



CITY OF BUFFALO, MINNESOTA

## **HRA BOARD AGENDA**

**Meeting: Tuesday, January 13, 2026**

**Place: Buffalo City Center**

**Time: 4:00 PM**

**1. CALL TO ORDER**

**2. ELECTION OF OFFICERS**

**3. OPEN FORUM**

**4. AGENDA ADDITIONS OR DELETIONS**

**5. APPROVAL OF DECEMBER 9 MINUTES**

**6. APPROVAL OF CLAIMS**

**7. NEW BUSINESS**

- A. Resolution 2026-1 - Tax Increment Financing District No. 26 (8<sup>th</sup> Street Apartments)
- B. 1<sup>st</sup> Avenue NE Street Reconstruction – Micro-loans Program

**8. OLD BUSINESS**

- A. Standing Agenda Item – Redevelopment of former County Government Center
- B. Standing Agenda Item – South Shores on Pulaski

**9. STAFF UPDATES**

**10. ADJOURN**

**HRA Meeting**  
**December 9, 2025**

**CALL TO ORDER**

Pursuant to due call and notice thereof, Chair Jill Nauman called the HRA regular meeting to order at 4:06 PM in the Council Chambers of the City Center at 212 Central Avenue. Present were Members Amy Austin, Derek Seifert, Jill Nauman, Tina Anderson and Mike Anderson. Also in attendance were Executive Director Taylor Gronau, Planning Assistant Brenda Smith, and David Kelly, Community Planning Director by Zoom.

**OPEN FORUM**

Tim Marco (developer) and Matt Mithun (property owner) discussed their plans to redevelop the Buffalo Cinema building. Mr. Mithun explained they acquired the property and had previously explored various options for the site, including multifamily housing, but now want to redevelop the existing structure.

Mr. Marco shared their plan to remediate the current building, which has significant roof damage causing mold and water issues. Their vision includes preserving the facade and marquee while converting the space into multi-tenant commercial use, potentially featuring a 5,000 square foot restaurant, a 3,000 square foot retail space, and an additional 8,000 square feet in the back portion.

They expressed interest in pursuing Tax Increment Financing (TIF) and plan to conduct a blight study to determine eligibility for redevelopment TIF. The developers mentioned they would address public restrooms as part of the project, which staff had identified as a community need.

HRA members expressed support for preserving the historic building, with Chair Nauman stating it would bring businesses downtown and add restaurant options to the community. Member Austin highlighted the public bathroom benefit, noting how frequently residents mention wanting something done with that space.

The developers indicated they would proceed with the blight study and return in January with more detailed plans if there was interest from the HRA. They plan to conduct remediation work this winter regardless of funding decisions.

**AGENDA ADDITIONS OR DELETIONS – None**

**APPROVAL OF NOVEMBER 12 MINUTES**

*Member Austin motioned to approve the November 12 minutes. Member Tina Anderson seconded. Vote was 5-0. Motion carried unanimously.*

## **APPROVAL OF CLAIMS**

*Motion to approve the above listed claims made by Member Mike Anderson. Seconded by Derek Seifert. The vote was 5-0. Motion carried unanimously.*

## NEW BUSINESS

# Downtown Façade Improvement Program Application

## **22 Division Street (Forget Me Not Café)**

David Kelly presented an application from Brian Alexander of Vineyard Holdings LLC (Forget Me Not Café) requesting a \$6,000 grant through the Downtown Façade Improvement Program to replace the storefront windows. Kelly explained this would use the remaining allocation for 2025, assuming another pending application moves forward. He noted the Heritage Preservation Advisory Board recommended approval, with a preference that the window style remain similar to the current design.

Brian Alexander explained that the current windows leak significantly, affecting energy efficiency despite having installed a new boiler and mini-split system. He noted the new windows would have a slight tint to reduce glare, which has been a concern for customers. Alexander mentioned they would be removing the current awning and replacing it with a new one bearing the business name. He added that if structural issues were found during installation, they would make appropriate repairs that maintain the downtown aesthetic.

*Motion to approve the \$6,000 grant was made by Member Mike Anderson and seconded by Member Tina Anderson. Vote was 5-0. Motion carried unanimously.*

## FINAL LEVY & 2026 BUDGET

Administrator Taylor Gronau presented the final 2026 HRA levy and budget for approval. He explained that the preliminary levy of \$428,393 had been certified in September, and the HRA now needed to finalize the budget numbers. The HRA had previously approved a professional services agreement with Bolton and Menk for the design of Phase 1 of the Business Park, which reduced professional services and engineering fees by \$5,000 each.

Gronau noted that \$20,000 had been allocated as “future debt payments,” which could potentially be used for phase one of the business park project if debt was issued, or would otherwise become part of the cash balance. He indicated that the Truth and Taxation meeting on December 1st had received no comments related to the HRA levy.

