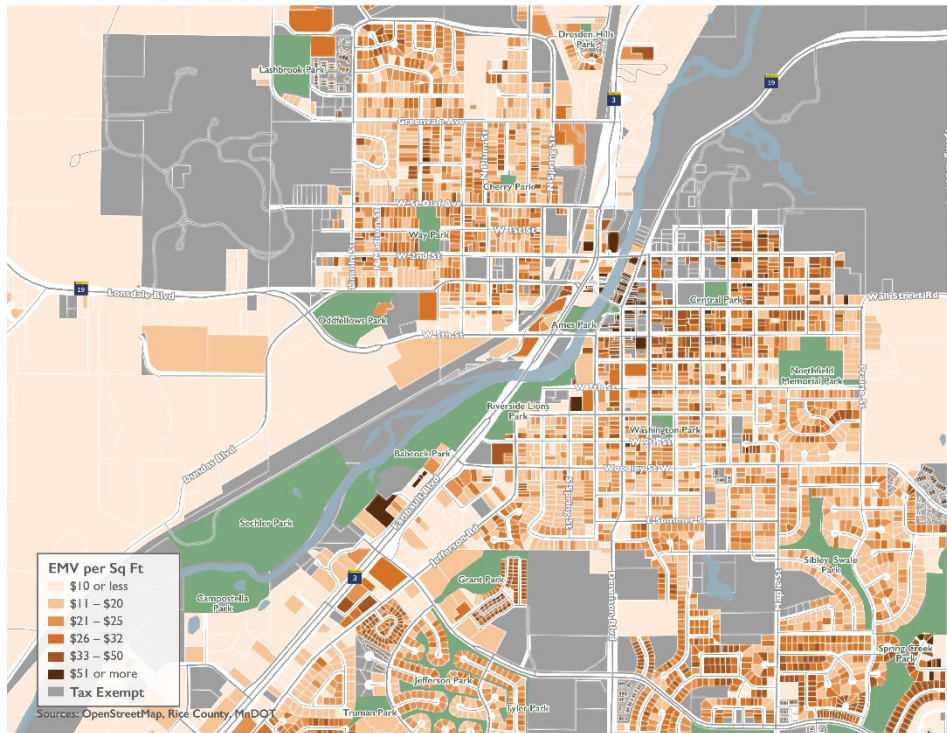


DOWNTOWN NORTHFIELD
Estimated Market Value per Parcel Square Foot



City of Northfield, Minnesota

Commercial/Industrial Assessment and Recommendations

A Proposed Work Scope
February 5, 2024

Prepared by:



501 West Lynnhurst Avenue, Suite 200
Saint Paul, MN 55104
(651) 645-4644

Background and Understanding

The City of Northfield, Minnesota is experiencing growth in multiple forms. The 2020 Census found population of 20,790, a modest increase from 2010, but persuasive anecdotal evidence indicates that in the years since, Northfield has seen accelerating growth. While not collected in a distinct inventory or study, infill development is evident downtown, including larger-scale projects such as 5th Street Lofts. Opportunity for transformation is expanding thanks to City initiatives including the Bridge Square redesign and Cannon River dam removal, and to market circumstances including growing demand for multifamily and replacement of the Archer House due to fire.

The City currently has an estimated 20 acres of land in industrial use, with an additional 500 acres recently acquired through annexation (the Northwest Area) potentially available for development subject to City land use planning. The City's coming decision making about existing industrial land, and about future use of the Northwest Area, will influence future fiscal health for many years.

Along with growth, there continues to be concern among Northfield community members and leaders about the relative balance and productivity of the City's tax base. More specifically, the City's commercial and industrial uses and tax base, which elsewhere has been shown to be a strong net contributor to cities' fiscal position, appears to comprise a relatively small proportion of Northfield's tax base as a whole. Under Minnesota property tax law, class rates for commercial and industrial value are 1.50%-2.00%, in contrast to 1.00%-1.25% for residential value. Changes to commercial, industrial, residential and other land uses in the city, along with resulting shifts in property tax revenues, will also result in public costs. While the property tax framework is rigidly standardized statewide, local policy direction about the location, density, and mix of land use is a powerful driver of productivity and economic resilience.

At its root, the City is looking for support to help:

- Measure outcomes (in terms of value and employment) of recent years' infill development

- Quantify capacity for expanded infill development in areas citywide, already fully served by public infrastructure
- Highlight areas that, based on valuation and access, appear ripe for redevelopment
- Test and recommend approaches to commercial and industrial expansion into the Northwest Area
- Combine these analytic elements into concrete recommendations to guide commercial and industrial development for the City.

