



CITY COUNCIL AGENDA

Monday, July 6, 2026

CITY COUNCIL WORK SESSION, 6:00 P.M., COMMUNITY ROOM

Mayor Rafferty, Councilmembers Lyden, Nelson, Ruhland and Rennaker

City Administrator: Karen Anderson

1. Call to Order and Roll Call
2. Setting the Agenda: Addition or Deletion of Agenda Items
3. Economic Development Strategic Plan, Michael Grochala
4. Preliminary Discussion: Data Centers in Commercial and Industrial Districts, Karen Anderson
5. Tax-Exempt Financing for Lyngblomsten, Michael Grochala
6. Franchise Agreements, Roberta Colotti
7. Board Appointment, Roberta Colotti
8. Outside Committee Reports, Karen Anderson
9. City Administrator Update, Karen Anderson
10. Notices and Communications
 - i. Announcement: Summary of the June 22, 2026, Closed Meeting
 - ii. There will be a City Council Special Closed Meeting to Discuss Labor Negotiations Strategies, Immediately Following this Meeting in the Council Work Room

ADJOURNMENT

**CITY COUNCIL
WORK SESSION STAFF REPORT
ITEM NO. 3**

STAFF ORIGINATOR: Michael Grochala, Community Development Director

DATE OF WORK SESSION: July 6, 2026

TOPIC: Economic Development Strategic Plan

BACKGROUND

As part of the City's economic development efforts, the Economic Development Advisory Committee (EDAC) is responsible for the preparation of a five-year Economic Development Strategic Plan. The plan was last updated in 2021.

From our past discussion and review of the 2021 Strategic Plan, EDAC and staff have assembled a draft 2026–2030 5-year plan for the City Council's review and consideration. The document is intended to be a guide to help prioritize the City's economic development efforts.

The 2026-2030 Plan identifies six priorities, which include:

Priority 1: Develop Balance of Woods Edge Property

Summary: The site is located at Interstate 35W and Lake Drive. The City retains approximately 9 acres of property. The area is guided and zoned for a mix of commercial and high-density residential uses intended to serve as the City's "Town Center". The Rookery Activity Center is a City-owned and operated facility and remains a focal point for community activity and future development opportunities within the area.

In 2026 the City initiated a master planning process to further refine development scenarios, land use mix and overall vision for the site. EDAC recognizes that the private market will prescribe the ultimate development scenario; however, there are key elements which are within the City's sphere of influence. Lino Lakes ability to be flexible both on land sale pricing and type of development, plus the potential to assist with financing gaps will ultimately assist in the facilitation of a development plan that meets the city's goals.

Priority 2: Business Retention, Expansion, and Workforce Development Plan

Summary: Retention and expansion of key businesses is an important strategy in promoting continued economic growth. It is an avenue by which communities promote reinvestment and facilitate employment growth. By establishing a formal Business Retention and Expansion (BRE) Program, Lino Lakes can enhance

its relationship with key existing businesses. The BRE is an avenue to gather information about local business activity, anticipate changes in a company's status, and work to retain the businesses that provide the greatest positive economic impact.

Access to skilled labor is also critical to retaining businesses and supporting new economic opportunities. The City will work to connect local businesses with workforce development resources and regional partners to help address workforce needs and support long-term economic vitality.

Priority 3: Identification of potential redevelopment areas and strategic acquisitions

Summary: Reinvesting in underutilized property is a valuable tool for City economic development efforts. The City should also be ready to act when property becomes available to meet long term development and infrastructure needs.

Priority 4: Continue to promote development of the I-35E/Main Street Corridor

Summary: Development of the I-35E/Main Street Corridor remains a priority, leveraging key infrastructure improvements such as the Otter Lake Road extension and the regional Cooperation Agreement with Columbus, Forest Lake, Hugo, and Anoka and Washington Counties. This collaboration supports coordinated planning efforts and enhances the corridor's appeal for industrial and commercial development. Development in this area will continue to be predominantly market driven, with infrastructure readiness, active landowner participation, and regional partnerships serving as key factors in attracting new investment and redevelopment opportunities.

Priority 5: Updating and expanding the city marketing materials

Summary: The development and updating of the marketing materials for the community to be able to readily react to opportunities for new projects and the expansion of existing businesses.

Priority 6: Establish a Housing Maintenance Assistance Program

Summary: Develop a Housing Maintenance Assistance Program to support low-to moderate-income homeowners in maintaining and improving the City's aging housing stock. The program would complement existing County resources and may include grants or low-interest loans focused on exterior home improvements that enhance neighborhood appearance, safety, and long-term property maintenance.

EDAC RECOMMENDATION

The EDAC recommended approval of the Strategic Plan.

REQUESTED COUNCIL DIRECTION

Staff is requesting City Council direction to place the draft Economic Development Strategic Plan on the July 13, 2026 agenda for council consideration.

