

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. 7903

**RESOLUTION PROVIDING PRELIMINARY APPROVAL TO
THE REDEVELOPMENT OF FORMER CITY HALL SITE AND
PROPERTIES ON FIRST AVENUE**

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

Section 1. Recitals.

1.01. The City, the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”), and CPM Development, LLC, a Minnesota limited liability company or any affiliate (the “Developer”), have entered into preliminary discussions related to the development of the real property set forth in EXHIBIT A attached hereto (the “Property”).

1.02. The City and the Authority wish to proceed with such discussions with the Developer based on certain preliminary deal points set forth in EXHIBIT B attached hereto.

1.03. In connection with the development of the Property, the City and the Authority are considering the creation of a tax increment district in the City in accordance with Minnesota Statutes, Sections 469.174 through 469.179, as amended, and/or the granting of an abatement pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this resolution.

2.02. The Council hereby provides preliminary approval of the development by the Developer of the Property, based on the preliminary terms set forth in EXHIBIT A attached hereto.

2.03. The Council authorizes the City to proceed with negotiating a contract for private development with the Developer, the creation of a tax increment district in the City and/or the granting of an abatement.

Section 3. Effective Date. This resolution is effective upon the date of its adoption.

Approved by the City Council of the City of Shakopee, Minnesota this 20th day of June, 2017.

Mayor

ATTEST:

City Clerk

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Project includes the following property in Shakopee, Minnesota.

Hotel Site

- 190 Scott St N. – Municipal Owned Lot (Parcel ID: 270010890)
- 339 1st Ave W. 100 (Parcel ID: 270010810)
- 321 1st Ave W. (Parcel ID: 270010820 & 270010830)

City Hall Site

- 129 Holmes St S. (Parcel ID: 270011580)
- 207-215 Holmes St S. - Municipal Parking Lot (Parcel ID: 270012430 & 270012440)

EXHIBIT B

PRELIMINARY TERMS FOR DEVELOPMENT

The Developer will undertake the following:

1. Demolition of the existing City Hall before December 31, 2017
2. Construction of up to 70 units of market rate housing on Holmes Street
3. Provision of onsite parking for up to 50 cars based on final site plan approval
4. Completion of construction of items 1,2, and 3 by December 31, 2018
5. Investment in housing development of at least \$8,000,000
6. Development of a boutique style hotel on the property known as 321 First Avenue
7. Commence construction of hotel development by September 2018
8. Hotel with up to 110 rooms, subject to market demand analysis
9. Developer to work cooperatively with City on hotel brand approval
10. Hotel development could include 6,000 square feet of meeting space, subject to final brand selection
11. Hotel development could include full-service restaurant, subject to final brand selection
12. Hotel development could include underground parking
13. Investment in hotel development of at least \$16,000,000, subject to final brand selection
14. Completion of construction of hotel development by December 31, 2019

The City will undertake the following:

1. Survey existing City Hall building and remove asbestos
2. Transfer ownership of existing City Hall to the Developer for \$1
3. Provide overflow parking in City-owned parking lot at 2nd Avenue W
4. Examine feasibility of creation of TIF district to fund streetscape improvements
5. Transfer ownership of hotel site to Developer for \$1
6. Provide MET Council SAC Credits in an amount to be determined
7. Relocate storm water pipe adjacent to property in Scott Street N and Levee Drive W
8. Consider vacation of portions of Levee Drive W between Scott Street N and Atwood Street N adjacent to Hotel site
9. Work with utilities to relocate out of the City alley