Discussion centered on the \$20,000 allocation, with Member Mike Anderson questioning whether it was needed. Gronau explained that any funds not spent would increase cash reserves and couldn’t be reallocated without HRA board approval. Member Tina Anderson noted that \$20,000 spread across City residents would be minimal impact per household. Gronau confirmed that for an average median-valued home, the total annual change would be about \$4.11, or approximately 34 cents per month.

After discussion, the board agreed to maintain the \$20,000 allocation as restricted to future debt payments.

*Motion to approve the final 2026 HRA levy and budget of \$428,393 as presented, with the \$20,000 included as restricted to future debt payments, was made by Member Tina Anderson, seconded by Member Amy Austin. The Vote was 4-1, Member Mike Anderson voting nay. Motion carried.*

### **Community Theatre & PID: 103256001040**

David Kelly explained that the Buffalo Community and Arts Center (BCAC) has explored potential locations for a new arts and entertainment center for several years. Erin Walsh, representing BCAC, addressed the board to follow up on previous discussions about potentially using the HRA-owned parking lot south of Havenwood for a community theater.

Ms. Walsh reminded the board that the HRA had previously provided a \$12,500 grant that helped BCAC determine the limitations of the cinema location. She referenced the concept sketches provided to board members and noted that a second floor could accommodate office space, storage, and potentially a dance room, which would reduce the building's footprint and preserve more parking spaces.

Ms. Walsh shared that this facility could become Buffalo’s “Eiffel Tower” – a signature attraction that initially faces resistance but ultimately becomes central to the community’s identity. She emphasized that the theater would complement rather than compete with the BHS PAC (Performing Arts Center), allowing for different types of performances and smaller chamber music events.

Member Mike Anderson expressed support for the concept but indicated he would like to see a more developed business plan and funding strategy. Director Gronau explained that if the HRA decided to donate or sell the land for the project, it would

be handled through a simple purchase agreement with contingencies regarding the property's intended use.

No formal action was taken, but board members expressed general support for continuing discussions.

### **SAHA Funding**

David Kelly presented information about the Statewide Affordable Housing Aid (SAHA) funding, explaining that Buffalo has received a total allocation of \$207,477 which must be expended by 2027-2028. He outlined potential uses including emergency rental assistance, financial support for non-profit housing providers, and construction, acquisition, rehabilitation, demolition, and renewal of structures for affordable housing.

Director Gronau noted that Wright County and other municipalities (Delano, St. Michael, and Monticello) were interested in pooling resources to create greater impact and leverage the County's administrative infrastructure. The County was open to structuring an agreement where funds would first be made available in the contributing cities before becoming available countywide if not used within six months.

Member Amy Austin expressed interest in supporting transitional housing programs, noting that Wright County lacks emergency shelters and housing resources, often requiring Buffalo residents to travel to the Twin Cities in emergency situations. Several board members agreed this seemed like a worthwhile use of the funds.

The board directed staff to continue working with Wright County to explore pooling the SAHA funds, with particular interest in addressing emergency and transitional housing needs.

### **OLD BUSINESS**

#### **Standing Agenda Item – Redevelopment of former County Government Center**

David Kelly provided a brief update, noting that developers are continuing to work on their Environmental Assessment Worksheet (EAW), which is a necessary but time-consuming process. City staff has been working on plans for the potential road alignment, roundabout, and intersection changes. The County has discussed plans for demolishing the existing building, and staff will be meeting with the County on Friday, December 12, to discuss potential redevelopment costs. Kelly anticipated having more substantial updates next month, with land use applications potentially coming in Summer 2026.

## **Standing Agenda Item – South Shores on Lake Pulaski**

David Kelly reported that the South Shores development went before the Planning Commission the previous night, December 10, where developers presented revised plans that addressed many of staff's previous concerns, including road realignment and phasing. He noted that stormwater management plans still needed refinement.

Kelly shared that the Planning Commission recommended approval of the Preliminary Plat and PUD on a 5-0 vote. A separate dock variance was approved on a 3-2 vote. The project will now proceed to the City Council which meets Monday, December 15, with staff recommendation for approval.

Kelly mentioned that developers have expressed interest in pursuing TIF for portions of the development, including affordable multi-family housing (potentially senior housing) and townhomes. They have also expressed interest in TIF for single-family homes, though staff has concerns about the complications of owner-occupied TIF. No formal TIF requests have been submitted yet.

Board members discussed the high density of the development, particularly the proposed 45-foot-wide lots, which are 15 feet narrower than the city's minimum requirements. Tina Anderson noted that while smaller lots appeal to some homebuyers who don't want large yards to maintain, the 45-foot lots seemed too tight. Staff noted that similar narrow lots exist in the Greenbriar Hills development.