ATTACHMENTS

1. Draft Strategic Plan



Lino Lakes Economic Development Strategic Plan

June 2026

City of Lino Lakes 600
Town Center Pkwy
Lino Lakes, MN 55014
651.982.2400



Lino Lakes

Economic Development Strategic Plan

The Lino Lakes Economic Development Advisory Committee (EDAC) assists community leaders and staff in the continued development and growth of the City. As part of this assistance, the EDAC develops a strategic plan to identify priorities for the community and the EDAC over the course of the next 5 years.

The EDAC last completed a strategic plan in 2021 to provide focus on the economic development priorities that will provide the greatest value to the community as it continues to grow and develop. The development of these goals and focuses in 2021 provided the basis for the plan but didn't prevent the city from actively working on and responding to project requests from the state, GREATERMSP and other partners. The updated strategic plan will continue to build upon this flexibility in the plan to react to the conditions and opportunities facing the community.



Economic development does not operate in a vacuum and touches several different areas in a community outside of traditionally recognized job and tax base development. These areas can include the development of housing opportunities, workforce development (development of people with the skills for new positions), infrastructure planning, and quality of life issues. The understanding of the complexity of economic development results in the creation of the 3 Ps of economic development. These tenants of economic development are:



The successful implementation of these principles will result in the community gaining the most coveted of the "Ps" of a new project.

As the EDAC is currently in the process of updating its strategic plan for the next 5 years, the areas that have been identified as the focuses and goals fit within the Ps of economic development. This preparation includes the development of programs and focuses to allow for the city to be successful in the attraction and retention of businesses to the community. In addition, the priorities will also include how the community can improve the quality of life for the residents of Lino Lakes. With the final priority being the development of new and updated marketing materials or the process of telling our story.

As the EDAC knows, over 85% of business growth is from currently existing businesses in the community. The active retention of those businesses is facilitated by the development of relationships with the company, the ability to understand their needs, and how the city can assist in meeting those needs therefore helping the company to grow and prosper. This methodology is used to also advance the other priorities identified with the development of strong relationships with the affected parties and property owners.

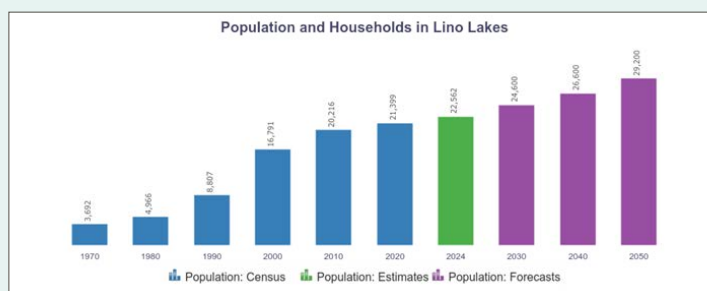


Demographics

The development of these relationships often starts with the understanding of the communities' demographics and how they affect the potential projects and the businesses in the community. This information provides the basis for the objectives that the community will begin to work towards solving in the future. The demographics of Lino Lakes has seen significant change in several demographic areas over the last few years.

POPULATION

The population of Lino Lakes has continued to grow steadily over the past decade. According to the U.S. Census Bureau, the City's population increased from 20,216 residents in 2010 to 21,399 residents in the 2020 Census, representing growth of approximately 5.9%. The City's estimated 2024 population has further increased to 22,562 residents. This continued growth supports the local economy by providing an expanding workforce for existing businesses and attracting new companies to the community. Population growth also increases demand for additional housing and services and may continue to place upward pressure on housing values and affordability.



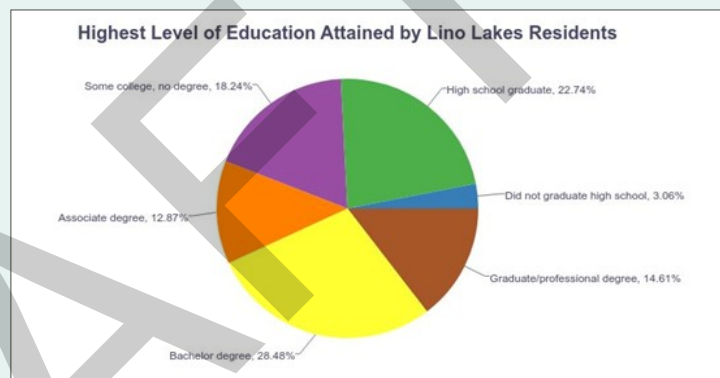
Source: U.S. Census Bureau Decennial Census, Metropolitan Council Annual Estimates, and Metropolitan Council Forecasts.

