

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION R2022-101

**RESOLUTION AMENDING PROPERTY TAX ABATEMENT
GRANTED TO CHERNE INDUSTRIES INCORPORATED**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Shakopee, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. Pursuant to a Contract for Private Development, dated July 7, 2020 (the “Contract”), between the City, CIVF VI-MN1W03, LLC, a Delaware limited liability company (“Cabot”), and Cherne Industries Incorporated, an Ohio corporation (“Cherne”), Cabot proposed to construct an approximately 130,000 square foot building on the Property and lease the building to Cherne, for manufacturing, warehousing, and office space (the “Minimum Improvements”) on real property (the “Property”) located in the City.

1.02. Pursuant to the Contract, Cherne proposed to expand its operations in the City and lease the Minimum Improvements from Cabot and purchase equipment for manufacturing, advanced technical processes, and research and development (the “Equipment”). The Minimum Improvements are expected to create 165 jobs in the City.

1.03. Pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815 (the “Abatement Act”), the City granted a property tax abatement on the Property (the “Abatement”) to the Developer in order to finance a portion of the costs of constructing and equipping the Minimum Improvements.

1.03. The original resolution granting the abatement was adopted on February 18, 2020 (the “Abatement Resolution”) and provided that the Abatement would be provided for 9 years. At the time the Abatement was granted, it was estimated that the full value of the Minimum Improvements would be available for taxation in 2022. However, the full value of the Minimum Improvements was not available for taxation until 2023.

1.04. Pursuant to Minn. Stat. 469.1813, subd. 7, the City may modify the terms of the Abatement.

1.05. The City proposes to amend the Abatement Resolution to provide that the years of collection of the Abatement shall be 2023 through 2031.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this resolution.

2.02. It is hereby found and determined that the Abatement Resolution shall be amended to reflect an Abatement period of 2023 through 2031.

Section 3. Effective Date. This Resolution is effective as of the date hereof.

Approved by the City Council of the City of Shakopee, Minnesota this 19th day of July, 2022.

Mayor

ATTEST:

City Clerk

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