## **STAFF UPDATES**

David Kelly briefly mentioned that the 1st Avenue NE Street Project is at 90% design completion. Staff recently visited downtown businesses to provide updates on the project, potential phasing, timing, and secondary locations. Work continues on planning the construction process.

## **ADJOURN**

*Motion to adjourn made by Member Tina Anderson at 5:37 PM, seconded by Member Derek Seifert. Vote was 5-0. Motion carried unanimously.*

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Chairperson

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Executive Director

**City of Buffalo  
Buffalo Housing & Redevelopment Authority  
Approval of Claims**

1/13/2026

<b>Paid to:</b>	<b>Description</b>	<b>Date Paid</b>	<b>Check #</b>	<b>Amount</b>
Ehlers & Associates Inc	TIF #26 establishment	12/10/2025	100061	\$ 2,000.00
Jovanovich, Dege & Athmann PA	Legal Fees	12/10/2025	100062	\$ 90.00
Settler Commons Apartments LLC	TIF reimbursement - second half	12/10/2025	4239	\$ 18,558.92
Village Place LLC	TIF reimbursement - 2025	12/10/2025	4240	\$ 68,490.10
Wright County Journal Press	Public Hearing - TIF #26	12/10/2025	4241	\$ 136.85
Centerpoint Energy	NW Industrial Park	12/29/2025	100063	\$ 211.89
Ehlers & Associates Inc	Prof Svcs-Review TIF reports	12/29/2025	100064	\$ 412.50
				<b>TOTAL: \$ 89,900.26</b>

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Approved



## HRA AGENDA REPORT

### ITEM #7A

**MEETING DATE:** January 13, 2026

**PREPARED BY:** Community Development Director David Kelly

**PRESENTED BY:** Nick Anhut, Ehlers and Associates

**AGENDA ITEM:** Establishment of Tax Increment Financing (TIF) District No. 26 – 8<sup>th</sup> Street Apartments

#### **BACKGROUND SUMMARY:**

Pfiefer Management will be constructing a 20-unit and 22-unit multi-family housing complex on two parcels at the corner of Crossroads Campus Drive and 8<sup>th</sup> Street NE in Buffalo. The developer has received the necessary land use approvals to begin construction but are seeking financial assistance in the form of tax increment financing (TIF) to offset a portion of the expected costs. As an affordable housing district, the developer must certify annually that they meet the following requirements:

1. 20-50 test: 20 percent of the units are occupied by individuals whose incomes are 50 percent or less of the area median income.
2. 40-60 test: 40 percent of the units are occupied by individuals whose incomes are 60 percent or less of the area median income.

The City Council held a public hearing on November 17<sup>th</sup> and subsequently approved the establishment of this district.

#### **RECOMMENDATION:**

City staff are seeking approval of Resolution 2026-1 authorizing the execution of development agreement and approving the assignment of tax increment financing documents.

#### **ATTACHMENTS:**

- Resolution 2026-1, TIF District No. 26
- Financing Agreement

BUFFALO HOUSING AND REDEVELOPMENT AUTHORITY  
CITY OF BUFFALO  
WRIGHT COUNTY  
STATE OF MINNESOTA

HELD: January 13, 2025

RESOLUTION NO. 2026-1

**RESOLUTION AUTHORIZING EXECUTION OF DEVELOPMENT  
AGREEMENT AND APPROVING THE ASSIGNMENT OF TAX  
INCREMENT FINANCING DOCUMENTS**

A. WHEREAS, Pfeifer Property Management LLC, a Minnesota limited liability company (the "Developer") has requested that the Buffalo Housing and Redevelopment Authority (the "HRA") assist with the financing of certain costs incurred in connection with the construction of 22-unit and 20-unit mixed income multifamily rental housing facilities, with associated site improvements, garages, and surface level parking, commonly known as 8<sup>th</sup> Street Apartments in the City of Buffalo, Minnesota, by the Developer (the "Project").

B. WHEREAS, the Developer and the HRA have determined to enter into a Development Agreement providing for the HRA's assistance for the Project (the "Development Agreement").

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the Buffalo Housing and Redevelopment Authority, as follows:

1. The Board hereby approves the Development Agreement in substantially the form submitted, and the Chair and the Secretary are hereby authorized and directed to execute the Development Agreement on behalf of the HRA.

2. 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 HRA officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the HRA shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

Approved by the Board on January 13, 2025.

