



City of Albertville Council Agenda

Tuesday, February 17, 2026

City Council Chambers

7 pm

PUBLIC COMMENTS -The City of Albertville welcomes and encourages public input on issues listed on the agenda or of general community interest. Citizens wishing to address the Council regarding specific agenda items, other than public hearings, are invited to do so under Public Forum and are asked to fill out a "Request to Speak Card." Presentations are limited to five (5) minutes.

1. Call to Order

2. Pledge of Allegiance – Roll Call

Pages

3. Recognitions – Presentations - Introductions

4. Public Forum – (time reserved 5 minutes)

5. Amendments to the Agenda

6. Consent Agenda

All items under the Consent Agenda are considered to be routine by the City staff and will be enacted by one motion. In the event an item is pulled, it will be discussed in the order it is listed on the Consent Agenda following the approval of the remaining Consent items. Items pulled will be approved by a separate motion.

- A. Approve the February 2, 2026, regular City Council Meeting minutes as presented.
- B. Authorize the Tuesday, February 17, 2026, payment of claims as presented, except bills specifically pulled which are passed by separate motion. The claims listing has been provided to City Council as a separate document and is available for public view at City Hall upon request.
- C. Accept Accounts Receivable Report.
- D. 4th Quarter Budget to Actual
- E. 10% Annual Gambling Contributions
- F. Approve Payment Estimate No. 4 to Omann Contracting in the amount of \$833,147.89 for Main Avenue Improvements.

7. Public Hearing

A. Public Hearing – Outlet Mall East Side Tax Increment Financing Request

- Mayor to open the public hearing
- Motion to close the public hearing

(Motion to adopt Resolution No. 2026-07 establishing Tax Increment Financing District No. 24 within Development District No. 1 and adopting The Tax Increment Financing Plan Therefor; Authorizing the Terms of an Interfund Loan; Authorizing the execution of a Development Agreement.)

8. Wright County Sheriff's Office – Updates, reports, etc.

9. Department Business

A. City Council

- 1. **Committee Updates** (*STMA Arena, Planning, JPWB, Parks, Fire Board, FYCC, etc.*)

B. Building – None

C. City Clerk – None

D. Finance – None

E. Fire – None

F. Planning and Zoning

1. Leuer Concept Review

G. Public Works/Engineering

1. Proposed 2026 City Compost Site Hours

(Motion to approve the amended Albertville Compost site hours as listed in the Staff Report.)

H. Legal – None

I. Administration – None

10. Announcements and/or Upcoming Meetings

February 23	Joint Power Water Board, 6 pm Parks Committee, 7 pm
March 2	City Council, 7 pm
March 9	STMA Arena Board, 6 pm
March 10	Planning Commission, 7 pm
March 16	City Council, 7 pm

11. Adjournment



ALBERTVILLE CITY COUNCIL

DRAFT REGULAR MEETING MINUTES

February 2, 2026 – 7 pm
Council Chambers
Albertville City Hall

1. Call to Order

Mayor Hendrickson called the meeting to order at 7 pm.

2. Pledge of Allegiance – Roll Call

Present: Mayor Hendrickson, Councilmembers Cocking, Hayden, Olson, and Zagorski.

Staff Present: City Administrator Nafstad, Fire Chief Bullen, Planning Consultant Faulkner, City Attorney Couri, Finance Director Lannes and City Clerk Luedke.

3. Recognitions – Presentations – Introductions

A. Albertville Fire Department Presentation – 2025 Year in Review

Fire Chief Bullen presented the 2025 call data and said the fire department had received a total of 674 in 2025. He also provided details on the incident statistics by City along with the date and time frame of the incidents. Chief Bullen reported on the department's 2025 accomplishments and reviewed the grants received. He answered questions from Council regarding the review.

B. Albertville Fire Department – 2025 Service Awards

Fire Chief Bullen recognized the following Albertville Firefighters for their years of service: Firefighter Asfeld (10 years) and Fire Chief Bullen (20 years).

Chief Bullen said the department averaged 62 training hours per member with Firefighter Follett completing the most at 103 hours. The top volunteer hours were performed by Firefighter Aguirre with 56.5 hours. The 2025 Top Caller was Firefighter Follett with 374 calls and Firefighter Aguirre received the 2025 Paul Heinen Above and Beyond Award.

The City Council thanked the Albertville Fire Department for their service to the Community

4. Public Forum

Wright County Commissioner Holland provided an overview of the upcoming 2026 Wright County Road projects, highlighting those scheduled to occur within the City of Albertville and responded to questions from Council.

5. Amendments to the Agenda

City Administrator Nafstad requested that the items listed under 9F. Planning and Zoning, and 9H. Legal be moved to follow the Consent Agenda.

MOTION made by Councilmember Olson, seconded by Councilmember Hayden to approve the February 2, 2026, agenda as amended. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

6. Consent Agenda

All items under the Consent Agenda are considered to be routine by the City staff and will be enacted by one motion. In the event an item is pulled, it will be discussed in the order it is listed on the Consent Agenda following the approval of the remaining Consent items. Items pulled will be approved by a separate motion.

- A. Approve the January 20, 2026, regular City Council Meeting minutes as presented.
- B. Authorize the Monday, February 2, 2026, payment of claims as presented, except bills specifically pulled which are passed by separate motion. The claims listing has been provided to City Council as a separate document and is available for public view at City Hall upon request.
- C. Adopt the following Resolutions imposing civil penalties for liquor license violations according to Albertville City Code section 4-1-15.
 - **Resolution No. 2026-03** imposing civil penalty for a liquor license violation occurring on December 26, 2025 at D. Michael B's located 6550 Lamplight Drive.
 - **Resolution No. 2026-04** imposing civil penalty for liquor license violations occurring on December 26, 2025, at Cedar Creek Bar & Grill located 5700 Jason Avenue NE.
- D. Approve renewal of Consumption and Display Permit for the Church of St. Albert's for the Parish Center located at 11400 57th Street NE and further subject to receipt of licensing approval from the State of Minnesota.

MOTION made by Councilmember Cocking, seconded by Councilmember Olson to approve the February 2, 2026, consent agenda as submitted. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

7. Public Hearing – None

8. Wright County Sheriff's Office – Updates, reports, etc.

There were no updates from Wright County Sheriff's Office.

9. Department Business

A. City Council

1. Committee Updates (*STMA Ice Arena, Planning, JPWB, Parks, Fire Board, FYCC, etc.*)

Councilmember Olson reported that the Parks Committee met and set the date Park's Night and the grand opening of Central Park for Thursday, May 14, 2026.

B. Building

1. 2025 Year-End Building Permit Review

City Administrator Nafstad presented the staff report and summarized the 2025 Building Permit Activity report. He also reviewed the rental license information and the number of inspections conducted in 2025 and responded to questions from Council.

C. City Clerk – None

D. Finance

1. Central Park Warming House – Security Cameras, Burglary and Fire Alarm System

Finance Director Lannes presented the staff and explained the warming house has a burglary and fire system that was no longer working and a quote was obtained to repair it. She also reported that the possibility of adding exterior cameras was considered. Director Lannes noted that the Fire Chief indicated a commercial fire system was required, which the building does not currently have, and responded to question from Council.

MOTION made by Councilmember Cocking, seconded by Councilmember Olson to authorize the purchase of security cameras, burglary and fire system plus related equipment for Central Park warming house in the amount of \$14,194.95. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

2. Central Park Light Pole - Security Cameras

MOTION made by Councilmember Cocking, seconded by Councilmember Zagorski to authorize the purchase of security cameras and related equipment for security cameras at Central Park roundabout in the amount of \$4,490.00. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

E. Fire – None

F. Planning and Zoning

1. Due Pointe Commons Concept Review

Planning Consultant Faulkner presented the staff report on the potential redevelopment of the Outlet Mall East and explained the proposal would remove four vacant existing buildings and redevelop the site into ten commercial lots. She reported that Phase One, anticipated in 2026, would include construction of a car wash, which was the primary driver of the development. Consultant Faulkner noted the property was subject to significant deed restrictions on allowable businesses uses and stated the developer was seeking Council feedback on proposed building materials for the carwash. She reported the site was considered blighted and would require Tax Increment Financing (TIF) assistance and responded to questions from Council.

The developer, Corey Kampschroer, reported the project would be called Due Point Commons and stated he was seeking Council’s feedback on the proposal. He explained the carwash would be a premium product featuring a new concept of building materials and outlined the planned amenities. Mr. Kampschroer provided additional information on the property’s deed restrictions, stated he would be open to another building location within the City if available and responded to questions from Council.

City Attorney Couri answered questions from Council regarding the property’s deed restrictions.

City Administrator Nafstad provided additional information regarding the deed restrictions and the challenges associated with demolition. He reported the site would not be suitable for housing due to zoning ordinance requirements as well as DNR and shoreland regulations.

The Council discussed the development concept, the existing deed restrictions, potential options for the remaining buildings due to the restrictions, and possible alternative locations within the City for a carwash

2. Federated Co-op Zoning Map Amendment, Preliminary Plat and Final Plat

Planning Consultant Faulkner presented the staff report, provided background information on the project, and stated that Federated had closed on the properties, and was now requesting to rezone them from Right-A-Way to B3 Highway Commercial and Federated PUD.

MOTION made by Councilmember Cocking, seconded by Councilmember Hayden to adopt **Ordinance No. 2026-01** for Rezoning PID 101-500-012133 from Right-of-Way to Federated Co-ops PUD/B-3 district, **Resolution No. 2026-05** allowing for summary publication for Ordinance No. 2026-01, and **Resolution No. 2026-06** approving the preliminary plat and final plat entitled Federated Co-ops Albertville, with conditions. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

G. Public Works/Engineering – None

H. Legal

1. Federated Co-op Albertville PUD Developer’s Agreement

City Attorney Couri presented the staff report and explained that the developer's agreement was mostly a formality since there are no municipal improvements or site improvements, and the park dedication fees have already been paid. He added that the main purpose of the agreement was to ensure the developer comes back to work out another easement if access across the railroad tracks, covered by a 25-year agreement, was no longer available.

MOTION made by Councilmember Hayden, seconded by Councilmember Cocking to approve the Developer’s Agreement for Federated Co-ops Albertville PUD. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

I. Administration

Mayor Hendrickson reported that the State of the Cities was scheduled for tomorrow, February 3.

Announcements and/or Upcoming Meetings

- February 9 STMA Arena Board, 6 pm
- February 10 Planning Commission, 7 pm
- February 16 City Hall closed in observance of President’s Day
- February 17 City Council, 7 pm (Tuesday)
- February 23 Joint Power Water Board, 6 pm
Parks Committee, 7 pm
- March 2 City Council, 7 pm

10. Adjournment

MOTION made by Councilmember Cocking, second by Councilmember Olson to adjourn the meeting at 8:33 pm. Ayes: Cocking, Hayden, Hendrickson, Olson, and Zagorski. Nays: None. The motion carried.

Respectfully submitted,

Kristine A. Luedke, City Clerk

February 17, 2026

SUBJECT: CONSENT – FINANCE – PAYMENT OF BILLS

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Authorize the Tuesday, February 17, 2026, payment of the claims as presented except the bills specifically pulled, which are passed by separate motion. The claims listing has been provided to Council as a separate document. The claims listing is available for public viewing at City Hall upon request.

BACKGROUND: The City processes claims on a semi-monthly basis. The bills are approved through their respective departments and administration and passed onto the City Council for approval.

KEY ISSUES:

- **Account codes starting with 810 are STMA Arena Expenses/Vendors (highlighted) and key issues will be presented in the claims listing document.**

POLICY/PRACTICES CONSIDERATIONS: It is the City's policy to review and approve payables on a semi-monthly basis.

FINANCIAL CONSIDERATIONS: City staff have reviewed and recommend approval of payments presented.

LEGAL CONSIDERATIONS: The Mayor and Council have the authority to approve all bills pursuant to Minnesota State Law, which requires all bills to be paid in a timely manner, generally within 30 days unless one party determines to dispute the billing.

Responsible Person: Tina Lannes, Finance Director

Submitted through: Adam Nafstad, City Administrator-PWD

Attachment:

- List of Claims (under separate cover)

February 17, 2026

SUBJECT: CONSENT – FINANCE – ACCOUNTS RECEIVABLE REPORT

ACCOUNTS RECEIVABLE: Total accounts receivable outstanding through February 4, 2026, is \$51,525.24.

The percentage of the total due based on the aging report is as follows:

0-30 days outstanding	\$ 39,952.32	77.54%
30-60 days outstanding	\$ 4,726.75	9.17%
60-90 days outstanding	\$ 49.02	0.10%
Over 90 days outstanding	\$ 6,797.35	13.19%

PRACTICES/POLICY CONSIDERATIONS: The Mayor and Council review quarterly financial reports.

FINANCIAL CONSIDERATIONS: There are no financial considerations at this time.

LEGAL CONSIDERATIONS: The Mayor and Council have the authority to review and direct staff to take action regarding all financial matters.

Responsible Person: Tina Lannes, Finance Director

Submitted Through: Adam Nafstad, City Administrator-PWD

Attachment:

- Accounts Receivable Report

Mayor and Council Communication – February 17, 2026
Consent – Finance – Accounts Receivable Report

Vendor	Amount Due	0-30 Days	30-60 days	60-90 days	90 days & Over
ALDI	\$ 1,171.20	\$ 9.70	\$ 1,161.50		
Bogart Pederson/Federated	\$ 1,753.27	\$ 14.52	\$ 1,738.75		
City of St. Michael	\$ 8,153.50	\$ 8,153.50			
Hockey Finder	\$ 3,027.98	\$ 3,027.98			
MN Reign	\$ 2,675.56	\$ 41.96		\$ 20.98	\$ 2,612.62
Monticello Fire & Rescue	\$ 500.48	\$ 500.48			
NWCRH Girls Varsity Hockey	\$ 9,000.00	\$ 9,000.00			
State of MN - Tax Forfeit	\$ 4,272.45	\$ 59.68		\$ 28.04	\$ 4,184.73
STMA High School Boys Team	\$ 16,771.25	\$ 16,771.25			
STMA United Soccer Club	\$ 2,350.00	\$ 2,350.00			
T & J Construction	\$ 875.25	\$ 7.25	\$ 868.00		
Winslow, Tanner	\$ 974.50	\$ 16.00	\$ 958.50		
Total	\$51,525.44	\$39,952.32	\$4,726.75	\$49.02	\$6,797.35
Current 0-30 days		\$39,952.32	77.54%		
30-60 days		\$4,726.75	9.17%		
60-90 days		\$49.02	0.10%		
over 90 day		\$6,797.35	13.19%		

February 17, 2025

**SUBJECT: CONSENT – FINANCE – 4TH QUARTER BUDGET TO ACTUAL REPORT
– UN-AUDITED**

4th QUARTER BUDGET TO ACTUAL: Attached are the 4th Quarter 2025 un-audited General Fund summaries of revenues and expenditures. Revenues are expected to be 100%. Expenses are expected to be at 100%.

This summary shows operating revenues are at 107.36% and operating expenses are at 101.62%.