MEDIAN AGE

In addition to the continuing growth of the population of the community, the median age also affects many aspects of the economic wellbeing of the City. Lino Lakes currently has a median age of 41.5 years old compared to the state's median age of 39.2 years and is in-line with the Minneapolis/St. Paul MSA's of 38.5 years. The relatively younger median age of the population provides the future opportunity for continued growth of median household incomes as residents reach their peak earning years. The community's age distribution also supports future workforce growth as younger residents graduate and enter the workforce. This demographic balance allows for the development of long-term relationships between residents, local businesses, and the community as a whole.

EDUCATION

The City also has a well-educated workforce, with more than 74% of the workforce having some college experience. This includes 43% with a bachelors or higher degree. Technical Colleges or 2 year degrees are included in the some college number of residents at 31%. This high level of education compared to the state's overall education level of 31.2% with some college and 40% with a bachelors degree or higher.



Source: U.S. Census Bureau Decennial Census and American Community Survey.

INCOME

This higher level of education also provides the additional support of the higher median income for the City. Lino Lakes currently has a median household income of \$127,181 compared to Minnesota's median household income of \$87,117. The City is also significantly above the MSA which is at \$99,800. In addition to the higher household income, the City also has a significantly higher per capita income for the community. In 2026, Lino Lakes has a per capita income of \$53,392 compared to the state's per capita income of \$48,237 and the MSA's of \$52,800. The relatively smaller gap in per capita income reflects the City's younger population profile, with more households supporting children and dependents.

Housing

While population growth and a higher per capita income are a positive for the community, they can present several challenges for the City. One of these challenges is the availability and cost of new housing for new residents and residents looking to move up in the type of housing. This housing market activity can cause an increase in the selling price and value of homes resulting in homes being less affordable for new and younger families.

MEDIAN HOME VALUE

The City currently has a median home value of \$407,200 compared to the Minneapolis/St. Paul MSA value of \$374,000. While this higher value has advantages for the City and current homeowners, it may prevent new families from owning a home.



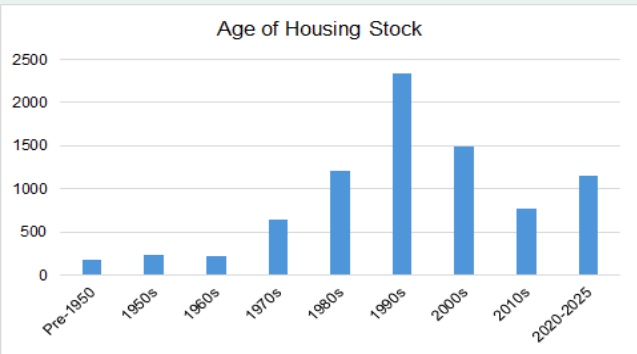
Source: U.S. Census Bureau Decennial Census and American Community Survey.

AFFORDABILITY

When looking at the affordability of housing, the City has a housing affordability index estimated at approximately 180-195 in 2026, compared to the MSA rating at roughly 150-160. The housing affordability index is based on the relationship between median household income and the income required to afford a median-priced home. An index of 100 indicates that a household earning the median income can comfortably afford a median-priced home without being cost burdened.

AGE OF HOUSING STOCK

Lino Lakes is a young community that has seen significant growth over the last 20 years. The City is now seeing an aging of the current housing stock with a majority of the housing being constructed prior to 2000.



Source: Anoka County Assessor's Data and Metropolitan Council Residential Building Permit Survey.

The aging of the housing stock will also present opportunities for the community as those moving into those units begin to update and replace systems (e.g., furnaces, air conditioning, and appliances) increasing the need for additional services. Areas with housing stock that has outlived its useful life span may provide the opportunity for redevelopment as the city continues to grow and develop.

Goals

The EDAC has recognized these demographic changes in the community and incorporated them in the updated goals and focuses of the EDAC over the next 5 years. The updated plan has also incorporated the goals from the 2040 Comprehensive Plan as the basis for the areas of focus of the plan:



- **Expand and diversify the City's tax base** by encouraging commercial and industrial development in the Planned Residential/ Commercial, Office Residential, Signature Gateway, and Town Center Areas to lessen the tax burden on residential properties.



- **Work with developers to identify innovative strategies** for attracting entry level and smaller entrepreneurial businesses to Lino Lakes.



- **Attract and encourage** new light industrial, high tech, business and professional services enterprises, and maintain and expand existing businesses in Lino Lakes.



- **Promote efficient, planned commercial and industrial expansion** within the City's growth areas, accessible to public infrastructure and transportation.



- **Promote Lino Lakes' location** within the metropolitan region as an advantage in doing business.

Priorities

Using those goals as a template, the EDAC has developed the following list of priorities to focus on for the implantation of the goals from the comprehensive plan.

PRIORITY 1:

Develop Balance of Woods Edge Property

The site is located at Interstate 35W and Lake Drive. The City retains approximately 9 acres of property. The area is guided and zoned for a mix of commercial and high-density residential uses intended to serve as the City's "Town Center". The Rookery Activity Center is a City-owned and operated facility and remains a focal point for community activity and future development opportunities within the area.

