$0.11	
		Diff / Mo	$0.01	

City of North Branch
Staff Report

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

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

Date: 12/09/2024

Board & Commission: Economic Development Authority

Subject: Resolution Adopting the Final 2025 HRA Tax Levy for the North Branch Economic Development Authority

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See staff report for 2025 EDA Budget and EDA Tax Levy.

Voting Requirements:

Voting Options	**Simple Majority**

STATE OF MINNESOTA

COUNTY OF CHISAGO

CITY OF NORTH BRANCH

ECONOMIC DEVELOPMENT AUTHORITY RESOLUTION NO. R-129-2024

RESOLUTION ADOPTING THE FINAL 2024 HRA TAX LEVY FOR THE NORTH BRANCH ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, THE ECONOMIC DEVELOPOMENT AUTHORITY ("EDA") OF THE CITY OF NORTH BRANCH, MINNESOTA ("City") is a public body corporate and a political subdivision organized under Minnesota Statutes, Section §469.001 to §469.047; and,

WHEREAS, the EDA is required by Minnesota Statute §275.065 to adopt and certify a final tax levy to Chisago County ("County") on or before December 30 of each year; and,

WHEREAS, pursuant to State Statute §469.033, subd. 6, the maximum HRA levy is set at .0185% of the total taxable market value of the City, making the estimated maximum tax levy amount for 2025 of $283,356; and,

WHEREAS, the EDA has determined that a tax levy of $283,356 is necessary to meet development objectives for 2025; and,

WHEREAS, the purpose of said funds shall be used by the EDA for repayment of debt of the Taxable Refunding Lease Revenue Bonds, Series 2017 and other operating costs as allowed by law, including, but not limited to: housing and redevelopment activities and community promotion and marketing efforts necessary for such activities.

NOW THEREFORE BE IT RESOLVED, BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NORTH BRANCH, MINNESOTA, hereby authorizes a final 2025 HRA tax levy in the amount of $283,356.

BE IT FURTHER RESOLVED, the City Administrator and Finance Director are hereby directed to submit this resolution and other required documentation to Chisago County for certification.

City of North Branch
Staff Report

Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 12/04/2024

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 4 and Lot 5, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota

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Voting Requirements:

Voting Options **Simple Majority**

CITY OF NORTH BRANCH EST. 1881

City of North Branch
Staff Report

Prepared By:

Presenter:

Date: 12/06/2024

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 2 and Lot 3, Block 2, Essby Business Park 4th Addition, North Branch, Minnesota

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Voting Requirements:

Voting Options **Simple Majority**