VARIANCES:

Revenue:

- Current Ad Valorem Taxes – Final settlement received in January 2026
- Building Permits – unbudgeted projects Kindercare, Mold Tech and Engle Haus
- Police Aid – received more than expected
- Administrative Fee – Engle Haus Plat
- Zoning & Subdivisions Fees – Unbudgeted developments Kindercare, Mold Tech and Engle Haus
- Plan Check Fee – Unbudgeted developments Kindercare, Mold Tech and Engle Haus

Expenses:

- General Government – Incident response and investigation and software licenses
- City Attorney – general legal plus unexpected developments along with code enforcement
- City Engineer – general engineering plus projects – Main Ave, Central Park, wetland violation
- Economic Development – Property Taxes
- Planning & Zoning - Unbudgeted developments Kindercare, Mold Tech and Engle Haus

Responsible Person: Tina Lannes, Finance Director

Submitted Through: Adam Nafstad, City Administrator-PWD

Attachment:

- 2025 Budget to Actual

**2025 Council Update
 General Fund Operations**

General Fund Revenue:		2025 Budget	2025 Actual 12/31/25	Ytd % Budget
31010	Current Ad Valorem Taxes	\$ 2,721,294	\$2,712,398	99.67%
32000	Licenses & Permits	\$ 30,500	\$47,392	155.38%
32110	Liquor Licenses	\$ 30,000	\$34,585	115.28%
32150	Sign Permits	\$ 2,500	\$140	5.60%
32210	Building Permits	\$ 200,000	\$378,370	189.18%
33401	LGA Revenue expected	\$ 261,315	\$270,998	103.71%
33405	Police Aid	\$ 50,000	\$71,816	143.63%
33422	Other State Aid Grants	\$ -	\$0	0.00%
33423	Municipal Maintenance	\$ 11,535	\$11,535	100.00%
34000	Charges for Services	\$ 18,000	\$4,870	27.05%
34001	Administrative Fee	\$ 1,500	\$10,688	712.53%
34005	Engineering As Built Fee	\$ 250	\$1,050	420.00%
34101	Leases - City Property	\$ 31,700	\$31,560	99.56%
34103	Zoning & Subdivision Fees	\$ 2,500	\$12,100	484.00%
34104	Plan Check Fee	\$ 65,000	\$143,721	221.11%
34107	Title Searches	\$ 2,500	\$3,125	125.00%
34112	Franchise Fee - Electric	\$ 134,700	\$118,951	88.31%
34113	Franchise Fee - Cable	\$ 50,000	\$63,823	127.65%
34114	Franchise Fee - Gas	\$ 168,000	\$205,954	122.59%
34202	Fire Protection Contract Charges	\$ 714,498	\$714,498	100.00%
34780	Rental Fees	\$ 17,000	\$21,351	125.59%
34950	Other Revenues	\$ 25,000	\$14,122	56.49%
34110	Arena	\$ 16,013	\$16,013	100.00%
Total Revenues		\$ 4,553,805	\$4,889,060	107.36%

General Fund Department Expenditures:		2025 Budget	2025 Actual 12/31/25	Ytd % Budget
41000	General Government	\$ 80,467	\$157,404	195.61%
41100	Council	\$ 58,128	\$57,846	99.52%
41300	Combined Administrator/Engineer	\$ 208,949	\$205,063	98.14%
41400	City Clerk	\$ 167,890	\$167,834	99.97%
41410	Elections	\$ 27,000	\$2,549	9.44%
41500	Finance	\$ 148,881	\$143,418	96.33%
41550	City Assessor	\$ 50,000	\$46,281	92.56%
41600	City Attorney	\$ 30,000	\$41,400	138.00%
41700	City Engineer	\$ 35,000	\$206,243	589.26%
41800	Economic Development	\$ 5,000	\$19,928	398.56%
41910	Planning & Zoning	\$ 61,507	\$89,086	144.84%
41940	City Hall	\$ 171,882	\$135,254	78.69%
42000	Fire Department	\$ 723,401	\$695,615	96.16%
42110	Police	\$ 1,237,746	\$1,204,500	97.31%
42400	Building Inspection	\$ 317,487	\$309,394	97.45%
42700	Animal Control	\$ 8,000	\$7,582	94.78%
43100	Public Works - Streets	\$ 490,876	\$491,574	100.14%
43160	Electric - Street Lights	\$ 114,000	\$102,291	89.73%
45000	Culture & Recreation	\$ 90,846	\$85,715	94.35%
45100	Parks & Recreation	\$ 526,745	\$458,813	87.10%
Total Expenditures		\$ 4,553,805	\$4,627,788	101.62%

2025 Council Update				
Capital Fund				
Capital Reserve Fund Revenue:		2025 Budget	12/31/2025	Ytd % Budget
102-31010	Capital Levy	\$ 2,344,018	\$2,344,018	100.00%
	Total Revenues	\$ 2,344,018	\$2,344,018	100.00%
2025 Council Update				
Capital Fund				
Capital Reserve Fund Expenditures:		2025 Budget	12/31/2025	Ytd % Budget
102	Capital Expenditures	\$ 2,344,018	\$479,252	20.45%
	Total Expenditures	\$ 2,344,018	\$479,252	20.45%

February 17, 2026

SUBJECT: CONSENT – FINANCE – 10% ANNUAL GAMBLING CONTRIBUTION

BALANCE: Total gambling contribution received as of February 11, 2026 is \$153,594.55. The annual projection of funds to be collected is approximately \$86,000.

BACKGROUND: Per City Code section 4-3-8, organizations licensed by the State to conduct lawful gambling shall contribute to the City 10% of its net profits derived from lawful gambling operations within the City. Annually, the City must file a report to the State showing contributions, expenses, and balance of the 10% gambling contributions.

	Fund 208	10 % Gambling Contributions Fund			
Date	Organization	Description	Deposited	Expensed	Balance
9/9/2025	Albertville Lions	2025 10% contribution	\$7,486.60		\$107,486.60
10/21/2025	Albertville Lions	2025 10% contribution	\$6,754.28		\$114,240.88
11/3/2025	STMAYHA	2025 10% contribution	\$5,016.64		\$119,257.52
11/10/2025	Albertville Lions	2025 10% contribution	\$7,210.98		\$126,468.50
12/24/2025	Albertville Lions	2025 10% contribution	\$5,728.15		\$132,196.65
1/5/2026	Knights	2025 10% contribution	\$890.44		\$133,087.09
1/28/2026	Albertville Lions	2026 10% contribution	\$1,878.44		\$134,965.53
2/4/2026	Albertville Lions	2025 10% contribution	\$4,311.85		\$139,277.38
2/5/2026	STMAYHA	2025 10% contribution	\$14,317.17		\$153,594.55

KEY ISSUES:

- Funds can be used for limited purposes.
- Balance of the gambling fund 208 will be funding a portion of the playground equipment in Central Park.

PRACTICES/POLICY CONSIDERATIONS: The Mayor and Council review gambling contribution balances annually.

FINANCIAL CONSIDERATIONS: There are no financial considerations at this time.

LEGAL CONSIDERATIONS: MN Statute 349.213 (f)(2) allows a City by ordinance to require organizations to contribute 10% of their net profit derived from lawful gambling within the City to be used for limited purposes. The Mayor and Council have the authority to review and direct staff to act regarding all financial matters.

Responsible Person: Tina Lannes, Finance Director

Submitted Through: Adam Nafstad, City Administrator-PWD

February 17, 2026

SUBJECT: PUBLIC HEARING – OUTLET MALL EAST SIDE TAX INCREMENT FINANCING REQUEST

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Adopt Resolution No. 2026-07 establishing Tax Increment Financing District No. 24 within Development District No. 1 and adopting The Tax Increment Financing Plan Therefor; Authorizing the Terms of an Interfund Loan; Authorizing the execution of a Development Agreement.

BACKGROUND: The City of Albertville proposes to provide tax increment financing assistance through the establishment of Tax Increment Financing (TIF) District No. 24 (Outlet Mall East Side Redevelopment) to the Developer, LEP Holdings LLC to assist with the phased construction and development of approximately 81,653 square feet of commercial-retail space, new infrastructure and site improvements, and parking to be constructed across what is proposed to be up to eight parcels.

The TIF District would be established as a “redevelopment district” pursuant to Section 469.174, subdivision 10 of the TIF Act. The City finds that the property in the TIF District meets the statutory criteria for a redevelopment district.

KEY ISSUES:

- The TIF District would be established to assist with the phased construction and development of approximately 81,653 square feet of commercial-retail space, new infrastructure and site improvements, and parking to be constructed across what is proposed to be up to eight parcels.
- The City would collect tax increment from the new taxable market value that would be created from the development within the TIF District. State property taxes and school referendum taxes are not captured as tax increment, pursuant to state law.

POLICY/PRACTICES CONSIDERATIONS: The City has established a number of TIF districts in the past to aid in the development of manufacturing facilities in the City.

FINANCIAL CONSIDERATIONS: The City will issue a TIF “pay-go” revenue note to reimburse the Developer for up to \$2,083,000 of certain eligible costs the Developer will incur for the redevelopment project, payable with interest at rate of 5.0%. The payments on the TIF Note by the City to the Developer will be payable over a period not to exceed 15 years. This is an estimate; the actual amount will vary based on actual taxable market value of the Development, future tax rates for the taxing jurisdictions, among other factors.

LEGAL CONSIDERATIONS: After holding the public hearing on this matter, the City has the legal authority to establish the TIF, provided it makes the findings set out in the attached resolution establishing the TIF district.

Responsible Person: Tina Lannes, Finance Director

Submitted Through: Adam Nafstad, City Administrator-PWD

Attachments:

- Northland TIF Plan
- Resolution No. 2026-07
- Development Agreement

DRAFT
CITY OF ALBERTVILLE, MINNESOTA
TAX INCREMENT FINANCING PLAN FOR
TAX INCREMENT FINANCING (REDEVELOPMENT)
DISTRICT NO. 24 (OUTLET MALL EAST SIDE REDEVELOPMENT)
WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1

PROPOSED TO BE ADOPTED BY THE CITY COUNCIL

PUBLIC HEARING DATE: _____, 2026

PLAN APPROVED DATE: _____, 2026

PLAN CERTIFICATION REQUEST DATE: _____, 2026

PLAN CERTIFIED DATE: _____, 2026



Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC
Registered with SEC and MSRB

TABLE OF CONTENTS

ARTICLE I – INTRODUCTION AND DEFINITIONS.....		1
Section 1.01	Introduction	1
Section 1.02	Definitions	1
Section 1.03	Plan Preparation	2
 ARTICLE II - TAX INCREMENT FINANCING PLAN.....		 3
Section 2.01	Statutory Authority	3
Section 2.02	Planned Development	3
2.02.1	Development Description.....	3
	Figure 2-1 Development Description Details.....	3
2.02.2	City Plans and Development Program	3
2.02.3	Land Acquisition.....	3
2.02.4	Development Activities.....	3
2.02.5	Need for Tax Increment Financing	4
Section 2.03	Tax Increment Financing District	4
2.03.1	Designation	4
2.03.2	Boundaries of TIF District.....	4
2.03.3	Type of District.....	4
Section 2.04	Plan for Use of Tax Increment	5
2.04.1	Estimated Tax Increment.....	5
2.04.2	Public Development Costs.....	6
2.04.3	Estimated Sources and Uses of Funds	6
	Figure 2-2 Estimated Sources and Uses of Tax Increment	6
2.04.4	Administrative Costs	7
2.04.5	County Road Costs	7
2.04.6	Bonded Indebtedness	7
2.04.7	Election of First Year of Tax Increment and Duration of TIF District..	7
2.04.8	Estimated Impact on Other Taxing Jurisdictions	8
2.04.9	Prior Planned Improvements	8
 ARTICLE III – ADMINISTERING THE TIF DISTRICT		 8
Section 3.01	Filing and Certification.....	8
Section 3.02	Modifications of the Tax Increment Financing Plan.....	8
Section 3.03	Correcting Redevelopment Conditions	9
Section 3.04	Four-Year Knockdown Rule	9
Section 3.05	Pooling and Five-Year Rule.....	9
Section 3.06	Financial Reporting and Disclosure Requirements.....	10
Section 3.07	Business Subsidy Compliance	10
 EXHIBITS.....		 11
Exhibit I	Present Value Analysis	11
Exhibit II	Projected Tax Increment	12
Exhibit III	Impact on Other Taxing Jurisdictions.....	13
Exhibit IV	Estimated Tax Increment Over Life of District	14
Exhibit V	Map of TIF District and Development District	15
Exhibit VI	Inspection Report of Property	16

ARTICLE I – INTRODUCTION AND DEFINITIONS

SECTION 1.01 INTRODUCTION

The City of Albertville proposes to provide tax increment financing assistance through the establishment of Tax Increment Financing (Redevelopment) District No. 24 (Outlet Mall East Side Redevelopment) (the “TIF District”) within Municipal Development District No. 1 to assist with the phased construction and development of approximately 81,653 square feet of commercial-retail space, new infrastructure and site improvements, and parking to be constructed across what is proposed to be up to eight parcels.

This document contains the plan for the TIF District which is consistent with the objectives of the Development Program for Municipal Development District No. 1, as most recently amended pursuant to City Resolution No. 2015-025 adopted June 15, 2015.

SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. “City” means the City of Albertville, Minnesota.
2. “City Council” means the City Council of the City.
3. “County” means Wright County, Minnesota.
4. “County Auditor” means the County Auditor/Treasurer of the County.
5. “Developer” means the party undertaking construction of the Development in the TIF District, which is anticipated to be LEP Holdings LLC, its successors or assigns.
6. “Development” means the phased construction and development of approximately 81,653 square feet of commercial-retail space, new infrastructure and site improvements, and parking to be constructed across what is proposed to be up to eight parcels.
7. “Development District” means Municipal Development District No. 1 within the City, which was established pursuant to the Development District Act.
8. “Development District Act” means Minnesota Statutes, Sections 469.124 through 469.134, as amended and supplemented from time to time.
9. “Development Program” means the Development Program for the Development District, as amended and supplemented from time to time.
10. “Project Area” means the geographic area of the Development District.
11. “Public Development Costs” means the cost of the development activities that will or are expected to occur within the Project Area or TIF District.
12. “School District” means Independent School District No. 728.
13. “State” means the State of Minnesota.
14. “TIF Act” means Minnesota Statutes, Sections 469.174 through 469.1794, as amended, both inclusive.
15. “TIF District” means Tax Increment Financing (Redevelopment) District No. 24 (Outlet Mall East Side Redevelopment).
16. “TIF Plan” means the tax increment financing plan for the TIF District (this document).

SECTION 1.03 PLAN PREPARATION

This document was prepared for the City by Northland Securities, Inc.

ARTICLE II - TAX INCREMENT FINANCING PLAN

SECTION 2.01 STATUTORY AUTHORITY

The TIF District and this TIF Plan are established under the authority of the TIF Act.

SECTION 2.02 PLANNED DEVELOPMENT

2.02.1 Development Description

The Developer proposes to undertake the phased construction and development of approximately 81,653 square feet of commercial-retail space, new infrastructure and site improvements, and parking to be constructed across what is proposed to be up to eight parcels. Figure 2-1 below provides information on the estimated building size per lot and estimated timing for construction commencement and completion, which is subject to vary from the estimates included in Figure 2-1 prepared solely for planning purposes for the TIF Plan.

**Figure 2-1
Development Description Details**

Estimated Lot #	Land Use	Estimated Gross Land Area (SF)	Estimated Useable Land Area (SF)	Estimated Building Size (SF)	Estimated Commence Construction of Building Date	Estimated Complete Construction of Building Date
1	Carwash / Service Commercial	199,936	161,048	49,153	3/1/2026	12/31/2026
2	Fast Food	61,361	61,361	3,700	1/1/2027	12/31/2027
3	Service Commercial	111,699	83,123	11,400	1/1/2029	12/31/2029
4	Fast Food	29,055	29,055	600	1/1/2027	12/31/2027
5	Service Commercial	49,747	49,747	7,800	1/1/2028	12/31/2028
6	Service Commercial	74,117	50,214	3,000	1/1/2029	12/31/2029
7	Auto Service	24,568	22,866	1,500	1/1/2028	12/31/2028
8	Fast Food	122,296	73,455	4,500	1/1/2028	12/31/2028
Total		672,779	530,869	81,653		

2.02.2 City Plans and Development Program

In addition to achieving the objectives of the Development Program, the Development is consistent with and works to achieve the development objectives of the City. The City finds that the TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The City has adopted land use controls to guide the use of property. The development plans for the Development in the TIF District have been reviewed by the City Council and the City Council finds the Development will conform to City land use controls.

2.02.3 Land Acquisition

The Developer will acquire the property within the TIF District.

2.02.4 Development Activities

As of the date of approval of the TIF Plan, the City anticipates that activities proposed in the TIF Plan will be subject to contracts. The City anticipates entering into a contract with the Developer to construct the Development and provide tax increment financing assistance to the Developer to reimburse Public Development Costs incurred by the Developer.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

2.02.5 Need for Tax Increment Financing

In the opinion of the City, the Development would not reasonably be expected to occur solely through private investment within the foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the Development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

The reasons and facts supporting this finding include the following:

- The Development requires public financial assistance to offset land and building acquisition costs to allow for the Developer to proceed with the Development.
- A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis indicates that the increase in estimated market value of the Development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise.

SECTION 2.03 TAX INCREMENT FINANCING DISTRICT

2.03.1 Designation

The TIF District is designated as Tax Increment Financing (Redevelopment) District No. 24 (Outlet Mall East Side Redevelopment).

2.03.2 Boundaries of TIF District

The boundaries of the TIF District are depicted in Exhibit V. The TIF District includes parcel 101095001010 and the immediate adjacent roads and right-of-way to the parcel.

Parcel 101095001010 is described as follows:

- SECT-36 TWP-121 RANGE-024 OUTLETS AT ALBERTVILLE 2ND ADD LOT-001 BLOCK-001

2.03.3 Type of District

The TIF District is established as a “redevelopment district” pursuant to Section 469.174, subdivision 10 of the TIF Act. The City finds that the property in the TIF District meets the statutory criteria for a redevelopment district.

Section 469.174, subdivision 10 (a) (1) of the TIF Act requires two tests for occupied parcels be met to qualify as a “redevelopment district”: a conditions test and coverage test. For a “redevelopment district” more than 50% of the buildings, not including outbuildings, must be found to be structurally substandard to a degree requiring substantial renovation or clearance.

The conditions test for structurally substandard is defined under Section 469.174, subdivision 10(b) of the TIF Act. For purposes of that subdivision, “structurally substandard” means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Section 469.174, subdivision 10(c) of the TIF Act. A building is not structurally substandard if it is in compliance with the building code applicable to new

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

buildings or could be modified to satisfy the building code at a cost of less than 15% of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. Items of evidence that support such a conclusion that the building is not disqualified include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.

Furthermore, parcels consisting of 70% of the area of the district must be occupied by buildings, streets, utilities, or paved or gravel parking lots to meet the required coverage test. The coverage required by the parcel to be considered occupied is defined under Section 469.174, subdivision 10(e) of the TIF Act. For purposes of such subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel parking lots unless 15% of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.

As summarized in the table below, 100% of the area of the TIF District is occupied by improved parcels, and 100% of the buildings within the TIF District are found to be substandard. The substandard buildings are reasonably distributed.