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Chair

Attest: \_\_\_\_\_  
Secretary

DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF BUFFALO, MINNESOTA  
AND  
PFEIFER PROPERTY MANAGEMENT LLC

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

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of January 13, 2025, by and between the Housing and Redevelopment Authority of Buffalo, Minnesota (the "HRA"), a body corporate and politic duly organized and existing under the laws of the State of Minnesota, and Pfeifer Property Management LLC, a Minnesota limited liability company (the "Developer"),

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "Act"), the HRA and the City of Buffalo, Minnesota (the "City") have established Redevelopment Project Area No. 2 (the "Project Area") and have adopted a redevelopment plan therefor (the "Redevelopment Plan"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (hereinafter the "Tax Increment Act"), the HRA and the City have created Tax Increment Financing District No. 26 as a housing district (the "Tax Increment District"), and have adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with development within the Tax Increment District and Project Area; and

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

WHEREAS, the HRA 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 pursuant to an exemption for housing.

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 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 City of Buffalo, Minnesota;

County means Wright County, Minnesota;

Developer means Pfeifer Property Management LLC, a Minnesota limited liability company, and its successors and assigns;

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

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

HRA means the Housing and Redevelopment Authority of Buffalo, Minnesota, its successors and assigns;

Legal and Administrative Expenses means the fees and expenses incurred by the HRA or the City in connection with the establishment of the Tax Increment District, modification of the Redevelopment Plan, the preparation of the Tax Increment Financing Plan and this Agreement, and the issuance of the TIF Note;

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 Minneapolis, 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 construction of 22-unit and 20-unit mixed income multifamily rental housing facilities, with associated site improvements, garages, and surface level parking, commonly known as 8<sup>th</sup> Street Apartments, on the Development Property in the City;

Project Area means the real property described in the Redevelopment Plan;

Redevelopment Plan means the Redevelopment Plan approved in connection with the Project Area;

Site Improvements means the site improvements to be undertaken on the Development Property as identified on Exhibit C attached hereto;

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 District No. 26 located within the Project Area, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as a housing 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 on November 17, 2025, and any amendments thereto;

Tax Increments means 95% of the tax increments derived from the Development Property, which have been received and retained by the HRA 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 as provided in the TIF Note, (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; and

TIF Note means the Tax Increment Revenue Note (Pfeifer Property Management LLC Project) to be executed by the HRA 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, material shortages, transportation shortages or interruptions, unusually severe or prolonged bad weather, acts of God, pandemics, acts of war or terrorism, fire or other casualty to the Project, discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery, 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 or HRA) which directly result in delays.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

(1) The HRA is a body corporate and politic organized and existing under the laws of the State of Minnesota, the HRA has the power to enter into this Agreement and carry out its obligations hereunder, the execution of this Agreement has been duly and properly authorized by the HRA, and this Agreement contains the valid and binding obligations of the HRA and is enforceable in accordance with its terms.

(2) Based on the representations made by the Developer set forth in Section 3.4, the Tax Increment District is a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11, 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 Redevelopment Plan.

(4) To finance certain costs within the Tax Increment District, the HRA proposes, subject to the further provisions of this Agreement, to utilize Tax Increments to reimburse the Developer for a portion of the cost of the Site Improvements incurred in connection with the Project as further provided in this Agreement.

(5) The HRA makes no representation or warranty, either express 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, member control agreement or operating agreement, if any, 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 Redevelopment Plan, 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), except for any variances necessary to construct and operate the Project approved by the City and other applicable governmental authorities.

(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) 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.

(5) 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.

(6) The Developer will fully cooperate with the City and the HRA with respect to any litigation commenced by third parties with respect to the Project, except for litigation in which the HRA or the City and the Developer are adverse parties.

(7) The Developer will fully cooperate with the City and the HRA 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.

(8) The Developer shall commence construction of the Project no later than June 30, 2026, and barring Unavoidable Delays, the Project will be substantially completed by December 31, 2027.

(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 construction of the Site Improvements as provided in Article III.

## ARTICLE III

### UNDERTAKINGS BY DEVELOPER AND THE HRA

#### Section 3.1. Development Property; Site Improvements and Legal and Administrative Expenses.

(1) The parties agree that the installation of the Site Improvements is essential to the successful completion of the Project. The costs of the installation of the Site Improvements shall be paid by the Developer. The HRA shall reimburse the Developer for the lesser of (a) \$530,000, or (b) the actual costs of the construction of the Site Improvements actually incurred and paid by the Developer ("the Reimbursement Amount"), as further provided in Section 3.3.

(2) The Developer shall pay the Legal and Administrative Expenses incurred by the HRA.

Section 3.2. Limitations on Undertaking of the HRA. Notwithstanding the provisions of Sections 3.1, the HRA shall have no obligation to the Developer under this Agreement to reimburse the Developer for the costs identified in Section 3.1, if the HRA, 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 in accordance with the provisions of this Agreement.

