

CITY OF SHAKOPEE

RESOLUTION NO. R2020-056

RESOLUTION APPROVING A MODIFICATION TO THE TAX INCREMENT
FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 18

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, 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 (the “Project Area”), pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”), and has caused to be created a Redevelopment Plan therefor (the “Redevelopment Plan”); and

WHEREAS, on March 6, 2018, the Authority and the City established Tax Increment Financing District No. 18, a redevelopment district, within the Project (the “TIF District”) pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), and approved a tax increment financing plan therefor (the “Original TIF Plan”); and

WHEREAS, on August 8, 2018, the City Council of the City (the “City Council”) approved an administrative amendment to the Original TIF Plan (as heretofore amended, the “TIF Plan”) to include a complete listing of building permits issued within the TIF District during the eighteen (18) months immediately preceding the approval of the Original TIF Plan; and

WHEREAS, the Authority and the City previously identified the need to redevelop land located in the Project (the “Redevelopment Property”), which is owned by Canterbury Development LLC, a Minnesota limited liability company (“Canterbury Development”), and Canterbury Park Holding Corporation, a Minnesota corporation (“Canterbury Park Holding Corporation,” and together with Canterbury Development, the “Master Developer”); and

WHEREAS, the City and the Authority previously determined that the Redevelopment Property is underutilized, with obsolete structures and physical arrangements, poor soils and potential contamination, and outdated and inadequate public infrastructure; and

WHEREAS, the Master Developer, the Authority, and the City executed a Contract for Private Development, dated August 8, 2018 (the “Original Agreement”), pursuant to which (i) the Master Developer agreed to undertake infrastructure improvements within the Project Area, including but not limited to the development of public streets, utilities, sidewalks, and other public infrastructure (the “Developer Improvements”) as part of the redevelopment of the Redevelopment Property for housing, commercial/retail, hospitality and destination entertainment, and office space purposes as part of a multi-phased project (the “Redevelopment Project”); (ii) the City agreed to undertake certain public improvements in connection with the Redevelopment Project (the “City Improvements”); and (iii) the Authority agreed to pay a portion of the costs of the Developer Improvements and the City Improvements with tax increment generated from the TIF District; and

WHEREAS, the City and the Authority have proposed to further amend the TIF Plan to include additional properties in the TIF District and amend the budget set forth in the TIF Plan (the “Amendment”), and there has been presented before the City Council a proposed form of Amendment to the TIF Plan; and

WHEREAS, pursuant to Section 469.175, subdivision 2a of the TIF Act, the proposed Amendment to the TIF Plan was presented to the commissioner of Scott County, Minnesota representing the area included in the TIF District on or about April 10, 2019; and

WHEREAS, pursuant to Section 469.175, subdivision 2 of the TIF Act, the proposed Amendment to the TIF Plan and the estimates of the fiscal and economic implications of the TIF Plan were presented to the Board of Education of Independent School District No. 720 and to the Board of Commissioners of Scott County, Minnesota on or about April 17, 2019; and

WHEREAS, the proposed Amendment to the TIF Plan was, in accordance with the HRA Act and TIF Act, referred to the Planning Commission of the City (the “Planning Commission”), and the Board of the Planning Commission adopted a resolution on May 9, 2019, which found that the proposed Amendment conforms to the general plan for the development of the City as a whole; and

WHEREAS, on May 21, 2019, the City Council conducted a duly noticed public hearing on the proposed Amendment to the TIF Plan, at which the views of all interest parties were heard; and

WHEREAS, the City Council has reviewed the contents of the proposed Amendment to the TIF Plan; and

WHEREAS, on the date hereof, the City Council adopted a resolution removing the parcel identified by property identification number 274060010 and legally described as Lot 1, Block 1, Opus MVW 2nd Addition, according to the plat thereof, Scott County, Minnesota (the “Parcel”), from Tax Increment Financing District No. 14, an economic development district, within the Project (“TIF District No. 14”), with the purpose of including the Parcel in the TIF District; and

WHEREAS, on the date hereof the City Council will consider a separate resolution approving an amendment to the Original Agreement for the purposes of including additional property to be acquired by the Master Developer, setting forth an additional project to be undertaken by the City, and reallocating the tax increment payable by the Authority to the costs of the improvements to be undertaken by the Master Developer and the City; and

WHEREAS, on the date hereof, the Board of Commissioners of the Authority will consider resolutions approving the proposed Amendment to the TIF Plan, approving the removal of the Parcel from TIF District No. 14, and approving an amendment to the Original Agreement; and

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

Section 1. Findings; Project. It is hereby found and determined that the Redevelopment Plan remains in full force and effect and that the goal of the Redevelopment Plan is to encourage redevelopment in accordance with the general plan for development of the City as set forth in the comprehensive municipal plan.

Section 2. Findings; TIF District.

2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the Project, and for the protection and preservation of the public health, safety, and general welfare, that the authority of the TIF Act be exercised by the City to provide financial assistance to the TIF District and the Project.

2.02. It is further found and determined, and it is the reasoned opinion of the City, that the development proposed in the TIF Plan, as modified by the Amendment to the TIF Plan, could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value expected to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan, as modified by the Amendment.

2.03. The proposed public improvements to be financed in part through tax increment financing are necessary to permit the City to realize the full potential of the TIF District and the Project in terms of redevelopment of blighted property, development intensity, and tax base.

2.04. The TIF Plan, as modified by the Amendment to the TIF Plan, conforms to the general plan for development of the City as a whole.

2.05. The TIF Plan, as modified by the Amendment to the TIF Plan, will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the TIF District and the Project by private enterprise.

2.06. The TIF District is a redevelopment district under Section 469.174, subdivision 10 of the TIF Act.

2.07. Reasons and facts supporting all the above findings are set forth in the TIF Plan, as modified by the Amendment to the TIF Plan, and are incorporated herein by reference. The City Council has also relied upon reports and recommendations of its staff and consultants, as well as the personal knowledge of members of the City Council, in reaching its conclusions regarding the TIF Plan, as modified by the Amendment.

2.08. The Parcel removed from TIF District No. 14 is hereby added to the TIF District.

Section 3. Public Purpose. The adoption of the proposed Amendment to the TIF Plan conforms in all respects to the requirements of the TIF Act. The proposed Amendment will help facilitate redevelopment that will create additional market rate rental housing, create new commercial uses, and improve the tax base. The City expressly finds that any private benefit to be received by the Master Developer is incidental, as the tax increment assistance is provided solely to make the redevelopment financially feasible and thus produce the public benefits described. Therefore, the City finds that the public benefits of the proposed Amendment exceed any private benefits.

Section 4. Approvals; Further Proceedings.

4.01. The Amendment to the TIF Plan for the TIF District is hereby approved and adopted in substantially the form on file at City Hall.

4.02. The City Council hereby transmits the Amendment to the TIF Plan to the Board of Commissioners of the Authority and recommends that the Board of Commissioners approve such Amendment.

4.03. Upon approval of the Amendment to the TIF Plan by the Board of Commissioners of the Authority, the Authority is authorized and directed file a copy of the Amendment to the TIF Plan with the County Auditor of Scott County, Minnesota, the Minnesota Commissioner of Revenue, and the Office of the State Auditor as required by the TIF Act.

Approved by the City Council of the City of Shakopee this 21st day of April, 2020.

Mayor

ATTEST:

City Clerk