The City has initiated development its new comprehensive plan, including by retaining Stantec as its plan consultant. The firm will bring additional engagement and planning expertise and capacity to the comp plan endeavor. Separately, a rigorous process to develop concrete recommendations for the City's approach to commercial and industrial development can inform (and be incorporated into) the comprehensive plan for the City's future.

Solution

Visible City combines multiple approaches and data sets in projects, to deliver insights for clients who need customized support and interpretation. To realize Northfield's opportunities outlined above, we propose to deliver data-driven analysis and recommendations in multiple forms and steps:

- Measurement of recent infill. The City has effectively guided substantial new investment in downtown and other developed areas of the city in recent years. While the focus of this scope is on industrial property, an initial step will highlight examples of investment and outcomes in the form of housing units, employment, and market value and tax base occurring in the last decade. Together, these investments in more intense use of developed areas of the city translate to more efficient use of existing infrastructure. As a deliverable, Visible City will present property tax impacts using 2-3 emblematic property types found in the city (including a single-family home) in a visual, accessible format.



- Commercial/industrial economic base assessment. The City seeks to collect and analyze data for commercial and industrial (“C/I”) property within its boundaries including leasing, valuation and employment. Visible City will conduct an assessment of the composition of Northfield’s total tax base by class (single-family residential, multifamily, commercial, industrial and other categories) and compare that profile with up to 7 like cities identified by the Visible City team and City staff.
- Scenario development. Developing implementable City policy for the 500 acres comprising the Northwest Area is a top priority, and most likely will influence the direction of Northfield for a century. Building on the City’s prior work with development and fiscal consultants, and on the prior steps of this scope, Visible City will develop 2-3 scenarios for Northwest Area land use and phasing, reflecting market conditions and community priorities outlined by City staff. One of these scenarios will center on a data center program; each of the scenarios will reflect the scale of the Northwest Area and the fact that any development will occur (and shift) over a substantial period of time. The team will draw on spatial analysis and visualization, financial modeling, and to the extent practicable, AI-supported graphical rendering to present these scenarios and their respective advantages and disadvantages.
- Recommendations. Based on the analysis, interpretation and findings derived through the above steps and from closely related work in other communities, the Visible City team will develop recommendations for consideration of City leadership. Recommendations will be data-driven, reflect Minnesota tax system context and Northfield’s unique market and community dynamics.

The products of these steps will include:

- A graphic presentation of research and findings
- A technical memorandum providing additional information about assumptions and methodology.



The Visible City team will also present research and findings to up to two public meetings for the City, and share a similar presentation with opportunities for discussion with City staff and the Stantec team to ensure all of the project's value is leveraged on the City's behalf for comprehensive plan development and ongoing decision making. Products will also be produced to be aligned with the City's other marketing materials and branding.

Timeline and Pricing

The Visible City team is prepared to begin this scope of support at the City's direction. The following table outlines budgeting associated with each project element proposed:

<i>Project Element</i>	<i>Fee</i>
Measurement of recent infill	\$8,500
Commercial/industrial economic base assessment	\$13,750
Scenario development	\$11,250
Recommendations	\$12,425
Project Total	\$45,925

This is an all-inclusive fee including data source costs, meeting time and materials. The scope outlined here is proposed to be delivered over a period of four months, with payments made on the following basis: 20% at project commencement, 25% at beginning of months 1-3 respectively, and 5% payable on final completion and client satisfaction.

For project timeline, we propose a schedule such as the following, and envision finalizing this timeline in an initial kickoff meeting:

- Within 7 days of contract execution: Kickoff meeting and confirmation of goals and measures of outstanding service delivery by Visible City



- Approximately 35-45 days after commencement: Sharing of progress and available content; City will provide feedback within 7 days
- Approximately 70-80 days after commencement: Sharing of progress and draft deliverables; City will provide feedback within 7 days
- Approximately 110 days after commencement: Sharing of final draft deliverables; City will provide feedback within 7 days
- Less than 120 days after commencement: Final products delivered; Visible City remains available for public meetings or plan consultant meetings as outlined in scope.

Data Privacy

Visible City is in the business of understanding and advocating for our clients and their customers and stakeholders. As a result, we are 100% committed to the protection of private and identifying data that we encounter during a client relationship. We do not request or seek access to any identifying information, and will raise the issue if any is inadvertently shared with us. Our commitment to data privacy is constant and woven throughout our work with clients. Please find a more comprehensive statement of our position on data privacy [published on our website](#).

Team

Visible City is a geospatial data consulting and management organization, focused on leveraging the expanding universe of fast-moving data for public and private clients. We are a team of professionals with combined expertise and passion in urban economics, statistics, community development, and high-volume data processing and application development.

