

ECONOMIC DEVELOPMENT AUTHORITY
FOR THE CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. E2019-23

RESOLUTION APPROVING FIRST AMENDMENT TO CONTRACT FOR
PRIVATE REDEVELOPMENT WITH DECO SHAKOPEE, LLC

WHEREAS, the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”), and Enclave Development, LLC, a North Dakota limited liability company (“Enclave”), entered into a Contract for Private Redevelopment, dated May 1, 2019 (the “Original Agreement”), which was assigned by Enclave to Deco Shakopee, LLC, a Minnesota limited liability company (the “Redeveloper”) pursuant to an Assignment and Assumption of Contract for Private Redevelopment, dated September 17, 2019; and

WHEREAS, pursuant to the Original Agreement, the Redeveloper agreed to acquire certain real property from the City of Shakopee (the “Redevelopment Property”) and develop approximately 89 market-rate apartment units, including underground parking, at grade enclosed parking, and approximately 4,500 square feet of commercial space (the “Minimum Improvements”), and the Authority agreed to reimburse the Redeveloper for a portion of land acquisition costs and certain site improvement costs related to the Minimum Improvements; and

WHEREAS, the Redeveloper’s costs for constructing the Minimum Improvements, remediation of contaminants on the Redevelopment Property, and certain site improvements exceeded the Redeveloper’s proposed budget by \$1,300,000, because the contamination on the Redevelopment Property needs more remediation than expected due to the asbestos levels and chemicals that had leaked from an adjoining dry-cleaning business; and

WHEREAS, the Authority and the Redeveloper propose to amend certain terms of the Original Agreement to provide additional financial assistance to the Redeveloper in order to maintain the economic feasibility of the Minimum Improvements and related site improvements; and

WHEREAS, there has been presented before this Board of Commissioners of the Authority a First Amendment to Contract for Private Redevelopment (the “First Amendment”) proposed to be entered into between the Authority and the Redeveloper, which sets forth the modifications to the Original Agreement; and

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

1. The First Amendment is hereby approved in substantially the form now on file with the Authority on the date hereof, subject to modifications that do not alter the substance of the transaction and are approved by the President and the Executive Director of the Authority; 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 execute the First Amendment and any other documents deemed necessary to carry out the intentions of this resolution and the First Amendment.

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

President

Executive Director