

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. R2020-012

**RESOLUTION CALLING A PUBLIC HEARING ON A
PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY IN
THE CITY OF SHAKOPEE, MINNESOTA, AND GRANTING
CERTAIN BUSINESS SUBSIDIES TO CHERNE INDUSTRIES
INCORPORATED, OR ANY OF ITS AFFILIATES**

WHEREAS, Cherne Industries Incorporated, an Ohio corporation, or any of its affiliates (the “Developer”), has proposed to acquire, improve, construct and equip an approximately 130,000 square foot building to be used for manufacturing, research, warehousing and office space (the “Minimum Improvements”) on approximately eight (8) acres of real property (the “Property”) located in the City of Shakopee, Minnesota (the “City”); and

WHEREAS, the City has contemplated granting a property tax abatement in order to facilitate the Minimum Improvements, all pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815 (the “Abatement Act”); and

WHEREAS, the City Council of the City has determined to consider granting a tax abatement of all or a portion of the City’s share of property taxes generated by improvements on the Property in the maximum amount of \$500,000 and to hold a public hearing thereon in accordance with the Abatement Act; and

WHEREAS, the Abatement provided to the Developer by the City to help finance the Minimum Improvements constitutes a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995 (the “Business Subsidy Act”); and

WHEREAS, before the City may grant an abatement or provide financial assistance that constitutes a business subsidy under the Business Subsidy Act, the City must conduct a duly noticed public hearing; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shakopee, Minnesota that:

1. The City Administrator is authorized and directed to publish a notice for publication in the official newspaper of the City setting a public hearing before the City Council on Tuesday, February 18, 2020, at or after 7:00 p.m. at City Hall on the proposed Abatement. The notice, attached as EXHIBIT A, shall be published in the newspaper at least ten (10) but not more than thirty (30) days prior to the public hearing, and shall be in substantially the form attached hereto.

2. The City Administrator is authorized and directed to take all other actions necessary to bring the proposed abatement and business subsidy before the City Council at the time of the public hearing.

Approved by the City Council of the City of Shakopee, Minnesota this 3rd day of February, 2020.

Mayor

ATTEST:

City Clerk

EXHIBIT A

NOTICE OF PUBLIC HEARING

TAX ABATEMENT AND BUSINESS SUBSIDY CITY OF SHAKOPEE, MINNESOTA

NOTICE IS HEREBY GIVEN that the City Council of the City of Shakopee, Minnesota (the “City”) will meet at or after 7:00 p.m. on Tuesday, February 18, 2020, in the City Council Chambers of City Hall, located at 485 Gorman Street in the City, to conduct a public hearing to consider granting a property tax abatement under Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Abatement Act”), for all or a portion of certain property located in the City (the “Property”), to be developed by Cherne Industries Incorporated, an Ohio corporation, or any of its affiliates (the “Developer”). The Developer intends to relocate and expand its headquarters to the City, and the proposed project consists of the development on the Property of a 130,000 square foot manufacturing building with approximately 17,000 square feet of expansion space (the “Project”), which the Developer will lease. The proposed abatement constitutes a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”).

The Property is located at the northeast quadrant of Highway 169 and County Road 69 (Old Brickyard Road) in the City and is legally described as Lot 1, Block 3, West Shakopee Gateway First Addition, according to the recorded plat thereof, Scott County, Minnesota.

Following the public hearing, the City Council will consider a resolution granting an abatement of a portion of the City’s share of property taxes on the Property for a period of up to nine years. The City estimates that the total amount of the abatements will be approximately \$500,000. A summary of the terms of the proposed business subsidy to be provided to the Developer to assist in developing the Project is available for inspection at City Hall during regular business hours.

Any person with a residence in the City or who is the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with the Business Subsidy Act. No action may be filed against the City for the failure to comply unless a written complaint is filed. Any person wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing.

Dated: [Date of Publication]

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF SHAKOPEE, MINNESOTA

/s/ William H. Reynolds
City Administrator
City of Shakopee, Minnesota