



SHAKOPEE
PLANNING AND DEVELOPMENT

ECONOMIC DEVELOPMENT AUTHORITY

July 19, 2022

Scott County Community Development Agency
Attn: Julie Siegert, Executive Director
323 Naumkeag Street South
Shakopee, MN 55379

Re: Shakopee River City Centre

Dear Mr. Siegert:

The Shakopee Economic Development Authority (“Shakopee EDA”) submits this Letter of Intent to Scott County Community Development Agency (“Scott County CDA”) to summarize its proposal regarding Shakopee River City Centre. The parties recognize that the transaction will require further documentation and approvals.

Currently, Shakopee River City Centre is subject to a variety of agreements, including the following:

- A. Development Agreement between Scott County Housing and Redevelopment Authority (“Scott County HRA”), City of Shakopee (“City”), and Economic Development Authority for the City of Shakopee, Minnesota (“Shakopee EDA”), dated October 1, 1997;
- B. Residential Ground Lease for River City Centre between City and Shakopee EDA, as landlord, and Scott County HRA, as tenant, dated October 1, 1997;
- C. Retail Ground Lease for River City Centre between City and Shakopee EDA, as landlord, and Scott County HRA, as tenant, executed October 17, 1997;
- D. Retail Master Lease for River City Centre between Scott County HRA, as landlord, and Shakopee River City Centre Associates, LLC, as tenant, dated October 1, 1997; and
- E. Retail Leases between Shakopee River City Centre Associates, LLC, as landlord, and various tenants, regarding the Retail Areas of Shakopee River City Centre.

Shakopee EDA and Scott County CDA (as successor in interest to Scott County HRA) desire to simplify the ownership, leasing, and operational structure for Shakopee River City Centre. The proposed terms and conditions include, but are not limited to, the following:

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Department of Planning and Development | 485 Gorman St., Shakopee MN 55379 | Phone: 952-233-9300 | Fax: 952-233-3801 | www.ShakopeeMN.gov

1. Assignment and Assumption of Retail Master Lease and Retail Leases. Shakopee EDA will enter into an Assignment and Assumption of Leases with Shakopee River City Centre Associates, LLC, regarding the Retail Master Lease and the Retail Leases. A draft of the Assignment and Assumption of Leases is attached as **Exhibit A**.
2. Termination of Retail Ground Lease and Retail Master Lease. After the Retail Master Lease and the Retail Leases are assigned to Shakopee EDA:
 - a. Shakopee EDA and Scott County CDA will terminate the Retail Ground Lease and the Retail Master Lease.
 - b. Result: Shakopee EDA will own the land and the retail improvements, and Shakopee EDA (as owner) will lease the retail areas directly to retail tenants. Scott County CDA will have no further rights or obligations regarding the retail areas.
3. Development Agreement and Residential Ground Lease. The Development Agreement and the Residential Ground Lease will be amended or replaced by a new agreement between Shakopee EDA and Scott County CDA.
 - a. Shakopee EDA will make improvements to the buildings and the grounds, including sidewalks, pavement and landscaping, at Shakopee EDA's sole cost and expense, as shown in the concept plans attached as **Exhibit B**.
 - b. Shakopee EDA will be responsible for management and maintenance of the grounds once the improvements are completed (contemplated in 2023)
 - c. The Shakopee EDA will extend the Residential Ground Lease to a mutually agreeable date beyond the current expiration date.
4. Bond Payments.
 - a. Shakopee EDA will make all future payments that are due on the bonds for financing of the retail improvements, subject to use of any escrows..
 - b. Scott County CDA will make all future payments that are due on the bonds for financing of the residential improvements.

This Letter of Intent shall not be a binding legal agreement. It is understood that this Letter of Intent is intended as, and shall be construed only as, a Letter of Intent summarizing and evidencing the discussions between the parties to the date hereof, and that the respective rights and obligations of the parties remain to be determined in a definitive agreement or agreements into which this Letter of Intent and all prior discussions shall merge. Upon execution of this Letter of Intent, counsel for Shakopee EDA will prepare an initial draft of agreements for review by the parties.

Signature page to Letter of Intent

**Economic Development Authority of the
City of Shakopee, Minnesota**

Dated: July ____, 2022

By: Jody Brennan
Its: President

Dated: July ____, 2022

By: William Reynolds
Its: Executive Director

**Scott County Community Development
Agency**

Dated: July ____, 2022

By: Julie Siegert
Its: Executive Director

Dated: July ____, 2022

By: _____

Its: _____