Our custom products help clients understand urban behavior in unprecedented depth, by combining dynamic data sets that include highly specific time and location information. We offer clients multiple ways to create new and ongoing insight from the exploding volume of data produced by urban life. The team preparing to produce this



work includes professionals offering a deep background of housing policy, real estate, and geospatial analysis.

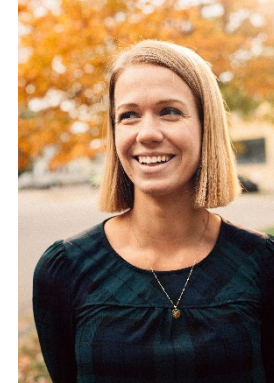
Jon Commers is Visible City's Managing Principal, and he calls on more than twenty five years of experience working in the market and policy environment of urban America. As Visible City's founder, Jon is engaged with the team and with our clients throughout the day on priorities ranging from strategy to data interpretation.



In addition to his focus at Visible City, Jon serves as an adjunct instructor of urban studies at the University of Minnesota, where he teaches courses about urban land economics, redevelopment, data analysis and policy. He previously taught economics at the College of Saint Catherine, and was a policy fellow at the Humphrey Institute of Public Affairs at the University of Minnesota.

Jon has also been invested in public decision making over many years, including service of two terms on the Metropolitan Council, the regional governance body for the Minneapolis Saint Paul metropolitan area. Previously, Jon served two terms on the Saint Paul Planning Commission, where he was elected chair, and participated through numerous other community and civic roles.

Carly Hanson's work runs the gamut at Visible City as our Lead Cartographer and Project Manager. Depending on the client and project, Carly is involved in software development, data gathering, analysis and interpretation, as well as client engagement and special projects. Her work also gets her out in the marketplace: Carly's recent projects have engaged her in Visible City's home market in Minneapolis/Saint Paul, as well as the San Francisco Bay Area, and on YMCA projects in Nashville, Boston, Tulsa, Charlotte and elsewhere. Carly finds purpose in combining geospatial tools and design thinking on projects focused on advancing equity in all kinds of urban settings.



Prior to joining Visible City in 2019, Carly worked for various city governments and university departments, most recently contributing web GIS and cartography skills to several academic and community outreach projects at the Minnesota Design Center. She's a graduate of the University of Minnesota's Master of GIS and undergraduate Urban Studies programs.

JJ Paul joined Visible City in 2021 as a Geospatial Analyst and Project Manager. His driving interest in combining GIS, spatial analysis and urban development led to a role on our team engaging with public and private sector clients. Based in Bangor, Maine, JJ also brings a passion for analyzing and visualizing human-environment interactions to Visible City client projects.



JJ has worked as a solutions architect, coordinating data flow between platforms, as well as managing planning and analysis for broadband infrastructure projects. He also worked with a national cohort of communities to promote STEM mentor programs for underserved populations. JJ is currently pursuing a Ph.D. in Spatial Information Science and

Engineering at the University of Maine. He holds a Master's degree in Geographic Information Science for Development and Engineering from Clark University, and a Bachelor's degree in Mathematics.

Kharme Mahamed joined Visible City as a summer intern and has since grown into a role of Junior Software Developer. Kharme brings skills and interest in programming, data analysis, photography, and videography to the team. He's excited that with Visible City, he has the opportunity to be involved in each of these areas, while helping contribute to projects that benefit clients in cities across the country.



More specifically, Kharme is working on community engagement and on technical approaches to defining trade areas for clients, and on web-based policy mapping tools. Kharme is currently enrolled at Metropolitan State University, majoring in Computer Science.

Contact Information



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Email discover@visible.city
Web www.visible.city
Social Media [LinkedIn](#)

Approval and Acceptance of Agreement

Our contract consists of the attached cover letter and scope of services, this approval and acceptance page, and the general terms and conditions. Please sign and return a copy of this page as confirmation of your indication to proceed.

Project: Northfield, Minnesota - Commercial/Industrial Assessment and Recommendations

THE UNDERSIGNED, HAVING THE AUTHORITY TO ENTER INTO THIS AGREEMENT ON BEHALF OF THE ENTITY NAMED BELOW, HEREBY ACKNOWLEDGES AND AGREES TO THIS LETTER AGREEMENT, AND THE INCORPORATED ATTACHMENTS.