The detailed results of the building inspection and analysis performed by LHB, Inc. is contained in the “Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District” report from LHB, Inc. dated February 26, 2024 (the “Inspection Report”). The Inspection Report is included in Exhibit V of the TIF Plan. In summary the findings are as follows:

Number of Parcels	1
Site Area Included (square feet)	656,449
Area of Improved Parcels (square feet).....	656,449
Percent of Area Improved	100%
Total Number of Buildings within Parcel(s)	4
Number of Buildings found Substandard	4
Percent of Buildings found Substandard	100%

SECTION 2.04 PLAN FOR USE OF TAX INCREMENT

2.04.1 Estimated Tax Increment

The original net tax capacity of value of the TIF District will be set by the County upon request for certification. For the purposes of the TIF Plan, the estimated original net tax capacity is \$389,806. This amount is estimated based on the most recent published estimated market value of \$4,490,300 for Parcel 101095001010 with tax capacity value calculated for commercial property.

The total tax capacity value of the property after Development (for taxes payable in 2028) is estimated to be \$196,612. This amount is based on a total estimated taxable market value of \$9,830,600 for taxes payable in 2028, with property classified as commercial. The estimated difference between the total tax capacity value and the original net tax capacity value is the captured tax capacity value in the amount of \$106,806 for the creation of tax increment for tax collection year 2028.

The total local tax rate is estimated at 103.67% based on the tax rates for taxes payable in 2025. The TIF Plan assumes that this rate will be set as the original local tax rate for the TIF District. At the time of the certification of the original net tax capacity for the TIF District, the

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

County Auditor shall certify the original local tax rate that applies to the TIF District. The original local tax rate is the sum of all the local tax rates, excluding that portion of the school rate attributable to the general education levy under Minnesota Statutes Section 126C.13, that apply to a property in the TIF District. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the TIF District's original tax capacity. The resulting tax capacity rate is the original local tax rate for the life of the TIF District.

Under these assumptions, the estimated annual tax increment will be \$110,327 for tax collection year 2028, after deducting for the State Auditor's fee (0.36% of the captured tax increments). The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the Development and the changes in property value and State tax policy over the life of the TIF District.

It is the intent of the City to retain 100% of the captured tax capacity value for the duration of the TIF district. Exhibit II contains the projected tax increment over the duration of the TIF District. The annual tax increment to be generated from the TIF District is expected to increase over the duration of the TIF District as a result of anticipated phased development of the property within the TIF District.

2.04.2 Public Development Costs

The City will use tax increment to pay Public Development Costs. A contract between the City and the Developer will define the means for verifying Public Development Costs incurred by the Developer that will be eligible for reimbursement and the means of disbursing tax increments collected by the City. The City plans to use tax increment to pay financing costs. The interest rate payable on bonds issued will be set pursuant to approving resolutions and/or contracts.

2.04.3 Estimated Sources and Uses of Funds

The estimated sources of revenue, along with the estimated Public Development Costs of the TIF District, are itemized in Figure 2-2. Such costs are eligible for reimbursement from tax increments, and other listed sources of revenue from the TIF District. The City may administratively adjust the amount of any of the Public Development Cost line item listed in Figure 2-1, so long as the total estimated tax increment project costs amount, not including financing costs, is not increased.

**Figure 2.2
Estimated Source and Use of Tax Increment**

	Total
Estimated Tax Increment Revenues (from tax increment generated by the district)	
Tax increment revenues distributed from the county	3,643,074
Interest and investment earnings	10,000
Total Estimated Tax Increment Revenues	3,653,074
Estimated Project/Financing Costs (to be paid or financed with tax increment)	
Project costs	
Land/building acquisition	2,083,886
Site improvements/preparation costs	-
Utilities	-
Other qualifying improvements	-
Administrative costs	231,543
Estimated Tax Increment Project Costs	2,315,429
Estimated financing costs	
Interest expense	1,337,645
Total Estimated Project/Financing Costs to be Paid from Tax Increment	3,653,074
Estimated Financing	
Total amount of bonds to be issued	2,315,429

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

2.04.4 Administrative Costs

The City plans to use tax increment revenues to pay for administrative expenses for the TIF District. The use of tax increment revenues to pay administrative expenses will not exceed the maximum amount of 10% of tax increment revenues pursuant to the TIF Act. The City may use these monies to pay for and reimburse itself for costs of administering the TIF District as allowed by the TIF Act. The estimated amount of tax increment revenue planned to pay administrative expense is shown in Figure 2-1 on page 6. Anticipated administrative expenses of the TIF District include annual audit of the fund for the TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement.

2.04.5 County Road Costs

The Development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

2.04.6 Bonded Indebtedness

The total not to exceed amount of bonds estimated to be issued is shown in Figure 2-2 on page 6. The City will not issue any general obligation bonded indebtedness as a result of the TIF Plan.

Pursuant to Section 469.178, subdivision 7 of the TIF Act, the City may advance or loan money to finance expenditures under Section 469.176, subdivision 4 of the TIF Act, from the general fund of the City or any other legally authorized fund under which it has legal authority to do so, subject to the following provisions:

- (a) Not later than 60 days after money is transferred, advanced, or spent, whichever is earliest, the loan or advance must be authorized by resolution of the City.
- (b) The resolution may generally grant to the City the power to make interfund loans under one or more tax increment financing plans or for one or more districts. The resolution may be adopted before or after the adoption of the tax increment financing plan or the creation of the tax increment financing district from which the advance or loan is to be repaid.
- (c) The terms and conditions for repayment of the loan must be provided in writing. The written terms and conditions may be in any form, but must include, at a minimum, the principal amount, the interest rate, and maximum term. Written terms may be modified or amended in writing by the City before the latest decertification of any tax increment financing district from which the interfund loan is to be repaid. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or 549.09 are from time to time adjusted. Loans or advances may be structured as draw-down or line-of-credit obligations of the lending fund.
- (d) The City shall report in the annual report submitted under Section 469.175, subdivision 6 of the TIF Act: (1) the amount of any interfund loan or advance made in a calendar year; and (2) any amendment of an interfund loan or advance made in a calendar year.

2.04.7 Election of First Year of Tax Increment and Duration of TIF District

Pursuant to Section 469.175, subdivision 1 of the TIF Act, the City elects 2028 to be the first year to receive increment. The duration to collect and spend tax increments on eligible purposes is set at fourteen (14) years after the date of receipt of the first tax increment or fifteen (15) years of tax increment collection. The estimated date for receipt of the first tax increment is July 1, 2028, and the decertification date is December 31, 2042.

2.04.8 Estimated Impact on Other Taxing Jurisdictions

Exhibits III and IV show the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City finds that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the Development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the Development therein becomes part of the general tax base.

The City anticipates minimal impact of the Development on City-provided services. There may be minimal borrowing costs to the City for the Development. A manageable increase in water and sewer usage is expected. It is anticipated that there may be a slight but manageable increase in police and fire protection duties due to the Development.

2.04.9 Prior Planned Improvements

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor.

ARTICLE III – ADMINISTERING THE TIF DISTRICT

SECTION 3.01 FILING AND CERTIFICATION

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan, the City will submit a copy of the TIF Plan to the Minnesota Department of Revenue and the Office of the State Auditor.
2. The City will request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City will submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements.
3. The City will send the County Assessor any assessment agreement establishing the minimum market value of land and improvements within the TIF District and shall request that the County Assessor review and certify the assessment agreement as reasonable. The City does not plan to enter into an assessment agreement in connection with the Development.

SECTION 3.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN

The City reserves the right to modify the TIF District and the TIF Plan. Under current State law, the following actions can only be approved after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Public Development Costs, including administrative costs of the City.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City. In addition, the original approval process does not apply if (A) (1) the only modification is elimination of parcels from the TIF District and (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or (B) the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

SECTION 3.03 CORRECTING REDEVELOPMENT CONDITIONS

Section 469.176, subdivision 4j of the TIF Act requires that at least 90% of the revenues derived from tax increments from the TIF District be used to finance the cost of correcting conditions that allow designation of the TIF District as a redevelopment district. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for the development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

SECTION 3.04 FOUR-YEAR KNOCKDOWN RULE

The provision of the TIF Act referred to as the Four-Year Knockdown Rule requires development activity to take place on each parcel within a tax increment financing district within four years from the date of certification of the original net tax capacity of such tax increment financing district. If development activity on a parcel has not begun within the required time frame, no additional tax increment may be collected from that parcel and its value must be excluded from the district's original net tax capacity.

Development activity includes demolition, rehabilitation, renovation or site improvement, including a qualified improvement of an adjacent street, on a parcel located within the TIF District. If no development activity has occurred within four years from the date of certification then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall recertify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

SECTION 3.05 POOLING AND FIVE-YEAR RULE

An amount equal to at least 75% of the total revenue derived from tax increments paid by properties in the TIF District must be expended on activities in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the TIF District or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25%

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

of the total revenue derived from tax increments paid by properties in the TIF District may be expended, through a development fund or otherwise, on activities outside of the TIF District but within the defined geographic area of the Project Area except to pay, or secure payment of, debt service on credit enhanced bonds.

Revenue derived from tax increments paid by properties in the TIF District are considered to have been “spent” within the TIF District if such amounts are:

- actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

It is anticipated that all revenue derived from tax increments paid by properties in the TIF District will be spent or obligated within the first five years after certification of the TIF District and spent on Public Development Costs within the boundaries of the TIF District.

SECTION 3.06 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

The City will comply with the annual reporting requirements of the TIF Act pursuant to the guidelines of the Office of the State Auditor. Under current law, the City must prepare and submit a report on the TIF District on or before August 1 of each year. The City must also annually publish in a newspaper of general circulation in the City an annual statement for the TIF District, in the format as prescribed by the Office of the State Auditor.

The reporting and disclosure requirements outlined in this section begin with the year a tax increment financing district is certified, and shall end in the year in which both the district has been decertified and all tax increments have been spent or returned to the County for redistribution. Failure to meet these requirements, as determined by the State Auditors Office, may result in suspension of distribution of tax increments.

SECTION 3.07 BUSINESS SUBSIDY COMPLIANCE

The City will comply with the business subsidy requirements specified in Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

Exhibit I
City of Albertville
Tax Increment Financing District No. 24
Present Value Analysis As Required By Statute
Minnesota Statutes 469.175(3)(2)
Outlet Mall East Side Redevelopment

1 Estimated Future Market Value w/ Tax Increment Financing	17,897,300 ¹
2 Payable 2025 Market Value	<u>4,490,300</u>
3 Market Value Increase (1-2)	13,407,000
4 Present Value of Future Tax Increments	<u>2,315,429</u>
5 Market Value Increase Less PV of Tax Increments	11,091,571
6 Estimated Future Market Value w/o Tax Increment Financing	4,715,769 ¹
7 Payable 2025 Market Value	<u>4,490,300</u>
8 Market Value Increase (6-7)	<u>225,469</u>
9 Increase in MV From TIF	<u><u>10,866,102</u></u> ²

¹ Assume 0.35% annual appreciation over 15 year life of district.

² Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

**Exhibit II
City of Albertville
Tax Increment Financing District No. 24 (Redevelopment)
Outlet Mall East Side Redevelopment
Projected Tax Increment Financing (TIF) Cash Flow**

TIF District Year	Taxes Payable Year	Taxable Market Value	Sq. Ft. of Building Subject to TMV	Tax Capacity	Original Base Tax Capacity	Captured Tax Capacity for TIF	Original Tax Rate	TIF from District	PV Available TIF
1	2028	9,830,600	49,153	196,612	89,806	106,806	103.67%	110,327	100,771
2	2029	9,655,269	53,453	193,105	89,806	103,299	103.67%	106,704	193,537
3	2030	13,519,995	67,253	270,400	89,806	180,594	103.67%	186,548	347,901
4	2031	17,221,452	81,653	344,429	89,806	254,623	103.67%	263,018	555,056
5	2032	17,281,823	81,653	345,636	89,806	255,830	103.67%	264,264	753,163
6	2033	17,342,406	81,653	346,848	89,806	257,042	103.67%	265,516	942,617
7	2034	17,403,201	81,653	348,064	89,806	258,258	103.67%	266,772	1,123,796
8	2035	17,464,210	81,653	349,284	89,806	259,478	103.67%	268,033	1,297,059
9	2036	17,525,432	81,653	350,509	89,806	260,703	103.67%	269,297	1,462,751
10	2037	17,586,869	81,653	351,737	89,806	261,931	103.67%	270,566	1,621,203
11	2038	17,648,521	81,653	352,970	89,806	263,164	103.67%	271,840	1,772,730
12	2039	17,710,390	81,653	354,208	89,806	264,402	103.67%	273,118	1,917,633
13	2040	17,772,475	81,653	355,450	89,806	265,644	103.67%	274,402	2,056,202
14	2041	17,834,778	81,653	356,696	89,806	266,890	103.67%	275,688	2,188,712
15	2042	17,897,300	81,653	357,946	89,806	268,140	103.67%	276,980	2,315,429
TOTAL =								3,643,074	2,315,429

Key Assumptions:

- 1 Taxable market value (TMV) annual growth assumption equals approximately 0.35%.
- 2 Original Tax Capacity Rate for calculation of TIF from District is estimated based on preliminary tax payable Year 2025 rate of 103.67%.
- 3 Election for captured tax capacity is 100%.
- 4 Base Tax Capacity estimated for one parcel within TIF District and TMV for Pay 2026 = \$4,490,300 (for PID101095001010).
- 5 TMV is based on Developer's plans for phased development, including estimated building SF by year, and assumptions by consultant to City as to estimated TMV per SF.
- 6 TIF from District is after deduction of State Auditor Fee (0.36%).
- 7 Present Value (PV) is estimated based on 5.0% rate and dated date 12/31/2026.
- 8 Information in Exhibit II are estimates for planning purposes only, actual amounts will vary, all pursuant to the TIF Plan for the TIF District.
- 9 Amounts are rounded which may result in small (not material) differences between line items and total.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

**Exhibit III
City of Albertville
Tax Increment Financing District No. 24
Impact on Other Taxing Jurisdictions
(Taxes Payable 2025)
Outlet Mall East Side Redevelopment**

Annual Tax Increment

Estimated Annual Captured Tax Capacity (Full Development)	\$268,140
Payable 2025 Local Tax Rate	<u>103.670%</u>
Estimated Annual Tax Increment	\$277,981

Percent of Tax Base

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of Albertville	14,135,020	268,140	1.90%
Wright County	286,412,486	268,140	0.09%
ISD 728	43,494,038	268,140	0.62%

Dollar Impact of Affected Taxing Jurisdictions

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of Albertville	42.861%	41.344%	114,927	0.813%
Wright County	35.561%	34.302%	95,354	0.033%
ISD 728	25.248%	24.354%	67,700	0.156%
Other	0.000%	0.000%	0	
Totals	<u>103.670%</u>	<u>100.000%</u>	<u>277,981</u>	

NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.

NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

**Exhibit IV
City of Albertville
Tax Increment Financing (Redevelopment) District No. 24
Outlet Mall East Side Redevelopment
Estimated Tax Increments Over Maximum Life of District**

Based on Pay 2025 Tax Rate = 103.670% 42.861% 35.561% 25.248% 0.000%

TIF District	Taxes Payable Year	New Taxable Market Value	New Tax Capacity	Base Tax Capacity	Captured Tax Capacity	Estimated Total Tax Increments	City TIF Related Share	County TIF Related Share	School TIF Related Share	Other TIF Related Share
1	2028	9,830,600	196,612	89,806	106,806	110,726	45,778	37,981	26,966	-
2	2029	9,655,269	193,105	89,806	103,299	107,090	44,275	36,734	26,081	-
3	2030	13,519,995	270,400	89,806	180,594	187,222	77,404	64,221	45,596	-
4	2031	17,221,452	344,429	89,806	254,623	263,968	109,134	90,547	64,287	-
5	2032	17,281,823	345,636	89,806	255,830	265,219	109,651	90,976	64,592	-
6	2033	17,342,406	346,848	89,806	257,042	266,475	110,171	91,407	64,898	-
7	2034	17,403,201	348,064	89,806	258,258	267,736	110,692	91,840	65,205	-
8	2035	17,464,210	349,284	89,806	259,478	269,001	111,215	92,273	65,513	-
9	2036	17,525,432	350,509	89,806	260,703	270,270	111,740	92,709	65,822	-
Total						3,656,236	1,511,621	1,254,171	890,444	-

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee.