Section 3.3. Reimbursement: TIF Note. The HRA shall reimburse the Developer for the costs identified in Section 3.1 for the costs of the construction of the Site Improvements through the issuance of the HRA'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 demonstrated in writing to the reasonable satisfaction of the HRA that the Project has been completed and that the Developer shall have submitted copies of paid invoices for the costs of the Site Improvements and a settlement statement or other evidence of payment of the costs of the Development Property in an amount not less than the Reimbursement Amount.

(2) The unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note, at the lower of 6.00% per annum or the Developer's interest rate on the Project financing as determined by the City's municipal advisor. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (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 HRA shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments received by the HRA during the preceding six (6) 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 HRA and not a general obligation of the HRA, 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 HRA'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 HRA of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the HRA.

#### Section 3.4. Compliance with Low and Moderate Income Requirements.

(1) The HRA and the Developer understand and agree that the Tax Increment District will constitute a "housing district" under Section 469.174, Subd. 11 of the Tax Increment Act. Accordingly, in compliance with Section 469.1761, Subd. 3 of the Tax Increment Act, the Developer agrees that the Project must satisfy, or be treated as satisfying, the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. The parties further agree that no more than 20% of the square footage of the Project may consist of commercial, retail, or other nonresidential uses. The Developer must meet the above requirements as follows:

(a) At least 40% of the residential units in the Project must be occupied or available for occupancy by persons whose incomes do not exceed 60% of the County median income; and

(b) The limits described in clause (a) must be satisfied through the Termination Date. Income for occupants of units described in clause (a) shall be adjusted for family size in accordance with Section 142(d) of the Internal Revenue Code and related regulations.

(2) On or before January 1 and July 1 of each year following substantial completion of the Project, the Developer or an agent of the Developer must deliver or cause to be delivered to the HRA a Compliance Certificate in the form attached as Exhibit D executed by the Developer covering the preceding six (6) months together with written evidence satisfactory to the HRA of compliance with the covenants in this Section. This evidence must include a statement of the household income of each qualifying renter, a written determination that each qualifying renter's household income falls within the qualifying limits of this Section (and Section 142(d) of the

Internal Revenue Code), and certification that the income documentation is correct and accurate (and that the determination of qualification was made in compliance with Section 142(d) of the Internal Revenue Code). The HRA may review, upon request, all documentation supporting the Developer submissions and statements. In determining compliance with this Section, the Developer must use the County median incomes for the year in which the payment is due on the TIF Note, as promulgated by the Minnesota Housing Finance Agency based on the area median incomes established by the United States Department of Housing and Urban Development.

Section 3.5. Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until the Developer's obligations have been assumed by any other person with the written consent of the HRA pursuant to the provisions of this Agreement.

The Developer agrees that, so long as it owns all or any portion of the Development Property, 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 ad valorem property 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, including delinquent tax proceedings with respect to the Development Property; 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, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(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 to classify the Development Property as 4d(1) property under Minnesota Statutes, Section 273.13, Subd. 25(e).

Section 3.6. Action to Reduce Taxes. The Developer may seek through petition or other means to have the market value for the Development Property reduced. Until the TIF Note is fully paid, such activity must be preceded by written notice from the Developer to the HRA indicating its intention to do so. Upon receiving such notice, or otherwise learning of the Developer's intentions, the HRA may suspend payments due under the TIF Note until the actual amount of the reduction is determined, whereupon the HRA will make the suspended payments less any amount that the HRA is required to repay the County as a result of any reduction in market value of the Development Property. During the period that the payments are subject to suspension, the HRA may make partial payments on the TIF Note if it determines, in its sole and absolute discretion,

that the amount retained will be sufficient to cover any repayment which the County may require. The HRA's suspension of payments on the TIF Note pursuant to this Section shall not be considered a default under this Agreement.

**Section 3.7. Look Back and Reduction of TIF Assistance.** The financial assistance to be provided to the Developer pursuant to this Agreement is based on certain assumptions regarding the projected costs and expenses associated with constructing the Project as set forth in Exhibit E. The HRA and Developer agree that those assumptions will be reviewed at the time of completion of construction of the Project. At the time of completion of construction of the Project, if the aggregate amount of Project costs incurred is less than the aggregate amount of Project costs projected in Exhibit E, the TIF assistance for Site Improvement costs will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the TIF Note will be adjusted accordingly.

**Section 3.8. Prohibition Against Transfer of Project and Assignment of Agreement.** The Developer represents and agrees that except for residential leases to tenants for units in the Project, or assignment to an affiliate, prior to the Termination Date the Developer shall not transfer the Project, any part thereof or any interest therein, or this Agreement, without the prior written approval of the HRA. In the event the Developer, upon transfer or assignments of the Project or any portion thereof, seeks to be released from its obligations hereunder, the HRA shall be entitled to require, except as otherwise provided herein, as conditions to any such release that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the HRA, 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 HRA shall, for itself and its successors and assigns, and expressly for the benefit of the HRA, 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.

