



NORTH BRANCH —Minnesota—

Kevin Schieber
Mayor

Robert Canada
Councilmember/Acting Mayor

Travis Miles
Councilmember

Jeff Goulet
Councilmember

Peter Schaps
Councilmember

**CITY COUNCIL
REGULAR AGENDA
FRIDAY, MARCH 14, 2025 @ 2:00 PM
CITY HALL, 6408 ELM STREET, NORTH
BRANCH, MN 55056**

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. AGENDA APPROVAL

- a. Approve Agenda

ACTION

5. PUBLIC COMMENT

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

6. STAFF REPORTS

- a. Consider Approval Fourth Amendment to Purchase Agreement with Sunrise River Commons, LLC.

ACTION

- b. Consider approval of process and timeline to fill the vacancy on the City Council.

ACTION

7. ADJOURNMENT

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

*****Notice of Participation*****

Council Member Robert Canada will be attending the City of North Branch Meeting on Friday, March 14, 2025

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via Phone, computer or iPad connectivity, pursuant to Minnesota Statute 13D.021. Mr. Canada can either be seen and heard at the meeting via electronic (phone, computer or iPad) means and will participate from ALLIANZ LIFE 5701 GOLDEN HILLS DRIVE, GOLDEN VALLEY, MN 55416, in the lobby, a location open and accessible to the public.



Prepared By: Nathan Sondrol, Community Development Director

Presenter: Nathan Sondrol, Community Development Director

Date: 03/11/2025

Board & Commission: City Council

Subject: Consider Approval Fourth Amendment to Purchase Agreement with Sunrise River Commons, LLC.

Overview / Background

On July 25, 2023, the City Council approved Resolution No. 49-23-CC, authorizing the purchase from Chisago County two (2) tax forfeit parcels within the North Branch Development District. The two (2) lots are located on Highway 95, west of Interstate 35 (PINs: 11.00410.14 and 11.00410.28). Both properties have remained vacant since they were created by plat in 2008. Parcel 1 (11.00410.14) is located north of the Holiday gas station; Parcel 2 (11.00410.28) is located at northwest corner of Interstate-35 and Highway 95 (Subject Properties). The purchase price for the Subject Properties, as set by Chisago County, was \$206,731 (Parcel 1) and \$258,296 (Parcel 2). The purpose of acquiring the two (2) properties was identified as necessary to facilitate development opportunities in this area.

At that same meeting, the City Council authorized City staff to negotiate a purchase agreement with SMNPT 1, LLC, renamed to Sunrise River Commons, LLC (Developer). The City is required to sell both parcels for the same price as what the City paid for them. The Developer was responsible for developing the Chipotle and Starbucks development. The Purchase Agreement was finalized on November 27, 2023, and executed by both the City and Developer on February 15, 2024.

The Developer has since been working through its due diligence, notably identifying potential users, and has requested a fourth extension to the Closing Date and Contingency Period identified in the Purchase Agreement. The Council approved a first amendment on May 28, 2024, to extend the closing date to September 28, 2024 and approved a Second Amendment to extend the closing date to December 1, 2024 and a Third Amendment to extend to March 15, 2025. The developer is requesting to extend the agreement 45 day (April 29, 2025), to allow for the closing and would be required to deposit an additional \$25,000 earnest money.

The Developer is looking at two (2) retail buildings on the lot north of Holiday, and have been discussing conceptual layouts with city staff for the site. They have a letter of intent (LOI) that is scheduled to be approved by the real estate committee and is estimated to take 30 - 90 days with the holidays coming up. The extension to April 29, 2025, would allow for potential delays due to holidays or other unforeseen issues. They are continuing conversations with several others interested for the other site as well. Types of businesses include service and quick service retail/restaurants (QSRs).

The City Council discussed this at their March 11, 2025, meeting and tabled the request to March 14, 2025 at 2pm to obtain additional information relating to the escrow.

City staff will be working on obtaining the escrow information and providing asap for the meeting.

Requested City Council Action

Motion to consider approval the Fourth Amendment to the Purchase Agreement with Sunrise River Commons, LLC related to two (2) City-owned properties adjacent to Highway 95 and Interstate 35.

Voting Requirements:

Voting Options Simple Majority



Subject Properties

FOURTH AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT

This FOURTH AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT (“**Amendment**”) dated as of March __, 2025, (the “**Effective Date**”), and entered into by and between the City of North Branch, a Minnesota municipal corporation (“**Seller**”), and SUNRISE RIVER COMMONS LLC, a Minnesota limited liability company (“**Buyer**”).

RECITALS

WHEREAS, Seller and Buyer have entered into that certain Real Estate Purchase Agreement dated the 27th day of November, 2023 and fully executed on the 16th day of February, 2024, and amended by the First Amendment to Real Estate Purchase Agreement dated May 14, 2024 and fully executed on the 11th day of June, 2024, and amended by that certain Second Amendment to Real Estate Purchase Agreement dated September 24, 2024, and further amended by that certain Third Amendment to Real Estate Purchase Agreement dated November 26, 2024, and fully executed on December 3, 2024 (collectively the “**Purchase Agreement**”).

WHEREAS, Seller and Buyer desire to extend the Closing Date and Contingency Period, as defined in the Purchase Agreement subject to the terms contained herein, as well as to clarify certain terms under the Purchase Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Extension of Closing Date Additional Earnest Money Deposit.** The Closing Date shall be extended forty-five (45) days. Within three (3) business days of execution of this Amendment, Buyer shall deposit an additional Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) (“**Additional Deposit**”) with Title Company. The Additional Deposit shall be treated the same as the Earnest Money, as provided in the Purchase Agreement.

2. **Miscellaneous.**

a. **Definitions.** Capitalized terms used in this Amendment that are not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

b. **Partial Invalidity.** If any term or provision of this Amendment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Amendment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Amendment shall be valid and enforced to the fullest extent permitted by law.

c. **No Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other

covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

d. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

e. Entire Agreement; No Other Modification. This Amendment is the final expression of, and contains the entire agreement among, the parties hereto with respect to the subject matter set forth herein and may not be modified other than by an agreement in writing signed each party hereto. Except as expressly modified by this Amendment, all terms and conditions of the Purchase Agreement, together with any and all exhibits thereto, shall remain unmodified and are in full force and effect and enforceable in accordance with their terms. In the event of a conflict between the Purchase Agreement and this Amendment, the terms and provisions of this Amendment shall control.

f. Governing Law; Venue. The parties hereto expressly agree that this Amendment shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Minnesota. Any dispute arising under this Amendment or the documents referred to herein will be adjudicated exclusively in the courts of the State in which the Real Property is located.

g. Counterparts. This Amendment may be executed in counterparts, each of which shall constitute a separate document but all of which together shall constitute one and the same agreement. Signature pages may be detached and reattached to physically form one document. A signature scanned and sent by facsimile and/or e-mail shall be binding as an original signature.

[Signatures follow on next page(s)]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

SELLER
CITY OF NORTH BRANCH

Kevin Schieber, Mayor

Matthew Hill, City Administrator

STATE OF MINNESOTA)
) SS

COUNTY OF)

The foregoing instrument was acknowledged before me this ____day of _____, 2025 by Kevin Schieber and Matthew Hill, Mayor and City Administrator, of the City of North Branch, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

BUYER
SUNRISE RIVER COMMONS LLC

Paul Tucci, Manager

STATE OF MINNESOTA)

) SS

COUNTY OF)

The foregoing instrument was acknowledged before me this ____day of _____, 2025 by Paul Tucci, Manager, of the Sunrise River Commons, LLC, a Minnesota limited liability company, on behalf of said company.

Notary Public