In 2026, the City initiated a master planning process to further refine development scenarios, land use mix and overall vision for the site. EDAC recognizes that the private market will prescribe the ultimate development scenario; however, there are key elements which are within the City's sphere of influence. Lino Lakes ability to be flexible both on land sale pricing and type of development, plus the potential to assist with financing gaps will ultimately assist in the facilitation of a development plan that meets the city's goals.



PRIORITY 2:

Business Retention, Expansion, and Workforce Development Plan Program

Retention and expansion of key businesses is an important strategy in promoting continued economic growth. It is an avenue by which communities promote reinvestment and facilitate employment growth. By establishing a formal Business Retention and Expansion (BRE) Program, Lino Lakes can enhance its relationship with key existing businesses. The BRE is an avenue to gather information about local business activity, anticipate changes in a company's status, and work to retain the businesses that provide the greatest positive economic impact.

Access to skilled labor is also critical to retaining businesses and supporting new economic opportunities. The City will work to connect local businesses with workforce development resources and regional partners to help address workforce needs and support long-term economic vitality.

PRIORITY 3 :

Identification of potential redevelopment areas and strategic acquisitions

Reinvesting in underutilized property is a valuable tool for City economic development efforts. The City should also be ready to act when property becomes available to meet long term development and infrastructure needs.

PRIORITY 4 :

Continue to promote development of the I-35E/Main Street Corridor

Development of the I-35E/Main Street Corridor remains a priority, leveraging key infrastructure improvements such as the Otter Lake Road extension and the regional Cooperation Agreement with Columbus, Forest Lake, Hugo, and Anoka and Washington Counties. This collaboration supports coordinated planning efforts and enhances the corridor's appeal for industrial and commercial development. Development in this area will continue to be predominantly market driven, with infrastructure readiness, active landowner participation, and regional partnerships serving as key factors in attracting new investment and redevelopment opportunities.



PRIORITY 5 :

Updating and Expanding the City Marketing Materials

The development and updating of the marketing materials for the community to be able to readily react to opportunities for new projects and the expansion of existing businesses.

PRIORITY 6 :

Establish a Housing Maintenance Assistance Program

Develop a Housing Maintenance Assistance Program to support low- to moderate- income homeowners in maintaining and improving the City's aging housing stock. The program would complement existing County resources and may include grants or low-interest loans focused on exterior home improvements that enhance neighborhood appearance, safety, and long-term property maintenance.

Implementation

EDAC Strategic Plan Implementation Matrix

PRIORITY 1:

Develop Balance of Woods Edge Property

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Complete and review the Woods Edge Master Plan to refine development scenarios, land use mix, and site vision.			
b. Revisit Master Plan, if necessary, based on information received from Market Study.			
c. Coordinate development opportunities with City/Rec Center development.			
d. Solicit development interest through an RFP process for the site.			

PRIORITY 2:

Business Retention, Expansion, and Workforce Development Plan

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Identify business and industry sectors to target.			
b. Coordinate BRE program with other economic development organizations such as Chambers, Anoka County, and GREATERMSP.			
c. Develop and maintain a formal process and schedule for conducting business retention visits			
d. Develop matrix and schedule for reporting out feedback from the retention visits.			
e. Utilize information gathered through BRE visits to identify workforce challenges and business needs.			

PRIORITY 3:**Identification of Potential Redevelopment Areas and Strategic Acquisitions**

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Identify areas for potential redevelopment and those needed for infrastructure expansion based on land use plan.			
b. Develop strategy for City acquisition of land when available.			
c. Develop policy for the use and type of assistance for redevelopment projects.			
d. Develop and implement strategy to encourage redevelopment of sites.			

PRIORITY 4:**Continue to Promote Development of the I-35E/Main Street Corridor**

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Identify targeted industries for attraction.			
b. Coordinate information from BRE program to help identify businesses considering expansion.			
c. Strengthen relationship with GREATERMSP and DEED to receive "Requests for Information" from national and local site selection firms.			
d. Pursue planning and development of key infrastructure improvements.			

PRIORITY 5 :**Priority 5: Updating and Expanding the City Marketing Materials**

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Review current materials and update community profile.			
b. Coordinate marketing efforts and materials with other organizations.			
c. Identify information for targeted industries to include in materials.			
d. Develop material that explains available programs and the City's policy on incentives.			

PRIORITY 6 :**Priority 6: Establish a Housing Maintenance Assistance Program**

ACTION STEPS	ASSIGNED TO	DEADLINE	STATUS
a. Research existing housing rehabilitation programs and partnership opportunities.			
b. Develop program guidelines, eligibility requirements, and eligible improvement types.			
c. Coordinate outreach efforts to inform residents about available assistance programs.			
d. Evaluate program effectiveness and future funding opportunities.			

