



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer

Date: December 8, 2025

Subject: Proposed Lease Agreement – 8480 Highway 65 NE (True North Greens, LLC)

Staff has negotiated a lease with True North Greens, LLC to occupy the currently vacant suite at 8480 Highway 65 NE. The proposed lease is consistent with the City's long-term redevelopment strategy for the Highway 65 corridor. The primary purpose of this agreement is to secure a stable tenant until such time as all leases on the property expire and the City has full control to market the site to developers for potential redevelopment. Filling this space generates interim revenue, maintains active use of the building, and significantly reduces the risk of blight, vandalism, or nuisance activity that often accompanies prolonged vacancies.

Under the agreement, the tenant would operate a Middle-Eastern restaurant, pay \$2,500 per month on a triple-net basis, and receive rent abatement through April 2026. Annual rent increases of 3% begin January 1, 2027. The tenant is responsible for all utilities, interior maintenance, property tax and insurance reimbursements, and its pro-rata share of common area expenses. All improvements are at the tenant's expense and subject to City approval, and the tenant must comply with MPCA environmental restrictions, including providing access for operation and maintenance of the vapor mitigation system. A personal guaranty is required. These terms provide revenue to the City while avoiding any contractual limitations that would impede future redevelopment efforts.

Staff recommends approval of the Lease Agreement with True North Greens, LLC and authorization for the Mayor and City Administrator to execute the document.

IF you have any questions regarding the proposed lease, please do not hesitate to contact me at 763-784-6491.