

**ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA**

RESOLUTION NO. E2019-017

**RESOLUTION APPROVING ASSIGNMENT OF DEVELOPMENT
ASSISTANCE AGREEMENT AND APPROVING CONSENT TO
ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT
AGREEMENT**

WHEREAS, the Economic Development Authority of the City of Shakopee (the “Authority”) entered into a Contract for Private Redevelopment, dated May 1, 2019 (the “Contract”) with Enclave Development, LLC (the “Enclave”) for the sale of the Redevelopment Property (as defined in the Contract) and development of approximately 80 market-rate apartment units, including underground parking, at grade enclosed parking, and approximately 1,500 square feet commercial space (the “Minimum Improvements”); and

WHEREAS, in order to make the Minimum Improvements economically feasible, the Authority agreed to provide a grant to Enclave in the amount of up to \$2,132,400 for certain public redevelopment costs related to the Minimum Improvements; and

WHEREAS, at the request of Enclave, on September 3, 2019, the Authority approved an Assignment and Assumption of Contract for Private Redevelopment, dated September 3, 2019, which assigned all of Enclave’s rights and duties under the Contract to its affiliate, DECO Shakopee, LLC, a Minnesota limited liability company (“DECO Shakopee”); and

WHEREAS, DECO Shakopee plans to obtain a loan from Bell Bank (the “Lender”) in the amount of \$12,400,000 for the purpose of financing the Minimum Improvements and has requested that the Authority approve an Assignment of Development Assistance Agreement and a Consent to Assignment and Subordination of Development Agreement (collectively, the “Assignment and Subordination Agreement”), which approves an assignment of the Contract to the Lender and also subordinates the Contract to the loan documents related to the loan to be provided by the Lender and approves an assignment of the Contract to the Lender; and

WHEREAS, the Assignment and Subordination Agreement and an estoppel certificate (the “Certificate”) has been presented to the Board of the Authority.

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

1. The Assignment and Subordination Agreement and the Certificate are hereby approved in substantially the form on file with the City on the date hereof, subject to modifications that do not alter the substance of the transaction and are approved by the Mayor and the City Clerk; provided that execution of the documents will be conclusive evidence of their approval.
2. The President and the Executive Director are hereby authorized and directed to sign the Assignment and Subordination Agreement, the Certificate, and any other documents or certificates necessary to carry out the transactions described in the Assignment and Subordination Agreement.

Sworn and Executed Under My Hand this 17th day of September, 2019.

President

Executive Director