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 4.**

STAFF ORIGINATOR: Karen Anderson, City Administrator

MEETING DATE July 6, 2026

AGENDA ITEM: Preliminary Discussion: Data Centers in Commercial and Industrial Districts

INTRODUCTION

The City Council will hold an initial discussion to determine whether there is interest in exploring policy options related to data centers within Lino Lakes' commercial and industrial zoning districts.

BACKGROUND

N/A

REQUESTED COUNCIL DIRECTION

Determine whether consensus exists to pursue this topic further. If consensus exists, provide staff direction to research the issue and prepare a report for a future Council meeting.

ATTACHMENTS

None

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 5**

STAFF ORIGINATOR: Michael Grochala, Community Development Director

MEETING DATE: July 8, 2026

AGENDA ITEM: Private Activity Tax Exempt Financing
Lyngblomsten

INTRODUCTION

Staff requests City Council consideration of a reduced administrative fee for the issuance of Private Activity Tax-Exempt Financing bonds for Lyngblomsten.

BACKGROUND

Minnesota Statutes Sections 469.152 to 469.1651 (the “Industrial Development Act”) and Chapter 462C (the “Housing” act) authorize cities to issuance revenue bonds to finance eligible private development projects. These tools may be used for private activities that provide community benefit such as employment opportunities or affordable or elderly housing.

Private activity tax-exempt financing allows the City to issue bonds on behalf of a private entity, enabling the borrower to access lower, tax-exempt interest rates. The City is not financially liable for repayment; the private borrower is. The City’s role is regulatory and facilitative, not fiscal. They do not pledge the City’s taxing authority.

The City adopted guidelines for private activity tax exempt financing in 2005 and amended them in 2019. The policy requires reimbursement of City’s cost and establishes an administrative fee equal to 1% of the bond amount. Part II, Section 9 of the policy allows the City Council to reduce the administrative fee when the borrower’s request is related to a partnership with the City and/or provides a broad public service benefit.

A City may also issue obligations to finance improvements located outside of its corporate boundaries if the governing body of the City in which the project is located (the “Host”) consents to the issuance.

The YMCA in 2005, Love to Grow On in 2018 and Lyngblomsten in 2021 have used tax exempt bonds as part of their overall financing packages. In each case, the City served as Host, while another community issued the bonds. In each case the City was unable to issue the Notes

because the City issued its own bank-qualified bonds in those years. Issuing additional notes would have prevented the City from designating its general obligation bonds as bank-qualified.

In 2021 the City granted host approval for the City of Bethel to issue approximately \$45,000,000 in tax-exempt financing for Lyngblomsten. Lyngblomsten is now refinancing that debt and has requested renewed host approval for Bethel to reissue the bonds. Additional financing for the proposed mixed-use building may also follow.

Because the City has already issued non-bank qualified bonds in 2026, staff has expressed interest in serving as the issuer for Lyngblomsten's refinancing. The current issuer is charging a flat fee of \$50,000, and staff recommends a fee closer to that amount, reflecting both the City's partnership with Lyngblomsten and the provision of senior housing within the community.

REQUESTED COUNCIL DIRECTION

Staff is requesting City Council direction to:

1. Authorize a reduced administrative fee for Lyngblomsten's tax-exempt financing; and
2. Proceed with the procedural steps necessary to provide tax-exempt financing.

ATTACHMENTS

1. Private Activity Tax-Exempt Financing Guidelines

LINO LAKES, MINNESOTA

**PRIVATE ACTIVITY
TAX-EXEMPT FINANCING GUIDELINES**

**Adopted August 8, 2005
Revised September 9, 2019**

**Lino Lakes, Minnesota
Private Activity
Tax-Exempt Financing Guidelines**

PART I

GENERAL

Under the Minnesota Municipal Industrial development Act, Minnesota Statutes, Sections 469.152 to 469.1651 (the "Industrial Development Act"), the City of Lino Lakes, Minnesota has authority to issue revenue bonds or notes to attract or promote economically sound industry and commerce to the City, including the development of facilities by qualified 501(c)(3) organizations.

Under Minnesota Statutes, Chapter 462C (the "Housing Act") the City is authorized to issue housing revenue bonds to finance multi-family residential housing projects for low and moderate income persons and elderly persons.

The City Council is aware that such financing for certain private activities may be of benefit to the City and will consider requests for tax exempt financing subject to these Guidelines. The City Council considers tax exempt financing to be a privilege, not a right.

It is the judgment of the City Council that tax exempt financing is to be used on a selective basis to encourage certain development that offers a benefit to the City as a whole, including employment and housing opportunities. It is the applicant's responsibility to demonstrate the benefit to the City. The applicant should understand that although approval may have been granted by the City for the issuance of financing for a similar project or a similar debt structure that is not a basis upon which approval will be granted. Each application will be judged on the merits of the project as it relates to the public purposes of the Housing Act or the Industrial Development Act and the benefit to the City at the time the request for financing is being considered.