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

Exhibit V

Map of Boundaries of Tax Increment Financing District No. 24
and Municipal Development District No. 1

Boundaries of Municipal District No. 1 are Coterminous with Municipal Boundaries of the City



Municipal Development District No. 1

- Tax Increment Financing District No. 24
- Albertville City Limits



0 0.25 0.5 Miles

Source: Wright County, Norated Consult
Created 4/29/2025

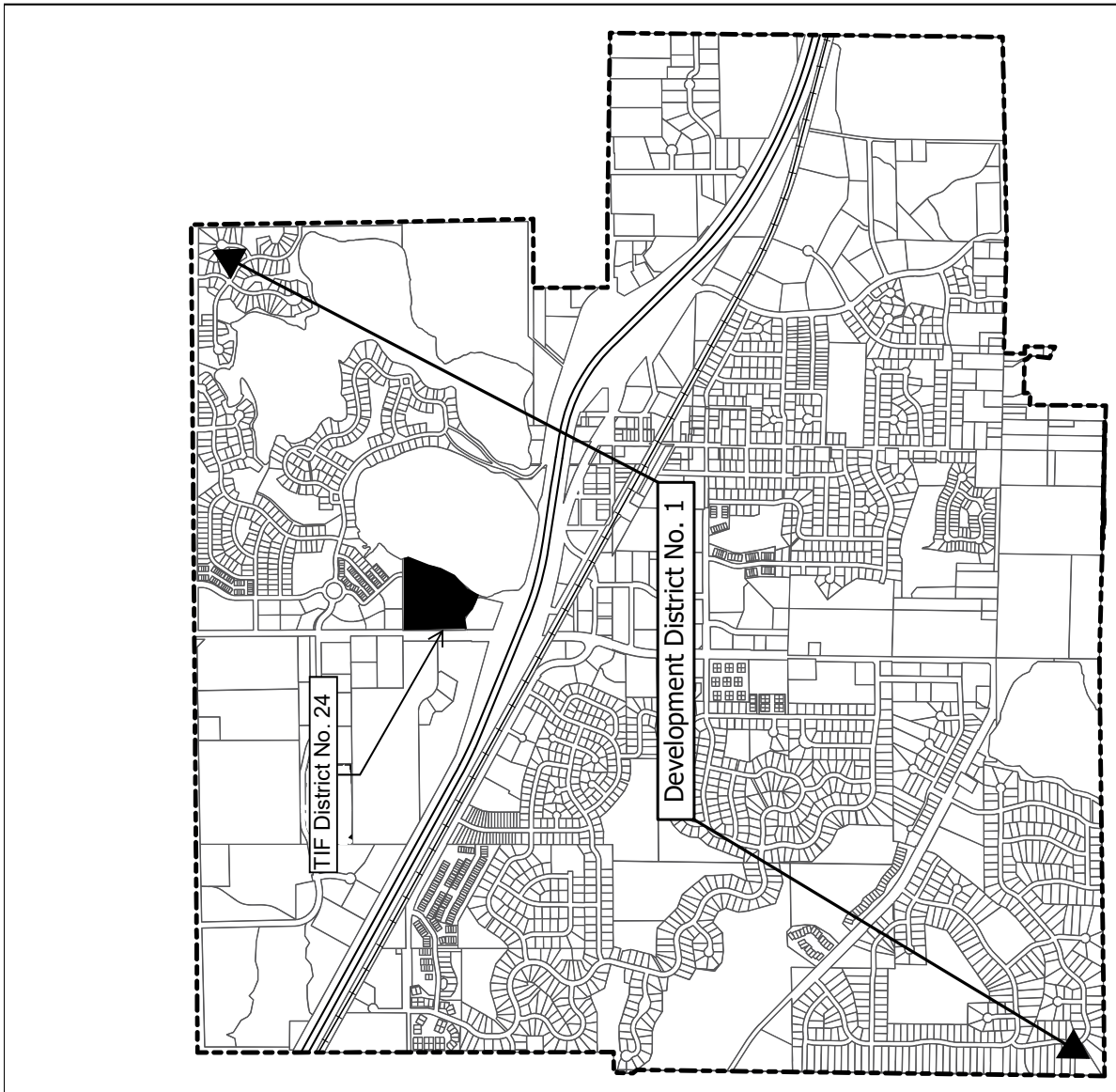


Exhibit VI
Inspection Report of Property

REPORT OF INSPECTION PROCEDURES AND RESULTS
FOR
DETERMINING QUALIFICATIONS
OF A
TAX INCREMENT FINANCING DISTRICT

OUTLET MALL
REDEVELOPMENT TIF DISTRICT

Prepared for

CITY OF ALBERTVILLE
ALBERTVILLE, MINNESOTA
February 26, 2024



Inspection Report

Table of Contents

Part 1: Executive Summary2
 Purpose of the Evaluation.....2
 Scope of Work2
 Conclusion3
Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements3
 Interior Inspection3
 Exterior Inspection and Other Means3
 Documentation.....3
 Qualification Requirements.....3
 1. Coverage Test3
 2. Condition of Buildings Test4
 3. Distribution of Substandard Buildings5
Part 3: Procedures Followed.....5
Part 4: Findings5
 1. Coverage Test5
 2. Condition of Building Test.....6
 3. Distribution of Substandard Structures8
Part 5: Team Credentials9
Appendices.....9
APPENDIX A Property Condition Assessment Summary Sheet
APPENDIX B Building Code, Condition Deficiency and Context Analysis Reports
APPENDIX C Building Replacement Cost Reports
 Code Deficiency Cost Reports
 Photographs

Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Albertville to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is located at 6500 Labeaux Avenue NE, just north of Interstate Highway 94 (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether four buildings on one parcel, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of one parcel with four buildings. The buildings were inspected on January 25, 2024. Building Code and Condition Deficiency reports are in Appendix B.

Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

Interior Inspection

“The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property...”

Exterior Inspection and Other Means

“An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

Documentation

“Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1).”

Qualification Requirements

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

1. COVERAGE TEST

- a. *Minnesota Statutes, Section 469.174, Subdivision 10(a)(1)* states:

“Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots...”

- b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

“For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.”

2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

“...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

“For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects, or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

- i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

“A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence.”

“Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c)) for the following reasons:
 - 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
 - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*.” Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, “References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*...”
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
 - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
 - 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions “reasonably distributed throughout the district.”:
 - “(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.
 - (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way.
 - (3) tank facilities, or property whose immediately previous use was for tank facilities...”
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected four buildings on January 25, 2024.

Part 4: Findings

1. Coverage Test

- a. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

Inspection Report

2. Condition of Building Test

a. BUILDING INSPECTION

- i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2024.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Albertville, Minnesota.

- iii. Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2024; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Four out of four buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the building(s) in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be “structurally substandard” under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building’s defects, or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.
- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING

In our professional opinion, four out of four buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate

egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

- e. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 – Substandard Buildings

Shaded yellow area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

Inspection Report

Part 5: Team Credentials

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 37 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

Appendices

- APPENDIX A** Property Condition Assessment Summary Sheet
- APPENDIX B** Building Code, Condition Deficiency and Context Analysis Reports
- APPENDIX C** Building Replacement Cost Reports
 - Code Deficiency Cost Reports
 - Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

Inspection Report

Outlet Mall Redevelopment TIF District

Property Condition Assessment Summary Sheet

Albertville, Minnesota

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of Buildings determined substandard
A1	101095001010	6500 Labeaux Ave NE	Improved	Interior/Exterior	656,449	472,643	72%	656,449	1	\$6,327,635	\$949,145	\$1,819,754	1	1
A2	101095001010	6500 Labeaux Ave NE	Improved	Interior/Exterior	See A1	See A1			1	\$2,481,011	\$372,152	\$677,890	1	1
A3	101095001010	6500 Labeaux Ave NE	Improved	Interior/Exterior	See A1	See A1			1	\$6,729,757	\$1,009,464	\$1,917,565	1	1
A4	101095001010	6500 Labeaux Ave NE	Improved	Interior/Exterior	See A1	See A1			1	\$2,998,514	\$449,777	\$838,430	1	1
TOTALS					656,449			656,449	4				4	4

Total Coverage Percent:

100.0%

Percent of buildings exceeding 15 percent code deficiency threshold:

100.0%

Percent of buildings determined substandard:

100.0%

M:\24 Proj\240070\300 Design\Reports\Final Report\240070 Outlet Mall Redevelopment TIF Summary Spreadsheet.xlsx\Property Info

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Inspection Report

Outlet Mall Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A1

Albertville - Building One

Address: 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301
Parcel ID: 101095001010
Inspection Date(s) & Time(s): January 25, 2024, 9:40 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$6,327,635
Estimated Cost to Correct Building Code Deficiencies: \$1,819,754
Percentage of Replacement Cost for Building Code Deficiencies: 28.8%

DEFECTS IN STRUCTURAL ELEMENTS

1. No deficiencies observed.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The water service to the building has been shut off because of interior pipe freezing.
2. Light and Ventilation
 - a. The lighting system does not comply with code.
 - b. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code.
 - b. Thresholds do not comply with code.
 - c. Smoke detectors are not code compliant.
 - d. There is no code required emergency notification system.
 - e. The sprinkler system has failed and does not comply with code.
 - f. Fire caulking should be installed per code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired and repainted.
 - b. The carpeting should be cleaned or replaced.

- c. Ceiling tile is damaged from roof leaks and should be replaced.
5. Exterior Construction
- a. Exterior windows are damaged/missing allowing for water intrusion which is contrary to code.
 - b. Exterior Insulation and Finish System is damaged/cracking, allowing for water intrusion which is contrary to code.
 - c. The roofing system has failed, allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Install a code compliant lighting system.
- 2. Install a code compliant HVAC system.
- 3. Repair damaged sidewalks to create an unimpeded means for emergency egress per code.
- 4. Modify thresholds to comply with code for maximum height.
- 5. Install code compliant smoke detectors.
- 6. Install a code required emergency notification system.
- 7. Install a code compliant sprinkler system.
- 8. Install code required fire caulking.
- 9. Replace failed/damaged windows to prevent water intrusion per code.
- 10. Repair/replace damaged/failed E.I.F.S to prevent water intrusion per code.
- 11. Replace failed roofing system to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This retail shopping building is currently vacant. It is one of four buildings in this complex. The sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code. Some windows are damaged/missing, allowing for water intrusion which is contrary to code. Exterior E.I.F.S. walls are damaged/cracked allowing for water intrusion which is contrary to code. Interior walls are damaged and should be repaired and repainted. Water damaged ceiling tile should be removed and replaced. The smoke detectors do not comply with code. There is no code required emergency notification system. The sprinkler system has failed because of frozen pipes and is currently shut off which is contrary to code. Fire caulking should be installed per code. The lighting system and HVAC system do not comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

M:\24Proj\240070\300 Design\Reports\Building Reports\Building 1 Building Report.docx

Outlet Mall Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A2

Albertville - Building Two

Address: 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301
 Parcel ID: 101095001010
 Inspection Date(s) & Time(s): January 25, 2024, 9:00 am
 Inspection Type: Interior and Exterior
 Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
 - Substantial renovation is required to correct Conditions found.
 - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$2,481,011
Estimated Cost to Correct Building Code Deficiencies:	\$677,890
Percentage of Replacement Cost for Building Code Deficiencies:	27.3%

DEFECTS IN STRUCTURAL ELEMENTS

1. No deficiencies observed.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The water service to the building has been shut off because of interior pipe freezing.
2. Light and Ventilation
 - a. The lighting system does not comply with code.
 - b. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code.
 - b. Thresholds do not comply with code.
 - c. Smoke detectors are not code compliant.
 - d. There is no code required emergency notification system.
 - e. Natural gas meters are not properly protected, per code.
 - f. The sprinkler system has failed and does not comply with code.
 - g. Fire caulking should be installed per code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired and repainted.

- b. The carpeting should be cleaned or replaced.
 - c. Ceiling tile is damaged from roof leaks and should be replaced.
5. Exterior Construction
- a. Exterior Insulation and Finish System is damaged/cracking, allowing for water intrusion which is contrary to code.
 - b. The roofing system has failed, allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Install a code compliant lighting system.
- 2. Install a code compliant HVAC system.
- 3. Repair damaged sidewalks to create an unimpeded means for emergency egress per code.
- 4. Modify thresholds to comply with code for maximum height.
- 5. Properly protect natural gas meters per code.
- 6. Install code compliant smoke detectors.
- 7. Install a code required emergency notification system.
- 8. Install a code compliant sprinkler system.
- 9. Install code required fire caulking.
- 10. Repair/replace damaged/failed E.I.F.S to prevent water intrusion per code.
- 11. Replace failed roofing system to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This retail shopping building is currently vacant. It is one of four buildings in this complex. The sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code. Exterior E.I.F.S. walls are damaged/cracked allowing for water intrusion which is contrary to code. Interior walls are damaged and should be repaired and repainted. Water damaged ceiling tile should be removed and replaced. The smoke detectors do not comply with code. There is no code required emergency notification system. The sprinkler system has failed because of frozen pipes and is currently shut down, which is contrary to code. Fire caulking should be installed per code. The lighting system and HVAC system do not comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

M:\24Proj\240070\300 Design\Reports\Building Reports\Building 2 Building Report.docx

Outlet Mall Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A3

Albertville - Building Three

Address: 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301
 Parcel ID: 101095001010
 Inspection Date(s) & Time(s): January 25, 2024, 9:20 am
 Inspection Type: Interior and Exterior
 Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
 - Substantial renovation is required to correct Conditions found.
 - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$6,729,757
Estimated Cost to Correct Building Code Deficiencies:	\$1,917,565
Percentage of Replacement Cost for Building Code Deficiencies:	28.5%

DEFECTS IN STRUCTURAL ELEMENTS

1. Exterior façade columns are damaged creating a safety hazard which is contrary to code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The water service to the building has been shut off because of interior pipe freezing.
2. Light and Ventilation
 - a. The lighting system does not comply with code.
 - b. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code.
 - b. Thresholds do not comply with code.
 - c. Smoke detectors are not code compliant.
 - d. There is no code required emergency notification system.
 - e. The sprinkler system has failed and does not comply with code.
 - f. Fire caulking should be installed per code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired and repainted.
 - b. The carpeting should be cleaned or replaced.

c. Ceiling tile is damaged from roof leaks and should be replaced.

5. Exterior Construction

- a. One exterior service door is fire damaged and should be replaced.
- b. Exterior windows are damaged/missing allowing for water intrusion which is contrary to code.
- c. Exterior Insulation and Finish System is damaged/cracking, allowing for water intrusion which is contrary to code.
- d. The roofing system has failed, allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Repair damaged façade columns to comply with code for safety.
- 2. Install a code compliant lighting system.
- 3. Install a code compliant HVAC system.
- 4. Repair damaged sidewalks to create an unimpeded means for emergency egress per code.
- 5. Modify thresholds to comply with code for maximum height.
- 6. Install code compliant smoke detectors.
- 7. Install a code required emergency notification system.
- 8. Install a code compliant sprinkler system.
- 9. Install code required fire caulking.
- 10. Replace failed/damaged windows to prevent water intrusion per code.
- 11. Repair/replace damaged/failed E.I.F.S to prevent water intrusion per code.
- 12. Replace failed roofing system to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This retail shopping building is currently vacant. It is one of four buildings in this complex. The sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code. Some windows are damaged/missing, allowing for water intrusion which is contrary to code. Exterior E.I.F.S. walls are damaged/cracked allowing for water intrusion which is contrary to code. An exterior façade support column is damaged creating a structural safety hazard which is contrary to code. Interior walls are damaged and should be repaired and repainted. Water damaged ceiling tile should be removed and replaced. The smoke detectors do not comply with code. There is no code required emergency notification system. The sprinkler system has failed because of frozen pipe and is currently shut down which is contrary to code. Fire caulking should be installed per code. The lighting system and HVAC system do not comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

M:\24Proj\240070\300 Design\Reports\Building Reports\Building 3 Building Report.docx

Outlet Mall Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A4

Address:
Parcel ID:
Inspection Date(s) & Time(s):
Inspection Type:
Summary of Deficiencies:

Albertville - Building Four

6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301
101095001010
January 25, 2024, 10:00 am
Interior and Exterior
It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$2,998,514
Estimated Cost to Correct Building Code Deficiencies:	\$838,430
Percentage of Replacement Cost for Building Code Deficiencies:	28.0%

DEFECTS IN STRUCTURAL ELEMENTS

1. No deficiencies observed.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. The water service to the building has been shut off because of interior pipe freezing.
2. Light and Ventilation
 - a. The lighting system does not comply with code.
 - b. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code.
 - b. Thresholds do not comply with code.
 - c. Smoke detectors are not code compliant.
 - d. There is no code required emergency notification system.
 - e. The sprinkler system has failed and does not comply with code.
 - f. Fire caulking should be installed per code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired and repainted.
 - b. The carpeting should be cleaned or replaced.