(3) There shall be submitted to the HRA 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.

## 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:

- (a) Failure by the Developer to timely pay any ad valorem real property taxes and special assessments levied against the Development Property and all public utility or other City payments due and owing with respect to the Development Property when due and payable.
- (b) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement.
- (c) Failure of the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.
- (d) 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.
- (e) 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 a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a 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, trustee or liquidator 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 HRA may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not

been cured within said thirty (30) days, or, if such Event of Default cannot reasonably be cured within thirty (30) days, the Developer has not commenced to cure and diligently pursued such cure to correction as soon as reasonably possible:

- (a) The HRA may suspend its performance under this Agreement until it receives assurances from the Developer, deemed reasonably adequate by the HRA, that the Developer will cure its default and continue its performance under this Agreement.
- (b) The HRA may cancel and rescind the Agreement.
- (c) The HRA 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.

The HRA shall accept a cure of any Event of Default tendered by the Developer's limited partner to the same extent that the HRA is obligated to accept cure of an Event of Default tendered by the Developer.

**Section 4.3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the HRA 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 HRA 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, within 10 days after written demand therefor, pay to the HRA the fees of such attorneys and such other expenses so incurred by the HRA.

**Section 4.6. Indemnification of City and HRA.**

(1) The Developer releases from and covenants and agrees that the City and the HRA, their governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified parties against any 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.

(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 HRA in this Agreement or to any actions undertaken by the HRA which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the HRA, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the HRA 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 "housing district" under Section 469.174, Subdivision 11, 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 HRA contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the HRA and not of any governing body member, officer, agent, servant or employee of the HRA.

## 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 HRA fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the HRA 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 HRA within ninety (90) days of receipt of such notice, the HRA 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 HRA 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 HRA shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.3 or to make any further payments on the TIF Note.

## ARTICLE VI

### ADDITIONAL PROVISIONS

Section 6.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees for itself, its assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such assigns and successors shall operate, or cause to be operated, the Project as a multifamily housing facility and shall devote the Development Property to, and 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 HRA 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 HRA shall be personally liable to the HRA 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

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

Pfeifer Property Management LLC  
105 6<sup>th</sup> Street NE  
Buffalo, MN 55313  
Attention: Executive Director

(b) in the case of the HRA is addressed to or delivered personally to the HRA at:

The Housing and Redevelopment Authority of Buffalo, Minnesota  
Attention: Executive Director  
Buffalo City Hall  
212 Central Avenue  
Buffalo, MN 55313

with a copy to:

Taft Stettinius & Hollister LLP  
Attention: Rhonda Skoby  
2200 IDS Center  
80 South 8<sup>th</sup> 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.

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. Section 3.4 shall survive any rescission, termination or expiration of this Agreement.

IN WITNESS WHEREOF, the HRA and the Developer have caused this Agreement to be duly executed by their duly authorized representatives, on or as of the date first above written.

**PFEIFER PROPERTY MANAGEMENT LLC,**  
a Minnesota limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

This is a signature page to the Development Agreement by and between The Housing and Redevelopment Authority of Buffalo, Minnesota and Pfeifer Property Management LLC.

**THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF BUFFALO, MINNESOTA**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: Chair \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: Executive Director \_\_\_\_\_

This is a signature page to the Development Agreement by and between The Housing and Redevelopment Authority of Buffalo, Minnesota and Pfeifer Property Management LLC.

**EXHIBIT A**

**DESCRIPTION OF DEVELOPMENT PROPERTY**

Property located in the City of Buffalo, Wright County, Minnesota with the following legal description:

PIDs: 03-198-001010, 103-500-292208, and 103-500-292210

## EXHIBIT B

### FORM OF TIF NOTE

No. R-\_\_\_\_\_ \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF WRIGHT  
THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF BUFFALO, MINNESOTA  
(PFEIFER PROPERTY MANAGEMENT LLC PROJECT)

The Housing and Redevelopment Authority of Buffalo, Minnesota (the "HRA"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Pfeifer Property Management LLC (the "Developer" or 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 TIF 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 \$530,000 as provided in that certain Development Agreement, dated as of January 13, 2025, as the same may be amended from time to time (the "Development Agreement"), by and between the HRA and the Developer. The unpaid principal amount hereof shall bear interest from the date of this TIF Note at the lower of (a) the simple, non-compounding interest at a rate of 6.00% per annum, or (b) the Developer's interest rate on the Project financing as determined by the City's municipal advisor. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30)-day months.