PART II

GUIDELINES

1. The City Council will consider tax exempt financing for manufacturing and health care facilities, and other facilities operated by qualified 501(c)(3) organizations, under the Industrial Development Act; and housing projects under the Housing Act. An applicant for tax-exempt financing pursuant to the Industrial Development Act must submit to the City the application contained in Part IV of these Guidelines.
2. The project must be a positive benefit to the City. The project must be of a nature that the City wishes to attract, or an existing business which the City wishes to retain or expand within the City, considering employment opportunities, incentive for further development, impact on City services, and support for the industrial, commercial or health care operations currently located in the City. A housing project must provide significant housing opportunities for low and moderate income persons or the elderly.
3. The City Council will, if requested, grant an applicant a pre-application review. The purpose of the pre-application review is to inform applicants of the possibility of rejection or the possible basis for such a rejection. The fact that the project is not rejected at the pre-application stage is not to be construed as approval of the project or as an indication that the project will be approved upon formal request to the Council. Requests for tax-exempt financing may be rejected by the City whether or not the project was submitted to a pre-application review and regardless of the outcome or recommendation of that pre-application review.

A request for pre-application review must be in writing, addressed to the City Finance Director, and set forth the name of the project, the type of project intended and the name, address and telephone number of the person who will be representing the applicant at the pre-application review, together with such additional information as the applicant desires to submit.

The City will appoint bond counsel for the bond issue, which will normally be the City's regularly retained bond counsel.

4. Pursuant to the Industrial Development Act and the Housing Act, consideration of an application for tax exempt financing must be done at a public hearing held by the Board, unless federal and state law allow for the issuance of bonds without a public hearing.
5. The City is to be reimbursed and held harmless for and from any out-of-pocket expenses related to the tax-exempt financing including, but not limited to, legal fees, financial advisor fees, bond counsel fees, the City's expenses in connection with the application, and any deposits or application fees required under state law in order to secure allocation of bonding authority. A non-refundable application fee in the amount of \$2,500 must be included with the submission of the application.

Prior to closing and delivery of the bonds for the project, the applicant must pay to the City, or commit to pay, as the case may be, a one-time administrative fee equal to 1.0% of the principal amount of the bond issue. Notwithstanding anything to the contrary herein, the administrative fees required by this paragraph will be reduced to the extent needed to ensure that the fee does not affect the tax-exempt status of the bonds under Internal Revenue Code of 1986, amended and related regulations.

6. Should the tax exempt financing request cause the City's total bonding for the year to exceed \$10,000,000 in a year that the City would otherwise be eligible to issue bank qualified bonds, (bonds with tax incentives to banks), any interest rate differential between bank qualified and non-bank qualified bonds shall be estimated and the difference paid by the borrower. If the City would have exceeded this amount without the tax-exempt issue, no differential would be calculated or paid by the borrower.
7. Applications for financing must be made on the forms attached to these Guidelines. In addition, the applicant must furnish a description of the project, together with a brief description of applicant and the proposed financing in such form as required at the time of application.
8. The City may, in its sole discretion, withdraw its preliminary approval of a project any time if in its judgment the purposes of the Act will not be served by going forward with the project and it's financing.
9. The City may, in its sole discretion, reduce the administrative fee in cases where the borrower's request is related to a partnership with the City and/or provides a public service benefit to the community as a whole.

PART III

MISCELLANEOUS MATTERS

1. Ratings. The City will give its most favorable consideration to proposed tax-exempt bond issues that have obtained a credit rating or private placements. Bonds must be sold in denominations of at least \$5,000.
2. Refundings. In the case of refunding of bonds for which the administrative fee listed in paragraph 5 of Part II have been paid in full, no new administrative fees are required; but the non-refundable application fee must be paid together with all City expenses in excess of that fee. If any fees related to the initial bond issue have not been paid, such fees must be paid in full prior to closing the refunding bonds.
3. Subsequent Proceedings. Where changes to the underlying documents or credit facilities of outstanding bond issues are to be made and require Council action (including changes that are a “deemed reissuance” under Internal Revenue Service regulation), no administrative fee is charged but a non-refundable fee of \$2,000 must be deposited with the City to cover administrative costs. No formal application form is required
4. Issue by Another Political Subdivision. The City will consider requests for tax exempt financing of projects in the City by other political subdivisions. In these cases the non-refundable application fee must be paid and all procedures through the approval of the preliminary resolution followed. No administrative fee is charged. At the Council's discretion, all or part of the application may be waived if there are offsetting benefits resulting from this financing.
5. City Contact. Initial contacts about tax exempt financing are made by contacting:

City Finance Director
City of Lino Lakes
600 Town Center Parkway
Lino Lakes, MN 55014
(651) 982-2410

6. Deadlines. The City Council conducts all tax-exempt financing matters at regularly scheduled City Council meetings held on the second and fourth Mondays of each month. Documents for City Council consideration must be at the City office no later than the Friday 10 days prior to next regular Council meeting at which the matter is to be considered. In the case of a publicly offered bond issue, the documents, when submitted, may specify a maximum price and maximum effective interest rate if prices and rates have not yet been established.