- c. Ceiling tile is damaged from roof leaks and should be replaced.
5. Exterior Construction
- a. Exterior windows are damaged/missing allowing for water intrusion which is contrary to code.
 - b. Exterior Insulation and Finish System is damaged/cracking, allowing for water intrusion which is contrary to code.
 - c. The roofing system has failed, allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Install a code compliant lighting system.
- 2. Install a code compliant HVAC system.
- 3. Repair damaged sidewalks to create an unimpeded means for emergency egress per code.
- 4. Modify thresholds to comply with code for maximum height.
- 5. Install code compliant smoke detectors.
- 6. Install a code required emergency notification system.
- 7. Install a code compliant sprinkler system.
- 8. Install code required fire caulking.
- 9. Replace failed/damaged windows to prevent water intrusion per code.
- 10. Repair/replace damaged/failed E.I.F.S to prevent water intrusion per code.
- 11. Replace failed roofing system to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This retail shopping building is currently vacant. It is one of four buildings in this complex. The sidewalks are severely damaged creating an impediment to emergency egress which is contrary to code. Some windows are damaged/missing, allowing for water intrusion which is contrary to code. Exterior E.I.F.S. walls are damaged/cracked allowing for water intrusion which is contrary to code. Interior walls are damaged and should be repaired and repainted. Water damaged ceiling tile should be removed and replaced. The smoke detectors do not comply with code. There is no code required emergency notification system. The sprinkler system has failed because of frozen pipes and is currently shut down which is contrary to code. Fire caulking should be installed per code. The lighting system and HVAC system do not comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

M:\24Proj\240070\300 Design\Reports\Building Reports\Building 4 Building Report.docx


APPENDIX C

- Building Replacement Cost Reports
- Code Deficiency Cost Reports
- Photographs

Inspection Report

Outlet Mall Redevelopment TIF District

Replacement Cost Report

RSMeans data <small>from SERRIAN</small>	Square Foot Cost Estimate Report	Date:	1/26/2024
Estimate Name:	Albertville - Building One		
Building Type:	Store, Retail with E.I.F.S. & Metal Studs / Steel Joists		
Location:	ALBERTVILLE, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>	
Story Count:	1		
Story Height (L.F.):	18		
Floor Area (S.F.):	50000		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2024 Quarter 1		
Cost Per Square Foot:	\$126.55		
Building Cost:	\$6,327,635.06		

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		11.50%	\$12.66	\$632,913.85
A1010	Standard Foundations			\$4.37	\$218,445.85
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	1150		\$2.54	\$127,068.10
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	1150		\$1.38	\$69,113.85
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	37.5		\$0.45	\$22,263.90
A1030	Slab on Grade			\$7.86	\$392,796.00
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	50000		\$7.86	\$392,796.00
A2010	Basement Excavation			\$0.43	\$21,672.00
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	50000		\$0.43	\$21,672.00
B	Shell		34.97%	\$38.48	\$1,924,043.94
B1020	Roof Construction			\$13.85	\$692,525.00
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	50000		\$11.65	\$582,406.00
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	50000		\$2.20	\$110,119.00
B2010	Exterior Walls			\$7.85	\$392,461.75
B20101525230	E.I.F.S., cement board sheathing, 1x8 fascia, R8 insulation, 6" metal studs, 16" O.C., 2" EPS	17595		\$7.85	\$392,461.75
B2020	Exterior Windows			\$3.29	\$164,738.79
B20202101100	Aluminum flush tube frame, for 1/4" glass, 1-3/4"x4", 5'x6' opening, no intermediate horizontals	207		\$0.13	\$6,478.72
B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	2898		\$3.17	\$158,260.07
B2030	Exterior Doors			\$2.24	\$112,088.47
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	18.75		\$1.73	\$86,621.06
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	6.25		\$0.51	\$25,467.41
B3010	Roof Coverings			\$11.20	\$559,886.99
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	50000		\$3.42	\$171,000.00
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	50000		\$6.90	\$344,781.00
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	1150		\$0.61	\$30,635.54
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	1150		\$0.27	\$13,470.45
B3020	Roof Openings			\$0.05	\$2,342.94
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		\$0.05	\$2,342.94
C	Interiors		15.65%	\$17.22	\$861,012.49
C1010	Partitions			\$1.77	\$88,734.27
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3 -5/8" @ 24" OC framing, same opposite face, no insulation	8333.33		\$1.02	\$51,228.42

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	17595	\$0.47	\$23,541.58
C10101280960	Add for the following: taping and finishing	17595	\$0.28	\$13,964.27
C1020	Interior Doors		\$1.40	\$69,764.04
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	43.74	\$1.40	\$69,764.04
C1030	Fittings		\$0.32	\$16,232.08
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	6.25	\$0.32	\$16,232.08
C3010	Wall Finishes		\$1.14	\$57,036.10
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	15000	\$0.37	\$18,590.85
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	17595	\$0.44	\$21,807.07
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	1666.67	\$0.33	\$16,638.18
C3020	Floor Finishes		\$3.08	\$153,826.50
C30204101600	Vinyl, composition tile, maximum	50000	\$3.08	\$153,826.50
C3030	Ceiling Finishes		\$9.51	\$475,419.50
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	50000	\$9.51	\$475,419.50
D	Services		37.88%	\$41.69
D2010	Plumbing Fixtures		\$3.20	\$160,156.54
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	12.5	\$0.46	\$22,913.38
D20102102000	Urinal, vitreous china, wall hung	1	\$0.04	\$1,776.28
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	12.5	\$0.48	\$23,997.50
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	12.5	\$1.68	\$84,240.00
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	6.25	\$0.54	\$27,229.38
D2020	Domestic Water Distribution		\$0.51	\$25,636.80
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1	\$0.51	\$25,636.80
D2040	Rain Water Drainage		\$1.80	\$89,851.13
D20402104200	Roof drain, CI, soil, single hub, 4" diam, 10' high	31.25	\$1.68	\$84,143.75
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	125	\$0.11	\$5,707.38
D3050	Terminal & Package Units		\$9.97	\$498,375.00
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	50000	\$9.97	\$498,375.00
D4010	Sprinklers		\$6.49	\$324,537.00
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	50000	\$6.49	\$324,537.00
D4020	Standpipes		\$2.03	\$101,283.75
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	6.25	\$2.03	\$101,283.75
D5010	Electrical Service/Distribution		\$0.59	\$29,615.43
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1	\$0.16	\$7,876.95
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50	\$0.13	\$6,465.95
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1	\$0.31	\$15,272.53
D5020	Lighting and Branch Wiring		\$15.45	\$772,546.38
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	50000	\$3.66	\$182,912.50
D50201350360	Miscellaneous power, 1.5 watts	50000	\$0.54	\$26,824.00
D50201400280	Central air conditioning power, 4 watts	65000	\$1.07	\$53,540.50
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	62500	\$10.19	\$509,269.38
D5030	Communications and Security		\$1.65	\$82,319.05
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	2.25	\$1.16	\$58,166.55
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	6.25	\$0.48	\$24,152.50
E	Equipment & Furnishings		0.00%	\$0.00
E1090	Other Equipment		\$0.00	\$0.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

F	Special Construction	0.00%	\$0.00	\$0.00
G	Building Sitework	0.00%	\$0.00	\$0.00

SubTotal		100%	\$110.05	\$5,502,291.36
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$16.51	\$825,343.70
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$126.55	\$6,327,635.06

Inspection Report

Outlet Mall Redevelopment TIF District

Code Deficiency Cost Report

Parcel A1 - 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301

Building Name or Type

Parcel ID 101095001010

Albertville - Building One

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

No Deficiencies Observed \$ -

Structural Elements

No Deficiencies Observed \$ -

Exiting

Sidewalks

Repair/replace damaged sidewalks to create a code required unimpeded means for emergency egress \$ 7.86 SF 10,000 \$ 78,600.00

Thresholds

Modify thresholds to comply with code for maximum height \$ 100.00 EA 25 \$ 2,500.00

Emergency Notification System

Install a code required emergency notification system \$ 0.48 SF 50,000 \$ 24,000.00

Fire Protection

Smoke Detectors

Install code compliant smoke detectors \$ 1.16 SF 50,000 \$ 58,000.00

Building Sprinkler System

Repair/replace building sprinkler system to comply with code \$ 1.49 SF 50,000 \$ 74,500.00

Fire Caulking

Install code required fire caulking \$ 0.05 SF 50,000 \$ 2,500.00

Exterior Construction

Windows

Replace damaged windows to prevent water intrusion per code \$ 3.17 EA 1,200 \$ 3,804.00

Exterior Insulation and Finish System

Replace/repair damaged/cracked E.I.F.S. to prevent water intrusion per code \$ 7.85 SF 1,000 \$ 7,850.00

Roof Construction

Roofing Material

Remove and replace failed roofing system to prevent water intrusion per code \$ 11.20 SF 50,000 \$ 560,000.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 9.97	SF	50,000	\$ 498,500.00
	Electrical				
	Install a code compliant lighting system	\$ 10.19	SF	50,000	\$ 509,500.00
Total Code Improvements					\$ 1,819,754

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A1



20240125_000001.jpg



20240125_00001a.jpg



20240125_091927.jpg



20240125_091939.jpg



20240125_091941.jpg



20240125_091946.jpg



20240125_092003.jpg



20240125_092008.jpg



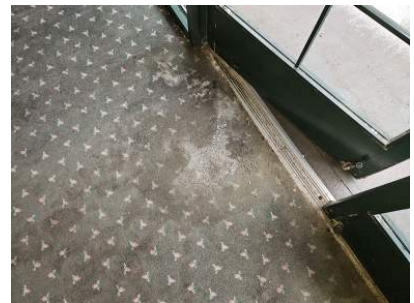
20240125_092037.jpg



20240125_093640.jpg



20240125_093712.jpg



20240125_093758.jpg

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A1



20240125_093822.jpg



20240125_093903.jpg



20240125_094207.jpg



20240125_095852.jpg



20240125_095918.jpg




20240125_095926.jpg

Inspection Report

Outlet Mall Redevelopment TIF District

Replacement Cost Report

RSMeans data <small>FOR SORDIAN</small>	Square Foot Cost Estimate Report	Date:	1/26/2024
Estimate Name:	Albertville - Building Two		
Building Type:	Store, Retail with E.I.F.S. & Metal Studs / Steel Joists		
Location:	ALBERTVILLE, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>	
Story Count:	1		
Story Height (L.F.):	18		
Floor Area (S.F.):	18000		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2024 Quarter 1		
Cost Per Square Foot:	\$137.83		
Building Cost:	\$2,481,011.10		

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		12.03%	\$14.42	\$259,579.28
A1010	Standard Foundations			\$6.13	\$110,370.80
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	600		\$3.68	\$66,296.40
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	600		\$2.00	\$36,059.40
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	13.5		\$0.45	\$8,015.00
A1030	Slab on Grade			\$7.86	\$141,406.56
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	18000		\$7.86	\$141,406.56
A2010	Basement Excavation			\$0.43	\$7,801.92
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	18000		\$0.43	\$7,801.92
B	Shell		36.68%	\$43.97	\$791,410.09
B1020	Roof Construction			\$13.85	\$249,309.00
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	18000		\$11.65	\$209,666.16
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	18000		\$2.20	\$39,642.84
B2010	Exterior Walls			\$11.38	\$204,762.65
B20101525230	E.I.F.S., cement board sheathing, 1x8 fascia, R8 insulation, 6" metal studs, 16" O.C., 2" EPS	9180		\$11.38	\$204,762.65
B2020	Exterior Windows			\$4.78	\$85,950.67
B20202101100	Aluminum flush tube frame, for 1/4" glass, 1-3/4"x4", 5'x6' opening, no intermediate horizontals	108		\$0.19	\$3,380.20
B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	1512		\$4.59	\$82,570.47
B2030	Exterior Doors			\$2.24	\$40,351.85
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	6.75		\$1.73	\$31,183.58
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	2.25		\$0.51	\$9,168.27
B3010	Roof Coverings			\$11.59	\$208,692.98
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	18000		\$3.42	\$61,560.00
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	18000		\$6.90	\$124,121.16
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	600		\$0.89	\$15,983.76
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	600		\$0.39	\$7,028.06
B3020	Roof Openings			\$0.13	\$2,342.94
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		\$0.13	\$2,342.94
C	Interiors		14.81%	\$17.75	\$319,557.74
C1010	Partitions			\$2.11	\$38,010.51
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3 -5/8" @ 24" OC framing, same opposite face, no insulation	3000		\$1.02	\$18,442.23

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	9180	\$0.68	\$12,282.57
C10101280960	Add for the following: taping and finishing	9180	\$0.40	\$7,285.71
C1020	Interior Doors		\$1.40	\$25,115.06
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	15.75	\$1.40	\$25,115.06
C1030	Fittings		\$0.32	\$5,843.55
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	2.25	\$0.32	\$5,843.55
C3010	Wall Finishes		\$1.34	\$24,060.06
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	5400	\$0.37	\$6,692.71
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	9180	\$0.63	\$11,377.60
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	600	\$0.33	\$5,989.75
C3020	Floor Finishes		\$3.08	\$55,377.54
C30204101600	Vinyl, composition tile, maximum	18000	\$3.08	\$55,377.54
C3030	Ceiling Finishes		\$9.51	\$171,151.02
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	18000	\$9.51	\$171,151.02
D	Services		36.47%	\$43.71
D2010	Plumbing Fixtures		\$3.27	\$58,793.18
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	4.5	\$0.46	\$8,248.82
D20102102000	Urinal, vitreous china, wall hung	1	\$0.10	\$1,776.28
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	4.5	\$0.48	\$8,639.10
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	4.5	\$1.68	\$30,326.40
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	2.25	\$0.54	\$9,802.58
D2020	Domestic Water Distribution		\$1.42	\$25,636.80
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1	\$1.42	\$25,636.80
D2040	Rain Water Drainage		\$1.80	\$32,346.41
D20402104200	Roof drain, CI, soil, single hub, 4" diam, 10' high	11.25	\$1.68	\$30,291.75
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	45	\$0.11	\$2,054.66
D3050	Terminal & Package Units		\$9.97	\$179,415.00
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	18000	\$9.97	\$179,415.00
D4010	Sprinklers		\$6.49	\$116,833.32
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	18000	\$6.49	\$116,833.32
D4020	Standpipes		\$2.03	\$36,462.15
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	2.25	\$2.03	\$36,462.15
D5010	Electrical Service/Distribution		\$1.65	\$29,615.43
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1	\$0.44	\$7,876.95
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50	\$0.36	\$6,465.95
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1	\$0.85	\$15,272.53
D5020	Lighting and Branch Wiring		\$15.45	\$278,116.70
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	18000	\$3.66	\$65,848.50
D50201350360	Miscellaneous power, 1.5 watts	18000	\$0.54	\$9,656.64
D50201400280	Central air conditioning power, 4 watts	23400	\$1.07	\$19,274.58
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	22500	\$10.19	\$183,336.98
D5030	Communications and Security		\$1.65	\$29,634.86
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.81	\$1.16	\$20,939.96
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	2.25	\$0.48	\$8,694.90
E	Equipment & Furnishings		0.00%	\$0.00
E1090	Other Equipment		\$0.00	\$0.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

F	Special Construction	0.00%	\$0.00	\$0.00
G	Building Sitework	0.00%	\$0.00	\$0.00

SubTotal		100%	\$119.86	\$2,157,400.96
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$17.98	\$323,610.14
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$137.83	\$2,481,011.10

Inspection Report

Outlet Mall Redevelopment TIF District

Code Deficiency Cost Report

Parcel A2 - 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301

Parcel ID 101095001010

Building Name or Type

Albertville - Building Two

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

No Deficiencies Observed \$ -

Structural Elements

No Deficiencies Observed \$ -

Exiting

Sidewalks

Repair/replace damaged sidewalks to create a code required unimpeded means for emergency egress \$ 7.86 SF 5,000 \$ 39,300.00

Thresholds

Modify thresholds to comply with code for maximum height \$ 100.00 EA 10 \$ 1,000.00

Emergency Notification System

Install a code required emergency notification system \$ 0.48 SF 18,000 \$ 8,640.00

Fire Protection

Smoke Detectors

Install code compliant smoke detectors \$ 1.16 SF 18,000 \$ 20,880.00

Building Sprinkler System

Repair/replace building sprinkler system to comply with code \$ 1.49 SF 18,000 \$ 26,820.00

Fire Caulking

Install code required fire caulking \$ 0.05 SF 18,000 \$ 900.00

Natural Gas Meters

Protect natural gas meters per code \$1,000.00 Lump 1 \$ 1,000.00

Exterior Construction

Exterior Insulation and Finish System

Replace/repair damaged/cracked E.I.F.S. to prevent water intrusion per code \$ 7.85 SF 1,000 \$ 7,850.00

Roof Construction

Roofing Material

Remove and replace failed roofing system to prevent water intrusion per code \$ 11.59 SF 18,000 \$ 208,620.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 9.97	SF	18,000	\$ 179,460.00
	Electrical				
	Install a code compliant lighting system	\$ 10.19	SF	18,000	\$ 183,420.00
Total Code Improvements					\$ 677,890

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A2



20240125_091455.jpg



20240125_091608.jpg



20240125_091943.jpg



20240125_092050.jpg



20240125_092130.jpg



20240125_094154.jpg



20240125_095442.jpg



20240125_095456.jpg



20240125_095529.jpg



20240125_095544.jpg



20240125_095629.jpg



20240125_095639.jpg

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A2



20240125_095645.jpg



20240125_095706.jpg



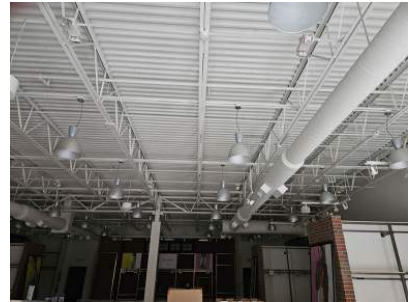
20240125_095718.jpg



20240125_091039.jpg



20240125_091148.jpg



20240125_091200.jpg



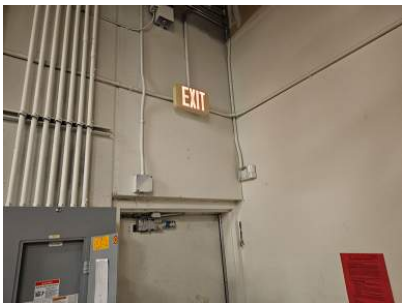
20240125_091310.jpg



20240125_091321.jpg



20240125_091423.jpg



20240125_091425.jpg



20240125_091439.jpg




20240125_091448.jpg

Inspection Report

Outlet Mall Redevelopment TIF District

Replacement Cost Report

RSMeans data <small>from SERRIAN</small>	Square Foot Cost Estimate Report	Date:	1/26/2024
Estimate Name:	Albertville - Building Three		
Building Type:	Store, Retail with E.I.F.S. & Metal Studs / Steel Joists		
Location:	ALBERTVILLE, MN	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>	
Story Count:	1		
Story Height (L.F.):	18		
Floor Area (S.F.):	53000		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2024 Quarter 1		
Cost Per Square Foot:	\$126.98		
Building Cost:	\$6,729,757.37		

