TO: MAYOR AND CITY COUNCIL

FROM: JON RADERMACHER, City Administrator

SUBJECT: ENGAGEMENT LETTER, LEGAL SERVICES FRYBERGER LAW FIRM, DATA CENTER

REVIEW

MEETING DATE: August 5, 2025

BACKGROUND

In discussion around the data center development with Tract, and request was made to consider additional services to assist in the review process, and with experience on data centers and development agreements with municipalities. I have experience working on development agreements with, Daniel Burns, an attorney with Fryberger law firm. Daniel previously worked with Taft Law, and spent 3 years advising them on the development agreement with the City of Rosemount and the Meta project. I connected with Daniel, and discussed the project and whether his firm would be able to provide us additional assistance in the review process. He believed so and sent an engagement letter proposal for their services.

The proposal is for \$270 per hour for special legal services related to a proposed development project involving a data center. The City would pay for that work under the escrow agreement with Tract. Primarily, the scope of their services would be to offer an additional review of the terms of our development agreement, CUP/PUD, and any land use proposals to ensure the City's interests are protected and the agreements are sound and defensible. It is not anticipated that Daniel or members of his team would participate in the face-to-face negotiations, rather review drafts as they are compiled. In my conversation with Daniel, I confirmed with him that they would be capable of providing timely responses and have a team with knowledge of development agreements (including data centers), and land use decisions in Minnesota.

STAFF RECOMMENDATION

Authorize execution of the engagement letter with Fryberger Law, for special legal services related to the data center development project. Costs for these services would be paid for through the escrow agreement with Tract.

REQUESTED COUNCIL ACTION

Approved the terms of the Fryberger Law letter of engagement.



DANIEL F. BURNS dburns@fryberger.com 218.725.6892

July 18, 2025

VIA E-MAIL

City of Cannon Falls, Minnesota Attn: Jon Radermacher, City Administrator 918 River Road Cannon Falls, MN 55009

Re: Legal Services for the City of Cannon Falls, Minnesota

Mr. Radermacher:

Thank you for contacting our firm to provide special legal counsel services related to a proposed development project involving a data center (the "Services") for the City of Cannon Falls, Minnesota (the "City"). This letter sets forth the terms of our representation.

I will be the attorney primarily responsible for providing the Services to the City; however, other members of this firm may also from time to time provide the Services. The scope of our representation will be limited to the Services as and when requested by the City.

For the Services, the City will be charged at a 10% discount from the firm's standard hourly rates. For 2025, my discounted hourly rate for the Services will be \$270 per hour. The firm's hourly rates are set for 2025, but are reviewed on an annual basis and subject to change in subsequent years. We would notify the City of any increase.

It is agreed that, in addition to attorney fees, the City will reimburse the firm for all costs advanced and expenses incurred that are directly related to the performance of the Services undertaken. These include filing fees, court costs, the costs of travel, postage, computer research, witness fees, document delivery charges and other out-of-pocket expenses, if any.

The firm will submit to the City monthly statements for fees incurred and expenses advanced. Any amount not paid within thirty (30) days after statement presentation will incur finance charges at the rate of six (6) percent per annum from the billing date.

We reserve the right to cease legal work and withdraw as the City's special legal counsel for any reason authorized by the Code of Professional Conduct.

FRYBERGER, BUCHANAN, SMITH & FREDERICK, P.A.

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If these terms are acceptable to the City, please sign this letter below and return it to me. A PDF sent via email is acceptable.

Please feel free to contact me if you have any questions. I look forward to the opportunity to work with you.

Very truly yours,

FRYBERGER, BUCHANAN, SMITH & FREDERICK, P.A.

By Daniel F. Burns

TERMS OF THIS CONTRACT.

I ACCEPT THE OFFER OF LEGAL SERVICES AND AGREE TO COMPLY WITH THE

CITY OF CANNON FALLS, MINNESOTA

By: Matt Montgomery

Title: Mayor

By: Jon Radermacher Title: City Administrator