PART IV

CITY OF LINO LAKES, MINNESOTA

APPLICATION FOR TAX EXEMPT FINANCING

(Commercial, Industrial, Educational or Health Care)

1. APPLICANT
 - a. Business Name –
 - b. Business Address –
 - c. Business Form (corporation, partnership, sole proprietorship, etc.)
 - d. Authorized Representative –
 - e. Principal contact person and telephone number –
2. PURPOSE OF REQUESTED FINANCING –
 - a. New Facility (describe) –
 - b. Expansion (describe) –
 - c. Refunding (attach explanatory letter)
3. GIVE BRIEF DESCRIPTION OF NATURE OF BUSINESS, PRINCIPAL PRODUCTS, ETC.
4. ESTIMATED SOURCES AND USESPROJECT COSTS: (Not required for refunding)
SOURCES:

Bond proceeds	\$
Cash	
Other Loans	_____
Total Sources	

USES:

Land \$

Building

Equipment

Architectural, Engineering

Cost of Issuance

Capitalized Interest

Other _____

Total Uses

5. TOTAL FINANCING REQUESTED \$ _____ (_____ % of project costs)

6. TYPE OF FINANCING PROPOSED:

Bonds _____ Tax-Exempt Mortgage _____

Expected Term of Financing _____ Years

Security:

Mortgage _____

Letter of Credit _____

Guaranty (third party) _____

Guaranty (personal) _____

Unsecured _____

Other (specify) _____

7. BUSINESS PROFILE: (Not required for refunding)

a. Is the business located within City Boundaries?

b. Number of employees within the City of Lino Lakes geographic boundaries

i. Before this project –

ii. After this project –

c. Approximate annual sales –

d. Length of time in business –

e. Length of time in City

f. Do you have business operations in other locations? If so, where?

8. NAMES OF:

a. Underwriter (name and contact person) –

- b. Corporate Counsel –
 - c. Underwriter’s Counsel –
9. WHAT IS YOUR TARGET DATE FOR:
- a. Construction start –
 - b. Construction completion –
10. ATTACHMENTS:
- a. Project description materials –
 - b. Financial feasibility letter –
 - c. Initial filing fee (to be set by City Council) –
 - d. Indemnification Letter of Agreement

The applicant further states that it has been furnished a copy of the City of Lino Lakes’s Private Activity Tax Exempt Financing Guidelines and is aware of its content and agrees to be bound by its terms and the terms of the indemnification letter.

Applicant

BY _____

DATE _____

For further information, contact:

City Finance Director
City of Lino Lakes
600 Town Center Parkway
Lino Lakes, MN 55014
(651) 982-2410

PART VI

INDEMNIFICATION LETTER OF AGREEMENT

City of Lino Lakes Mayor
And Members of the Council

RE: Application of _____ for Tax Exempt Revenue Bond Financing by the City of Lino Lakes

Dear Mayor and City Council Members:

This letter of agreement is given by _____, a _____ under the laws of Minnesota ("Applicant") as required by the City of Lino Lakes in connection with its consideration of an application for tax-exempt revenue bond financing for the project described in the application.

Applicant hereby covenants, warrants and agrees as follows:

1. Applicant agrees to pay or reimburse the City for any and all costs and expenses which the City may incur in connection with its consideration of the project and the granting of tax-exempt revenue bond financing therefore, whether or not the project is preliminarily approved by the City, whether or not the project is approved by the State of Minnesota, whether or not revenue bond financing is finally approved by the City, whether or not the bonds are issued and sold, and whether or not the project is carried to completion.
2. Applicant agrees to indemnify and hold the City, its officers, employees and agents harmless against any and all losses, claims, damages, expenses or liabilities, including attorneys fees incurred in their defense, to which the City, its officers, employees and agents may become subject in connection with the City's consideration, issuance or sale of the bonds for Applicant's project and the carrying out of the transactions contemplated by this agreement and any resolutions adopted, or agreements executed by the City in connection with the issuance of its bonds for this project.
3. Applicant hereby releases the City, its officers, agents and employees from any claims, causes of action, losses, damages, or liabilities which it may have against the City, its officers, agents, and employees or which it may incur in connection with: the City's consideration of the application for industrial development revenue bond financing for Applicant's project; the failure of the City, in its discretion, to issue tax exempt revenue bonds for Applicant's project; the issuance and sale of the bonds; the construction of the project; or any other matter or thing of any type or nature whatsoever which may arise in connection with the foregoing.
4. Applicant is aware of the City's application and administrative fee structure for tax exempt financing and agrees and covenants that all such fees will be paid in the amount and at the times required.
5. Applicant understands and acknowledges that Minnesota Statutes, Chapter 13 (Minnesota Government Data Practices Act) governs whether the information that you provide to the City is public or private. If financial assistance is provided, the information submitted in connection with your application may become public, except for those items treated as private data under the Minnesota Government Data Practices Act.

