

ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. E2018-028

RESOLUTION APPROVING CONTRACT FOR PRIVATE
REDEVELOPMENT WITH ENCLAVE DEVELOPMENT, LLC

WHEREAS, the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”) was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1082, as amended (the “EDA Act”), and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Shakopee, Minnesota (the “City”); and

WHEREAS, the City has previously established and the Authority administers the Minnesota River Valley Housing and Redevelopment Project No. 1 (the “Project”) located within the City, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”), and has caused to be created a Redevelopment Plan (the “Redevelopment Plan”) therefor; and

WHEREAS, the Authority and the City have modified the Redevelopment Plan for the Project Area and approved a tax increment financing plan (the “TIF Plan”) for Tax Increment Financing District No. 20 (the “TIF District”), a redevelopment district, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the property included in the TIF District (the “Property”) was the site of the former City Hall, which has now been demolished and is currently owned by the Authority; and

WHEREAS, Enclave Development, LLC, a North Dakota limited liability company (the “Redeveloper”), has proposed to acquire the Property from the Authority and construct a building containing approximately 80 market-rate apartment units, including underground parking, and approximately 1,500 square feet of retail and restaurant space (the “Minimum Improvements”) on the Property; and

WHEREAS, to make the Minimum Improvements economically feasible, the Authority proposes to sell the Property to the Redeveloper for \$1.00; and

WHEREAS, to help pay for the costs of site improvements, public infrastructure, soil remediation, and a parking structure related to the Minimum Improvements, the Authority has proposed to grant the Redeveloper funds in the amount of \$2,132,400 (the “Redevelopment Grant”) for which the Authority is to be reimbursed through tax increment from the TIF District; and

WHEREAS, the Board of Commissioners of the Authority (the “Board”) approved the sale of the Property to the Redeveloper following a duly noticed public hearing held on September 4, 2018; and

WHEREAS, there has been presented before this Board a form of a Contract for Private Redevelopment (the “Contract”) proposed to be entered into between the Authority and the Redeveloper, which sets forth the terms of the Minimum Improvements and the Redevelopment Grant; and

WHEREAS, pursuant to the terms of the Contract, the Redeveloper will be required to enter into a Minimum Assessment Agreement (the “Minimum Assessment Agreement”), proposed to entered into

between the Authority and the Redeveloper, to ensure that the Minimum Improvements have a market value of at least \$12,665,000; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Economic Development Authority for the City of Shakopee, Minnesota that:

Section 1. The Agreements. The Board approves the Contract and the Minimum Assessment Agreement in substantially the forms on file in City Hall. The President and Executive Director are hereby authorized and directed to execute and deliver the Contract and the Minimum Assessment Agreement. All of the provisions of the Contract and the Minimum Assessment Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Contract and the Minimum Assessment Agreement shall be substantially in the forms on file with the Authority which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the President and the Executive Director, in their discretion, shall determine, and the execution thereof by the President and the Executive Director shall be conclusive evidence of such determination.

Section 2. Effective Date. This resolution is effective upon the date of its adoption.

Sworn and Executed Under My Hand this 18th day of December, 2018.

President

Executive Director