The amounts due under this TIF Note shall be payable on August 1, 2028, and on each February 1 and August 1 of each year 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 HRA shall pay by check or draft mailed to the person that was the Registered Owner of this TIF Note at the close of the last business day of the HRA preceding such Payment Date an amount equal to the Tax Increments (hereinafter defined) received by the HRA during the six (6)-month period preceding such Payment Date. All payments made by the HRA under this Note shall first be applied to accrued interest and then to principal.

The Payment Amounts due hereon shall be payable solely from 95% of the Tax Increments (as defined in the Development Agreement) derived from Tax Increment Financing District No. 26 (the "Tax Increment District") within its Redevelopment Project Area No. 2 which are paid to

the HRA and which the HRA 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, final payment date of February 1, 2043, the termination of the Tax Increment District, on any date upon which the HRA 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, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

The HRA makes no representation or covenant, express 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 HRA'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 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 HRA elects to cancel and rescind the Development Agreement, the HRA shall have no further debt or obligation under this TIF 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 HRA to pay the principal of this TIF Note, and said provisions are hereby incorporated into this TIF Note as though set out in full herein.

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

This TIF Note is issued by the HRA 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 TIF Note is subject to prepayment in immediately available funds on any date at the option of the HRA, in whole or in part and without penalty.

This TIF Note may be assigned only with the consent of the HRA which consent shall not be unreasonably withheld. In order to assign the TIF Note, the assignee shall surrender the same to the HRA either in exchange for a new fully registered note or for transfer of this TIF Note on the registration records for the TIF Note maintained by the HRA. Each permitted assignee shall take this TIF 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 TIF 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 TIF Note, together with all other indebtedness of the HRA outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the HRA to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, The Housing and Redevelopment Authority of Buffalo, Minnesota, by its Board of Commissioners, has caused this TIF Note to be executed by the manual signatures of its Chair and Secretary and has caused this TIF Note to be dated as of \_\_\_\_\_, 20\_\_.

---

Secretary

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Chair

**DO NOT EXECUTE UNTIL PAID INVOICES FOR SITE IMPROVEMENTS ARE  
GIVEN TO THE HRA – REFER TO SECTION 3.3(1) OF AGREEMENT**

## CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing TIF Note was registered in the name of Pfeifer Property Management LLC, and that, at the request of the Registered Owner of this TIF Note, the undersigned has this day registered the TIF 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 HRA  
SECRETARY

Pfeifer Property Management LLC  
105 6<sup>th</sup> Street NE  
Buffalo, MN 55313

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## EXHIBIT C

### SITE IMPROVEMENTS

Engineering

Environmental remediation

Curb and gutter

Street/parking lot lighting

Sidewalks and trails

Storm water retention systems

Utilities (sanitary sewer, storm sewer, and water),

including utility relocations

Surface parking lot paving

Parking structure, including related electrical and mechanical

costs specific to the construction of the parking structure

**EXHIBIT D**  
**COMPLIANCE CERTIFICATE**

The undersigned on behalf of Pfeifer Property Management LLC, a Minnesota limited liability company, does hereby certify that as of the date of this Certificate and for the previous twelve (12) months prior to the execution of this Certificate not less than 40% of the residential units in the 8<sup>th</sup> Street Apartments Project located at [REDACTED] 8<sup>th</sup> Street in Buffalo, Minnesota (the "Project") were occupied by individuals whose income is 60% or less of the Wright County median income.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

**PFEIFER PROPERTY MANAGEMENT LLC,**  
a Minnesota limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

[Attach income verification required by Section 3.4]

EXHIBIT E

ESTIMATED PROJECT COSTS AND PROJECTED SITE IMPROVEMENT COSTS  
ELIGIBLE FOR USE OF TIF PROCEEDS



**8th STREET APARTMENTS PROJECT**  
**City of Buffalo**  
**Summary Sources and Uses**  
**20- And 22-unit Apartment Buildings**

<b>ESTIMATED SOURCES OF FUNDS</b>			
	<b>Amount</b>	<b>Pct.</b>	<b>Per Unit</b>
First Mortgage	4,600,000	80%	109,524
Equity	1,150,000	20%	27,381
<b>TOTAL SOURCES</b>	<b>5,750,000</b>	<b>100%</b>	<b>136,905</b>