PRINTED NAME: Jacob Reilly

TITLE: Director of Community Development

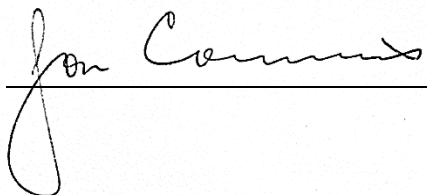
COMPANY/ENTITY NAME: City of Northfield, Minnesota

ADDRESS: 801 Washington Street, Northfield, MN 55057

SIGNATURE: _____ DATE: _____

ACCEPTED BY:

Jon Commers, Founder and Managing Principal
Visible City
501 Lynnhurst Avenue West, Suite 200
St. Paul, MN 55104

SIGNATURE:  _____ DATE: February 5, 2024



GENERAL TERMS AND CONDITIONS

THE FOLLOWING TERMS AND CONDITIONS ("Terms") are incorporated into and made a part of the attached Agreement Letter ("Agreement") for location, market and facility analysis services between the Client and Visible City, LLC ("Visible City").

1. **Services.** The services to be provided by Visible City are as set forth in the Agreement, consists of the attached letter, the approval and acceptance page, and these general terms and conditions, which may be modified only in a writing executed by Visible City and Client.

2. **Due Diligence.** Visible City is not engaged to conduct and has not conducted any due diligence or feasibility analysis with respect to any of the Sites to be analyzed, including, with respect to title or condition of such Sites. Visible City has no responsibility for hazardous materials, defects or other conditions or encumbrances that may be on or relate to any Site.

3. **"Intellectual Property."** All documents and information prepared or provided by Visible City (including all reports and graphics) pursuant to the Agreement (the "Work") are the property of and owned by Visible City. Visible City retains all common law, statutory and other rights in such Work, including intellectual property and copyright. The Client shall be permitted to retain copies of such Work for the Client's internal reference and use. Client is also permitted to reproduce and distribute the Work as Client chooses, for outreach to potential or existing investors or other project and community partners. Client will not otherwise modify, reproduce, sell, distribute, transfer, license or permit any other party to use the Work. Any use of the Work by Client will be at the Client's sole risk without any liability or legal exposure to Visible City.

4. **Compensation.** Fees are due on a schedule outlined in the scope of services attached.

5. **Dispute Resolution.** In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, a party will give the other party written notice thereof and the parties will meet and confer in good faith to attempt to resolve such dispute, controversy or claim. If a resolution is not reached within ten (10) business days of the notice date, the dispute may be submitted to binding arbitration conducted in Minneapolis, Minnesota, by a single arbitrator selected by the parties in accordance with the then effective arbitration rules of the American Arbitration Association for fast-track arbitration. Judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The fees and expenses of the

arbitration shall be borne by the non-prevailing party. The decision of the arbitrator shall be binding and may be confirmed and enforced in any court having proper jurisdiction. The prevailing party in any action for a breach of, or to enforce this Agreement, will be awarded its costs, including its reasonable attorneys' fees.

6. **Limitation of Liability.** The parties acknowledge and agree that they will not hold the other liable or assert claims for incidental, consequential or other special damages, including lost profits, arising from or relating to this Agreement or the services provided hereunder, even if a party was advised of the possibility of such damages. The parties agree that Visible City's liability and the Client's sole remedy for all claims arising under or relating to this Agreement is limited to claims for monetary damages, and that Visible City's cumulative liability arising out of or relating to this Agreement shall not exceed the total amount actually paid by Client for services provided by Visible City under this Agreement.

7. **Entire Agreement.** This Agreement, including Visible City's proposal letter and these Terms, constitute the entire agreement between the parties and supersedes all prior agreements or oral understandings. No modification or waiver of this Agreement or its terms shall be binding unless in writing and executed by both parties. In the event of any conflict between these Terms and the Agreement Letter, the Agreement Letter will control.

8. **Assignment.** Neither party may assign their rights under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon the parties and their permitted successors and assigns.

9. **Governing Law.** This Agreement shall be governed by and interpreted pursuant to the laws of the State of Minnesota, with any dispute or claim relating to this Agreement venued or heard only in the State of Minnesota, Ramsey County.

10. **Acknowledgment.** The parties acknowledge that these Terms are incorporated by reference into the attached Agreement Letter, that the parties have had an opportunity to read and understand these Terms, discuss such Terms with legal counsel, and understand the significance of this Agreement.



11. Independent Contractor. Visible City will perform its services hereunder as an independent contractor, and nothing in this Agreement will in any way be construed to constitute Visible City as the agent, employee or representative of the Client. Neither party will enter into any agreement or incur any obligations on the other party's behalf or hold itself as having any authority whatsoever to bind the other party without such party's prior written consent.

12. Survival. The obligation to pay the Fees set forth

in the Agreement, as well as Sections 2, 3, 4, 5, 6, 8 and 9 of these Terms, shall survive termination of the Agreement.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original with all such counterparts taken together shall constitute one and the same instrument. Facsimile or email (PDF format) signatures shall be deemed and treated as originals.

