

PROFESSIONAL SERVICES AGREEMENT

BY AND BETWEEN
THE CITY OF PRINCETON
AND
NORTHLAND SECURITIES, INC.
TAX INCREMENT FINANCING DISTRICT (REDEVELOPMENT)

This Agreement made and entered into by and between the City of Princeton, Minnesota (hereinafter "City"), Minnesota and Northland Securities, Inc., of Minneapolis, Minnesota (hereinafter "NSI").

WITNESSETH

WHEREAS, the City desires to use the services of NSI for financial planning assistance related to the establishment of Tax Increment Financing (Housing) District No. 9-5 (the "TIF District").

WHEREAS, the services to be provided by NSI are intended solely for financial planning and NSI is not providing advice on the timing, terms, structure or similar matters related to a specific bond issue.

WHEREAS, NSI desires to furnish services to the City as hereinafter described.

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY NSI

The scope of work NSI will undertake is for the process to establish the TIF District. Legal services to review the Tax Increment Financing Plan (the "TIF Plan") for the TIF District and to review the approving resolutions are not provided by NSI and are not subject to this agreement.

NSI will provide the following services:

1. Prepare calendar of meetings and key dates for the establishment of the TIF District.
2. Collect data for the TIF District, including:
 - Parcel identification numbers for all parcels within the proposed development district and the TIF District.
 - Estimated market value and tax capacity value for all parcels within the TIF District.
 - Current property tax rates for all jurisdictions.
 - Map showing project location and parcel boundaries for the project area and the TIF District.
3. Evaluate and advise the City on the proposed type of tax increment financing district, a housing district, and provide guidance on statutory requirements and findings.
4. Collect data about the project, including:
 - Type, size, value, and timing of the proposed development.
 - Activities and estimated project costs to be paid from tax increments from the TIF District.

5. Review basis for findings for establishing the TIF District, including:
 - Statutory criteria for the TIF District.
 - Developer justification (“but for”) for the use of tax increments from the TIF District.
 - Financial evaluation and analysis of the developer project budget and operating pro forma.
6. Determine basic understanding of key criteria for the process including:
 - Boundaries of the project area, including proposed amendment to boundaries.
 - Specific development objectives to address in the planning documents beyond the proposed project.
 - Official newspaper and publication schedule.
7. Obtain any additional data not collected in item 1, including:
 - Building permits issued for parcels in the TIF District over the past 18 months.
 - Comprehensive plan for the City.
8. Assist with preparation of the notice of hearing and compliance with statutory requirements for mailing and publication.
9. Provide the attorney to the City with the terms of assistance and other financial terms for inclusion in a proposed tax increment financing agreement with the developer of the project.
10. Prepare planning documents including modification to the project area and the establishment of the TIF District.
12. Distribute draft planning documents with letter of explanation and other supporting information to county and school district.
13. Assist the attorney to the City with the drafting of the resolutions approving the modification to the project area and establishment of the TIF District, among other related purposes.
14. Assist the attorney to the City with the preparation and distribution of the resolution for planning commission findings, (scope does not include NSI attendance at planning commission meeting).
15. Prepare and distribute documents for inclusion in the City packet for public hearing including the modified redevelopment plan for the project area and TIF plan and the resolution approving the modification and establishment.
16. Prepare and distribute a memorandum with the conclusions of the financial evaluation of the developer pro forma and the need for financial assistance.
17. Attend and facilitate discussion at the public hearing to be held by the City Council to consider action on resolutions.
18. Prepare (electronic) transcript of documents.
19. Submit, on behalf of the City, the TIF District for certification by the county.

20. File the redevelopment plan and the TIF Plan with the Minnesota Department of Revenue and the Office of the Minnesota State Auditor.

The scope of work includes NSI attendance at the public hearing to be held by the City.

COMPENSATION

The budget for undertaking the tasks in this agreement is an amount not to exceed \$13,500. The amount is based on the estimated number of hours required to complete these tasks at an hourly billing rate of \$250 per hour plus reimbursable expenses for travel, printing, and mailing. NSI will bill the City monthly for actual services performed and reimbursable expenses.

The City may at its discretion authorize NSI to undertake additional tasks, including meeting attendance, beyond the tasks listed above. Additional planning services will be billed monthly at a rate of \$250 per hour.

Invoices will detail the work performed, requested compensation for the period and show amounts previously billed.

ASSIGNED NORTHLAND EMPLOYEE

The NSI employee responsible for providing services pursuant to this agreement and for the services performed is Tammy Omdal, Managing Director.

SUCCESSORS OR ASSIGNS

The terms and provisions of this Agreement are binding upon and inure to the benefit of the City and NSI and their successors or assigns.

DISCLAIMER

In performing service under this agreement, NSI is relying on the accuracy of information provided by the developer of the project and the City and the services provided by NSI are based on current State Law. The parties agree that the Minnesota property tax system and other laws may change and may affect the accuracy and validity of services provided by NSI. NSI will perform its work using the best available information. The City recognizes and accepts that future property values, tax levies and tax rates may vary from the assumptions used by NSI and such changes may affect the work product produced and provided by NSI.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or NSI. In the event of early termination by the City, NSI shall provide the City with an itemized hourly statement of services already provided. All billable hours by NSI shall be billed at the stated hourly rates should early termination occur.

Dated this 23rd day of July, 2024.

Northland Securities, Inc.

By: Tammy Omdal

Tammy Omdal
Managing Director, Public Finance

City of Princeton, Minnesota

By: Bob Gerold

Asst. City Administrator

Title