<b>ESTIMATED USES OF FUNDS</b>			
	<b>Amount</b>	<b>Pct.</b>	<b>Per Unit</b>
Construction And Acquisition Costs	4,827,038	84%	114,929
Site Improvements - Engineering	51,273	1%	1,221
Site Improvements - Environmental Remediation	67,170	1%	1,599
Site Improvements - Curb and Gutter	86,330	2%	2,055
Site Improvements - Street/Parking Lot Lighting	11,236	0%	268
Site Improvements - Sidewalks and Trails	61,200	1%	1,457
Site Improvements - Storm Water Retention Systems	138,282	2%	3,292
Site Improvements - Utility Improvements / Relocations	92,687	2%	2,207
Site Improvements - Parking Structure and Surface Lot Paving	190,276	3%	4,530
Financing and Construction Interest Costs	224,508	4%	5,345
<b>TOTAL PROJECT COSTS</b>	<b>5,750,000</b>	<b>100%</b>	<b>136,905</b>



## HRA AGENDA REPORT

### ITEM #7B

**MEETING DATE:** January 13, 2026

**PREPARED BY:** Community Development Director David Kelly

**PRESENTED BY:** Community Development Director David Kelly

**AGENDA ITEM:** 1<sup>st</sup> Avenue NE Street Reconstruction – Micro-loans Program

#### **BACKGROUND SUMMARY:**

City staff has been discussing potential programs that will provide downtown businesses with financial assistance during the reconstruction of 1<sup>st</sup> Avenue NE in 2026. With a priority on businesses immediately adjacent to 1<sup>st</sup> Avenue, this program would provide applicants with a maximum loan of \$5,000 at 0% interest for use in covering 50% of eligible expenses (rent or lease payments and water / electric bills) with a deferred repayment period beginning on January 1st, 2027. The maximum HRA contribution to this program would be \$30,000.

#### **RECOMMENDATION:**

City staff are seeking feedback on this program, with the intent that final approval will be given at the March HRA meeting prior to an April launch.

#### **ATTACHMENTS:**

- Resolution 2026-1, TIF District No. 26
- Financing Agreement

# 1<sup>st</sup> Avenue NE Street Reconstruction Micro-Loan Program

**Purpose:** *To assist existing business with their immediate cash flow needs created by the loss of traffic and revenues due to the 1<sup>st</sup> Avenue NE Street reconstruction - project*

## **Eligible Businesses:**

- Businesses located immediately adjacent to 1<sup>st</sup> Avenue NE would be eligible
- Business must be in good standing on their utility bills and not have missed a payment in the last 2 years
- If a new business (<1 year of operation), a credit check may be required

## **Loan Specifics:**

- Will cover 50% of all eligible tenant expenses, including:
  - Rent / Lease
  - Water Bill
    - Most-recent
  - Electric Bill
    - Most-recent

## **Loan Package:**

- Maximum loan of \$5,000 / business
- 0% interest; 3-year term
- Deferred repayment begins January 1st, 2027

## **Security / Collateralization:**

- Promissory Note
- Personal Guarantee



## HRA AGENDA REPORT

### ITEM #8A

**MEETING DATE:** January 13, 2026

**PREPARED BY:** Community Development Director David Kelly

**PRESENTED BY:** Community Development Director David Kelly

**AGENDA ITEM:** Standing Agenda Item – Redevelopment of former Wright County Government Center

#### **BACKGROUND SUMMARY:**

Buchholz Properties, LLC, have entered into a Purchase Agreement with the Wright County Economic Development Authority (EDA) for the redevelopment of the former Wright County Government Center located at 10 2nd Street NW in downtown Buffalo. Consisting of approximately 7.25-acres, the developers have proposed a mix of uses on the site that largely mirror the recommendations of the City's 2040 Downtown Plan, including multi-family residential, neighborhood-scale residential, and commercial uses. Greater activation of the lakefront is also proposed with this redevelopment through the redesign of County Road 35 / Lake Boulevard to increase lake frontage and allow for increased public access.

This will be a standing agenda item for the foreseeable future for staff to provide project updates and discuss questions with the HRA. Any formal actions regarding those sites will be a separate agenda item.

#### **RECOMMENDATION:**

N/A

#### **ATTACHMENTS:**

- Former WCGC Redevelopment – Preliminary Site Plan







## HRA AGENDA REPORT

### ITEM #8B

**MEETING DATE:** January 13, 2026

**PREPARED BY:** Community Development Director David Kelly

**PRESENTED BY:** Community Development Director David Kelly

**AGENDA ITEM:** Standing Agenda Item – South Shores on Lake Pulaski

#### **BACKGROUND SUMMARY:**

The developers for the farmland south of Lake Pulaski – identified in the 2040 Community Plan as the “South Pulaski Sub-Area” – are proposing a development that consists of both single family and multi-family residential housing units over 210 acres. The single-family lots proposed vary in width from 45’ to 85’ while the attached residential units proposed are a mix of twin homes, townhomes, market-rate, and senior living apartment units.

#### **RECOMMENDATION:**

N/A

#### **ATTACHMENTS:**

- South Shores Updated Master Plan