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		11.55%	\$12.76	\$676,177.06
A1010	Standard Foundations			\$4.47	\$236,840.98
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	1250		\$2.61	\$138,117.50
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	1250		\$1.42	\$75,123.75
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	39.75		\$0.45	\$23,599.73
A1030	Slab on Grade			\$7.86	\$416,363.76
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	53000		\$7.86	\$416,363.76
A2010	Basement Excavation			\$0.43	\$22,972.32
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	53000		\$0.43	\$22,972.32
B	Shell		35.13%	\$38.78	\$2,055,555.13
B1020	Roof Construction			\$13.85	\$734,076.50
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	53000		\$11.65	\$617,350.36
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	53000		\$2.20	\$116,726.14
B2010	Exterior Walls			\$8.05	\$426,588.86
B20101525230	E.I.F.S., cement board sheathing, 1x8 fascia, R8 insulation, 6" metal studs, 16" O.C., 2" EPS	19125		\$8.05	\$426,588.86
B2020	Exterior Windows			\$3.38	\$179,063.90
B20202101100	Aluminum flush tube frame, for 1/4" glass, 1-3/4"x4", 5'x6' opening, no intermediate horizontals	225		\$0.13	\$7,042.08
B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	3150		\$3.25	\$172,021.82
B2030	Exterior Doors			\$2.24	\$118,813.78
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	19.88		\$1.73	\$91,818.33
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	6.62		\$0.51	\$26,995.45
B3010	Roof Coverings			\$11.22	\$594,669.15
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	53000		\$3.42	\$181,260.00
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	53000		\$6.90	\$365,467.86
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	1250		\$0.63	\$33,299.50
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	1250		\$0.28	\$14,641.79
B3020	Roof Openings			\$0.04	\$2,342.94
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		\$0.04	\$2,342.94
C	Interiors		15.62%	\$17.25	\$914,272.11
C1010	Partitions			\$1.79	\$95,069.36
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3 -5/8" @ 24" OC framing, same opposite face, no insulation	8833.33		\$1.02	\$54,302.12

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	19125	\$0.48	\$25,588.68
C10101280960	Add for the following: taping and finishing	19125	\$0.29	\$15,178.56
C1020	Interior Doors		\$1.40	\$73,949.89
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	46.37	\$1.40	\$73,949.89
C1030	Fittings		\$0.32	\$17,206.00
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	6.62	\$0.32	\$17,206.00
C3010	Wall Finishes		\$1.15	\$61,046.10
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	15900	\$0.37	\$19,706.30
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	19125	\$0.45	\$23,703.33
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	1766.67	\$0.33	\$17,636.47
C3020	Floor Finishes		\$3.08	\$163,056.09
C30204101600	Vinyl, composition tile, maximum	53000	\$3.08	\$163,056.09
C3030	Ceiling Finishes		\$9.51	\$503,944.67
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	53000	\$9.51	\$503,944.67
D	Services		37.70%	\$41.62
D2010	Plumbing Fixtures		\$3.20	\$169,659.35
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	13.25	\$0.46	\$24,288.18
D20102102000	Urinal, vitreous china, wall hung	1	\$0.03	\$1,776.28
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	13.25	\$0.48	\$25,437.35
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	13.25	\$1.68	\$89,294.40
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	6.62	\$0.54	\$28,863.14
D2020	Domestic Water Distribution		\$0.48	\$25,636.80
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1	\$0.48	\$25,636.80
D2040	Rain Water Drainage		\$1.80	\$95,242.20
D20402104200	Roof drain, CI, soil, single hub, 4" diam, 10' high	33.12	\$1.68	\$89,192.38
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	132.5	\$0.11	\$6,049.82
D3050	Terminal & Package Units		\$9.97	\$528,277.50
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	53000	\$9.97	\$528,277.50
D4010	Sprinklers		\$6.49	\$344,009.22
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	53000	\$6.49	\$344,009.22
D4020	Standpipes		\$2.03	\$107,360.78
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	6.62	\$2.03	\$107,360.78
D5010	Electrical Service/Distribution		\$0.56	\$29,615.43
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1	\$0.15	\$7,876.95
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50	\$0.12	\$6,465.95
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1	\$0.29	\$15,272.53
D5020	Lighting and Branch Wiring		\$15.45	\$818,899.16
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	53000	\$3.66	\$193,887.25
D50201350360	Miscellaneous power, 1.5 watts	53000	\$0.54	\$28,433.44
D50201400280	Central air conditioning power, 4 watts	68900	\$1.07	\$56,752.93
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	66250	\$10.19	\$539,825.54
D5030	Communications and Security		\$1.65	\$87,258.19
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	2.38	\$1.16	\$61,656.54
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	6.62	\$0.48	\$25,601.65
E	Equipment & Furnishings		0.00%	\$0.00
E1090	Other Equipment		\$0.00	\$0.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

F	Special Construction	0.00%	\$0.00	\$0.00
G	Building Sitework	0.00%	\$0.00	\$0.00

SubTotal		100%	\$110.41	\$5,851,962.93
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$16.56	\$877,794.44
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$126.98	\$6,729,757.37

Inspection Report

Outlet Mall Redevelopment TIF District

Code Deficiency Cost Report

Parcel A3 - 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301

Parcel ID 101095001010

Building Name or Type

Albertville - Building Three

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

No Deficiencies Observed \$ -

Structural Elements

Metal Stud Columns

Replace damaged/rusting metal stud columns to protect façade for code required safety issues \$ 8.05 SF 2,500 \$ 20,125.00

Exiting

Sidewalks

Repair/replace damaged sidewalks to create a code required unimpeded means for emergency egress \$ 7.86 SF 10,000 \$ 78,600.00

Thresholds

Modify thresholds to comply with code for maximum height \$ 200.00 EA 36 \$ 7,200.00

Emergency Notification System

Install a code required emergency notification system \$ 0.48 SF 53,000 \$ 25,440.00

Fire Protection

Smoke Detectors

Install code compliant smoke detectors \$ 1.16 SF 2,500 \$ 2,900.00

Building Sprinkler System

Repair/replace building sprinkler system to comply with code \$ 1.49 SF 53,000 \$ 78,970.00

Fire Caulking

Install code required fire caulking \$ 0.05 SF 53,000 \$ 2,650.00

Exterior Construction

Windows

Replace damaged windows to prevent water intrusion per code \$ 3.17 SF 2,000 \$ 6,340.00

Exterior Insulation and Finish System

Replace/repair damaged/cracked E.I.F.S. to prevent water intrusion per code \$ 8.05 SF 4,000 \$ 32,200.00

Roof Construction

Roofing Material

Remove and replace failed roofing system to prevent water intrusion per code \$ 11.22 SF 53,000 \$ 594,660.00

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 9.97	SF	53,000	\$ 528,410.00
	Electrical				
	Install a code compliant lighting system	\$ 10.19	SF	53,000	\$ 540,070.00
Total Code Improvements					\$ 1,917,565

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A3



20240125_091921.jpg



20240125_092124.jpg



20240125_092136.jpg



20240125_092140.jpg



20240125_092820.jpg



20240125_092841.jpg



20240125_092849.jpg



20240125_092907.jpg



20240125_092959.jpg



20240125_093008.jpg



20240125_093028.jpg



20240125_093035.jpg

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A3



20240125_093044.jpg



20240125_093207.jpg



20240125_093245.jpg



20240125_093251.jpg



20240125_093256.jpg



20240125_093301.jpg



20240125_093327.jpg



20240125_093422.jpg



20240125_093426.jpg



20240125_094136.jpg



20240125_094643.jpg



20240125_094910.jpg

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A3



20240125_094935.jpg



20240125_094955.jpg



20240125_094957.jpg



20240125_095003.jpg



20240125_095107.jpg



20240125_095126.jpg



20240125_095141.jpg



20240125_095335.jpg



20240125_095437.jpg



20240125_095513.jpg

Inspection Report

Outlet Mall Redevelopment TIF District

Replacement Cost Report

RSMeans data <small>from SERRANO</small>	Square Foot Cost Estimate Report	Date:	1/26/2024
Estimate Name:	Albertville - Building Four		
Building Type:	Store, Retail with E.I.F.S. & Metal Studs / Steel Joists		
Location:	ALBERTVILLE, MN		
Story Count:	1		
Story Height (L.F.):	18		
Floor Area (S.F.):	22500		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2024 Quarter 1		
Cost Per Square Foot:	\$133.27		
Building Cost:	\$2,998,514.43		



Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		11.79%	\$13.66	\$307,414.81
A1010	Standard Foundations			\$5.37	\$120,904.21
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	650		\$3.19	\$71,821.10
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	650		\$1.74	\$39,064.35
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	16.88		\$0.45	\$10,018.76
A1030	Slab on Grade			\$7.86	\$176,758.20
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	22500		\$7.86	\$176,758.20
A2010	Basement Excavation			\$0.43	\$9,752.40
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	22500		\$0.43	\$9,752.40
B	Shell		35.91%	\$41.62	\$936,389.35
B1020	Roof Construction			\$13.85	\$311,636.25
B10201123300	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load	22500		\$11.65	\$262,082.70
B10201123400	Roof, steel joists, beams, 1.5" 22 ga metal deck, on columns, 25'x25' bay, 20" deep, 40 PSF superimposed load, 60 PSF total load, add for column	22500		\$2.20	\$49,553.55
B2010	Exterior Walls			\$9.86	\$221,826.21
B20101525230	E.I.F.S., cement board sheathing, 1x8 fascia, R8 insulation, 6" metal studs, 16" O.C., 2" EPS	9945		\$9.86	\$221,826.21
B2020	Exterior Windows			\$4.14	\$93,113.22
B20202101100	Aluminum flush tube frame, for 1/4" glass, 1-3/4" x 4", 5'x6' opening, no intermediate horizontals	117		\$0.16	\$3,661.88
B20202201000	Glazing panel, insulating, 1/2" thick, 2 lites 1/8" float glass, clear	1638		\$3.98	\$89,451.34
B2030	Exterior Doors			\$2.24	\$50,439.81
B20301106700	Door, aluminum & glass, without transom, bronze finish, hardware, 3'-0" x 7'-0" opening	8.44		\$1.73	\$38,979.48
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	2.81		\$0.51	\$11,460.33
B3010	Roof Coverings			\$11.42	\$257,030.92
B30101203300	Roofing, single ply membrane, EPDM, 60 mils, fully adhered	22500		\$3.42	\$76,950.00
B30103202700	Insulation, rigid, roof deck, extruded polystyrene, 40 PSI compressive strength, 4" thick, R20	22500		\$6.90	\$155,151.45
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	650		\$0.77	\$17,315.74
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	650		\$0.34	\$7,613.73
B3020	Roof Openings			\$0.10	\$2,342.94
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		\$0.10	\$2,342.94
C	Interiors		15.12%	\$17.52	\$394,289.50
C1010	Partitions			\$1.97	\$44,251.75
C10101265400	Metal partition, 5/8" fire rated gypsum board face, no base, 3 -5/8" @ 24" OC framing, same opposite face, no insulation	3750		\$1.02	\$23,052.79

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

C10101280700	Gypsum board, 1 face only, exterior sheathing, fire resistant, 5/8"	9945	\$0.59	\$13,306.11
C10101280960	Add for the following: taping and finishing	9945	\$0.35	\$7,892.85
C1020	Interior Doors		\$1.40	\$31,393.82
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	19.69	\$1.40	\$31,393.82
C1030	Fittings		\$0.32	\$7,304.43
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	2.81	\$0.32	\$7,304.43
C3010	Wall Finishes		\$1.25	\$28,178.79
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	6750	\$0.37	\$8,365.88
C30102300140	Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	9945	\$0.55	\$12,325.73
C30102301940	Ceramic tile, thin set, 4-1/4" x 4-1/4"	750	\$0.33	\$7,487.18
C3020	Floor Finishes		\$3.08	\$69,221.93
C30204101600	Vinyl, composition tile, maximum	22500	\$3.08	\$69,221.93
C3030	Ceiling Finishes		\$9.51	\$213,938.78
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	22500	\$9.51	\$213,938.78
D	Services		37.18%	\$43.08
D2010	Plumbing Fixtures		\$3.25	\$73,047.40
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	5.62	\$0.46	\$10,311.02
D20102102000	Urinal, vitreous china, wall hung	1	\$0.08	\$1,776.28
D20103101560	Lavatory w/trim, vanity top, PE on CI, 20" x 18"	5.62	\$0.48	\$10,798.88
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	5.62	\$1.68	\$37,908.00
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	2.81	\$0.54	\$12,253.22
D2020	Domestic Water Distribution		\$1.14	\$25,636.80
D20202502220	Gas fired water heater, commercial, 100< F rise, 500 MBH input, 480 GPH	1	\$1.14	\$25,636.80
D2040	Rain Water Drainage		\$1.80	\$40,433.01
D20402104200	Roof drain, CI, soil, single hub, 4" diam, 10' high	14.06	\$1.68	\$37,864.69
D20402104240	Roof drain, CI, soil, single hub, 4" diam, for each additional foot add	56.25	\$0.11	\$2,568.32
D3050	Terminal & Package Units		\$9.97	\$224,268.75
D30501502560	Rooftop, single zone, air conditioner, department stores, 10,000 SF, 29.17 ton	22500	\$9.97	\$224,268.75
D4010	Sprinklers		\$6.49	\$146,041.65
D40104101080	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF	22500	\$6.49	\$146,041.65
D4020	Standpipes		\$2.03	\$45,577.69
D40203101540	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor	2.81	\$2.03	\$45,577.69
D5010	Electrical Service/Distribution		\$1.32	\$29,615.43
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1	\$0.35	\$7,876.95
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50	\$0.29	\$6,465.95
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1	\$0.68	\$15,272.53
D5020	Lighting and Branch Wiring		\$15.45	\$347,645.88
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	22500	\$3.66	\$82,310.63
D50201350360	Miscellaneous power, 1.5 watts	22500	\$0.54	\$12,070.80
D50201400280	Central air conditioning power, 4 watts	29250	\$1.07	\$24,093.23
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	28125	\$10.19	\$229,171.22
D5030	Communications and Security		\$1.65	\$37,043.58
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	1.01	\$1.16	\$26,174.95
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	2.81	\$0.48	\$10,868.63
E	Equipment & Furnishings		0.00%	\$0.00
E1090	Other Equipment		\$0.00	\$0.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal		100%	\$115.88	\$2,607,403.85
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$17.38	\$391,110.58
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$133.27	\$2,998,514.43

Inspection Report

Outlet Mall Redevelopment TIF District

Code Deficiency Cost Report

Parcel A4 - 6500 Labeaux Avenue Northeast, Albertville, Minnesota 55301
 Parcel ID 101095001010

Building Name or Type
 Albertville - Building Four

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

No Deficiencies Observed \$ -

Structural Elements

No Deficiencies Observed \$ -

Exiting

Sidewalks

Repair/replace damaged sidewalks to create a code required unimpeded means for emergency egress \$ 7.86 SF 5,000 \$ 39,300.00

Thresholds

Modify thresholds to comply with code for maximum height \$ 200.00 EA 20 \$ 4,000.00

Emergency Notification System

Install a code required emergency notification system \$ 0.48 SF 22,500 \$ 10,800.00

Fire Protection

Smoke Detectors

Install code compliant smoke detectors \$ 1.16 SF 22,500 \$ 26,100.00

Building Sprinkler System

Repair/replace building sprinkler system to comply with code \$ 1.49 SF 22,500 \$ 33,525.00

Fire Caulking

Install code required fire caulking \$ 0.05 SF 22,500 \$ 1,125.00

Exterior Construction

Windows

Replace damaged windows to prevent water intrusion per code \$ 3.17 SF 1,000 \$ 3,170.00

Exterior Insulation and Finish System

Replace/repair damaged/cracked E.I.F.S. to prevent water intrusion per code \$ 9.86 SF 1,000 \$ 9,860.00

Roof Construction

Roofing Material

Remove and replace failed roofing system to prevent water intrusion per code \$ 11.42 SF 22,500 \$ 256,950.00

Inspection Report

TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 24

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 9.97	SF	22,500	\$ 224,325.00
	Electrical				
	Install a code compliant lighting system	\$ 10.19	SF	22,500	\$ 229,275.00
Total Code Improvements \$					838,430

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A4



20240125_092104.jpg



20240125_092110.jpg



20240125_094227.jpg



20240125_094314.jpg



20240125_094341.jpg



20240125_094352.jpg



20240125_094359.jpg



20240125_094415.jpg



20240125_094456.jpg



20240125_094513.jpg



20240125_094517.jpg



20240125_094606.jpg

Inspection Report

Outlet Mall Redevelopment TIF District | Parcel A4



20240125_094912.jpg



20240125_100038.jpg



20240125_100044.jpg

Inspection Report

Prepared by:



701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com

LHB Project No. 240070.00

Inspection Report

PERFORMANCE DRIVEN DESIGN  LHBCORP.COM

**EXTRACT OF MINUTES OF MEETING
OF THE CITY COUNCIL OF THE
CITY OF ALBERTVILLE, MINNESOTA**

HELD: FEBRUARY 17, 2026

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Albertville, Wright County, Minnesota, was duly held at the City Hall on February 17, 2026 at 7:00 p.m. for the purpose, in part, of holding a public hearing on the proposed establishment of Tax Increment Financing District No. 24 within Municipal Development District No. 1, and the proposed adoption of the Tax Increment Financing Plan relating thereto.

