

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. R2020-084

RESOLUTION APPROVING THE EXECUTION OF CONTRACT
FOR PRIVATE DEVELOPMENT WITH OPUS DEVELOPMENT
COMPANY, L.L.C., CIVF VI – MN1W03, LLC, AND CHERNE
INDUSTRIES INCORPORATED

BE IT RESOLVED by the City Council (the “City Council”) of the City of Shakopee, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. On February 18, 2020, the City Council approved the execution of a Contract for Private Development (the “Contract”) with Opus Development Company, L.L.C., a Delaware limited liability company (“Opus”), and Cherne Industries Incorporated, an Ohio corporation (“Cherne”) to assist Cherne in expanding its operations in the City.

1.02. Under the terms of the Contract, Opus proposed to purchase property (the “Development Property”) owned by the Economic Development Authority for the City of Shakopee (the “Authority”) and construct an approximately 130,000 square foot building and lease the building to Cherne for manufacturing, warehousing, and office space (the “Minimum Improvements”).

1.03. The Contract was going to be executed at the closing on the Development Property. Following the approval of the Contract, CIVF VI – MN1W03, LLC, a Delaware limited liability company (“Cabot”), determined to buy the Development Property and lease the Minimum Improvements to Cherne. The City, Cabot, and Cherne have proposed to revise the Contract to provide that Cabot will purchase the Development Property from the Authority and own the Minimum Improvements. Opus will no longer be a party under the Contract but will remain obligated to construct the Minimum Improvements under a purchase agreement with the Authority.

1.04. As previously approved by the City Council, the City will provide a property tax abatement to Cherne in the maximum principal amount of \$459,494 over a maximum term of nine (9) years for the purpose of acquiring equipment for use within the Minimum Improvements.

1.05. A revised form of the Contract between the City, Cabot, and Cherne has been presented to the City Council.

Section 2. Approval of Amended Contract. The revised Contract is hereby in all respects authorized, approved, and confirmed and the Mayor and City Administrator are hereby authorized and directed to execute and deliver the revised Contract for and on behalf of the City in substantially the form now on file with the City but with such modifications as shall be deemed necessary, desirable or appropriate, the execution thereof to constitute such conclusive evidence of their approval of any and all modifications therein.

Section 3. Effective Date. This resolution is effective upon execution in full of the Amended Contract.

Approved by the City Council of the City of Shakopee, Minnesota this 7^h day of July, 2020.

Mayor

ATTEST:

City Clerk

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