

**CITY OF SHAKOPEE, MINNESOTA
RESOLUTION NO. R2021-172**

**RESOLUTION APPROVING THE AGREEMENT BETWEEN
THE CITY OF SHAKOPEE AND SHAKOPEE PUBLIC UTILITIES
REGARDING PAYMENT IN LIEU OF TAXES (PILOT)**

WHEREAS, Shakopee Public Utilities (SPU) has traditionally made a payment in lieu of taxes (PILOT) to the City of Shakopee as part of their responsibilities as a wholly-owned but independently managed utility; and

WHEREAS, Minnesota Statutes, Section 412.361, subdivision 5 and Shakopee City Code, Section 32.22, Paragraph H grant authority to the City and SPU to enter into agreements with each other for, among other things, PILOT payments made by SPU to the city.

WHEREAS, the City of Shakopee recognizes the mutually beneficial partnership that such a PILOT represents; and

WHEREAS, both the City and SPU have negotiated the specifics of the PILOT with goodwill and in good faith and desire to enter into the agreement establishing the method by which the PILOT will be calculated; and

WHEREAS, the City recognizes the additional investment that SPU wishes to make towards economic development in the City; and

WHEREAS, it is in the best interests of both the City and SPU to enter into a long-term agreement outlining the specifics of a PILOT.

NOW, THEREFORE, be it resolved by the City Council of the City of Shakopee, Minnesota:

1. SPU will pay a PILOT to the City in an amount equal to 5.5% of SPU's annual gross defined sales for electric and water utilities as defined in the agreement.
2. SPU will pay a PILOT to the City to support economic development efforts in SPU's assigned electric service territory in an amount equal to .5% of SPU's gross defined sales for water and electric utilities as defined in the agreement.
3. The PILOT agreement will be in effect from the period of January 1, 2022 to December 31, 2042 with succession agreements to be negotiated as per the PILOT agreement.
4. The PILOT Agreement between the City and SPU is approved.
5. City Staff is authorized to take such measures as necessary to sign the PILOT agreement and otherwise ensure that its parameters are fully implemented.

Adopted by the City Council of the City of Shakopee, Minnesota this this 21st day of December, 2021.

Mayor

ATTEST:

City Clerk