The following Council members were present:

and the following were absent:

Councilmember _____ introduced the following resolution and moved its adoption:

**CITY OF ALBERTVILLE
COUNTY OF WRIGHT
STATE OF MINNESOTA**

RESOLUTION NO. 2026-07

**RESOLUTION ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 24
WITHIN DEVELOPMENT DISTRICT NO. 1 AND ADOPTING THE TAX
INCREMENT FINANCING PLAN THEREFOR; AUTHORIZING THE TERMS OF AN
INTERFUND LOAN; AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT**

A. **WHEREAS**, It has been proposed that the City of Albertville, Minnesota (the "City"): (1) establish Tax Increment Financing District No. 24 (the "TIF District") within Development District No.1 (the "Development District"); (2) approve and adopt the proposed Tax Increment Financing Plan therefor; (3) authorize the terms of an interfund loan related thereto; and (4) authorize the execution of a development agreement, all pursuant to and under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); and

B. **WHEREAS**, the City Council has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

C. **WHEREAS**, the City has performed all actions required by law to be performed prior to the approval of the establishment of the TIF District therein, and the adoption of the TIF Plan therefor, including, but not limited to, notification of Wright County and Independent School District No. 728 having taxing jurisdiction over the property to be included in the TIF District, and the holding of a public hearing upon published and mailed notice as required by law; and

D. **WHEREAS**, LEP Holdings LLC (the “Developer”) has requested the City assist with the financing of certain costs incurred in connection with the proposed rehabilitation of an existing commercial building, the demolition of three existing buildings, and the construction of up to 30,000 additional square feet commercial-retail space, new infrastructure, site improvements and parking (the “Project”); and

E. **WHEREAS**, the Developer and the City have determined to enter into a Development Agreement providing for the City's financial assistance for the Project (the "Development Agreement");

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Albertville as follows:

1. Development District. The City is not modifying the boundaries of the Development District.

2. Tax Increment Financing District No. 24. There is hereby established in the City within the Development District, Tax Increment Financing District No. 24, a redevelopment tax increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

3. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

(a) The TIF District is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; the specific basis for such determination is set forth in Section 2.03.3 of the TIF Plan.

(b) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Section 2.02.5 of the TIF Plan.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Section 2.02.5 and Exhibit I of TIF Plan.

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Section 2.02.2 of the TIF Plan.

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development

District by private enterprise. The reasons supporting this finding are set forth in Section 2.02.5 of the TIF Plan.

4. Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide safe, decent, sanitary housing for residents of the City, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

5. Certification. The Auditor of Wright County is requested to certify the original net tax capacity of the TIF District as described in TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

6. Filing. The City Administrator is further authorized and directed to file a copy of the TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

7. Administration. The administration of the Development District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to Minnesota Statutes, Sections 469.130 and 469.131 as the City Council may deem appropriate.

8. Interfund Loan. The City has determined to pay for certain costs (the "Qualified Costs") identified in the TIF Plan consisting of the acquisition costs of the land and certain administrative expenses, which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

(a) The City hereby authorizes the advance of up to \$50,000 from the City's General Fund or so much thereof as may be paid as Qualified Costs. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4.00% and will not fluctuate.

(b) Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

(c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Wright County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

(d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

(e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(f) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

9. Development Agreement.

(a) The Council hereby approves the Development Agreement in substantially the form submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the Council.

(b) The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

The motion for adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

Adopted by the City Council of the City of Albertville this 17th day of February 2026.

Jillian Hendrickson, Mayor

ATTEST:

Adam Nafstad, City Administrator

STATE OF MINNESOTA
COUNTY OF WRIGHT
CITY OF ALBERTVILLE

I, the undersigned, being the duly qualified and acting Administrator of the City of Albertville, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and the original minutes of a meeting of the City Council of the City held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a resolution establishing TIF District No. 24 within Development District No. 1 and Adopting the TIF Plan therefor; authorizing the terms of an Interfund Loan; and authorizing the execution of a Development Agreement.

WITNESS my hand as such Administrator of the City Council of the City of Albertville, Minnesota this 17th day of February, 2026.

Adam Nafstad, City Administrator

TIF DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF ALBERTVILLE, MINNESOTA

AND

LEP HOLDINGS LLC

This document drafted by:

Taft Stettinius & Hollister LLP (RMS)
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

TABLE OF CONTENTS

Page 1

ARTICLE I DEFINITIONS	2
Section 1.1 Definitions.....	2
ARTICLE II REPRESENTATIONS AND WARRANTIES	4
Section 2.1 Representations and Warranties of the City.....	4
Section 2.2 Representations and Warranties of the Developer.....	4
ARTICLE III UNDERTAKINGS BY DEVELOPER AND CITY	6
Section 3.1 Development Property; Legal and Administrative Expenses	6
Section 3.2 Limitations on Undertaking of the City	6
Section 3.3 Reimbursement: TIF Note	6
Section 3.4 Real Property Taxes.....	7
Section 3.5 Prohibition Against Transfer of Project and Assignment of Agreement.....	8
Section 3.6 Assignment of Agreement and TIF Note.....	8
ARTICLE IV EVENTS OF DEFAULT.....	9
Section 4.1 Events of Default Defined	9
Section 4.2 Remedies on Default.....	9
Section 4.3 No Remedy Exclusive.....	10
Section 4.4 No Implied Waiver	10
Section 4.5 Agreement to Pay Attorney’s Fees and Expenses	10
Section 4.6 Indemnification of City.....	10
ARTICLE V DEVELOPER’S OPTION TO TERMINATE AGREEMENT	12
Section 5.1 The Developer’s Option to Terminate	12
Section 5.2 Action to Terminate	12
Section 5.3 Effect of Termination.....	12
ARTICLE VI ADDITIONAL PROVISIONS	13
Section 6.1 Restrictions on Use	13
Section 6.2 Conflicts of Interest.....	13
Section 6.3 Titles of Articles and Sections	13
Section 6.4 Notices and Demands	13
Section 6.5 Counterparts.....	14

TABLE OF CONTENTS
(continued)

Page 2

Section 6.6	Law Governing	14
Section 6.7	Expiration.....	14
Section 6.8	Provisions Surviving Rescission or Expiration.....	14
EXHIBIT A	DESCRIPTION OF DEVELOPMENT PROPERTY	1
EXHIBIT B	FORM OF TIF NOTE.....	1
EXHIBIT C	BUILDINGS ON DEVELOPMENT PROPERTY.....	1

TIF DEVELOPMENT AGREEMENT

THIS TIF DEVELOPMENT AGREEMENT, made as of the 17th day of February, 2026, by and between the City of Albertville, Minnesota (the “City”), a municipal corporation existing under the laws of the State of Minnesota and LEP Holdings LLC, a Minnesota limited liability company (the “Developer”),

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.133, as amended, the City has heretofore established Municipal Development District No. 1 (the “Development District”) and has adopted a development program therefor (the “Development Program”); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the “Tax Increment Act”), the City has heretofore established the Development District, Tax Increment Financing (Redevelopment) District No. 1-24 (Outlet Mall East Side Redevelopment) (the “Tax Increment District”) and has adopted a tax increment financing plan therefor (the “Tax Increment Plan”) which provides for the use of tax increment financing in connection with certain development within the Tax Increment District and the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals, and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement because the Developer's investment in the purchase of the site and in site preparation is at least 70 percent of the assessor's current year's estimated market value;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this TIF Development Agreement, as the same may be from time to time modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Albertville, Minnesota, its successors and assigns;

County means Wright County, Minnesota;

Developer means LEP Holdings LLC, a Minnesota limited liability company, its successors and assigns;

Development District means the real property included in Municipal Development District No. 1 heretofore established;

Development Program means the development program approved in connection with the Development District;

Development Property means the real property described in Exhibit A attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Land Use Development Agreement means that certain Development Agreement, dated on a date hereafter, between the City and the Developer, relating to the construction of the Project;

Legal and Administrative Expenses means the fees and expenses incurred by the City in connection with the review and analysis of the development proposed under this Agreement, the adoption of the Tax Increment Financing Plan and establishment of the Tax Increment District, and the preparation of this Agreement including, but not limited to, attorney and municipal advisor fees and expenses;

Note Payment Date means August 1, 2028, and each February 1 and August 1 of each year thereafter to and including February 1, 2043; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in St. Paul, Minnesota, as its “prime rate” or “reference rate” or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the rehabilitation of Building 3 as identified on Exhibit C, the demolition of Buildings 1, 2, and 4 as identified on Exhibit C, [and the construction of up to 30,000 additional square feet commercial-retail space, new infrastructure, site improvements and parking, all to be located on the Development Property];

State means the State of Minnesota;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing (Redevelopment) District No. 1-24 (Outlet Mall East Side Redevelopment) located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on February 17, 2026, and any future amendments thereto;

Tax Increments means 90% of the tax increments derived from the Development Property which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177;

Termination Date means the earlier of (i) February 1, 2043, (ii) the date the TIF Note is paid in full, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms;

TIF Note means the Tax Increment Revenue Note (Outlet Mall East Side Redevelopment) to be executed by the City and delivered to the Developer pursuant to Article III hereof, the form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a “redevelopment district” within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10, and was created, adopted and approved in accordance with the terms of the Tax Increment Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property as further provided in this Agreement.

(5) The City makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer’s purposes or needs.

Section 2.2 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder, and doing so will not violate its articles of organization, bylaws, operating agreement, or other organizational document or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Land Use Development Agreement, the Development Program, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness,

agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(5) The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.

(6) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(7) Rehabilitation of Building 3 as identified on Exhibit C shall begin by June 30, 2026, and shall be substantially complete by December 31, 2026; demolition of Buildings 1, 2, and 4 as identified on Exhibit C shall be completed by December 31, 2026, and construction of at least 15,000 square feet of additional new construction shall be substantially completed by December 31, 2030, all as further described in the Land Use Development Agreement, subject to Unavoidable Delays and other adjustments consistent with the Land Use Development Agreement.

(8) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property as provided in Article III.

(10) The Developer covenants that the Project shall be operated in such a way that it shall be subject to property tax, and covenants that it shall not lease or transfer any portion of the Project to a business or organization that is not required to pay property tax based on its use of the Development Property.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Development Property; Legal and Administrative Expenses.

(1) The parties agree that the acquisition of the Development Property is essential to the successful completion of the Project. The costs of the acquisition of the Development Property and shall be paid by the Developer. The City shall reimburse the Developer for the lesser of (a) \$2,083,000, or (b) the actual costs of the acquisition of the Development Property relating to the Project actually incurred and paid by the Developer (the "Reimbursement Amount"), as further provided in Section 3.3 hereof.

(2) Upon the request of the City, the Developer shall pay or reimburse all Legal and Administrative Expenses incurred by the City within 15 days of receipt of such request.

Section 3.2 Limitations on Undertaking of the City. Notwithstanding the provisions of Sections 3.1(1), the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the costs identified in Section 3.1(1), if the City, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3 Reimbursement: TIF Note. The City shall reimburse the payments made by the Developer under Section 3.1 for costs of the construction of the Project through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have (a) demonstrated in writing to the reasonable satisfaction of the City that (i) the Developer has incurred and paid all costs of the acquisition of the Development Property, (ii) demolition of Buildings 1, 2, and 4 has been completed in accordance with the Land Use Development Agreement by the dates required in Section 2.2(7) of this Agreement, and (iii) rehabilitation of Building 1 has been completed in accordance with the Land Use Development Agreement by the dates required in Section 2.2(7) of this Agreement, and (b) submitted a settlement statement showing the cost of acquisition of the Development Property in an amount not less than the Reimbursement Amount.

(2) The unpaid principal of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note, at 5.00% per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments received by the City during the preceding six months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal of and interest on the TIF Note. If, on any Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirements that: (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement; and (B) this Agreement shall not have been rescinded pursuant to Section 4.2.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.4 Real Property Taxes. The Developer acknowledges that it is obligated under law to pay all real property taxes payable with respect to all and any parts of the Development Property until the Developer's obligations have been assumed by any other person with the written consent of the City pursuant to the provisions of this Agreement.

The Developer agrees that prior to the Termination Date:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax; and

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under Minnesota Statutes, Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date.

(4) It will not seek a reduction in the market value as determined by the Wright County Assessor of the Project or other facilities, if any, that it constructs on the Development Property, pursuant to the provisions of this Agreement, for so long as the TIF Note remains outstanding.

Section 3.5 Prohibition Against Transfer of Project and Assignment of Agreement. The Developer represents and agrees that prior to the Termination Date, the Developer shall not transfer the Project or any part thereof or any interest therein, without the prior written approval of the City. The City shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) Any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject. There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Project.

(3) Any proposed transferee of the Project or any portion thereof must be an entity that is required to pay property tax based on the proposed use of the Development Property.

Section 3.6 Assignment of Agreement and TIF Note. This Agreement may be assigned only with the consent of the City. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes, special assessments or other City charges with respect to the Development Property when due and payable.

(2) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(5) If the Developer shall:

(A) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(B) make an assignment for the benefit of its creditors; or

(C) admit in writing its inability to pay its debts generally as they become due; or

(D) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2 Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after giving thirty (30) days’ written notice of the Event of Default to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may cancel and rescind the Agreement and the TIF Note.

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5 Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City fees of such attorneys and such other expenses so incurred by the City.

Section 4.6 Indemnification of City.

(1) The Developer (a) releases the City and its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees (collectively, the "Indemnified Parties") from, (b) covenants and agrees that the Indemnified Parties shall not be liable for, and (c) agrees to indemnify and hold harmless the Indemnified Parties against, any claim, cause of action, suit or liability for loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or on the Development Property.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this

indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Developer operating the Project so that the Tax Increment District does not qualify or ceases to qualify as a “redevelopment district” under Section 469.174, Subdivision 10, of the Act or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4d.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

ARTICLE V

DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1 The Developer's Option to Terminate. This Agreement may be terminated by the Developer, if (i) the Developer is in compliance with all material terms of this Agreement and no Event of Default has occurred; and (ii) the City fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the City has failed to cure such noncompliance within ninety (90) days of receipt of such notice, or, if such noncompliance cannot reasonably be cured by the City within ninety (90) days, of receipt of such notice, the City has not provided assurances, reasonably satisfactory to the Developer, that such noncompliance will be cured as soon as reasonably possible.

Section 5.2 Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the City within sixty (60) days after the date when such option to terminate may first be exercised. A failure by the Developer to terminate this Agreement within such period constitutes a waiver by the Developer of its rights to terminate this Agreement due to such occurrence or event.

Section 5.3 Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.2, or to make any further payments on the TIF Note.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1 Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that during the term of this Agreement the Developer and such successors and assigns shall operate, or cause to be operated, the Project in accordance with the uses specified in this Agreement.

Section 6.2 Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3 Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

LEP Holdings LLC
Attention: [developer contact]
[developer address]

with a copy to:

[developer counsel -if desired]

(2) in the case of the City is addressed to or delivered personally to the City at:

City of Albertville, Minnesota
Attention: City Administrator
Albertville City Hall
5959 Main Avenue
Albertville, MN 55301

with a copy to:

Taft Stettinius & Hollister LLP
Attention: Rhonda Skoby
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7 Expiration. This Agreement shall expire on the Termination Date, unless earlier terminated or rescinded in accordance with its terms.

Section 6.8 Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

LEP HOLDINGS LLC

By _____

Its _____

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2026, by _____, the _____ of LEP Holdings LLC, a Minnesota limited liability company on behalf of said company.

Notary Public

This is a signature page to the Development Agreement by and between the City of Albertville, Minnesota and LEP Holdings LLC

EXHIBIT A
DESCRIPTION OF DEVELOPMENT PROPERTY

Parcel: 101095001010

EXHIBIT B

FORM OF TIF NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF WRIGHT
CITY OF ALBERTVILLE

TAX INCREMENT REVENUE NOTE
(OUTLET MALL EAST SIDE REDEVELOPMENT)

The City of Albertville, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) to LEP Holdings LLC, a Minnesota limited liability company (the “Developer”) or its registered assigns (the “Registered Owner”), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$2,083,000 as provided in that certain Development Agreement, dated as of February 17, 2026, as the same may be amended from time to time (the “Development Agreement”), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note, at the simple, non-compounding interest rate of 5.00% per annum. Interest shall be computed on the basis of a 360-day year, consisting of twelve, 30-day months.