Dated: _____ (Applicant)

By _____

Its _____

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 6.**

STAFF ORIGINATOR: Roberta Colotti, City Clerk

MEETING DATE July 6, 2026

AGENDA ITEM: Franchise Agreements

INTRODUCTION

At the June 1, 2026, City Council Work Session, the City Council reviewed the status of the current franchise agreements with gas and electric service providers. The discussion of franchise agreements and franchise fees is continued to the July 6th Work Session.

BACKGROUND

Staff contacted the current gas and electric service providers following the last discussion of the City Council on this matter. The draft franchise agreement was presented, and the only requested amendment was from Connexus Energy to draft the agreement to be structured with Connexus' cooperative governance and rate-making model (Board of Directors), rather than a PUC regulated framework such as Xcel's. This will be reviewed further by our City Attorney.

Regarding a franchise fee, the current proposed amount is 4% and the utility companies also identified that a flat fee option would be available and would provide more consistent numbers for budgeting purposes. The City Council can review the percentage and flat fee options at the Work Session.

Staff will review the feedback from the utility companies at the July 6th Work Session for the consideration of the City Council in finalizing a draft franchise agreement and franchise fee with those companies that the city does not have an active agreement with at this time.

Status of Agreements

- Circle Pines Utilities (DBA Centennial Utilities) – Gas Service, Current 20-year franchise adopted in 2012.
 - Franchise Fee established as part of franchise agreement: Collecting 4% Fee on Residential/Non-Interruptible Customers
- CenterPoint Energy - Gas Service, Current 20-year franchise was adopted in 2013.
 - Agreement identifies that a franchise fee may be collected if established by a separate ordinance. The fee must be of the same or a substantially similar amount to that charged to other energy suppliers. Once adopted, 90-day written notice is required before implementation.

- Xcel Energy - Gas & Electric Services, No current agreement
- Connexus Energy - Electric Service, No current agreement

REQUESTED COUNCIL DIRECTION

Provide direction to staff regarding the draft franchise agreements and proposed franchise fee amount and structure.

ATTACHMENTS

None

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 7.**

STAFF ORIGINATOR: Roberta Colotti, City Clerk

MEETING DATE July 6, 2026

AGENDA ITEM: Board Appointment

INTRODUCTION

There is a current vacancy on the Planning and Zoning Board. It is requested that the City Council review the appointment process for filling this vacancy.

BACKGROUND

Planning and Zoning Board Member and Chair Michael Root has submitted his resignation. His term ends December 31, 2027.

The Planning and Zoning Board will select a new Chair from among its membership.

It is requested that the City Council review the current list of Board and Committee members for possible transfer to the Planning and Zoning Board, and any recent applications and provide direction to staff regarding the selection and appointment process.

The application to serve on a city board or committee is posted to the website at <https://www.linolakes.gov/170/Planning-Zoning-Board>

Further direction regarding holding more than one Board or Committee position is also requested.

REQUESTED COUNCIL DIRECTION

Council direction regarding the appointment and selection process to fill the vacant Planning and Zoning Board position.

ATTACHMENTS

None

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 8.**

STAFF ORIGINATOR: Karen Anderson, City Administrator

MEETING DATE July 6, 2026

AGENDA ITEM: Outside Committee Reports

INTRODUCTION

Each year the City Council makes appointments to local organizations and committees. It is requested that the appointed representative make a mid-year report of activities for 2026.

BACKGROUND

On January 12, 2026, the City Council made the following appointments:

- North Metro Telecommunications Committee, Representative Julia Nelson and Alternate Chris Lyden
- Vadnais Lake Watershed District, Representative Rob Rafferty
- Anoka Co. Joint Law Enforcement Council, Representatives Chris Lyden and Curt Boehme
- Anoka Co. Fire Protection Council, Representatives Michael Ruhland and Dan L'Allier
- Twin Cities Gateway, Representative Karen Anderson (staff assignment Andrea Turner) and Alternate Randy Rennaker
- Anoka Co./Blaine Airport Advisory Council, Representative Lino Lakes Resident Dean Quimby and Alternate Randy Rennaker

REQUESTED COUNCIL DIRECTION

Review 2026 committee mid-year reports.

ATTACHMENTS

None