The amounts due under this Note shall be payable on August 1, 2028, and on each February 1 and August 1 thereafter to and including February 1, 2043, or, if the first should not be a Business Day (as defined in the Development Agreement), the next succeeding Business Day (the “Payment Dates”). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall be first applied to accrued interest and then to the principal. This Note is prepayable by the City, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 90% of tax increments (the “Tax Increments”) from the Development Property (as defined in the Development Agreement) within the City’s Tax Increment Financing (Redevelopment) District No. 1-24 (Outlet Mall East Side Redevelopment) (the “Tax Increment District”) within its Municipal Development District No. 1 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the “Tax Increment Act”). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the

Developer shall have terminated the Development Agreement under Article V thereof, the date the Tax Increment District is terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

The City makes no representation or covenant, expressed or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable, without interest accruing in the meantime, if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.3 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only with the consent of the City, which consent shall not be unreasonably withheld. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of Albertville, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and Administrator and has caused this Note to be dated as of _____, 20____.

Administrator

Mayor

DO NOT EXECUTE UNTIL SETTLEMENT STATEMENTS FOR ACQUISITION OF THE DEVELOPMENT PROPERTY ARE GIVEN TO THE CITY AND THE DEMOLITION AND REDEVELOPMENT CRITERIA SETFORTH IN SECTION 3.3(1) ARE COMPLETED BY THE DEVELOPER.

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of LEP Holdings LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
ADMINISTRATOR

LEP Holdings LLC
[Developer Address]

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT C
COMPLIANCE CERTIFICATE



February 17, 2026

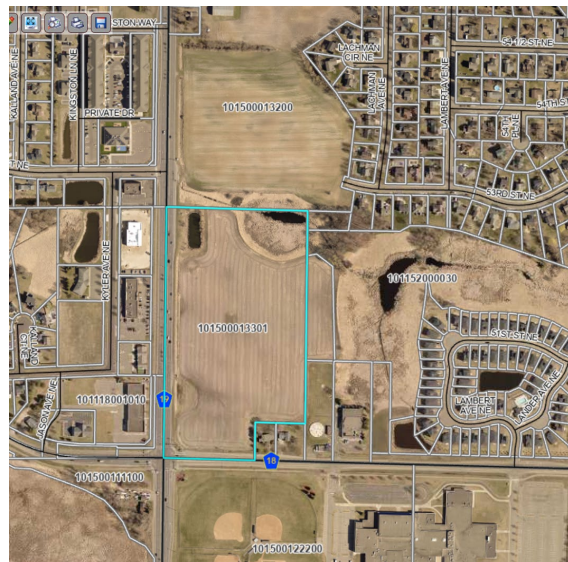
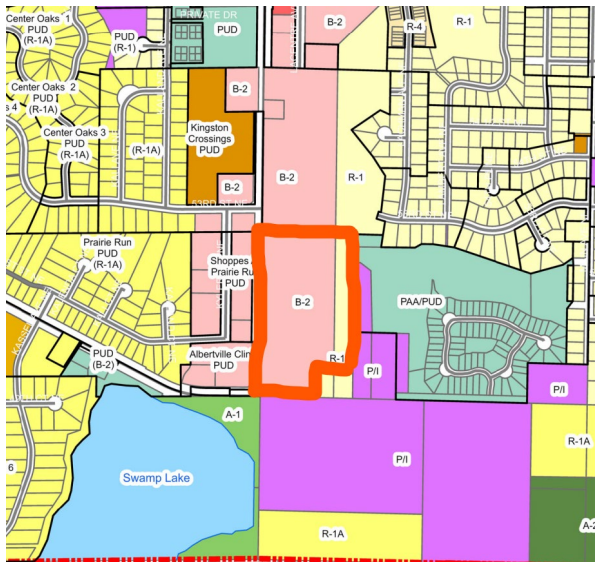
SUBJECT: PLANNING – LEUER CONCEPT REVIEW

RECOMMENDATION: Review the concept and provide feedback to the applicant and staff.

BACKGROUND: The Council provided feedback on a commercial concept in August 2025 for LaBeaux Commercial Centre located north of this subject site. That project is proceeding and applications are anticipated this month. With that concept LaCenter would be extended to the Leuer site. The concept is included for reference.

The property owner is interested in developing the vacant parcel on the east side of LaBeaux, south of the future LaCentre Commercial Development and 53rd Street intersection. The site consists of one parcel of 21.29 acres and is zoned B-2 Limited Business and R-1 Single Family Residential. The proposed development consists of the following:

- Five commercial lots
 - Three of the lots indicate drive thru’s
- A high density residential lot
 - 81 Unit Apartment on 3.48 acres (similar to Kington across LaBeaux)
 - 82 underground and 88 surface parking stalls
 - Play area, dog run, sport court
- Three outlots
 - Outlot A is for wetland and stormwater
 - Outlots B & C are for future access to CSAH 18 (50th Street)
- Continuation of LaCentre Avenue (street and trail) through the development from north
- Stormwater pond to serve entire development



KEY ISSUES:

- The property is zoned B-2 Limited Business with a strip of R-1 Single Family on the east side.
- B-2 is intended to provide for low intensity, retail or service outlets. The uses allowed in this district are to provide goods and services on a limited community market scale and located in areas which are well served by collector or arterial streets at the edge of residential districts. Many of the permitted uses are general retail, office, and personal services. Conditional uses include daycares, veterinary clinics, restaurants without drive-through, brew pubs, and mixed-use commercial/residential buildings.
- The property would need to be rezoned to B-2A or B-3 and/or PUD to accommodate restaurants with drive through or auto repair type use. PUD would allow for better buffer and regulation of signage (Comprehensive Sign Plan) to be limited to ground monuments.
- The R-1 designation was likely a long standing designation to serve as a buffer to the residential to the east. It would be challenging to plat single family lots within that area alone.
- There will be significant traffic impacts to the area with this proposed development and the LaCentre Commercial concept.
- Multi-family (apartments) are not consistent with the long-range land use plan designation of commercial/low density residential or the commercial and single family zoning.
- There are two homes abutting this on the south side. Adjacent residential to the east is buffered by existing wetland and vegetation.

POLICY/PRACTICES CONSIDERATIONS: The development requires a legislative decision by the Council to change the zoning and the land use plan. The Council has the most discretion when rezoning properties. The City Council does not have to accept auto-oriented commercial uses or multi-family uses where not intended. A PUD as a rezoning tool would provide flexibility to the developer where needed while providing benefit the development/neighborhood that would not exist under straight up B-3 rezoning. Lot standards and performance standards will be reviewed with a preliminary plat and rezoning application.

FINANCIAL CONSIDERATIONS: The proposed development will add tax base and services to the City.

LEGAL CONSIDERATIONS: The City Attorney has not reviewed the concept. A rezoning, preliminary plat, final plat, and developer agreement will be required.

Responsible Person: Jenni Faulkner, City Planner @ Bolton-Menk

Submitted Through: Adam Nafstad, City Administrator-PWD

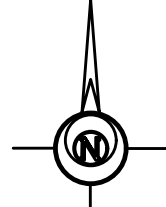
Attachments:

- Conceptual site layout
- Java 2 La Center Concept (to the north)

CSAH 19 (LaBeaux Ave NE)

53rd St NE

LABEAUX COMMERCIAL CENTRE
DEVELOPMENT PROJECT



0 50 100 150
GRAPHIC SCALE IN FEET

LABEAUX AVE / 50TH ST
ALBERTVILLE, MN

CONCEPT PLAN
01/26/2026

LOT 1
1.49 AC

OUTLOT
A
4.03 AC

STORM WATER
MANAGEMENT
BASIN

LOT 2
1.41 AC

DOG
RUN
PLAY
AREA
SPORT
COURT

RT-IN/
RT-OUT

PUBLIC STREET

PUBLIC STREET

LOT 3
1.41 AC

24 UNIT APARTMENT
W/ 80 PARKING STALLS
80 SURFACE STALLS

LOT 6
3.48 AC

LOT 4
1.34 AC

PUBLIC STREET

LOT 5
1.59 AC

OUTLOT
B
0.07 AC

OUTLOT
C
0.07 AC

JOINT POWERS
WATER BOARD
PROPERTY

CSAH 18 (50th St NE)

SITE DATA - LOT 7

LOT SIZE - 97,520 S.F. = 2.24 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 8,400 S.F. C-STORE/CAR WASH
PARKING DATA
 C-STORE - 4 + 6,000 S.F. AT 1/200 = 34 STALLS
 CAR WASH - 10 STALLS
 44 STALLS REQUIRED
 36 STALLS PROVIDED

SITE DATA - LOT 6

LOT SIZE - 53,648 S.F. = 1.23 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 9,818 S.F. AUTO REPAIR
PARKING DATA
 8+8,818 S.F. AT 1/800 = 18 STALLS
 18 STALLS REQUIRED
 33 STALLS PROVIDED

SITE DATA - LOT 5

LOT SIZE - 70,854 S.F. = 1.63 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 4,500 S.F. QUICK SERVICE RESTAURANT
PARKING DATA
 CUSTOMER - 1,200 S.F. AT 1/35 = 34 STALLS
 KITCHEN - 3,300 S.F. AT 1/80 = 41 STALLS
 75 STALLS REQUIRED
 78 STALLS PROVIDED

SITE DATA - LOT 4

LOT SIZE - 34,926 S.F. = 0.80 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 3,000 S.F. BANK
PARKING DATA
 3 + 3,000 S.F. AT 1/200 = 18 STALLS
 18 STALLS REQUIRED
 25 STALLS PROVIDED

SITE DATA - LOT 3

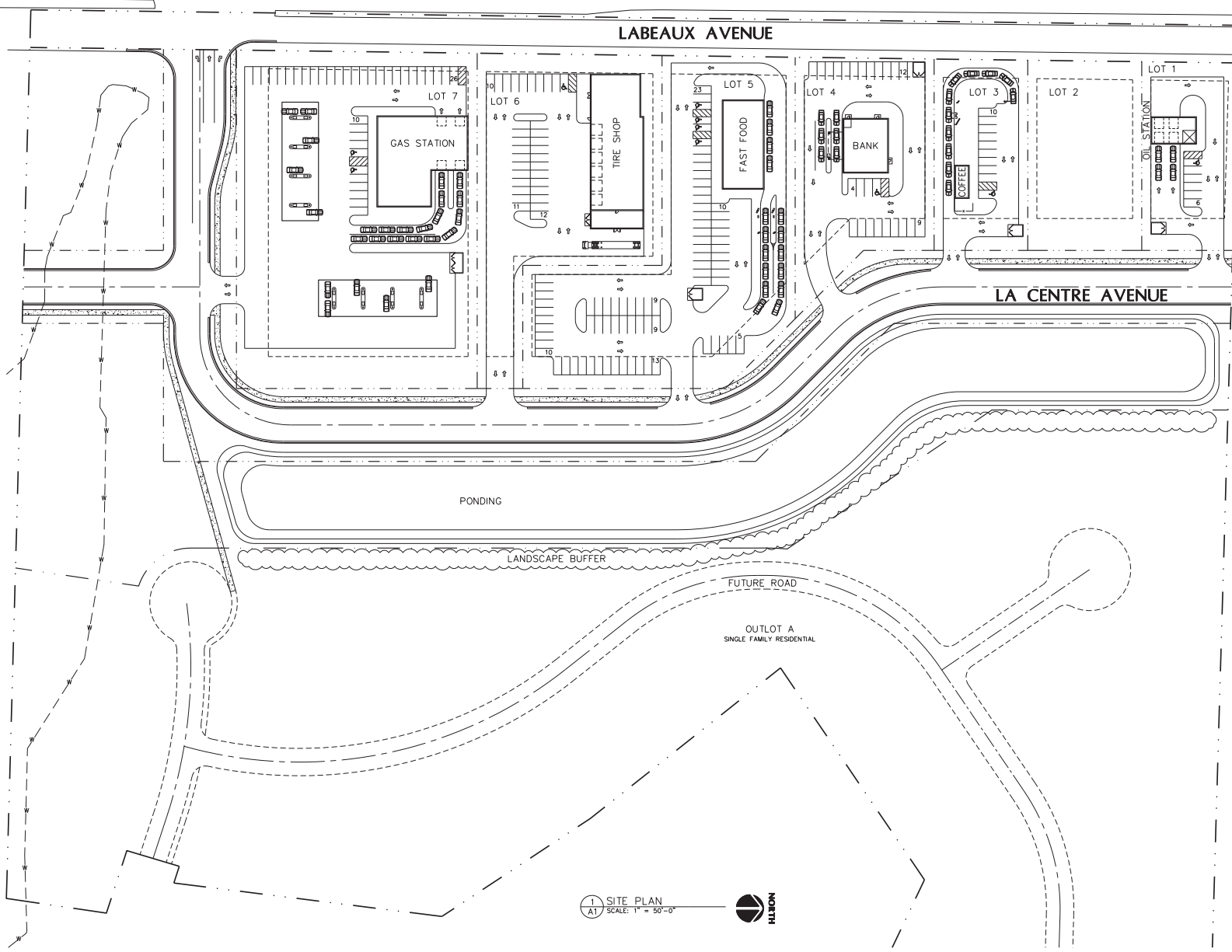
LOT SIZE - 21,478 S.F. = 0.49 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 583 S.F. COFFEE SHOP
PARKING DATA
 583 S.F. AT 1/80 = 7 STALLS
 7 STALLS REQUIRED
 10 STALLS PROVIDED

SITE DATA - LOT 2

LOT SIZE - 25,968 S.F. = 0.60 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 1,500 S.F. QUICK SERVICE OIL CHANGE
PARKING DATA
 4 EMPLOYEES AT 1/1 EMPLOYEE = 4 STALLS
 4 STALLS REQUIRED
 6 STALLS PROVIDED

SITE DATA - LOT 1

LOT SIZE - 21,180 S.F. = 0.49 ACRES
 ZONING - B-2, LIMITED BUSINESS
 BUILDING - 1,500 S.F. QUICK SERVICE OIL CHANGE
PARKING DATA
 4 EMPLOYEES AT 1/1 EMPLOYEE = 4 STALLS
 4 STALLS REQUIRED
 6 STALLS PROVIDED



1 SITE PLAN
 AT SCALE: 1" = 50'-0"



LAMPERT ARCHITECTS
 420 Summit Avenue
 St. Paul, MN 55102
 Phone: 763.755.1211 Fax: 763.757.2849
 lampert@lampert-arch.com

ARCHITECT CERTIFICATION:
 I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.
PRELIMINARY NOT FOR CONSTRUCTION

JAVA PROPERTIES
 878 Schellier Avenue
 St. Paul, MN 55102
 Phone: 922-403-9995

LABEAUX COMMERCIAL CENTRE
 Albertville, Minnesota

Copyright 2025
 Leonard Lampert Architects Inc.
 Project Designer: JAMES B
 Drawn By: JRB
 Checked By: LL
 Revisions
 7/24/25 PRELIMINARY

SITE PLAN

Sheet Number

A1

Project No. 250512-3

Filename: LABEAUX COMMERCIAL CENTRE\LABEAUX COMMERCIAL CENTRE-A1



Mayor and Council Request for Action

February 17, 2026

SUBJECT: PUBLIC WORKS – PROPOSED 2026 CITY COMPOST SITE HOURS

RECOMMENDATION: It is respectfully requested that the Mayor and City Council consider the following:

MOTION TO: to approve the amended Albertville Compost Site hours for the 2026 as follows:

Month(s)	Monday	Tuesday-Friday	Saturday-Sunday
April	8 am to 6 pm	2 pm to 6 pm	9 am to 4 pm
May-September	8 am to 8 pm	2 pm to 8 pm	9 am to 4 pm
October-November	8 am to 6 pm	1 pm to 6 pm	9 am to 4 pm

BACKGROUND: For nearly 20 years, the City’s compost site was open 24 hours a day at no charge, as chipping and hauling could be performed at a little or no cost. In recent years, chipping and hauling expenses have increased significantly, and dumping by non-residents and contractors had further contributed to the rising costs.

In response, the City restricted access and operating hours at the site beginning in the summer of 2025. Summer hours were initially scheduled from 3 pm to 8 pm, Monday-Friday. Based on resident feedback, staff is now proposing expanded hours for 2026, including a full day on Mondays and an additional hour on weekends.

Staff will continue to monitor the site hours to ensure they meet operational and resident needs.

KEY ISSUES:

- The City’s compost site operates seasonally from April through November.
- Operating hours were restricted beginning in summer 2025 due to rising costs.
- Staff propose additional hours for 2026 in response to resident feedback.

FINANCIAL CONSIDERATIONS: There proposed schedule would increase hours for the seasonal part-time staff position. The cost to operate the compost site are shared with the City of Otsego.

LEGAL CONSIDERATIONS: The Mayor and City Council have the authority to review and approve hours of operation for the City’s compost site.

Submitted through: Adam Nafstad, City Administrator-PWD